



Curtailing Corporate Card Misuse Through Greater Program Insight

Finding savings by leveraging data analytics to automatically monitor card holder behaviors within a large technology corporation



How did one leading technology institution go beyond the “typical” best practices and implement a third-party solution to automatically monitor 100 percent of card transactions for possible policy exceptions? They turned to Oversight Insights On Demand — Powered by TSYS.

- > **CLIENT:** A global technology company headquartered in the U.S.
- > **CHALLENGE:** Identifying and eliminating commercial card program misuse and abuse
- > **SOLUTION:** Oversight Insights On Demand — Powered by TSYS
- > **OUTCOME:** Identified an unexpected amount of misuse, resulting in a large opportunity for program savings

The Challenge

One of the world’s leading financial institutions needed to review the spend in its commercial card program to determine if misuse was occurring. Unauthorized purchases often account for a large percentage of the overall spend within a commercial card program, so identifying and curtailing such misuse results in huge savings. Often, corporations must manually review all transactions or rely upon transaction “sampling” to identify misuse or spending policy abuse.

Success Story

Oversight Systems was asked to implement its solution, Oversight Insights On Demand — Powered by TSYS, for a 12-month period to audit this corporation’s 5,500 team members’ travel and entertainment (T&E) expenditures.

All corporate expense transactions are currently entered into TSYS CentreSuite®, a commercial card information management solution used for expense reporting and reimbursement.

Limited resources for commercial credit card transaction review is a common challenge at many corporations. With just a two-member T&E team receiving and reviewing more than \$20,000,000 of expense reports annually, manual governance was not possible.

After implementing Oversight Insights On Demand, the company decreased the level of effort required to review 100 percent of their spend transactions through automated analysis of expense reports, which allowed them to focus on the highest risk transactions and

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employees through a prioritized workflow. This reduced the manual sampling that was required to be audited from 100 percent to just 10 percent. Furthermore, enhancing the way audit was conducted by using the risk-based approach and focusing on behaviors and patterns. The reduction was possible because of the company's confidence in Oversight's ability to spot program misuse, abuse, collusion and other improper transactions. It did, in fact, identify more than 7,300 exceptions within the 12-month period.

Reduced manual intervention of employee expense reporting cut the time to close and pay credit card expenditures and/or reimburse the employee by a full five days. And this five-day reduction in paying statement balances also reduced the need to periodically raise credit limits to allow some team members credit-limit availability.

By focusing on the highest risk expenditures daily, the quality of review increased and the company's workload became far more manageable. Reducing the review percentage from 100 percent to 10 percent prevented the company from incurring an estimated \$15,000 in wages to hire an additional resource. Additionally, the company had record-low "past due" notices within its card program.

Oversight Insights On Demand was efficient in spotting duplicate submissions, facilitating the flagging of both intentional and unintentional duplicates for review. This asset maintains many criteria that are effective in identifying duplicates - such as same amounts submitted by two different team members on the same day, submission of a credit card reimbursement and matching expense out-of-pocket requests. In fact, the company saved an estimated \$7,500 by identifying duplicates.

Insight regarding suspicious out-of-pocket submissions identified 2,210 questionable reimbursement requests. The company's policy is for all T&E travel to be paid using a corporate credit card. This policy gives visibility into all spend, allows the company to more effectively negotiate carrier and lodging rates, and increases the company's volume-based rebate provided by its card issuer. By identifying team members using cards other than the corporate credit card, the company was able to convert more than 200 team members to its card program, which resulted in approximately \$10,000 in additional rebates from its T&E corporate card.

Insight into policy misuse and fraud risk helped the company identify and recoup more than \$7,500 in personal spending that was lacking in business justification. The company identified patterns of suspicious behavior and recouped transactions for contributions, family events and gifts. Once identified, they were able to react and deter this type of behavior in the future.

An additional benefit of Oversight Insights On Demand is the solution's email communication feature. The T&E team was able to easily send notices to team members requesting additional information regarding transactions. At the request of the company, Oversight added a team member address book and form letters to facilitate communication. Response history is also maintained within the communication module, allowing easy review of all correspondence.

Oversight Insights On Demand also allows creation of customized reports. In one example the company was able to create a report showing all travel bookings made outside of the travel department, which is not allowed under its travel policy. The report enabled the company to remind team members of this policy restriction, reducing costs associated with high-priced carriers and lodging.

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