

Red Flag Indicators of Fraud

Use this as an early warning system when reviewing financial evidence.

Financial Indicators

- Unexplained variances in revenue or expenses
- Transactions just below approval thresholds
- Round-dollar transactions or repeated entries
- Unusual journal entries at period-end
- Missing or altered documentation

Behavioral Indicators

- Employee refuses to take vacations
- Living beyond known means
- Defensive or secretive behavior about records
- Close relationships with vendors or customers
- Previous disciplinary or performance issues

Control & Oversight Red Flags

- Inadequate segregation of duties
- One individual controls end-to-end process
- Frequent complaints or audit findings
- Overreliance on paper-based or manual systems
- Delays in reconciliations or financial reporting

Red flags are signals — not proof.

If this guide helped you spot unusual patterns or behaviors, the next step is a structured, impartial investigation. Veritas Consulting & Analytics provides confidential, evidence-based support to help determine whether misconduct occurred and how to respond. We welcome inquiries from legal teams at any stage of the process.

