Using Artificial Intelligence to Identify Compliance Issues in Real-Time

Reduce auditing costs by 80% while capturing 10x the amount of fraudulent T&E expenses

There's a lot at stake for organizations that reimburse employees for T&E expenses. According to the Association of Certified Fraud Examiners, the median loss caused by reimbursement fraud in 2016 was $40,000. Fictitious business receipts, inflated expenses, false merchant codes, even multiple claims for the same product or service—whether by mistake or intent, these fraudulent expenses continue to plague procurement departments and add a financial burden to the companies they serve.

While the conventional approach to combating expense fraud has been for companies to apply random sampling or threshold-based expense audits, they're really only analyzing 1 to 15 percent of their total reports. AppZen solves for this by integrating with Concur to enable automated data analysis powered by Artificial Intelligence (AI).

Detect fraud and compliance issues in real-time—before reimbursement is paid.

AppZen integrates directly with Concur Expense for real-time data capture, using machine learning technology to instantly analyze receipts, credit card transactions, travel bookings and other expense documents. Data is cross-checked against hundreds of external and social media sources to identify errors, compliance issues and fraud.

- **Patented ReceiptIQ™ Technology**: combines computer vision, deep learning and natural language processing to understand the full context of expenses from receipt images, boarding passes, travel documents, cell phone bills and any other expense documentation.

- **Patented Data Augmentation Technology**: cross-checks thousands of external and social data sources in real-time to determine the 'true' business of merchants, reference pricing, and even background information for external attendees claimed on expense reports. Easily detect spend in clubs, casinos, adult entertainment and other categories and merchants that violate company policy.

- **Pattern Recognition**: AI engine learns complex patterns and applies industry best practices to detect repeat offenders, and accidental or opportunistic claims in real time.

Top 5 expense violations— and how to spot them

31% **DISALLOWED AND PERSONAL SPEND**
Jewelry, alcohol, electronics, cruises, sports apparel. Find these by verifying merchant identity using social proof, not just MCC codes, to ensure the purchase matches the expense type. "Lunch" at a jewelry store, for instance, is an automatic red flag.

28% **UNVERIFIABLE RECEIPTS**
Augment receipt information with social data to fill in gaps. Track behavior of offending employees over time to identify trends.

13% **PERSONAL CREDIT CARD USAGE**
(in lieu of corporate card) Confirm that same expense isn't also claimed on corporate card, then verify that the merchant accepts corporate card.
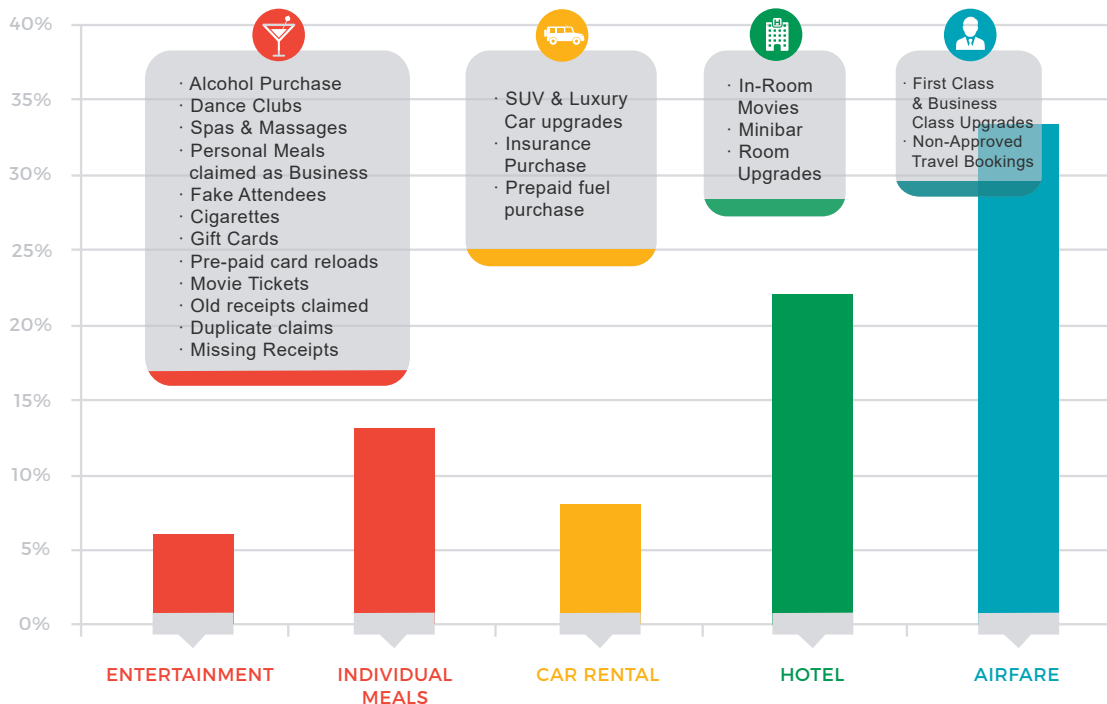
8% **DISALLOWED MERCHANTS**
Strip clubs, casinos and spas. Verify merchant identity using social proof.

7% **TRAVEL ADD-ONS**
Hotel minibar, in-room movies, laundry, luxury car upgrades. Google all unfamiliar words on receipt to identify alcohol, movies, etc.

TOP 5 EXPENSE CATEGORIES WITH VIOLATIONS

ENTERTAINMENT
· Alcohol Purchase
· Dance Clubs
· Spas & Massages
· Personal Meals claimed as Business
· Fake Attendees
· Cigarettes
· Gift Cards
· Pre-paid card reloads
· Movie Tickets
· Old receipts claimed
· Duplicate claims
· Missing Receipts

CAR RENTAL
· SUV & Luxury Car upgrades
· Insurance Purchase
· Prepaid fuel purchase

HOTEL
· In-Room Movies
· Minibar
· Room Upgrades

AIRFARE
· First Class & Business Class Upgrades
· Non-Approved Travel Bookings

Chart categories: ENTERTAINMENT · INDIVIDUAL MEALS · CAR RENTAL · HOTEL · AIRFARE

From cocktails to criminal lists—Artificial Intelligence reveals the truth in your data

How do you know if a hotel invoice contains minibar fees? Or if the restaurant on an expense report is legitimate? And how do you ensure the guest claimed on a T&E report isn't a government official or high-risk individual that would put your company at risk for violating FCPA regulations?

AppZen's Artificial Intelligence engine can:

• detect over 10,000 different brands of alcohol.

• scan social media sites for reviews of restaurants to confirm legitimacy.

• check names against news sites and multiple government lists to determine if they are politically connected or associated with criminal activity that could get a company in trouble.

• provide visibility into company-wide spend and audit trends, plus real-time alerts when an expense report is marked high-risk.

AppZen + Concur—a seamless integration that improves compliance and eliminates wasted spend.

Visit the **Concur App Center** to learn more about AppZen's integrated solution.

www.concur.com/app-center