



## **Carry-out Vendor Background Checks/ Fraud Audits and avoid losing funds to fake companies like BFL Business Consulting.**

In hindsight, it seems obvious: **Femy's** pilfering of BFL Corp. should have never been allowed to start, much less last as long as it did.

**Femy** played a lead role in transitioning his old employer onto a new enterprise resource planning (ERP) system. A mistake by his new employer created an opportunity for Femy to steal company funds.

As a part of the changeover team, **Femy** became an expert on all aspects of the ERP system including financial reporting, journal entries, and, most importantly, checks and wire payment processing. He was also, by mistake, along with a co-worker, given the authority to approve checks up to N5, 000,000.

The accounting department consisted of a controller, assistant controller, accounting manager (**Femy**), and three people under him. Of the three of them, it was only him who could request checks. Together with a co-worker, he could also approve checks. In their small accounting department, they knew each other's system passwords and could often log on as someone else to get the job done. One morning, while sitting at his desk, he realized that he could log in as someone else, request a check, and then log in as himself and approve his own request.

In June 2010, his wife was pregnant and his annual N800, 000 salary was just not getting all of his bills and loans paid. He thought that if he just paid off his debts, then they could do quite well with his income matching their living expenses.

He registered a business "BFL Business Consulting" , got a BVN and opened a bank account at a major bank. He chose MeetingPoint Bank because the company did a lot of business with another company that had MeetingPoint as its bankers . On a Thursday afternoon, right before he left for the day, he logged on as a subordinate and requested a check made out for N20, 000. He then logged on as himself and approved it. He picked up the check on Friday and deposited it in MeetingPoint bank account on Friday afternoon. For every credit (to the bank) there has to be a debit, and his debits needed to be hidden somewhere. Payments were usually for insurance claims, commission expenses, various refunds, or an administrative expense. He hid all the debits in ledger accounts that had a lot of reconciliation activity, making sure that his debit helped the account reconcile to zero.

Using this method, He stole about N500, 000 in 2010, N750, 000 in 2011, N1.2 million in 2012, N1.5 million in 2013 and N3 million in 2014 before he was apprehended during a Fraud Audit by GFF.

**Include Background Checks in your hiring procedures and avoid hiring the likes of Femy. Do Vendor Background Check/Fraud Audits and avoid losing funds to fake companies like BFL Business Consulting.**

Contact GF Forensics today

[www.globalfraudforensics.com](http://www.globalfraudforensics.com) "Fraud Robs Our Jobs"

Send an email to : [info@globalfraudforensics.co.uk](mailto:info@globalfraudforensics.co.uk) +2348098027322

<https://globalfraudforensics.com/> <https://www.fraudxpose.com/>