KEY FINDINGS

OUR STUDY COVERED:

2,110 CASES from **133** COUNTRIES

Causing total losses of more than

$3.6 BILLION

CFEs estimate that organizations **LOSE**

5% of revenue to **FRAUD** each year

MEDIAN LOSS PER CASE: **$117,000**

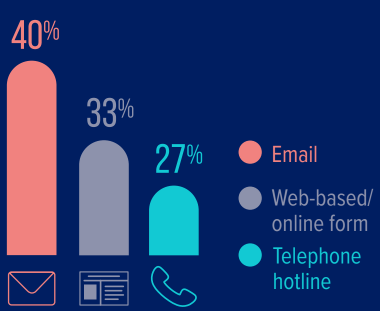
AVERAGE LOSS PER CASE: **$1,783,000**

DETECTION

42% of frauds were detected by tips,

which is nearly **3x** as many cases as the next most common method

More than **HALF** of all tips came from employees



Email and web-based reporting **BOTH** surpassed telephone hotlines

ORGANIZATIONS WITH HOTLINES

detect fraud more quickly and have lower losses than organizations without hotlines

SCHEMES

ASSET MISAPPROPRIATION SCHEMES

are the most common but least costly

86% of cases

$100,000 median loss

FINANCIAL STATEMENT FRAUD SCHEMES

are the least common but most costly

9% of cases

$593,000 median loss

CORRUPTION was the most common scheme in every global region

A TYPICAL FRAUD CASE

causes a loss of **$8,300** per month

lasts **12 months** before detection

8% of fraud cases involved the use of **CRYPTOCURRENCY**

Among these cases, cryptocurrency was most commonly used for:

48% Making bribery and kickback payments

43% Converting misappropriated assets

KEY FINDINGS

VICTIM ORGANIZATIONS

TOP 5 MEDIAN LOSSES BY INDUSTRY

Industry	Median loss
Real estate	$435,000
Wholesale trade	$400,000
Transportation and warehousing	$250,000
Construction	$203,000
Utilities	$200,000

ORGANIZATIONS WITH THE **FEWEST EMPLOYEES** HAD THE HIGHEST MEDIAN LOSS ($150,000)

PERPETRATORS

Owners/executives committed only 23% of occupational frauds, but they caused the largest losses

Owner/executive $337,000

Manager $125,000

Employee $50,000

Nearly half of all occupational frauds came from these four departments:

- Operations 15%
- Accounting 12%
- Executive/upper management 11%
- Sales 11%

85% of fraudsters displayed **BEHAVIORAL RED FLAGS** of fraud

Only 6% of perpetrators had a prior fraud conviction

ANTI-FRAUD CONTROLS

The presence of anti-fraud controls is associated with

LOWER fraud losses **AND** **QUICKER** fraud detection

Nearly **HALF** of cases occurred due to:

Lack of internal controls 29% **OR** Override of existing controls 20%

81% of victim organizations **MODIFIED** their anti-fraud controls following the fraud.

75% Increased management review procedures

64% Increased use of proactive data monitoring/analysis

CASE RESULTS

61% of perpetrators were terminated by their employers

58% of cases were referred to law enforcement

66% of cases referred to law enforcement resulted in a conviction

50% of organizations that didn't refer cases to law enforcement cited internal discipline as the reason