

# Eliminating Payroll Fraud Before It Starts

How EWA & Payroll Cards  
Reinvent Pay with Security at the  
Core

**rapid!**<sup>®</sup>  
EWA · PAYCARD





**Speaker**



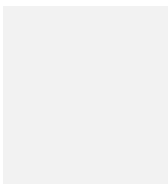
**Bryan Thomas**

Senior Director of EWA  
Wage & Corporate Disbursements  
rapid!



# Agenda

- The Hidden Cost of Payroll Fraud
- The Mindset of Employees
- Why Traditional Payroll Leaves You Exposed
- Understanding Earned Wage Access & Payroll Cards
- How These Tools Eliminate Payroll Fraud
- Q&A + Your Next Step Toward Secure Payroll

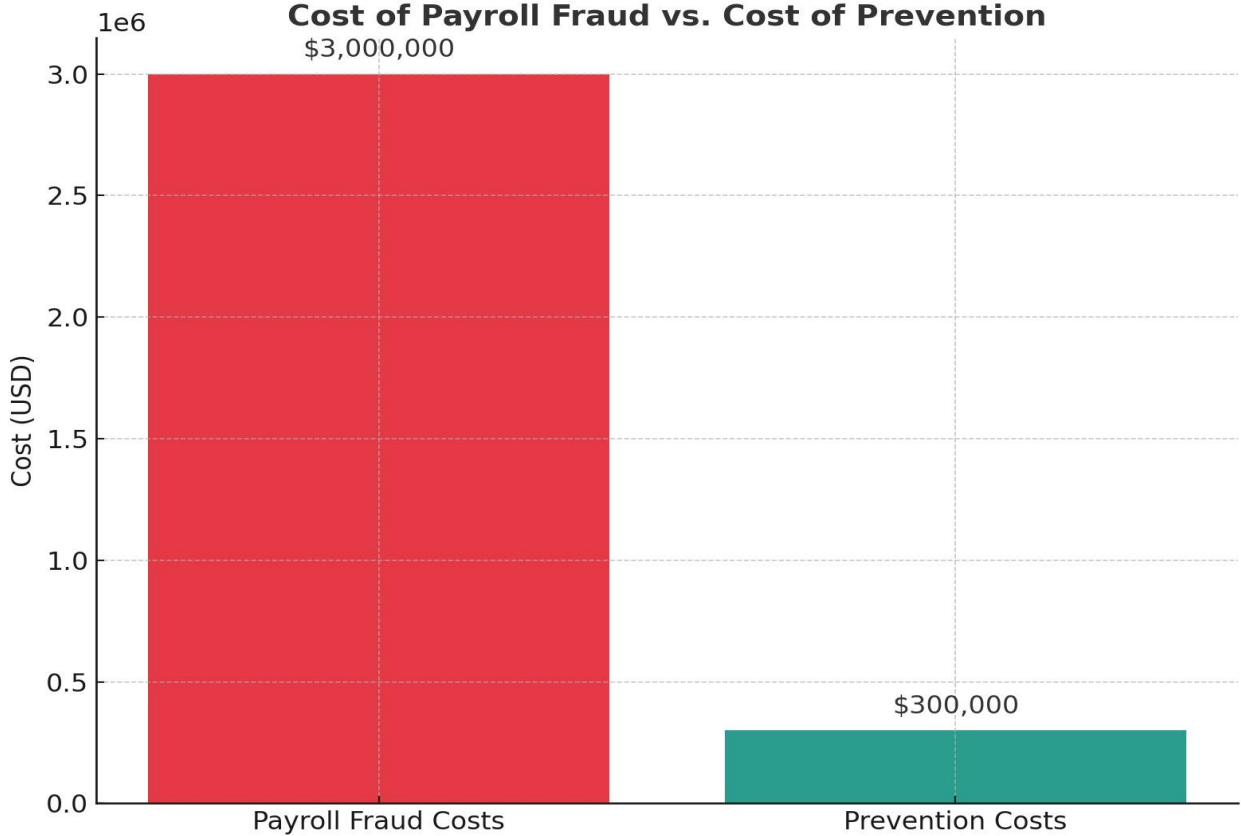




# Payroll is Broken

**\$3 Billion Lost to  
Payroll Fraud  
Every Year**

# Cost of Fraud vs. Cost of Prevention





# Cost of Fraud vs. Cost of Prevention

- **Payroll Fraud Costs: \$3,000,000**
  - This figure aligns with estimates from the **Association of Certified Fraud Examiners (ACFE)**, which reports that organizations lose about **5% of their revenue to fraud annually**, and **payroll fraud** is among the most common types in small-to-mid-sized companies.
- **Prevention Costs: \$300,000**
  - This is a generalized estimate for the implementation of fraud prevention tools (like secure payroll cards, Earned Wage Access platforms, fraud detection software, and auditing), depending on organization size and complexity.

## Source References:

- **ACFE: Report to the Nations on Occupational Fraud and Abuse (2022/2024 editions)**
- **PwC Global Economic Crime and Fraud Survey**
- Industry white papers on payroll fraud prevention solutions (from Deloitte, ADP, and EY)



# Case Studies from the Field

## 1. Manager Falsifying Time Records

A tire company manager edited employee hours, issued over 300 fraudulent paychecks across 17 months, and collected nearly **\$300,000** before being caught [scribd.com](#).

## 2. Accounting Clerk Creating Fake Vendor Payments

A payroll clerk issued herself bogus vendor payments totaling **\$215,000** over four years, exploiting weak internal controls [studylib.net+2scribd.com+2flagstaffbusinessnews.com+2](#).

## 3. Controller Setting Up a Phantom Vendor

A controller who created a fake vendor to divert funds stole **\$115,000** in just one year before detection [scribd.com](#).

## 4. Bookkeeper Writing Unauthorized Checks

A small-business bookkeeper wrote unauthorized payroll and bill-pay checks to herself by voiding and concealing check stubs. She stopped issuing them only when an owner discovered missing cancelled checks [personable.com+9flagstaffbusinessnews.com+9jckonline.com+9](#).



# The Real Enablers of Payroll Fraud

- Paper checks
- Manual data entry
- Insider manipulation
- Lack of real-time tracking
- Delayed payments

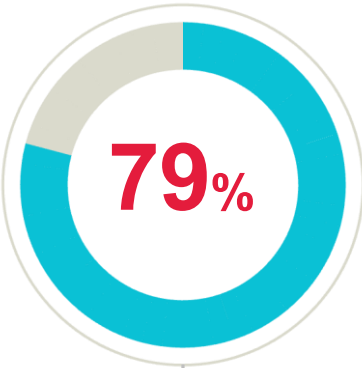


**Stressed  
Employees.  
Distrust.  
Burnout.**

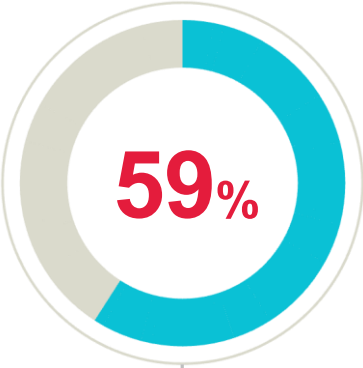




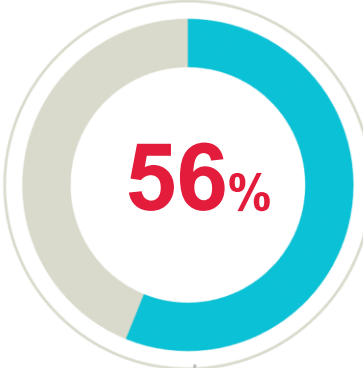
# Key Drivers of Employee Stress



79% of employees are worried about rising inflation



59% of employees are worried about retirement planning

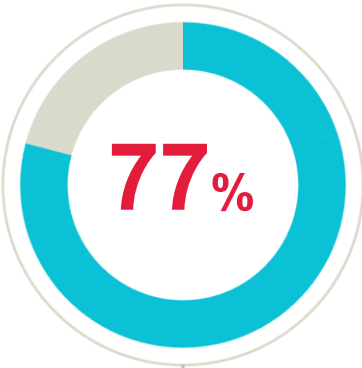


56% of employees are worried about market volatility, and 55% about emergency savings

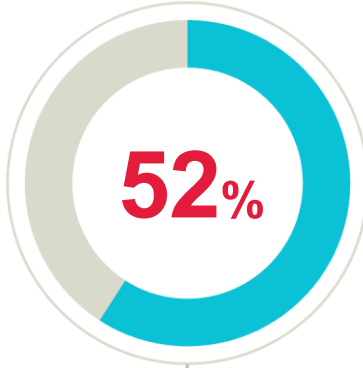
**72% of employees are stressed about their finances**



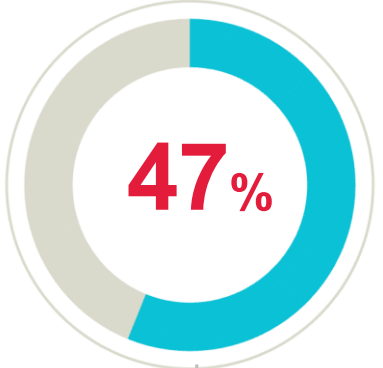
# Impact Of Stress on Employees



77% of employees say stress impacts their mental health



52% of employees say stress impacts their physical health



47% of employees say stress lowers engagement and 45% say it lowers their productivity

**72% of employees are stressed about their finances**

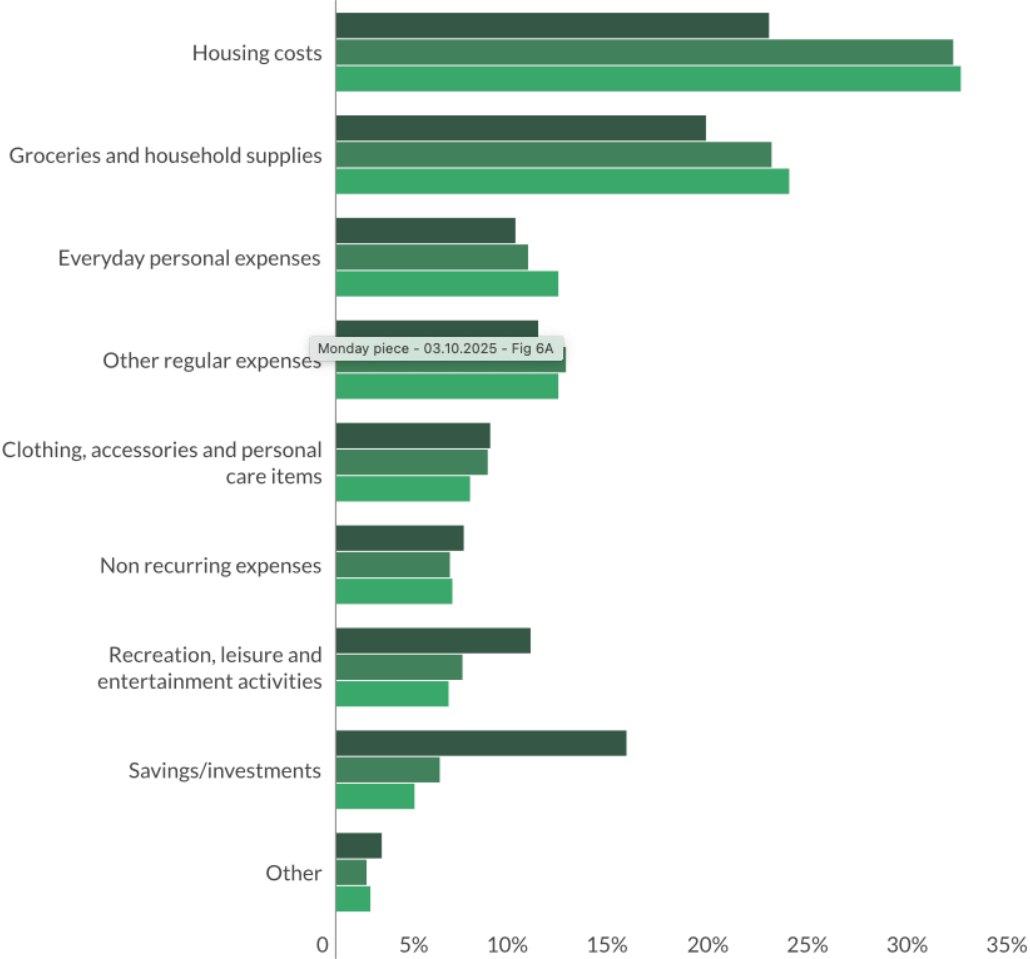


**78%**  
of workers live  
paycheck to  
paycheck



# Consumers stating how they expect to divide their personal income next month

- Do not live paycheck to paycheck
- Live paycheck to paycheck without issues paying bills
- Live paycheck to paycheck with issues paying bills



Source: PYMNTS Intelligence  
N = 3,405: Whole sample, fielded Jan. 08, 2025 – Jan. 20, 2025

# Employee Debt Percentage



## High Employee Debt

Recent surveys show that approximately 60% of employees are currently in debt, affecting their productivity and overall well-being.



## Impact on Productivity

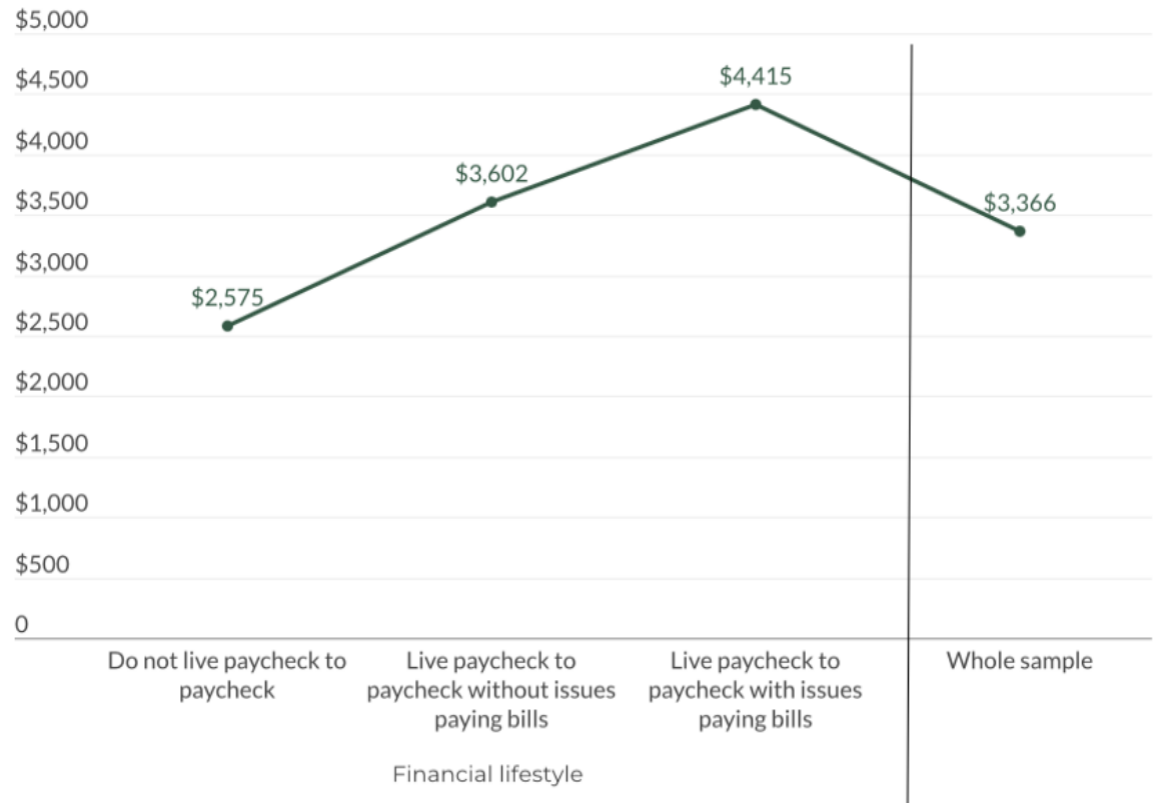
Financial struggles among employees can lead to decreased productivity and affect their overall performance at work.



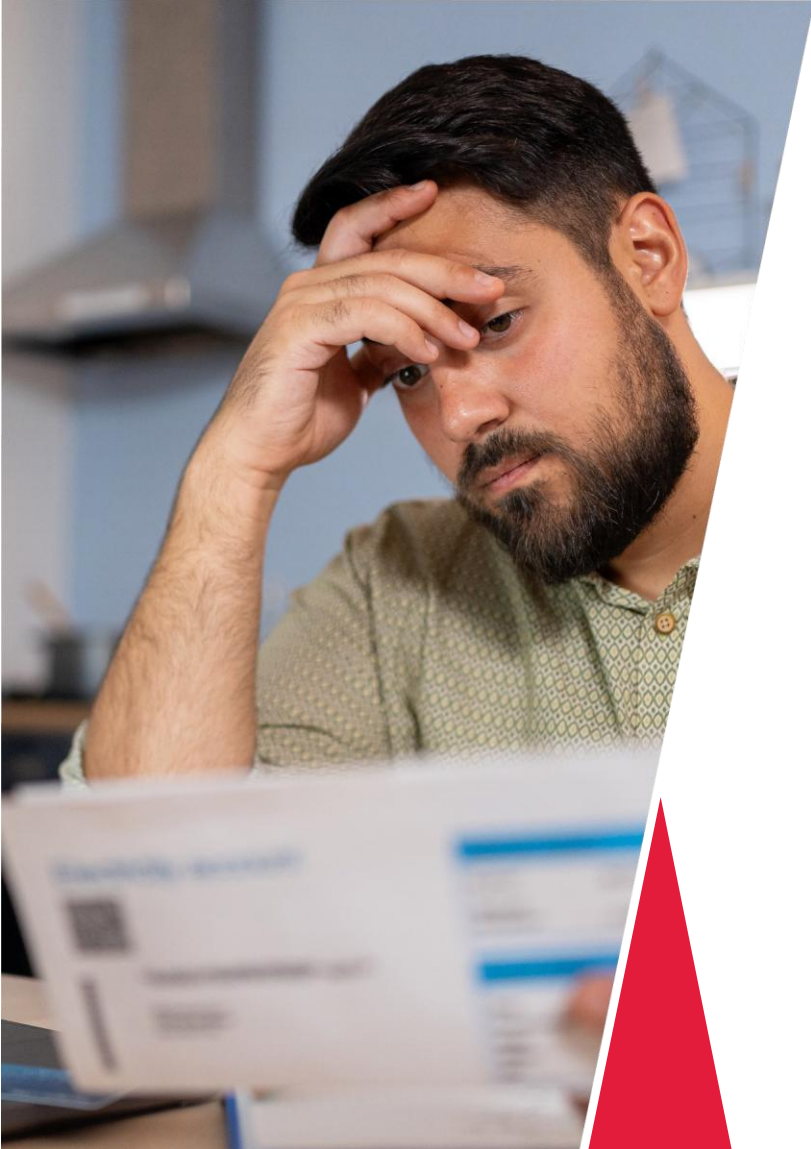
## Need for Financial Education

Employers should consider offering financial education programs and resources to help employees manage their finances and reduce debt.

# Average monthly credit card balances of consumers



Source: PYMNTS Intelligence  
N = 2,255: Respondents who own at least one credit card, fielded Jan. 08, 2025 – Jan. 20, 2025



## When Pay Isn't Predictable, Everything Suffers

- Missed rent
- Mental fatigue
- Increased turnover
- Higher fraud vulnerability

A person in a dark suit and blue tie is holding a smartphone. The background is dark with a network of white lines and nodes. Several dollar signs (\$) are scattered around, some connected to the network lines. A large, semi-transparent padlock icon is centered over the text.

**What if payroll was  
unbreakable?**



# The New Tools: EWA & Payroll Cards



## Earned Wage Access

Real-time access to earned wages



## Payroll Cards

Reloadable, secure, digital pay delivery



# How EWA Prevents Fraud



**Verified  
Work**



**Instant  
Access**



**Traceable  
Use**

# No Paper, No Ghosts, No Gaps

- Digital delivery
- Tied to verified individuals
- Fully traceable



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## Seamless Integration



**No Disruption.  
No Downtime.  
Just Better Pay.**

- Compatible with most payroll systems
- Easy onboarding



**Built on  
Precision  
& Care**



## **Design That Prevents Fraud by Default**

- Verified data
- Smart delivery methods
- Audit trails everywhere



# Empowerment for All

## For Employers

- Prevents fraud
- Reduces overhead
- Improves accuracy

## For Employees

- Financial control
- Dignified access
- Lower stress

# Regulatory Compliance

## Consumer Financial Protection Bureau (CFPB) Regulations

1. The rapid! PayCard is **not linked to a loan** (per CFPB)
  2. Complies with 50 State Payroll.Org regulations and PayCard best practices
- <https://www.rapidpaycard.com/state-compliance-map-registration/>

## Fair Labor Standards Act (FLSA) Regulations

1. **No third-party ACH payments** to employees creating potential delay
2. Earned Wage Access shown as **line-item deduction** on wage statement leading to few Department of Labor complaints
3. Earned Wage Access benefit **program includes taxes in net wage calculation**
4. **Taxes paid** on the originally scheduled pay date

## U.S. and State Department of Labor (DOL) Regulations

1. Earned Wage Access is **an allowable wage deduction** (verify terms and conditions and state Department of Labor laws)
2. EWA does not violate **Department of Labor wage assignments**
3. Payroll card **not mandatory** (per state Department of Labor mandates)

## Federal and/or State Financing Laws

1. Earned Wage Access **not considered a loan** (per state financing laws)
2. Earned Wage Access repayment and direct deposit withdrawals **does not create overdraft fees**
3. Earned Wage Access fees are **not considered junk fees** (verify state and federal regulatory laws)

## State Money Transmitting Licensing Requirements

1. No issues with **licensed money transmittal** (per state money transmitting licensing requirements)
2. Green Dot Bank, Member FDIC, Green Dot (NYSE: GDOT) is a financial technology and registered bank holding company focused on making modern banking and money movement accessible for all
3. Green Dot Bank can legally provide Vendor Funding



## Case Studies from the Field



“Fraudulent pay requests dropped 95%”

“Saved over \$300,000 in reissued checks”



## Your Next Step

### Take the First Step Toward Fraud-Free Payroll

- Assess vulnerabilities
- Evaluate new tools
- Take action

**Secure Pay.  
Empowered People.  
Zero Fraud.**

# Questions

