

Invoice Red Flags

The following are examples of red flags that may indicate an invoice may include mistaken overbillings, or in extreme cases, fraud:

- Copied, or apparently altered invoices
- Invoice number that is sequential, repeated, or inconsistent with other invoices from the same vendor
- Invoice counts and/or dollars that do not add up
- Vague information to describe the goods and/or services
- No phone number, fake phone number, or wrong phone number
- Unknown or unfamiliar company name
- Homemade or handwritten invoice
- Similar or the same template used by multiple vendors
- Vendor address is a PO Box, suite number, or mail drop address, and the vendor is not in the Statewide Vendor File
- Higher quantity on invoice than on the related purchase order
- No company letterhead or logo on the invoice
- Misspellings on invoice or supporting documents
- Unusual items included in the invoice
- Items on the invoice that were not contained in the contract, approved budget or purchase order
- Round amounts or amounts under approval levels
- Recurring identical amounts from the same vendor on different invoices for goods or services that are not identical
- Invoices over time include unsubstantiated, higher amounts charged without a corresponding increase in purchases from the vendor or another valid reason

Please note that invoices with no red flags can also be fraudulent. The key is tests the agency can do to verify delivery of the goods and/or services on the invoices.