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Fraud fighters save millions

Approving invoices may not sound like a job fraught with intrigue, but the tenacious efforts of two Finance managers led into a world of sex, greed, deception and, ultimately, to multi-million dollar savings for Sprint.

Jeff Hassell and Ray Pfeifer, managers-Finance, GMG, validate and approve payment of invoices to foreign telephone companies. This year, Hassell noticed a huge increase in calls to the Dominican Republic through PCS Phones. Minutes rose from 2 million to 4 million a month. Sprint pays heavy surcharges for some of these calls, which tempt fraudsters, so

Hassell asked Pfeifer to help investigate.

Most calls turned out to be phone sex, sports scores and psychic lines. Many were more than five hours long and were silent, “dead-air” calls – further red flags for fraudulent use.

They contacted Kerry White, revenue consultant-Fraud Management, PCS. Their initial review showed most of the calls were on deactivated phones. It also revealed a huge discrepancy between GMG and PCS as to the scope of the problem. The three wondered: Why did GMG records show 60 times more minutes involved? And, why was the PCS

Network allowing the calls to go through in the first place? They began assembling a cross-functional team to resolve the problems – a team that would eventually involve about 15 organizations throughout GMG and PCS in a One Sprint effort.

The team’s efforts uncovered several problems. The two principle were:

The PCS reporting database was filtering out records as basic messaging calls that were actual phone calls. A switch glitch was causing the Home Location Registers (HLRs) that verify account status to recognize every phone as active.

“We had to put multiple fixes in place,” White says. PCS engineers reprogrammed switches and changed HLR software to block calls that couldn’t be validated positively. Information Services instituted a Long-Call Report that flags suspicious calls sooner and changed the reporting process to capture more details.

By April, the team effort had saved the company \$5 million for the year, fixed some Network equipment problems, resulted in more accurate reporting and won a Sprint Values Excellence Award. It also inspired the ongoing, One Sprint Fraud Partnership Forum to take a company-wide look at fighting fraud.

And Hassell and Pfeifer will never look at invoices in the same way. ■

This One Sprint fraud team closely inspected international PCS calls. Their investigation produced a solution that fixed network equipment problems and resulted in more accurate reporting. The team, which helped save Sprint \$5 million, includes, from left: front row – Adrienna Lewis and Jeff Hassell; second row – Cindy Cotton, Ward Johnsmeyer and George Arnold; third row – Kerry White and Ray Pfeifer. Other key members of the fraud team were Harry Foster, Jorge Cortez and Phil Kunkel.

