



## Maverick's Field Exercise 001: The Phantom Vendor

Maverick's Division: The Study – Fraud Prevention & Investigations

### Mission Brief

Client: Glenwood City, Parks & Recreation Department

You are the newly appointed Finance & Accounting Manager at the Parks & Recreation department of a mid-sized city. A long-time employee, soon to retire, alerts you that "ABC Vendor Corp." (a subcontractor your department has used for years) now bills through a new entity, "ABC Vendor Solutions LLC," owned by a previously unknown individual. The retiree is unsure if we have proper support for making payments for previous contracts and services to the new company name.

Objective: Determine how much risk this change involves—and whether to escalate to a full investigation.

Assignment: Before you begin, rate your Risk Confidence (1–10, 1 being safe and 10 being very risky). Write your number in the margin or below: \_\_\_\_\_

## Evidence File

Document A: Former invoices from ABC Vendor Corp. over five years showing standard hourly rates, municipal insurance, W-9 forms, regular payments.

Document B: New invoices from ABC Vendor Solutions LLC. Same services, new rates, new address in a different city. Owner's name: the retiring employee's nephew.

Document C: Internal email from project lead asking for payment.

Task: Review the three documents. Circle or mark items that raise red flags. Mark each flagged item with **X** (investigate further) or **✓** (accept as legitimate).

### Document A – Former ABC Vendor Corp Invoices from previous years

ABC Vendor Corp.  
415 Maple Ave  
Glenwood, CO 80530  
billing@vendorcpservices.com  
Terms: Net 30

**INVOICE**  
PO #: 2437  
Date: 03/15/2023

Description	Hours	Rate	Total
Arborist pruning (West Trail)	10	\$95	\$950
Mulch & cleanup crew	20	\$60	\$1,200
Equipment rental	—	\$300	\$300
<b>TOTAL</b>			<b>\$2,450</b>

Notes: Vendor Corp. – Active since 2015 • Insurance and W-9 on file • Prior payments approved by Facilities Manager R. Johnson.

**ABC Vendor Corp.**  
415 Maple Ave  
Glenwood, CO 80530  
billing@vendorcropservices.com  
Terms: Net 30

**INVOICE**  
PO #: 2437  
Date: 03/15/2024

Description	Hours	Rate	Total
Arborist pruning (West Trail)	12	\$95	\$1,140
Mulch & cleanup crew	19	\$60	\$1,140
Equipment rental	—	\$300	\$300
<b>TOTAL</b>			<b>\$2,580</b>

Notes: Vendor Corp. – Active since 2015 • Insurance and W-9 on file • Prior payments approved by Facilities Manager R. Johnson.

## Document B – New Invoice from ABC Vendor Solutions LLC

**ABC Vendor Solutions LLC**  
1730 Spruce St, Suite 204  
Fort Collins, CO 80525  
billing@vendorsolutionsllc.com  
Terms: Due Upon Receipt

**INVOICE**  
Invoice #: INV 1089  
Date: 01/12/2026

Description	Hours	Rate	Total
Arborist pruning (West Trail)	10	\$125	\$1,250
Mulch & cleanup crew	20	\$85	\$1,700
Equipment rental	—	\$500	\$500
<b>TOTAL</b>			<b>\$3,450</b>

Payment Instructions: ACH to account ending ...2134  
Contact: M. Reed (nephew of retiring employee)

## Document C – Internal Email Thread

**From:** Tara Smith tara.smith@glenwood.gov  
**To:** Accounts Payable ap@glenwood.gov  
**CC:** Procurement Team  
**Date:** Jan 10, 2026  
**Subject:** Vendor Update – Tree Maintenance

Hey team,

ABC Vendor Corp. said they're reorganizing under a new name – ABC Vendor Solutions LLC. Same crew, same jobs, just updated ownership paperwork.

Please update the vendor file and process pending invoices under the new name starting this week. They said it's time-sensitive because of fiscal-year close.

Thanks!  
– Tara

## Decision Point

You have three options:

- A) Accept the change to ABC Vendor Solutions LLC as an administrative update.
- B) Conduct a basic internal check (verify LLC registration, updated W-9) and approve payment if LLC and W-9 are valid.
- C) Halt payments and refer to the Internal Controls Division for verification.

Enter your choice here: \_\_\_\_\_

## The Reveal

An independent investigator reviewed your case. They found the nephew had been referenced in internal ABC Vendor Corp. files, but ownership of ABC Vendor Solutions LLC was never disclosed. In the new invoice, the hourly rates jumped, the new address housed multiple shell entities, and invoices were coded as 'consulting' to avoid audits. Over 18 months, \$60k was diverted before discovery of this fake vendor.

If you chose option A, your company lost at least \$60k. If you chose option B, you likely prevented fraud or at least discovered enough of a discrepancy to know you needed to refer it to the internal audit team. If you chose option C – congratulations, you prevented a fraud of at least \$60k to the company!

## Real Case Snapshots

- **Case 1:** Baltimore lost \$800,000 in vendor payment fraud scheme, inspector general finds - <https://www.youtube.com/watch?v=uHtaY-5Yg9M>
- **Case 2:** Cleveland Public Library scammed out of \$400K in payment redirection fraud - <https://fox59.com/news/national-world/cleveland-public-library-scammed-out-of-400k-in-payment-redirection-fraud/>
- **Case 3:** Carbon black supplier Orion loses \$60 million in business email compromise scam - <https://therecord.media/orion-carbon-black-bec-scam-millions>