'DUAL WORKING' FRAUD

Guidance on identifying and controlling the risk of fraud relating to undisclosed simultaneous secondary employment

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RSM

'DUAL WORKING' FRAUD OR THE PROBLEM OF THE 'OVER EMPLOYED'

With the significant change in working practices seen during the pandemic, it is now more common than ever for employers to allow or encourage hybrid working. This means staff can work from home, often for the majority of their time, and only attend their employers' offices sporadically.

Full remote working has also become more popular, especially in non-client facing roles, or where specialist skills are required and the job market is more competitive. A role that is fully remote can attract a sought-after individual without the need for relocation or travel expenses, or for an employee to have to face a long commute which may influence their decision to join the organisation.

Remote working has a definite upside, offering staff improved work-life balance, more efficient use of their time, control over work hours and work location, burnout mitigation, and higher productivity. However, across our client base we have seen that this change in working practices has also led to an increase in 'dual working', where an individual has two, or more, full-time roles which they juggle to perform simultaneously. 'Moonlighting' is not a new phenomenon, articles on this topic can be found on the internet going back to the 1980's, but we are now seeing whole online communities dedicated to those seeking 'dual employment', who are often now called the 'over employed'. These sites seek to help individuals retain multiple employments, 'without getting caught'.

The language used on these sites clearly indicates that the people writing the content and the people accessing and using the information know that this kind of deception is wrong. The websites refer to people being 'ratted out', being 'sufficiently mediocre' so as not to get noticed, ensuring multiple employments are not disclosed on LinkedIn, and 'having an exit strategy'. Those that are 'caught' are derided as being 'less sly.' While employees are not prohibited from holding multiple contracts of employment, is this the kind of employee you want in your organisation?

Following the increase in remote working caused by the Covid-19 pandemic, we have seen a **186%** increase in referrals across our client base relating to frauds to enable multiple employments.

Pre-pandemic (2017/18 to 2020/21), the average number of referrals was 18 per year; following the pandemic, it has leapt to 52.

Number of fraud referrals relating to multiple employments
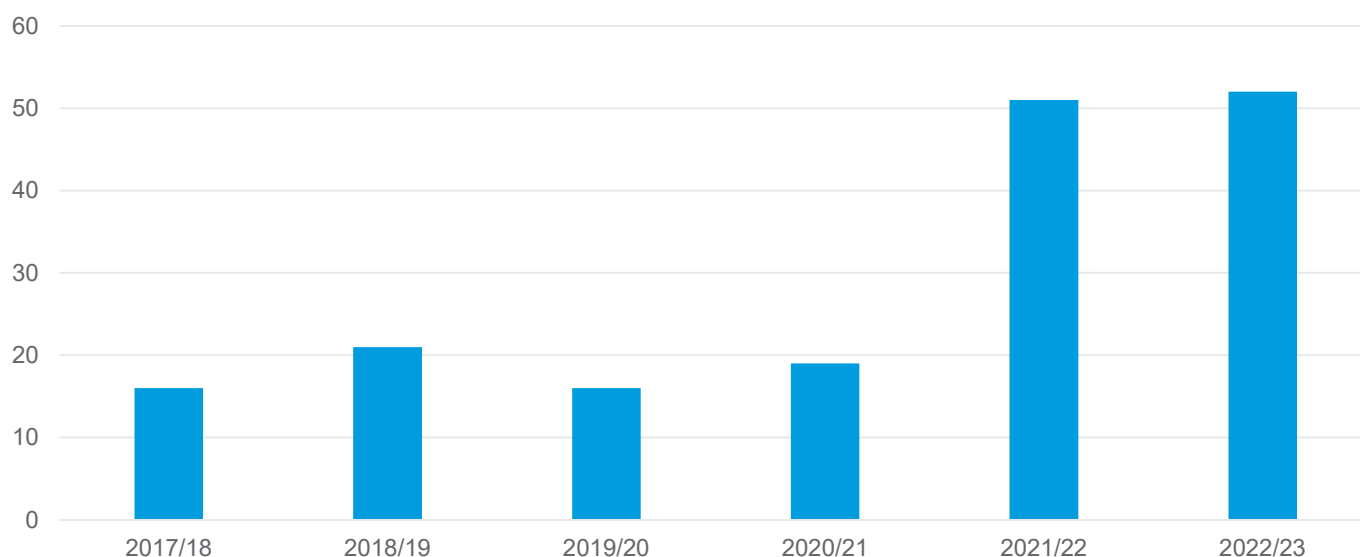
'DUAL WORKING' RED FLAGS

Are any of my employees 'dual working'?

There are many possible reasons why a member of staff might be acting in a particular way. If more than one red flag is present, it would be prudent for the manager to discuss an employee's performance and circumstances with HR and obtain internal advice, and to discuss any issues they might be facing with the employee themselves. Remember that 'red flags' are only potential indicators of unwanted behaviour.

Behavioural

- Does the employee fail to attend online meetings, remain off camera, or appear distracted when they do attend? Do they appear on camera at odd locations, such as an office environment that is not within your company, or with odd backgrounds to mask their true location?

- Have they missed meetings, training or induction sessions with no reasonable explanation?

- Does the employee request annual leave at very short notice? Do they take sickness, carers or other discretional emergency paid leave on occasions when they are due to attend offices, client sites or other face to face interaction.

Productivity versus experience

- Is the employee's productivity below expectations when compared to their claimed experience and the enthusiasm at interview? Those joining your organisation as a 'dual employment' are there for the money only, while selling their experience and adopting an enthusiastic attitude at interview may have secured them the job, once they are in post, they are likely to produce only the minimum output required to retain it. This job is unlikely to feature on a future CV and they are unlikely to include you as a referee. If, for example they don't pass their probation after three or six months, they will look for another second job.

- Is the work they are producing of a low quality, seem rushed, or delivered late or at the last minute? Dual workers are often juggling different priorities, so will be battling a number of deadlines you will not be aware of. They will often work to the minimum standard required to get the job done.

- Are they disinterested or ambivalent at progressing their career, developing new skills or seeking promotion? Their time in your organisation is unlikely to form part of their career narrative; that is reserved for their main employment. One of the top tips for 'dual workers' is 'not to fall in love with a second job, you are only there for the cash.'

Personal

Online communities supporting those in 'over employment' often provide tips on how to manage their personal interactions at work. Examples range from managing social media to ensure multi jobs remain hidden, or how to interact with colleagues while providing as little personal information as possible. Below are some examples.

- Limited or no presence on social media or creating new fake profiles to match their adapted identity. 'Over employment' websites provide individuals with information on how to limit access to LinkedIn profiles, or how best to avoid queries when failing to update a profile with a newly acquired job.

- Being referred to by a middle or nick name, e.g. 'Kate' instead of the full first name 'Kathleen'.

- Vague details on family and friends or the types of social activities which they enjoy.

SECONDARY EMPLOYMENT CHECKLIST

Do we have the right controls and are they working?

An organisation is likely to have many of the controls recommended to tackle 'dual working' already in place. Yet to be effective, they may require some adjustment, mainly in management approach or thinking. Some of the recommended controls are listed below.

Contractual / policy controls

Organisations should ensure the obligations placed on staff are set out in contracts and policies, that these are clear, and highlighted to new starters as part of pre-employment checks or their induction. Organisations should check the following.

- Contracts should specify that doing any other kind of work requires permission. This should be highlighted to the employee during the pre-employment interview or checks process.

- Policies should require that any other kind of work needs to be formally declared and approved.

- The sickness policy should specify that working elsewhere while off sick needs prior permission.

- Timesheets must specify the actual hours worked, including start and end times, not merely the total hours. They must be signed off daily/weekly by a manager who can confirm the actual hours worked, and the required outputs have been met.

- Employee calendars must be open to managers to allow for visibility and scrutiny.

Expectation controls

Managers should ensure their staff have sufficient work and that they monitor the employee's progress. If a home worker has an undemanding job which is not monitored, there is greater temptation for the employee to take on a second job.

Managers should ensure their expectations of employees are clear, and this has been communicated, specifically in relation to the following.
- Expected hours of work.
- Work to be completed.
- Location where the work should be conducted.

Managers must maintain oversight of an employee's performance. Below are some examples of how this can be achieved.
- Regular spot checks on individual performance to identify poor quality and / or low quantities of work produced.
- Regular communication with individuals throughout the day.

SECONDARY EMPLOYMENT CHECKLIST CONTINUED

Do we have the right controls and are they working?

Some of the recommended controls are listed below.

Detective controls

Detective controls may deter a current employee from seeking a second job, identify someone who is 'dual working' or encourage an 'over employed' staff member to seek an easier time elsewhere, reducing the length of time you are paying someone for minimal work.

- Review short term paid and unpaid absences for patterns. Does your employee regularly take specific time off for a multitude of reasons?

- Reduce the use of agency staff where possible, as you have less controls over their contracts, payroll and pre-employment checks. You should also require agency staff contracts to include clauses prohibiting simultaneous employment.

- Be alert for oddities in your team's emails or chat communications. Are messages or emails being quickly recalled? Does their signature change, or have they sent communications from an odd or personal email address, or with messages from those addressed further back in an email chain?

- Check with payroll if your employee has declared their role as a second employment for tax purposes? Has their full personal allowance been allocated elsewhere?

- If your organisation is eligible; take part in, and regularly review your National Fraud Initiative matches for staff under taking secondary employment.

- Staff suspected of 'dual working' should be challenged, and measures put in place to monitor their attendance and productivity.

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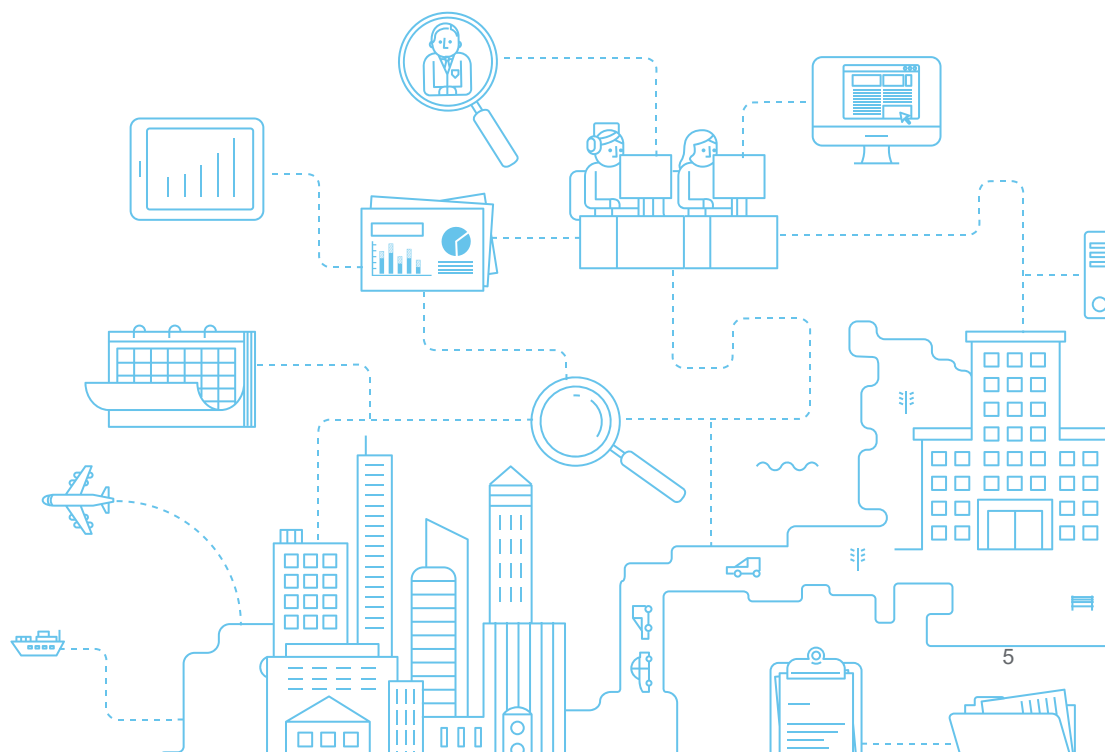
RECENT EXAMPLES

No fraud found but …

15 staff meant to be working 'full-time' at NHS Digital (NHSD) were found to be doing other jobs at the same time.

They held full-time temporary contracts with other organisations, amid an increase in 'dual working' which was exacerbated by increased use of homeworking.

Following investigation, no fraud was found to have been committed.

The move to home working meant there were 'increased instances of dual-working', as there was 'reduced direct management oversight which could be exploited by opportunistic fraudsters'.

The 15 individuals had all been hired through the same recruitment agency that allowed the individuals 'multiple contracts to cater for part-time working', and this agency identified the issue through its own internal audit function.

The annual reports stated NHSD had worked with the recruitment agency to 'establish additional controls to prevent re-occurrence' and that – by April 2022 – the people were no longer engaged by NHSD.

For more information click here.

> 'If both companies are happy with my performance, why should I feel guilty?'
>
> Anonymous 'dual worker'

Local authority recovering £16,000 from employee claiming to be sick

An employee's position has been terminated by two employers, an NHS trust and a local authority after an investigation into a National Fraud Initiative (NFI) match uncovered they had two full-time jobs.

The local authority is seeking to recover £16,000 paid in wages. The subject had been working from home for both organisations and had claimed to be sick to one of their employers - while continuing to work for the other.

The NFI was set up to combat these types of fraudulent claims on the public purse, matching payroll data from multiple employers.

The NFI, based in the Cabinet Office, is said to have detected and recovered £443m of fraud and errors across the UK from April 2020 to March 2022.

For more information click here.

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