

11-8. Fraud Overview

Fraud can be defined as a deception deliberately practiced with the motive of securing unfair or unlawful gain. Fraud can be an attempt to cheat the Federal Government and corrupt its CHs by using GPC accounts for transactions not part of official Government business. Fraud can come in many disguises, such as false emails, mail, or phone calls. The following are the three primary categories of fraud:

- 1) **Non-cardholder Fraud.** Examples: Lost or stolen card, account takeover, and identity theft.
- 2) **Cardholder Fraud.** Examples: Kickbacks, falsified transactions, and false statements.
- 3) **Merchant Fraud.** Examples: False transactions, intentional mischarges, bribes, and gratuities.

Parent topic: CHAPTER 11 - MANAGEMENT CONTROLS AND PROGRAM OVERSIGHT