



**ITS TRAFFIC  
SYSTEMS  
INC.**

# IDENTITY-BASED FRAUD CASE STUDY

## OVERVIEW

During a routine audit for a large Fortune 100 client, our proprietary audit software flagged a series of suspicious freight charges. What initially appeared to be irregular billing turned out to be a case of identity misuse—resulting in more than \$1 million in fraudulent charges. Our technology-driven auditing with experienced human oversight allowed our team to detect, contain and resolve the fraud early.

## HOW IT WAS DISCOVERED

The fraud was first flagged by our auditing systems. At the time, our Chief Operating Officer, Cyndy Imes, was working as an Electronic Data Interchange (EDI) Analyst focused on parcel freight activity. Her attention was immediately drawn to a series of transactions that didn't match the client's typical shipping patterns.

## AUDIT TEAM RESPONSE AND RESOLUTION

Our team immediately:

- Flagged and isolated the unauthorized charges for review.
- Worked with the client to verify legitimate vs. fraudulent activity.
- Assisted the client to identify and provide proof to file claims against responsible parties.

The fraud totaled to more than \$1 million. Early detection flagged by our proprietary audit software, combined with a rapid response from our experienced team helped contain the damage and set recovery efforts in motion before the issue could grow larger.

## OUTCOME

- \$1M in fraudulent charges identified.
- Fraudulent activity stopped before additional losses occurred.



## OUTCOME (CONT.)

- Claims initiated and recovery process supported.
- Client's internal billing controls strengthened with our collaborative response .

## TECHNOLOGY-DRIVEN RESULTS

This case is a powerful example of how technology, backed with human oversight can stop freight fraud before it spirals. Without our proprietary audit systems and Cyndy's sharp attention, the scheme could have gone unnoticed, potentially costing the client millions more.

Because the EDI department caught the fraud before it reached the broader audit team, the issue was resolved quickly and efficiently.

## KEY TAKEAWAYS

- Technology and human oversight together create the strongest fraud defense.
- Even small billing anomalies can signal much larger issues.
- Unusual charges—no matter how legitimate they appear—should always be investigated.

## KEY TAKEAWAYS (CONT.)

- Proactive freight audits prevent financial and reputational damage.
- Fast action enables recovery and limits long-term exposure.
- Stronger internal controls are essential after a fraud incident. Unusual charges—no matter how legitimate they appear—should always be investigated.

## ARE YOU PROTECTING YOUR FREIGHT SPEND FROM FRAUD

Freight fraud is evolving fast—and identity theft is leading the way. According to *Highway's Freight Fraud Index*, fraudulent activity in freight rose 27% in 2024, with identity misuse becoming increasingly common. Our case underscores why proactive, tech-enabled auditing is more critical than ever. With our advanced audit tools and expert oversight, we help companies uncover fraud and strengthen internal controls before losses add up.

## SOURCE:

*Commerical Carrier Journal*, "Identity theft leads the way as freight fraud trends upward," published May 14, 2025.