

# FRAUD INVESTIGATION CHECKLIST

A STEP BY STEP CHECKLIST TO GUIDE YOUR  
FRAUD INVESTIGATIONS

Case IQ

# Step 1: Decide to Investigate

## ASSESS THE SITUATION

Figure out what happened, possible suspects and which policies, laws or regulations the potential fraud violates.

## INTERVIEW THE REPORTER

Determine, based on the information they share, whether or not you have a reasonable factual basis for investigation.

## BRUSH UP ON PROTOCOL

Review investigation procedures. Secure template documents (such as an investigation plan) you'll need to conduct the investigation.

## TAKE INTERIM ACTION

Temporarily suspend the accused with full pay. Change passwords or locks. Take necessary steps to stop the fraud while you investigate.

# Step 2: Plan the Investigation

## DETERMINE THE SCOPE

Identify what you are trying to learn through the investigation. Keep it as narrow as possible to protect the innocent.

## OUTLINE YOUR STRATEGY

Define what you already know as well as what you need to find out and how you will go about uncovering those facts.

## MAKE AN INTERVIEW LIST

Create a list of individuals (family, friends, colleagues, experts) who may have knowledge that can help the investigation. Determine what order to interview them in.

## CREATE A TIMELINE

Set deadlines for investigation steps, such as interviews, document retrieval and reaching a conclusion.

## Step 3: Conduct Strong Interview

### START WITH AN EXPLANATION

Begin each interview with an explanation of what is going on and what you are expecting from the interviewee.

### BUILD RAPPORT

Use a friendly tone, stay positive and make the witness feel comfortable. They are more likely to open up to you this way.

### USE AN INTERVIEW OUTLINE

A rough outline of questions, rather than a script, lets the interview flow more naturally.

### PHRASE QUESTIONS CAREFULLY

Ask straightforward questions in clear, plain language. Make questions open-ended to avoid leading the witness.

## Step 4: Review Records

### RETAIN DOCUMENTS

Keep copies of records in a case management system for easy retrieval. Having all the investigation data in one place makes the process faster, easier and more organized.

### ONLY REVIEW RELEVANT DOCUMENTS

Ensure that you only use records that fall within the investigation's scope to stay on track and reduce liability.

### LOOK AT THE PERSONNEL FILES

Review the accused's personnel file to look for performance problems, unused leave or other indicators of fraud.

### REVIEW EMAIL RECORDS

Emails offer a more accurate snapshot of the fraudulent actions and behavior leading up to them than witness recollections can.

## Step 5: Analyze Evidence

### DETERMINE QUALITY

All investigation data should be relevant to the scope, material, competent and authentic. If it's not, don't use it.

### KEEP EVIDENCE SECURE

Confidentiality is key. Lock up physical evidence and protect digital data through encryption or a secure case management system.

### SEPARATE FACTS & OPINIONS

Do not let your personal inferences or opinions affect the investigation outcome. Only use facts to draw a conclusion.

### CHECK EVIDENCE AGAINST ALLEGATIONS

You should be able to prove or disprove each element of the fraud allegation with evidence you've gathered. If you can't, keep working.

## Step 6: Write the Investigation Report

### AVOID INFLAMMATORY LANGUAGE

Present only the facts in your report, not your judgements about what happened. Avoid words like "supposedly" and "presumably."

### USE DIRECT QUOTES

Wherever possible, cite direct quotes from witnesses. This keeps the investigation report objective.

### LIMIT JARGON

Avoid jargon, acronyms and technical terms where you can. If you must include them, define them clearly.

### REFER TO DOCUMENTS

Describe any documents you used as evidence and what you found in them. Note policies, procedures, laws or regulations that were violated by the accused.

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