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**GHOST NAMES, SHADOW
WORKERS, AND THE
PUBLIC SECTOR WAGE BILL**

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ECONOMIC AFFAIRS
ACCRA, GHANA**

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PREFACE

The overriding need to inject greater accountability for, and discipline in, public spending, has suddenly kindled some interest in ghost names on the public sector payroll . Dr. Joe Amoako-Tuffour poses the following pertinent questions:

- ◆ Why do ghost names exist on the public sector payroll?
- ◆ How much of Ghana's public sector wage bill is due to payroll fraud?
- ◆ Is the incidence of payroll fraud confined to a particular government ministry, department or agency?
- ◆ What makes this business possible and profitable?
- ◆ What is the mechanism (or the process) of payroll fraud?
- ◆ Can we rely on head count alone to fix the problem?
- ◆ What can be done to make payroll fraud unprofitable if not impossible?

Payroll fraud, as argued here, is an activity whose participants are not necessarily those who are so sunk in poverty, but rather those in a position to determine that the risk of detection, arrest, and punishment is low, and that there is no credible deterrence. Based on extensive interviews with government departments and public records from the Auditor-General's Office, Dr Amoako-Tuffour identifies the incidence and the mechanics of payroll fraud. He points out some of the administrative lapses and the technical problems with the central payroll

system that are likely to make payroll fraud possible. He concludes with specific policy recommendations.

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President
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Accra, 2002

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1 Introduction

The revelations that ghost names exist on the Judicial Service payroll¹ and that attempts are under way to get rid of them, is disturbing yet welcome news. Earlier in the year 2001, representatives of some donor agencies and countries called on the Ministry of Education (MOE) to remove ghost names from its payroll if aid to the Ministry was to continue.² For a ministry that derives nearly 50 percent of budgetary support from donors, it is understandable that the Minister took the donors' concern seriously and acted swiftly. The Ministry of Local Government and Rural Development (MLGRD) initiated moves to get rid of ghost names from district assemblies' payroll.³ And the Auditor-General's Department also embarked on a hunt for 'ghost pensioners'.⁴

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¹ Evening News, October 11, 2001

² Ghanaian Times, September 26, 2001

³ Graphic, Nov. 17, 2001

⁴ Ghanaian Times, January 18, 2002

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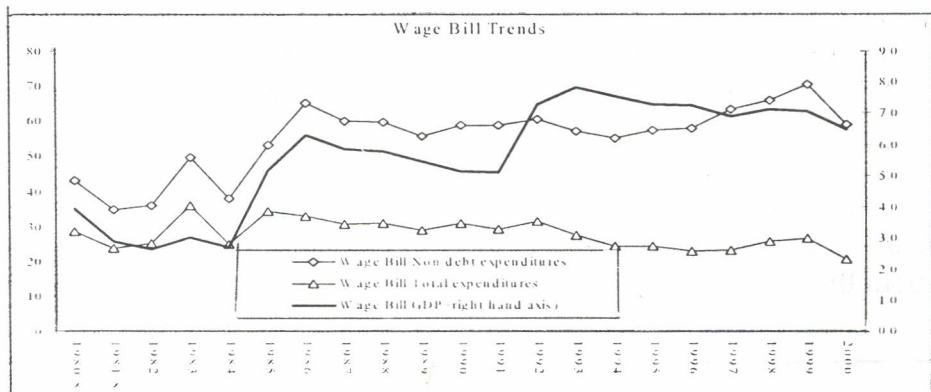
⁴ Ghanaian Times, January 18, 2002

10,000 ghost names.⁵ If ghost names can be detected so quickly, why then do they exist, even in the judicial system? What makes this illicit business possible and profitable in the public sector? What can be done to make it unprofitable if not impossible? Focusing on the mechanics of payroll fraud informs us better on how best to deal with the problem.

2. Facts and Figures about Ghana's Wage Bill and Payroll Fraud

Chart 1 shows the trends in the public sector wage bill. From 1980-94, the wage bill was nearly 29 percent of total government expenditures, and fell to around 23 percent in the late 1990s. The wage bill, however, continued to rise as a share of non-debt expenditures, increasing from 40 percent in the early 1980s to nearly 61 percent by the late 1990s. As a share of GDP, it has more than doubled since 1980.

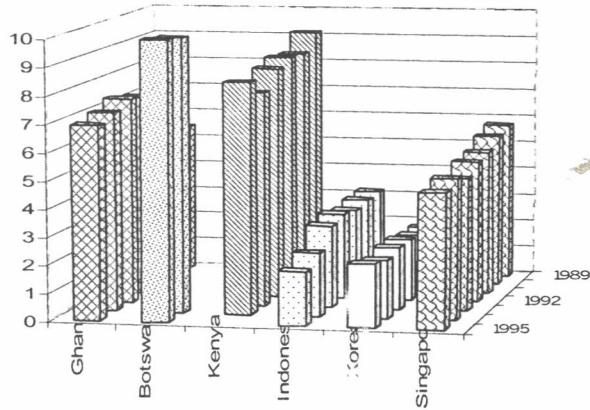
Chart 1



⁵The Daily Graphic (Tuesday, July 17, 2001) reported that 30,000 ghost names had been expunged from Ghana Education Service payroll. Payroll audit is not new. Payroll audit in 1999 led to the elimination of about 1970 staff ghost names from the government payroll (Serious Fraud Office, 1999 Annual Report)

Chart 2

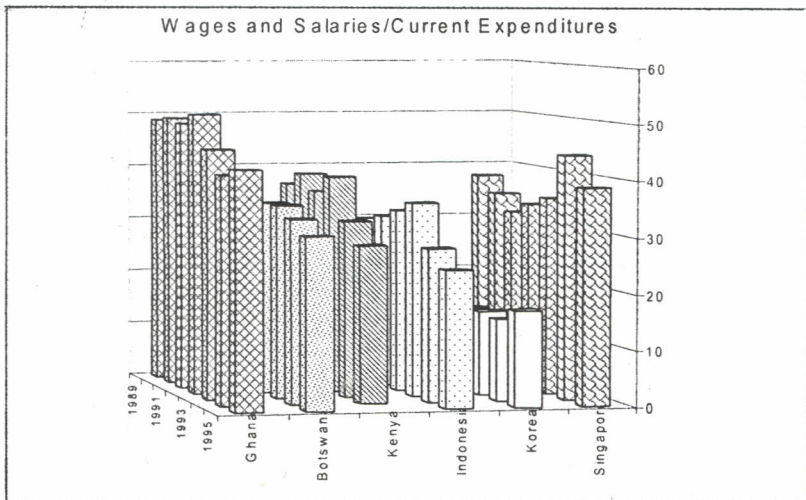
Wages and Salaries / Nominal Gross Domestic Product



Sources: Government Financial Statistics, 1999 and Ministry of Finance

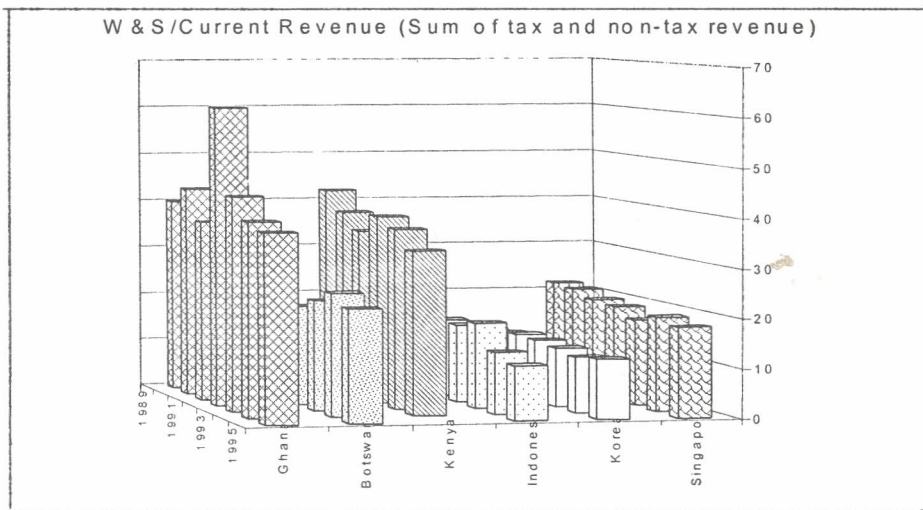
Chart 3

Wages and Salaries/Current Expenditures



Sources: Government Financial Statistics, 1999 and Ministry of Finance

Chart 4



Source: Government Financial Statistics, 1999

In all, wage-related expenditures constitute about 60 percent of total recurrent expenditures, leaving only 40 percent for all other spending needs.

It is tempting to make comparisons with known "successful " economies than with the less successful ones. Kenya, however, has not had a remarkable performance and is therefore in some ways at par with Ghana. Charts 2 to 4 provide some indications.

In relation to GDP, Ghana's wage bill is lower than those of Botswana and Kenya; however, it is nearly three times that of Indonesia and Korea, and slightly above Singapore. The ratio of the wage bill to current expenditures (Chart 3) is a measure of how much non-capital expenditure is allocated to wages and salaries. The higher the ratio the less that is left over for other spending needs. Ghana's ratio of about 40 percent is certainly higher than those of Singapore (32%), Botswana (28%), Kenya (30%) and Korea (12%). The 1993 Public

Expenditure Review revealed that the MOE spent so much on wage-related expenditures that there were just not enough funds allocated for the purchase of teaching materials and for the maintenance of educational infrastructure. The ratio of the wage bill to current revenue (Chart 4) defines the potential limit of how much of national revenue can go to pay the public sector. Ghana's wage bill relative to the ability to generate a non-inflationary source of revenue is about 35 percent. This is nearly twice the size of the wage bill of Botswana and more than twice that of Indonesia or Korea.

But how much of Ghana's wage bill is due to payroll fraud? Based on the 1998 Auditor-General's Report and the Serious Fraud Office Reports, I have estimated that for every ₵100,000 paid in wages, salaries, and allowances in 1998, unauthorized payments amounted to about ₵5,800 (or 5.8%). And for every ₵100,000 collected by the Internal Revenue Service (IRS) as taxes on income, about ₵7,000 (or 7%) leaked out through payroll fraud. From another perspective, the estimated payroll fraud in 1998 represented about 83 percent of the total personal emoluments of the Ministry of Mines and Energy.⁶

Judging from the historical pattern of Ghana's wage bill and transfers to households, one might suspect that it is not entirely objectionable to collect unearned salaries. There are obvious moral concerns in the space of fair distribution of national income. But these appear not to have been enough to restrain the desire to draw illegally from the public purse, and we cannot be sure that moral suasion alone will ever solve the problem. Surely, society may decide to pay welfare "wages" to all its citizens, regardless of their contribution to national output, on the pretext of achieving social harmony. This is legitimate. But it is not

⁶Calculations are based on 1998 budget estimates (The Budget Statement and Economic Policy, 1998).

difficult to think through the range of consequences and soon come to the conclusion that we should not give such policy thought any due. In no time, the economy will not be able to rely on economic growth and therefore tax revenue to finance the public sector wage bill. Anarchy will ensue. Such an outcome, however unlikely, sets the limit of public policy tolerance on payroll fraud. Making sure that the wage bill reflects the true size of the public sector and its relative contribution to national income is therefore simple common sense economics.

Most observers of public finances are agreed that the efforts to expunge ghost names from payrolls and pension records are commendable. But cynics might ask, can we rely on such exercises alone to fix a serious problem that many civil servants have always known to exist? Is payroll fraud the work of junior accounts and payroll officers alone? Is the practice nationwide or confined to remote district offices? And are we to believe that those who indulge in payroll racketeering will, as a result of the head count, refrain from inventing new ways of inserting ghost names into payrolls?

I have listed in Table 1 a sample of incidences of ghost names, shadow workers and their unearned salaries. The data is taken from the 1998 Auditor-General's report. The following facts are clear. First, the practice is not confined to one ministry or to remote district offices alone. Payroll fraud is as likely to be committed in the national and regional capitals as in remote administrative districts. Second, unearned salaries are paid not only to fictitious (ghost) names, but also to shadow workers (ex-employees - resigned, dismissed, or retired), and to existing staff. The latter receive unearned salaries through "overtime" pay, fraudulent payment vouchers, and disingenuous name splitting. In the Controller and Accountant General's Department, staff members were on weekends doing as overtime, work which could have been done during normal working hours and

Table 1: Selected Incidence of Ghost Names, Shadow Workers and Unearned Salaries in the Public Accounts of Ghana: 1998

Ministry / Department / Agency: Item	Description	Amount
Ministry of Education (MOE) (District Education Office - Tema): <i>Illegal payment of Salaries</i>	4 teachers who vacated their posts between Sept. 1996 and May 1998 were paid salaries	¢6,538,626
	2 other teachers who were granted study leave without pay were also paid unearned salaries	¢5,302,303
MOE (District Education Office Kuntanase) Unearned Salaries	2 retired and 2 deceased staff of the District Office were paid unearned salaries from April to August 1998	¢2,401,712
Ministry of Environment, Science and Technology (Goaso)	Up to July 1997, "salary" continued to be paid into the accounts of an executive officer that died in Sept. 1996. The salary for the 11-month period was withdrawn from the bank by the deceased's next-of-kin	¢896,959
Ministry of Health -- Korle-Bu Teaching Hospital	Newly employed staff were paid the sum of ¢15,660,578 on manual vouchers and were paid the same amount on mechanized vouchers	¢15,660,578
	48 officers no longer in the services of the MoH received unearned salaries due to delayed processing of inputs for the deletion of their names.	¢95,668,846
MOH -- Tamale Regional Hospital	Five staff members no longer in the services of the hospital were paid through their bank accounts for the period August 1997 to June 1998	¢7,733,323
MOH -- Achimota Hospital	An Indian national who was on the payroll of the hospital left the country in July 1997. His salary continued to be paid into his bank account until July 1998.	¢5,425,472
MOH -- Tema Polyclinic <i>Illegal payment of salaries</i>	2 staff members who vacated their posts continued to draw salaries between Sept 1997 and July 1998.	¢2,001,796 (¢575,798 was recovered)

Ghost Names

Ghana National Fire Service a) Headquarters	9 officers dismissed were paid unearned salaries between February and December 1998.	¢8,869,508
b) Regional Office - Accra	3 officers were overpaid between Sept. 1997 and August 1998.	¢5,376,770
Survey Department - Accra	An officer and 3 ex-employees of the department received unearned salaries for the period between February and December 1998	¢2,803,335
Ministry of Works and Housing -- Department of Rural Housing (Head Office)	Between October 1996 and January 1999, 3 officers who no longer worked for the ministry and 1 serving officer who had been granted study leave without pay were paid	¢12,085,605 (¢4,777,979 was refunded)
Ministry of Communication - Sefwi Bekwai	Two promoted officers were paid salary arrears totalling ¢3,887,740 through their bankers. The correct arrears totalled only ¢273,766. Deductions could not be made because an officer at the District Office had altered the names of the bankers of the 2 officers	Overpayment ¢3,613,974
Ministry of Education (GES)	An accounts clerk fraudulently split the name of David Livingstone Agbenohevi into David Agbenohevi and Livingstone Agbenohevi to collect salaries.	¢1,116,891
	At the metropolitan Education Office (Kumasi) 13 retired staff were illegally paid between January and July 1998	¢8,968,552
	At Elmina District Education Office 4 teachers on leave without pay and 4 others whose contracts had been terminated were paid unearned salaries.	¢6,892,050

Source: Report of the Auditor - General on the Public Accounts of Ghana: for the year ended 31st December, 1998

with proper planning (AG Report, 1998, p.73). Third, loading "back pay" on existing staff salaries and fictitious promotions are other means of payroll fraud.

3. The Mechanism of Payroll Fraud

It is most likely that payroll fraud is the work of a closely-knit syndicate of public officials. As self-evident as this may be, those who involve themselves in this racket do so only after weighing the expected gains against the expected cost if caught. Therefore, it should surprise no one that those who engage in these activities do so not necessarily because they are so sunk in poverty, but, more importantly, because they calculate that:

(a) The likelihood of detection is extremely low,

(b) If the fraud is detected and they are arrested, the likelihood of legal conviction is equally low,

(c) If convicted, the punishment will be a mere slap on the wrist, and therefore,

(d) There is an expected net positive payoff.

Those who even casually engage in this practice calculate that "success" depends on the cooperation of others. Non-cooperation leads to ruin. The best strategy then is to tie in the interests of others -- in ways that increase the cost of external monitoring, and make the likelihood of detection, conviction and punishment low.

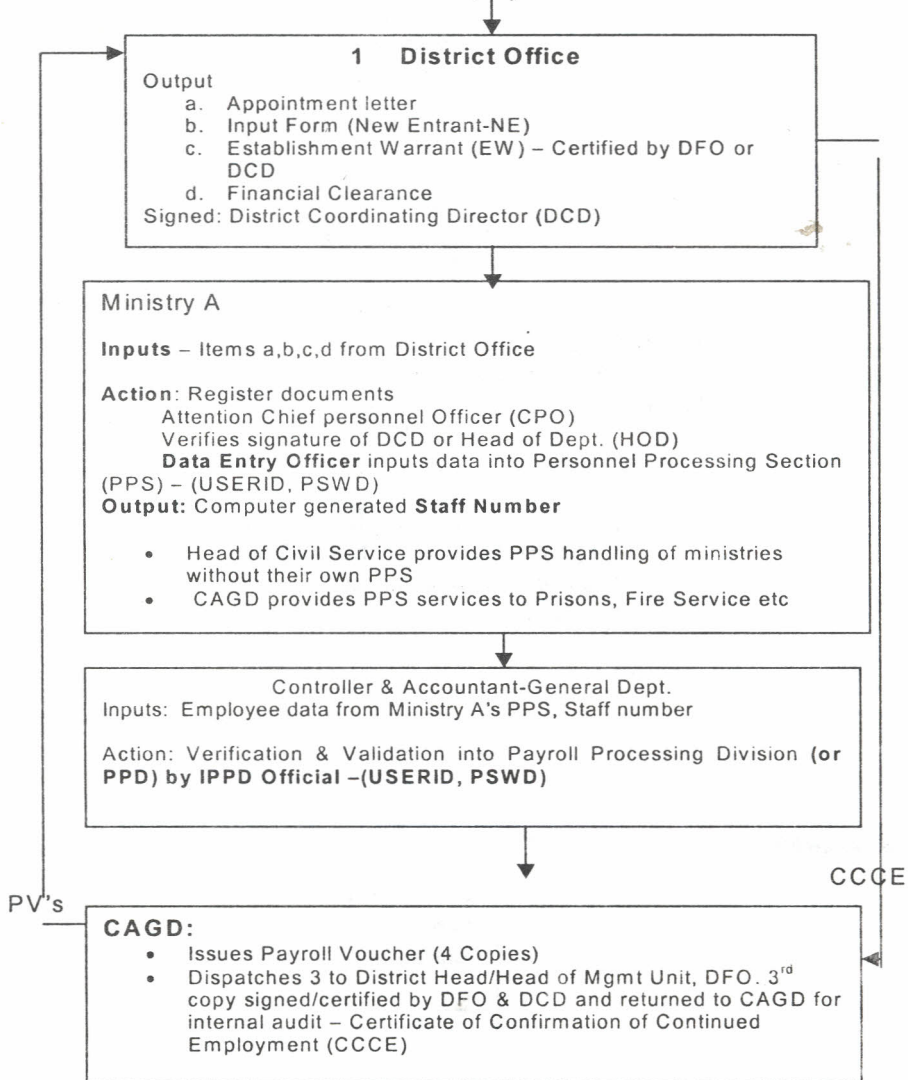
In Figure 1, I sketch out the process, as described by public officials, by which a new name is added to the payroll of the Ministry of Local

Government and Rural Development (MLGRD). On the surface, the process if followed thorough is foolproof. There are 4 centres of operation:

- (a) Ministry of Finance which issues the Financial Clearance for hiring;
- (b) District Office which does the hiring and processes the raw data for the new employee, including the New Entrant Form (NE) and the Establishment Warrant (EW);
- (c) Ministry (Accra) - Personnel Processing Section (PPS) which inputs the raw personal data and generates the staff number; and⁷
- (d) Controller and Accountant-General's Department (CAGD) which validates the process in order for the new employee to be on the payroll. The process is complete when the CAGD validates all the inputs and the staff number, and issues the bank credit voucher at the end of the first month of payment.

⁷ Not all ministries have their own PPS unit. For such ministries, new payroll input data are processed at the Office of the Head of the Civil Service. The CAGD (Computer Services Division) also processes employee data for agencies such as Prisons, Fire Service, Immigration and Highways.

**Figure 1: Inserting Names into Public Sector Payroll
New Employee**



Sources: Compiled by the Author

Figure 2: Recycling Names of Retired Teachers

Station A:

Retirees

EP Educational Unit

Collect
Name, Staff Number
Staff Code, Rank, Bank

PPS
PPD

Process Retirees entitlements
Alter PV Numbers, Rank Station & Bank
Prepares new input data

Transfer details to a different PV in a
different Payment Station

Fabricate a letter of introduction
1st Release of salary

New Station

Bank
Bank account

Source: *Serious fraud Office, Annual Report, 1999*

The principal agents in this process at the district level are the District Coordinating Director (DCD) or Head of Department (HoD), and the Accountant or the Financial Officer. At the Ministry, the principal agents are the Chief Personnel Officer and Data Input Officers at the PPS unit, and at the CAGD, the PPD data input officers.

A "successful" payroll fraud syndicate therefore, at the minimum, requires the explicit or tacit cooperation of an accountant or a payroll officer at the management unit level, a data input officer at the PPS unit and or at the PPD in the CAGD, and perhaps a bank employee. This, however, need not be the case where the payroll is not mechanized. In such a case, the cooperation of a spending officer, a payroll officer or an accountant, and a bank is sufficient to form a payroll racket. For example, an accountant at Tamale Methodist Education Unit with the help of a local rural bank, inserted false names into the payroll and withdrew a total of about ₵31 million in 1999.

While the process outlined in Figure 1 seems reasonably thorough, I'm informed that it is possible to circumvent it due largely to (1) administrative practices at the 3 centres of operation --District, Ministry and CAGD, and (2) technical vulnerability of the IPPD operating system. For example, all too often, district officers, in order to expedite processing of their data, may submit the data without due verification to IPPD data input officers, and subsequently to the CAGD. At the technical level, I am informed that the IPPD system has a poor auditing trail of its users; is unable to conduct reasonability test; and is also unable to detect and avoid duplication of entries. All these make the tracking of payroll fraud all the more difficult.

The case of EP Education unit of the Ghana Education Service at Ho

⁸ Also see Steven Larbi, "How Serious is Fraud in Ghana" Daily Graphic, December 11, 2001 , p. 7.

(Serious Fraud Office (SFO) 1999 Annual Report) is worth citing⁸ (Figure 2). The syndicate involves district directors and their accounting officers, the Controller and Accountant General's Department (CAGD), and rural banks. The syndicate which specializes in the recycling of the personal data of retired teachers, collects the name, staff number, staff code, rank, station and bank of retired teachers. After processing a teacher's retirement entitlements, the syndicate alters the payment voucher number and other details, and recycles the teacher on to a different payment voucher in a different payment station. What makes this possible is that the new particulars are fed into the computer in Accra through the tacit cooperation of personnel in the Ghana Education Service and/or at CAGD. To complete the process, a letter of introduction, purported to be coming from a District Director of Ghana Education Service, is issued to a rural bank where the "ghost's salary" will be directed and cashed. Deceased teachers are also similarly recycled without the IPPD system, detecting that the same staff numbers are being re-assigned.

Re-engagement of retired teachers is also another mechanism of payroll fraud. Again at the E.P Education Unit, retired teachers were hired; some taught for shorter periods than they were paid for; others did not teach at all. The teachers and senior officials at the E.P Unit Headquarters shared the unearned salaries.⁹ The case of A.K. Bonnah (an accountant at the Kwahu Hospital) is yet another example of payroll racketeering (Chronicle, November 6, 2001).¹⁰ His syndicate, comprising the principal accounts officer, the district treasury officer, and three others, forged signatures and inserted ghost names on to the payroll. Temporal loading of the payroll of existing staff's salaries as "back pay", is another means of payroll racketeering.

⁹ (Serious Fraud Office, 1999 Annual Report, p. 21).

¹⁰ "Serious Fraud at Kwahu Government Hospital: Serious Fraud Office exposes corrupt deals" The Chronicle, Tuesday, November 6, 2001.

We do not know, for example, how long the EP Education Unit syndicate had been in existence, and how much money was siphoned away from the public coffers. But the process alone is intriguing, and should inform policymakers that payroll fraud may not be easy to get rid of. It is for these reasons that the finding of 10,000 ghost names, easily and quickly, on the Ministry of Education's payroll may attract cynicism. And cynics have ample cause to doubt that these efforts may amount to anything more than superficial self-policing to impress the public and donors. Real change, one might suspect, is undermined by the very same people with a common interest in the syndicate. Reformers often learn too late, if at all, that ministries, departments, and agencies are not merely institutional arrangements of civil servants that can be reshaped with ease. That such syndicates could exist and flourish even within the judicial system, should inform us about their intricate nature. The head count exercise is praiseworthy; but alone, it may halt temporarily, not eliminate payroll fraud.

4. What Can Be Done

Administrative Measures

Four remedies readily come to mind:

- (a) Enforce the Financial Administration Regulations.
- (b) Properly define the responsibility of the Heads of Department (or District Coordinating Directors) in respect of Payroll Reports.
- (c) Limit the tenure of officers responsible for keeping personal emoluments records, or preparing salary change advices, and
- (d) Make it mandatory for such persons to take their annual leave.

Remedies (a) and (b) perhaps point to the weaknesses of the Financial Administration Regulations (FAR) which many argue, call for revisions. Section 796 (1) demands that the head of department prepare a monthly Establishment Return. However, Section 797 allows this responsibility to be passed on to any officer, except those responsible for keeping payroll records. While the intent of Section 797 is to guard against the opportunism of those who prepare payroll records, that section at the same time diminishes somewhat the responsibility of the head of department in ensuring the accuracy of the records. It is reasonable to expect that the spending officer who prepares the report and the head of department (or the DCD) should be made jointly accountable for the veracity of the records.

Evidence from the Auditor-General's (AG) reports suggests that payroll fraud is likely when there are lags in updating payroll records across the various management units or cost centers. Some lags may be deliberate and some may be the result of institutional bottlenecks. Lags can occur in three stages: in the submission of the Leaving Form from the management unit, in the data entry stage at the appropriate ministry's PPS, and in the final deletion from the payroll at the PPD by the CAGD. All may have contributed to the incidence of payroll fraud. For example, between 1996 and 1997, the AG reported that 48 former officers of the Korle-Bu Teaching Hospital, and no longer in the service of the MOH, enjoyed unearned salaries totalling ₵95.7 million due to delayed processing of inputs for the deletion of their names. In principle it should be easier to remove names from payrolls than to add new ones to them. *Reforms that tighten up addition of names to payrolls and simplify removal of names at the district or management unit levels, are undoubtedly worthy in their own right.*

What is more, the tendency for accountants and payroll officers to remain at one post for long periods (some until their retirements)

contributes immensely to their ability to form payroll syndicates and to conceal wrongdoing, as in the case of government hospitals and Ghana Ports and Harbours Authority. In the case of the latter, an internal reshuffling exercise led to the discovery that "ghost workers" had siphoned off ₵600 million from the payroll.¹¹ The tenure of officers who are in a position to manipulate payroll records must be reviewed, and their annual leave made mandatory. Within the CAGD, a policy of rotating staff that work on the records of specific ministries, departments, and agencies should also be considered.

Fiscal Decentralization

It is possible that fiscal decentralization if it works, can make things work "better", but it can also make things "worse" if cost center or management unit auditing remains lax and weak. Fiscal decentralization will break up the mammoth task currently concentrated at the CAGD in Accra. Even then the effectiveness will depend on the proper control and monitoring of the districts' financial management system. In view of the recent disclosures of financial improprieties and the lack of capacity at the district level, it may be premature to pursue such reforms too far and too quickly.

Audits

Complementary to these administrative measures are stern and sustained random payroll audits. Such operations cost money, but can be most effective. What is needed is for the Serious Fraud Office (SFO) perhaps in conjunction with the CAGD and Audit Service to set up a special task force to conduct periodic random audits. The task force itself must be subject to several checks and balances. The tenure of the task force members must be variable, and their contracts renewable. Furthermore, members must be randomly rotated from one assignment to the other.

¹¹ Ghanaian Times, November 18, 2001.

The institutions, departments, and agencies to be audited must be selected at random, and at very short notice. Audits may be carried out at two levels. Level 1 (or nominal payroll) audit would be a routine headcount and verification of current employment and payroll records, using the Establishment Report or the Certificate of Confirmation of Continued Employment (CCCE) as the primary input. Level 2 audit would be comprehensive. Targeted institutions must be thoroughly audited through head count, residential addresses, postal addresses, photo (voters) identification cards, employment numbers, employment histories, and specific responsibilities in the organization. Where necessary, employment history must be cross-checked against the records of Internal Revenue Service (IRS) and Social Security and National Insurance Trust (SSNIT). One in every five selected institutions shall be subject to a level 2 audit.

It is in the light of these, and in the bigger space of accountability in the use of economic resources available to the state, that the SFO perhaps ought to be seen as a necessary complement to revenue agencies, and therefore, an important part of the financial management system. It is important to enhance revenue mobilization efforts. It is just as important to enhance the machinery of government that can detect promptly the unauthorized leakages of revenues. The treatment of these agencies need not be asymmetrical.

Deterrence

Neither administrative measures nor auditing alone offers a satisfactory solution to the problem. Administrative measures aim to streamline procedures and to define the lines of responsibility. Auditing ensures that occurrences of the problem will be promptly detected. But payroll fraud calls for credible deterrence. And there is no

deterrence if those found to engage in such practices are only asked to refund the amounts stolen, often at their convenience.¹²

Lack of credible deterrence encourages public sector recidivism. Those who contend that such practices occur because civil service salaries are low, harbour a peculiar kind of sympathy towards those who indulge in such fraud. They are also likely to support the delays in the courts and perhaps the soft handling of payroll fraud. Yet they miss an essential point. Payroll fraud does not choose its perpetrators; the perpetrators choose to engage in fraudulent activities. Insofar as accounting procedures remain poor, monitoring and auditing are weak; the likelihood of arrest and conviction is low; and there is no credible deterrence, payroll fraud will continue. It is all in the simple truth that greed is limitless if undeterred. Over and above demotions, suspensions, and forced retirements, stiffer punishment must be enacted and seen to be enforced.

It should therefore concern us greatly that all but one of the 26 cases the SFO has sent to court from 1998-2000 are still being tried.¹³ Delays in dealing with such economic crimes have 4 unintended consequences. They:

- a. Diminish the initiative of the SFO to undertake their task

¹² The following examples are typical. When a retired principal superintendent of Upper Denkyira District Education Unit was paid for seven successive months after retirement, the Auditor-General recommended that the amount be recovered. When an accounts clerk fraudulently split the name of David Livingston Agbenohevi into Livingston Agbenohevi and David Agbenohevi, the Auditor General recommended that the amount be recovered from the clerk. In spite of clear evidence of theft and fraud, no legal action was recommended.

¹³ SFO Report 2000, p. 5

- b. Deny the SFO the opportunity to learn from their operational handling of such cases. Learning by doing is an essential part of institutional growth
- c. Diminish the present value to the state of the social and economic benefits of the outcome
- d. Reinforce the perpetrator's calculation that the probability of conviction is low.

It will not be unreasonable to expand the scope of the recently announced Fast Track Court to cover not just commercial crimes and tax evasion, but also public sector economic crimes, including payroll fraud.

Biometrics Technology

Another antidote to ghost names lies in the use of a technology called biometrics. Biometrics is the science that measures one or more of an individual's physical or behavioural characteristics as a means of identification. Biometrics takes precise measurement of, for example, an individual's eyes (iris and retina scans), hands or voice; digitizes the measurement; stores the information in a computer's memory, and later compares it against the same measurement when taken later. Because it is extremely difficult, if not impossible, to duplicate individual physical measurement or scan, biometrics is finding applications in the provision of access to financial records, and other security-sensitive areas, such as access to medical records, buildings, payroll systems, attendance records, and banking services. To check payroll fraud, biometrics can have very wide application in the ministries, in departments, and in the health care and educational sectors across the country. Tying each civil servant to his or her unique biometrics identifier is a step in the right direction for eradicating ghost names.

Linking the unique identification to the Controller and Accountant General's database and SSNIT records, will be an even better way to prevent the massive financial fraud the government suffers continually.

Enhanced Compliance Powers

Finally, it is important for the public to be informed that payroll fraud inflicts harm on many institutions of the state. Only when acceptable norms of behaviour are identified, developed, and taught as civic lessons in schools and in public sector employment training programs, can we hope that the compliance powers of the social group can influence public conduct, even in areas where policing is costly, slow, and prone to failures. Making sure that the public sector wage bill reflects the true size of the public sector and its relative contribution to national income, is not a mere wish for economists. It is simply common sense.

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