

FIG. 1 Countries with reported cases and median loss for each region

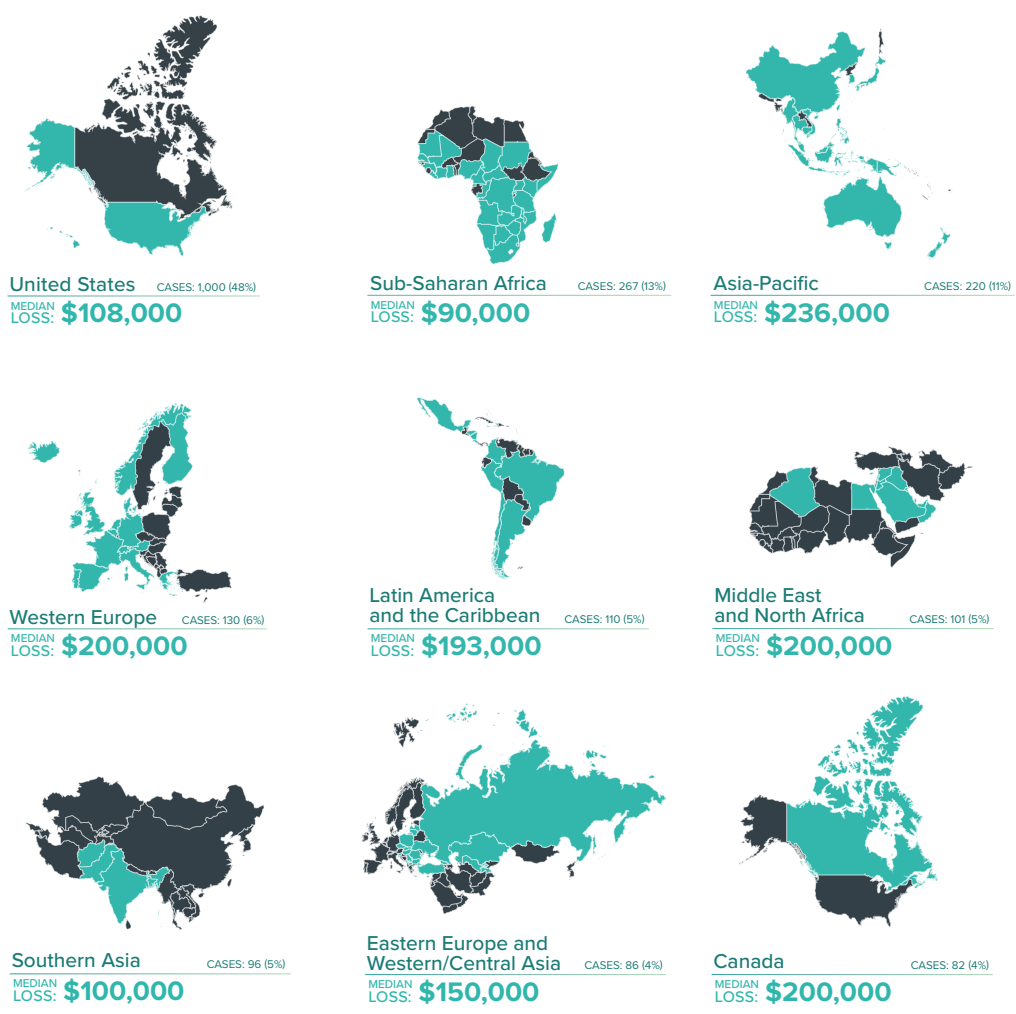


FIG. 2 How much does an occupational fraud cost the victim organization?

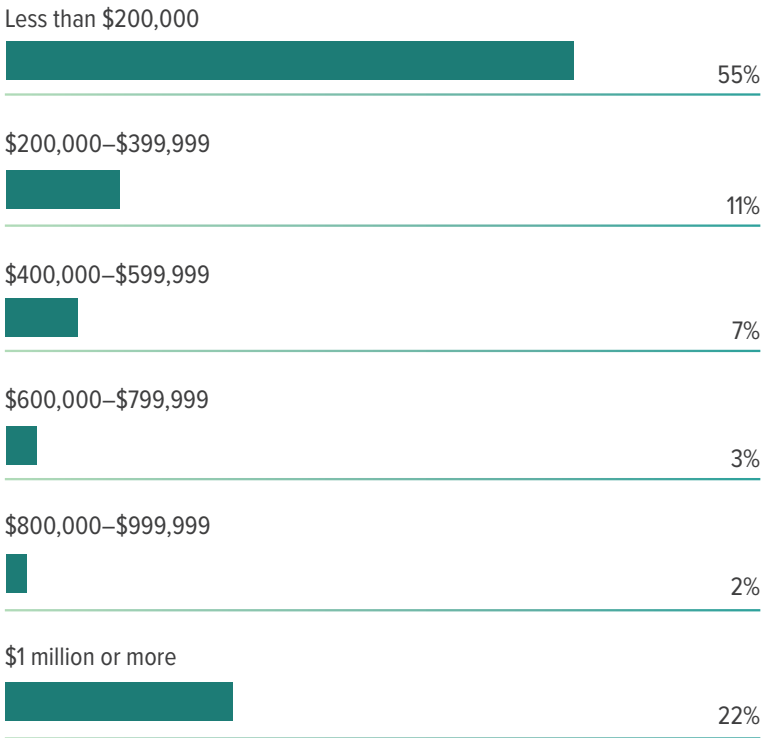


FIG. 3 How is occupational fraud committed?

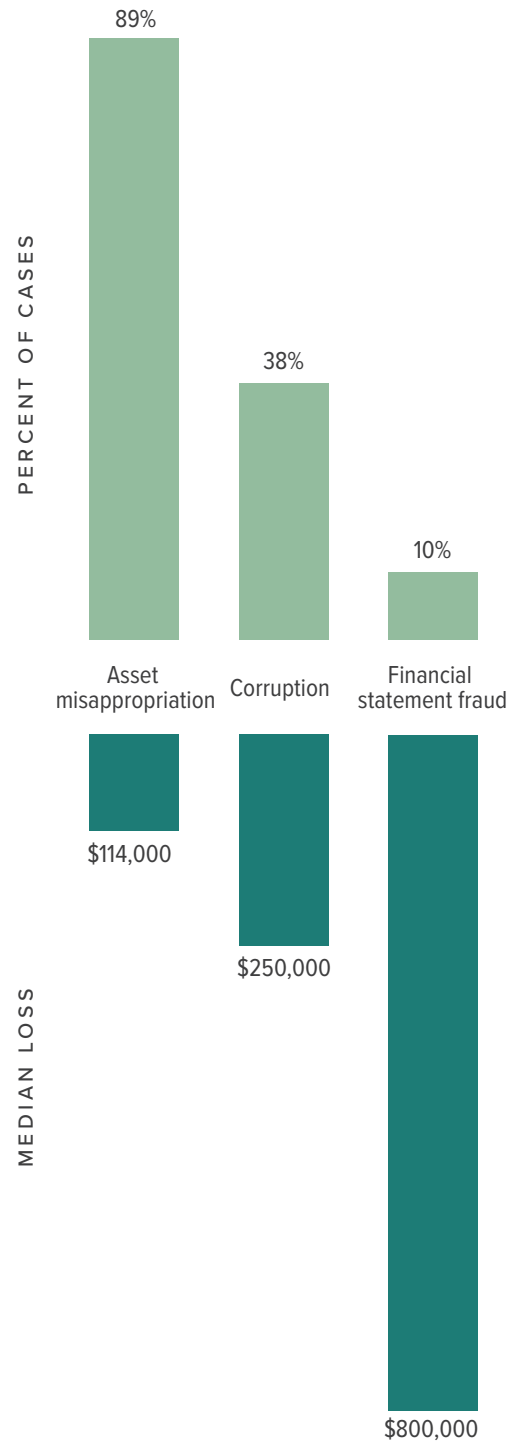


FIG. 4 Occupational Fraud and Abuse Classification System (the Fraud Tree)

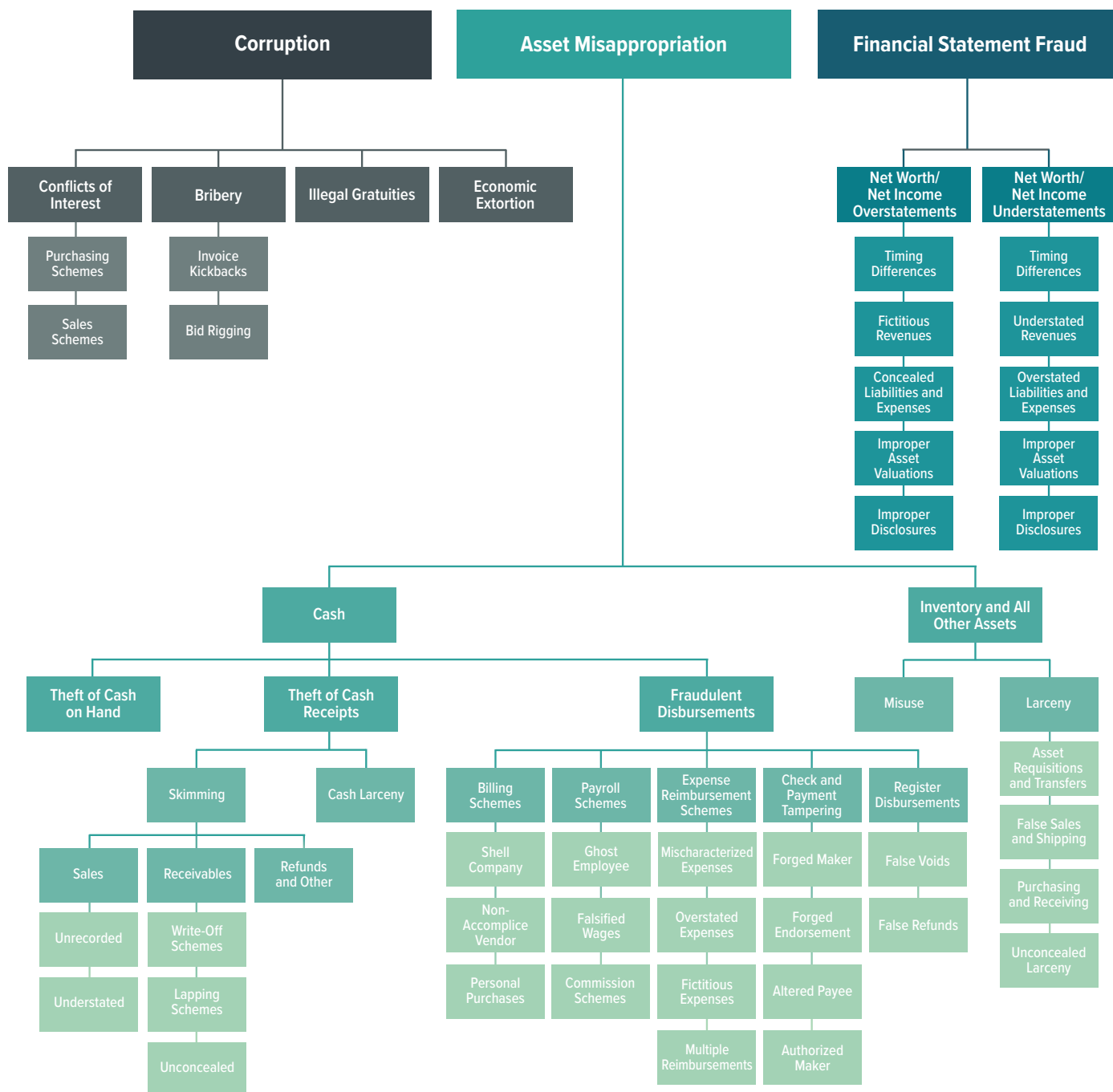


FIG. 5 How often do fraudsters commit more than one type of occupational fraud?

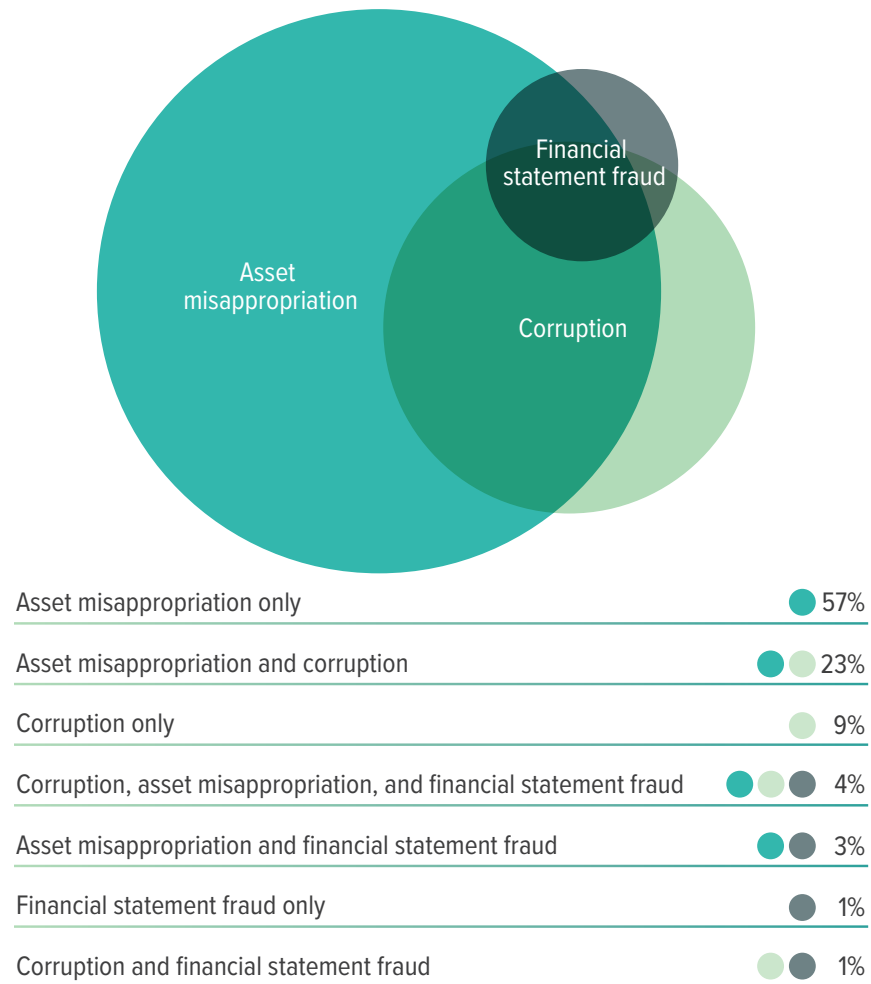


FIG. 6 What asset misappropriation schemes present the greatest risk?

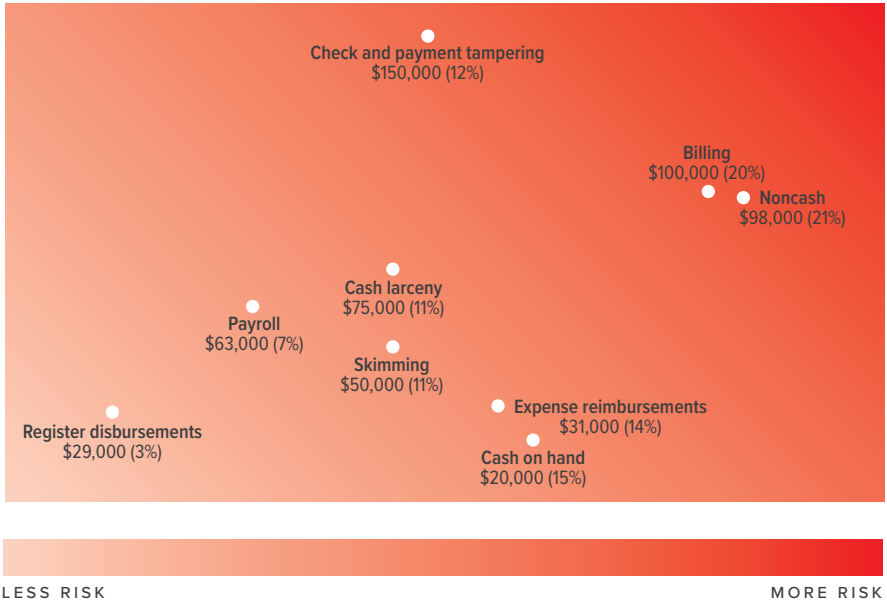


FIG. 7 How does the duration of a fraud relate to median loss?



FIG. 8 How long do different occupational fraud schemes last?

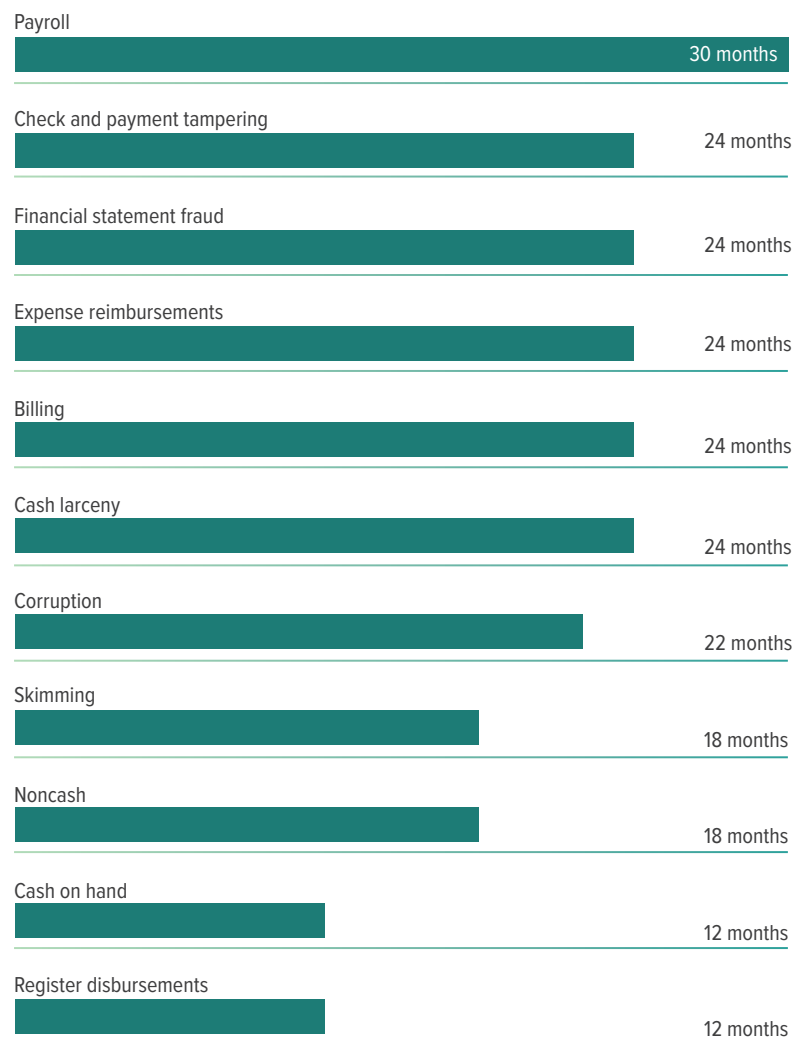


FIG. 9 How is occupational fraud initially detected?

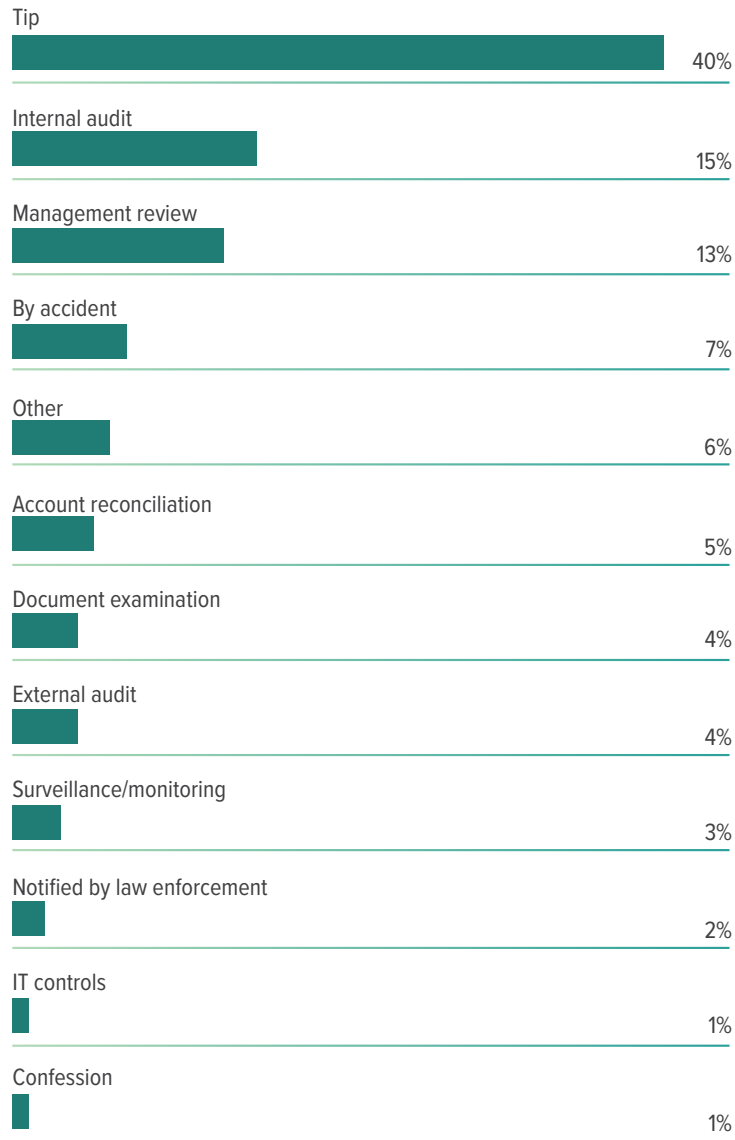


FIG. 10 Who reports occupational fraud?

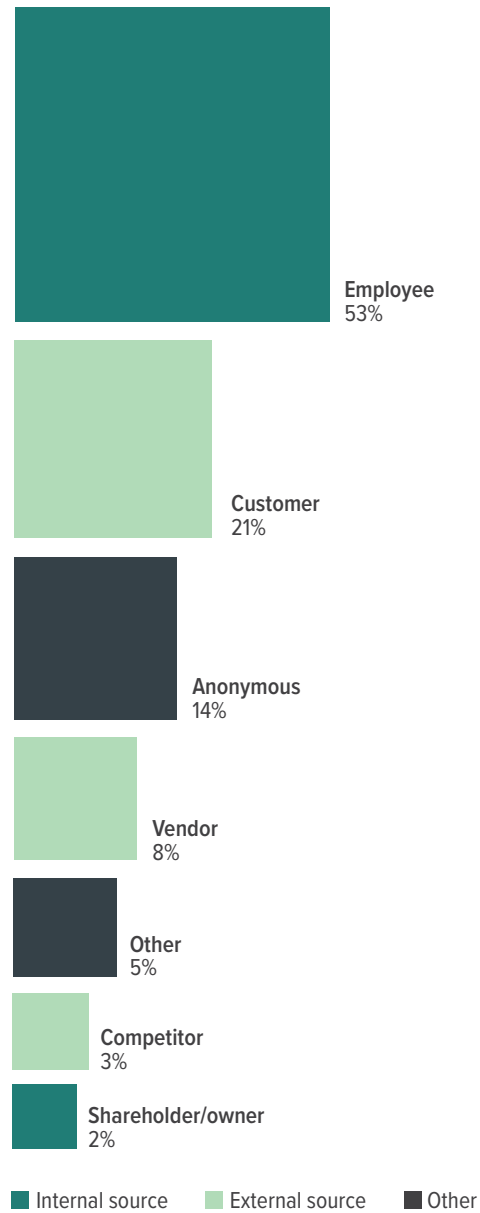


FIG. 11 How does detection method relate to fraud duration and loss?

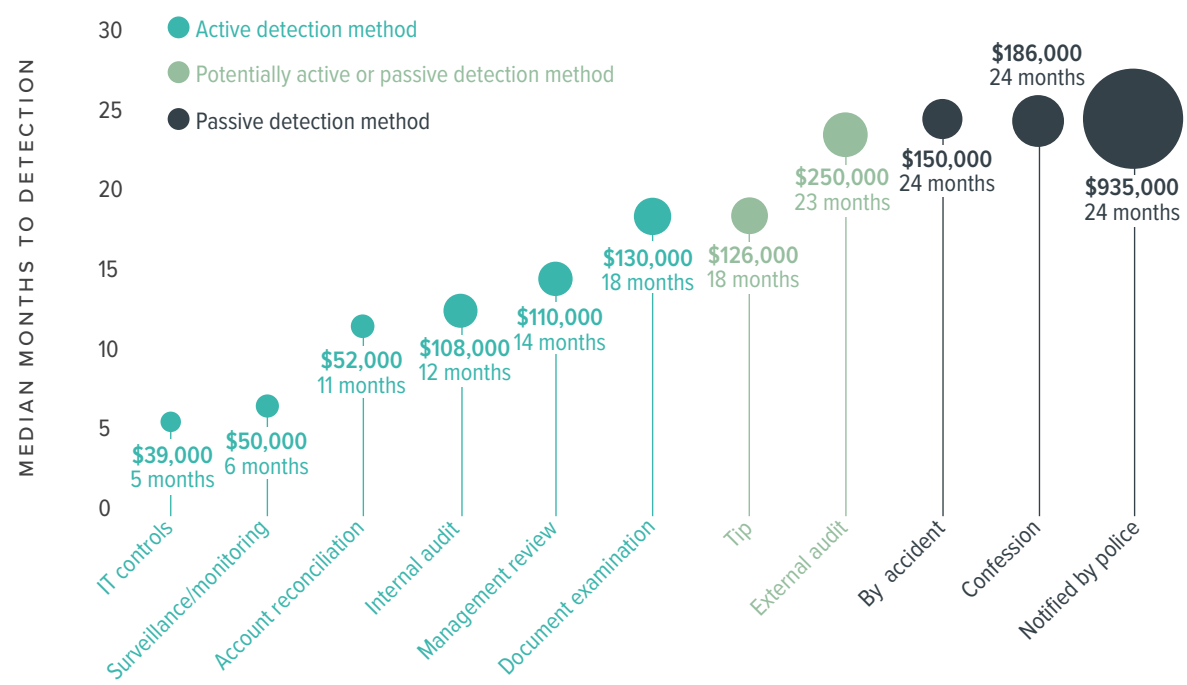


FIG. 12 What types of organizations are victimized by occupational fraud?

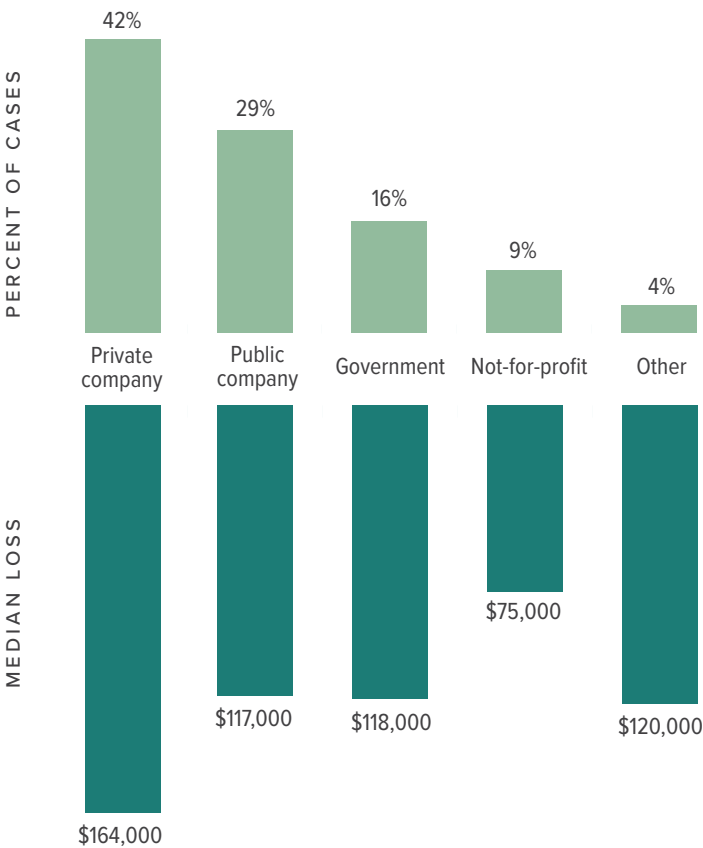


FIG. 13 What levels of government are victimized by occupational fraud?

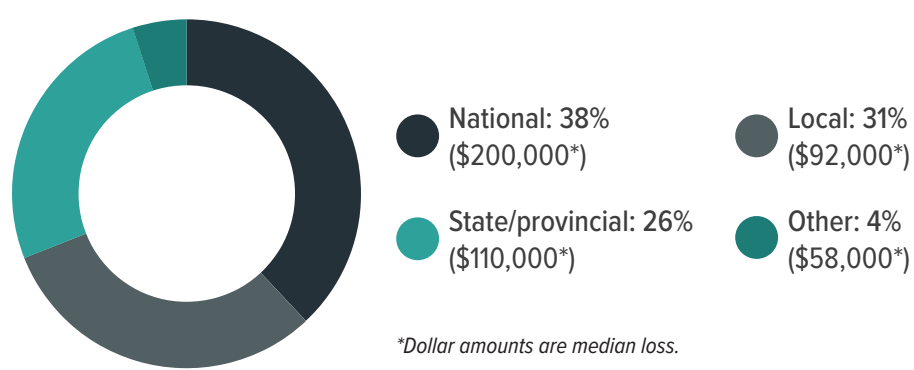


FIG. 14 How does an organization’s size relate to its occupational fraud risk?

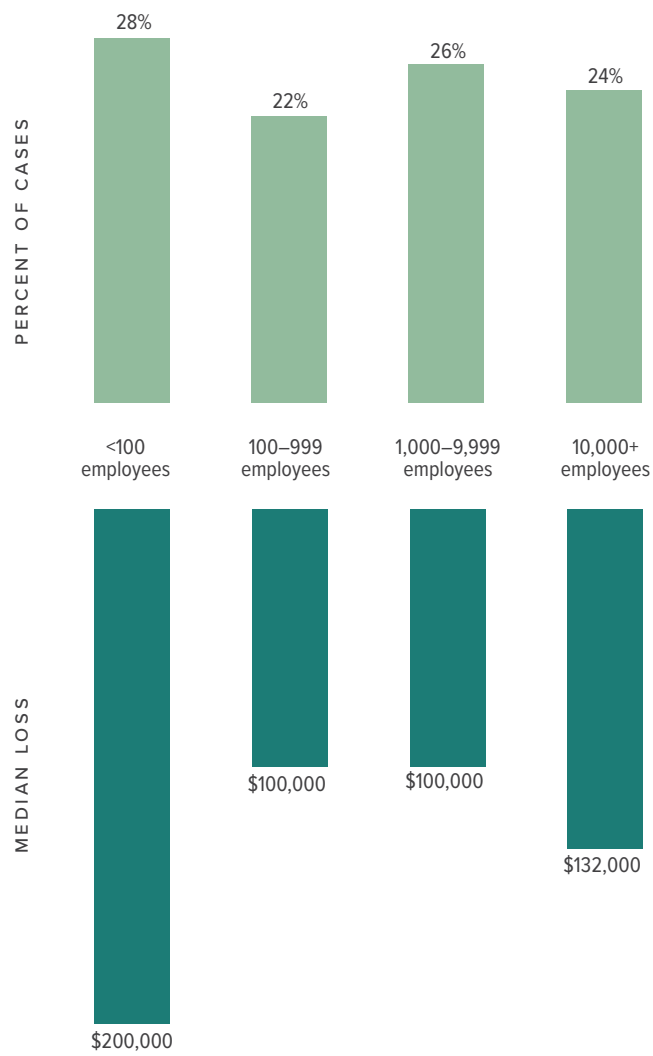


FIG. 15 How does occupational fraud affect organizations in different industries?



FIG. 16 What are the most common occupational fraud schemes in various industries?

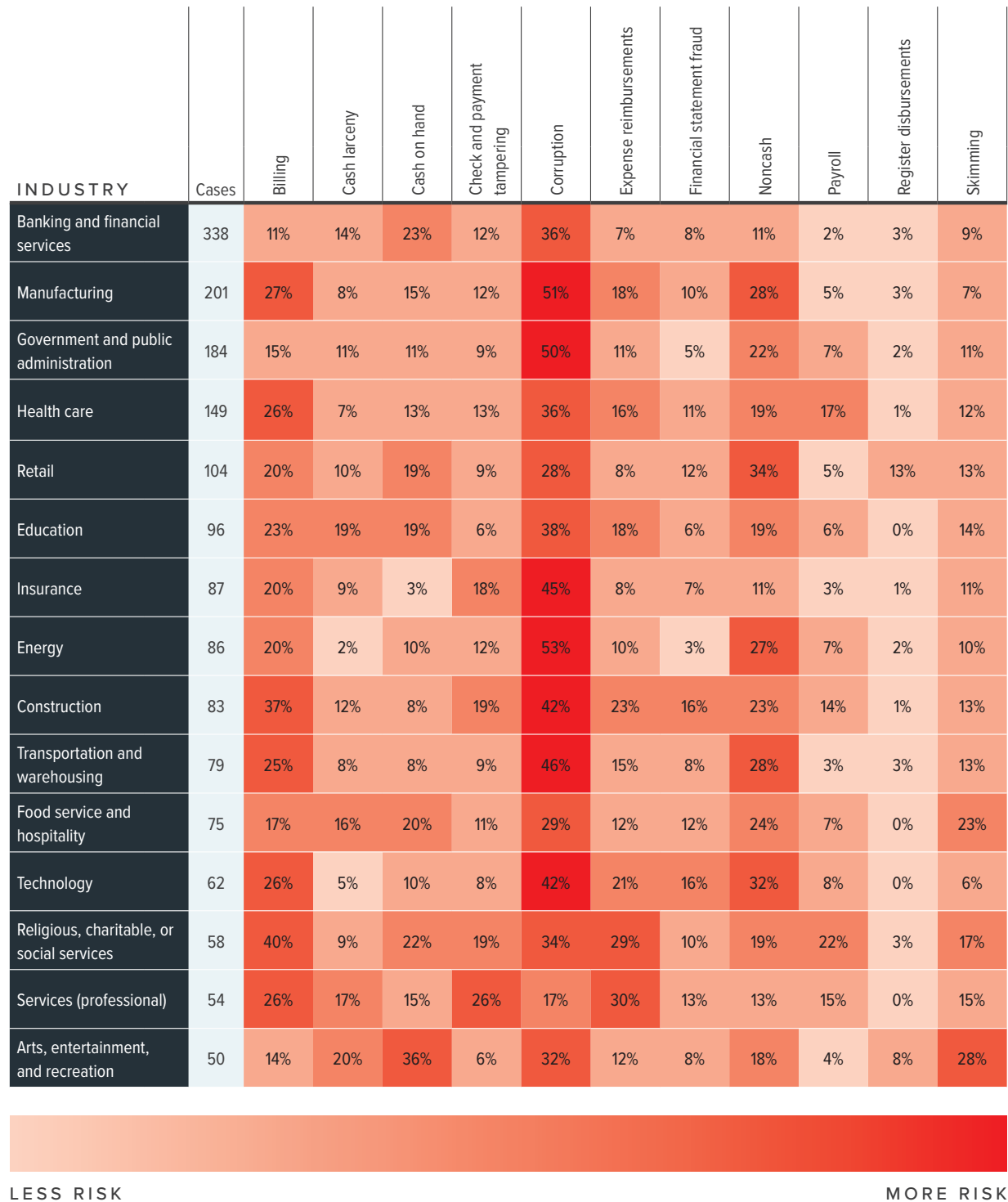


FIG. 17 What anti-fraud controls are most common?

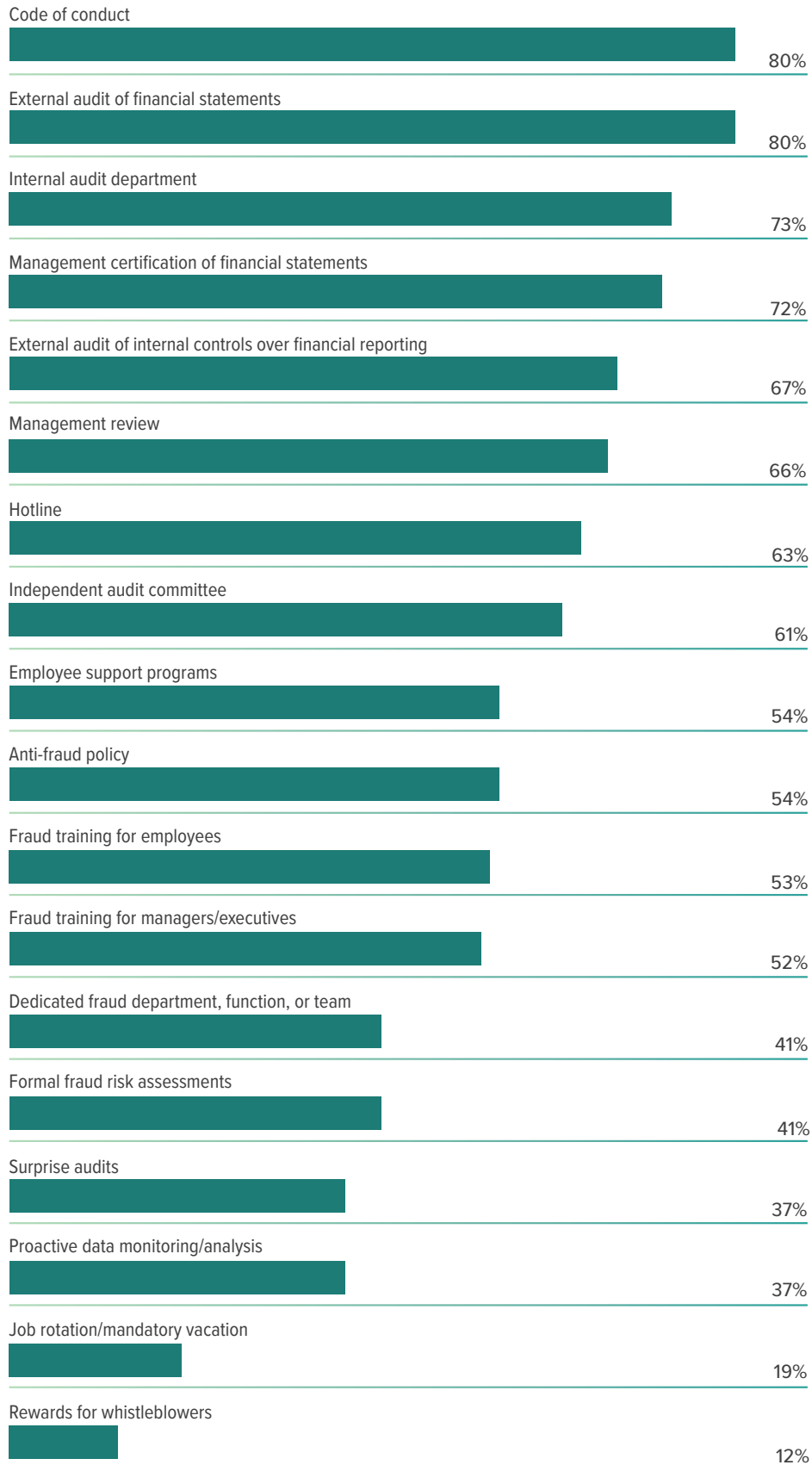
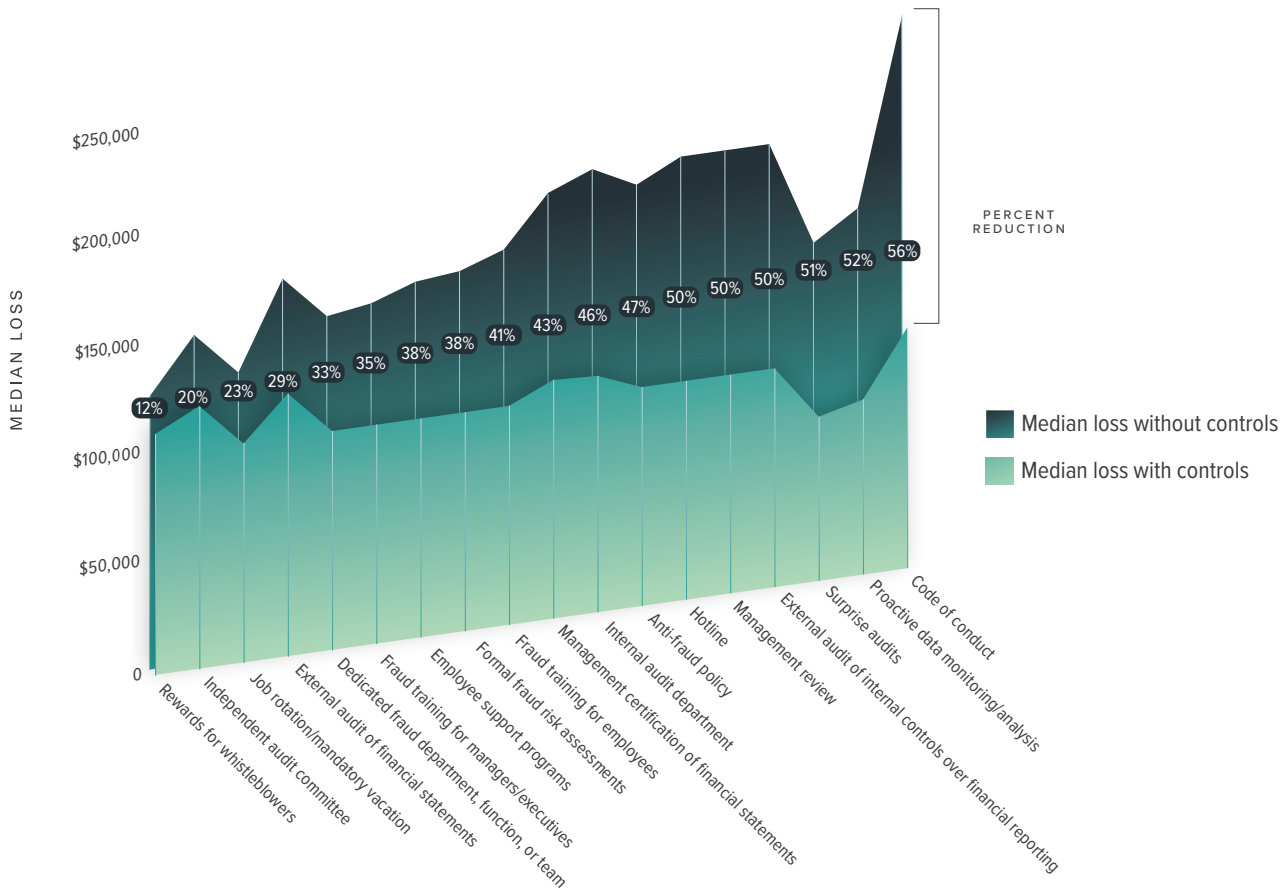
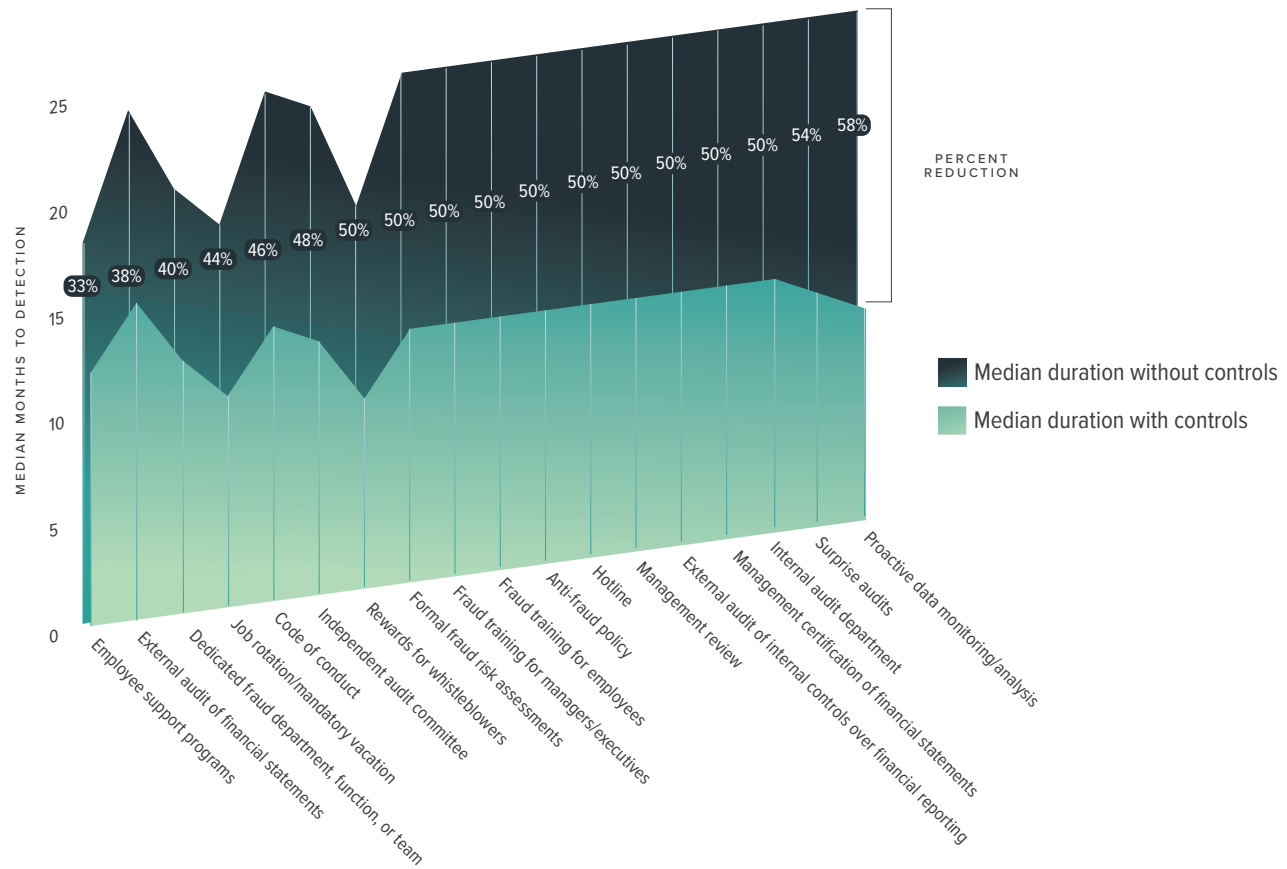


FIG. 18 How does the presence of anti-fraud controls relate to median loss?



Control	Percent of cases	Control in place	Control not in place	Percent reduction
Code of conduct	80%	\$ 110,000	\$250,000	56%
Proactive data monitoring/analysis	37%	\$ 80,000	\$165,000	52%
Surprise audits	37%	\$ 75,000	\$152,000	51%
External audit of internal controls over financial reporting	67%	\$100,000	\$200,000	50%
Management review	66%	\$100,000	\$200,000	50%
Hotline	63%	\$100,000	\$200,000	50%
Anti-fraud policy	54%	\$100,000	\$190,000	47%
Internal audit department	73%	\$108,000	\$200,000	46%
Management certification of financial statements	72%	\$109,000	\$192,000	43%
Fraud training for employees	53%	\$100,000	\$169,000	41%
Formal fraud risk assessments	41%	\$100,000	\$162,000	38%
Employee support programs	54%	\$100,000	\$160,000	38%
Fraud training for managers/executives	52%	\$100,000	\$153,000	35%
Dedicated fraud department, function, or team	41%	\$100,000	\$150,000	33%
External audit of financial statements	80%	\$120,000	\$170,000	29%
Job rotation/mandatory vacation	19%	\$100,000	\$130,000	23%
Independent audit committee	61%	\$120,000	\$150,000	20%
Rewards for whistleblowers	12%	\$ 110,000	\$125,000	12%

FIG. 19 How does the presence of anti-fraud controls relate to the duration of fraud?



Control	Percent of cases	Control in place	Control not in place	Percent reduction
Proactive data monitoring/analysis	37%	10 months	24 months	58%
Surprise audits	37%	11 months	24 months	54%
Internal audit department	73%	12 months	24 months	50%
Management certification of financial statements	72%	12 months	24 months	50%
External audit of internal controls over financial reporting	67%	12 months	24 months	50%
Management review	66%	12 months	24 months	50%
Hotline	63%	12 months	24 months	50%
Anti-fraud policy	54%	12 months	24 months	50%
Fraud training for employees	53%	12 months	24 months	50%
Fraud training for managers/executives	52%	12 months	24 months	50%
Formal fraud risk assessments	41%	12 months	24 months	50%
Rewards for whistleblowers	12%	9 months	18 months	50%
Independent audit committee	61%	12 months	23 months	48%
Code of conduct	80%	13 months	24 months	46%
Job rotation/mandatory vacation	19%	10 months	18 months	44%
Dedicated fraud department, function, or team	41%	12 months	20 months	40%
External audit of financial statements	80%	15 months	24 months	38%
Employee support programs	54%	12 months	18 months	33%

FIG. 20 Was a background check run on the perpetrator prior to hiring?

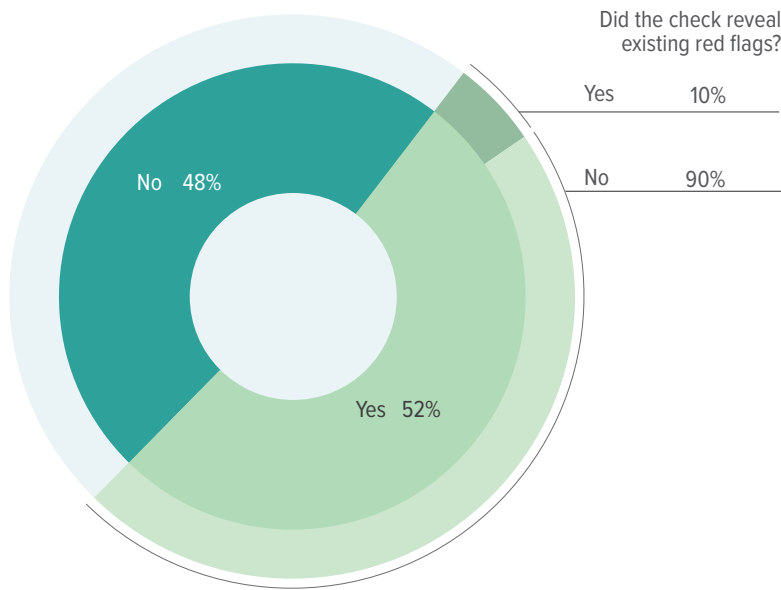


FIG. 21 What types of background checks were run on the perpetrator prior to hiring?

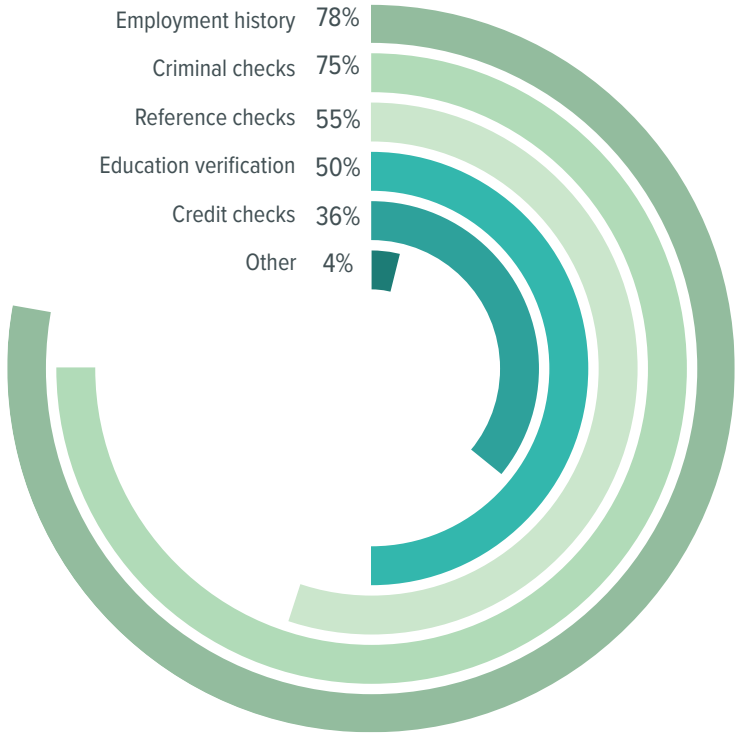
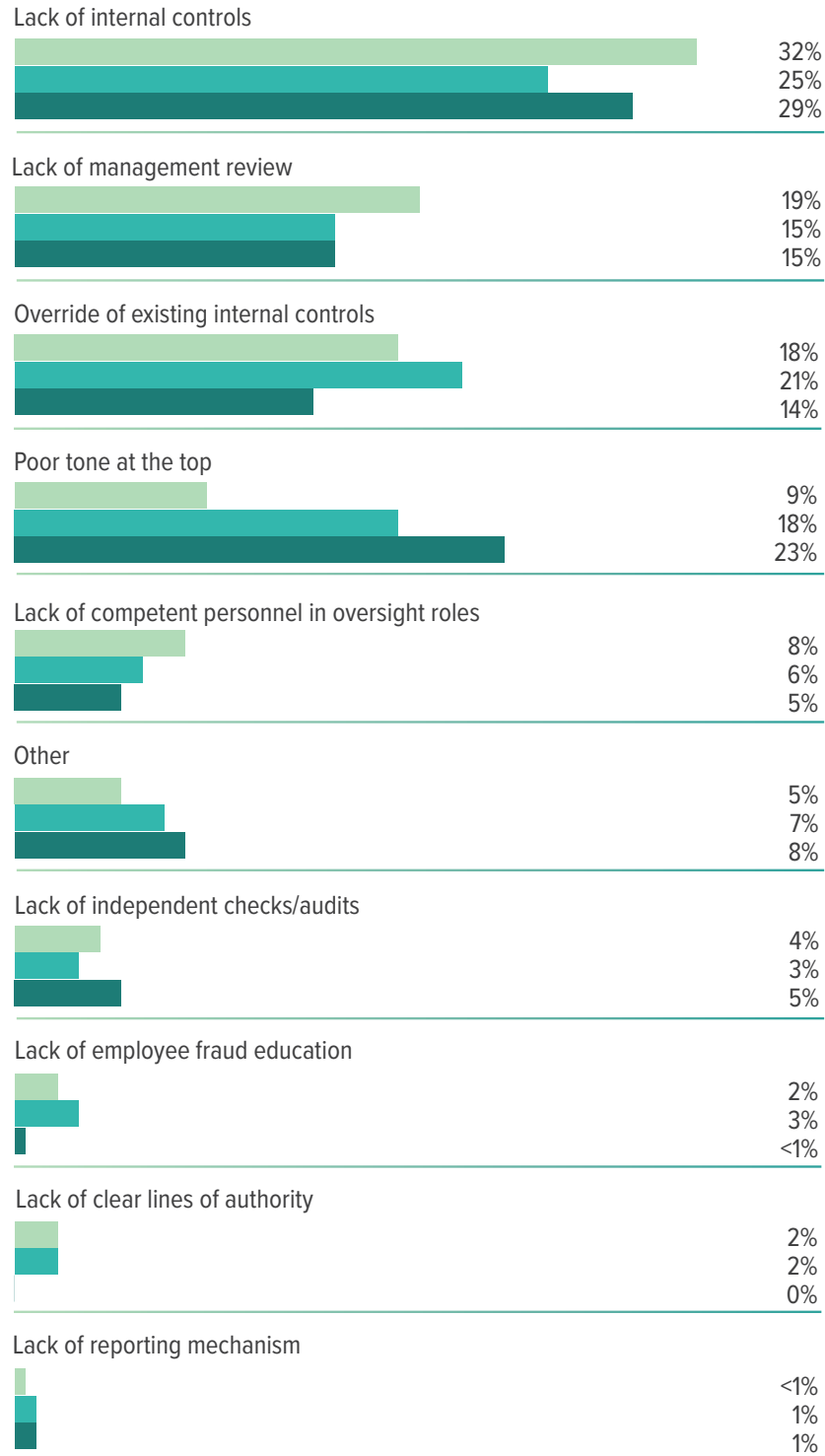


FIG. 22 What are the primary internal control weaknesses that contribute to occupational fraud?



FIG. 23 How do internal control weaknesses vary by scheme type?



Asset misappropriation Corruption Financial statement fraud

FIG. 24 How does the perpetrator's level of authority relate to occupational fraud?

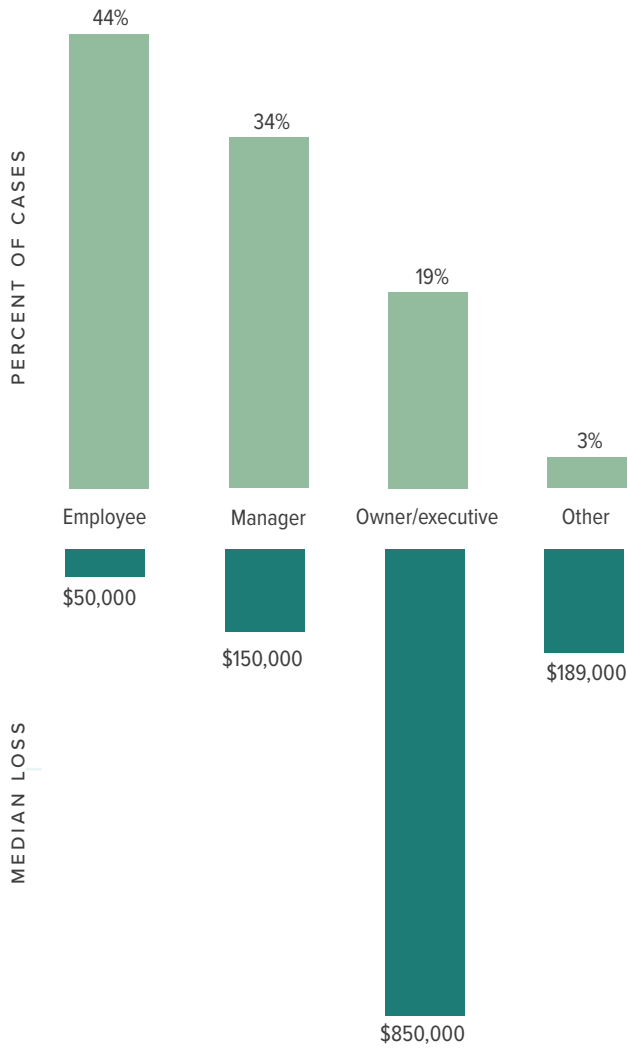


FIG. 25 How does the perpetrator's level of authority relate to scheme duration?

Position	Median months to detection
Employee	12 months
Manager	18 months
Owner/executive	24 months

FIG. 26 How does the perpetrator's tenure relate to occupational fraud?

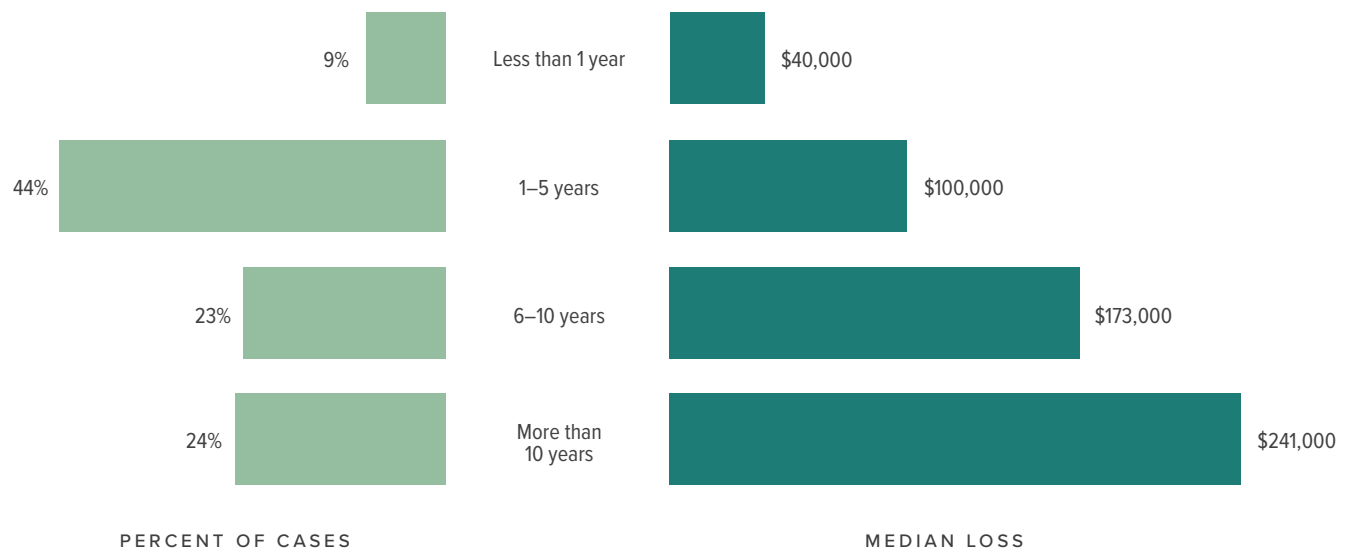


FIG. 27 How does the perpetrator’s tenure relate to median loss at different levels of authority?

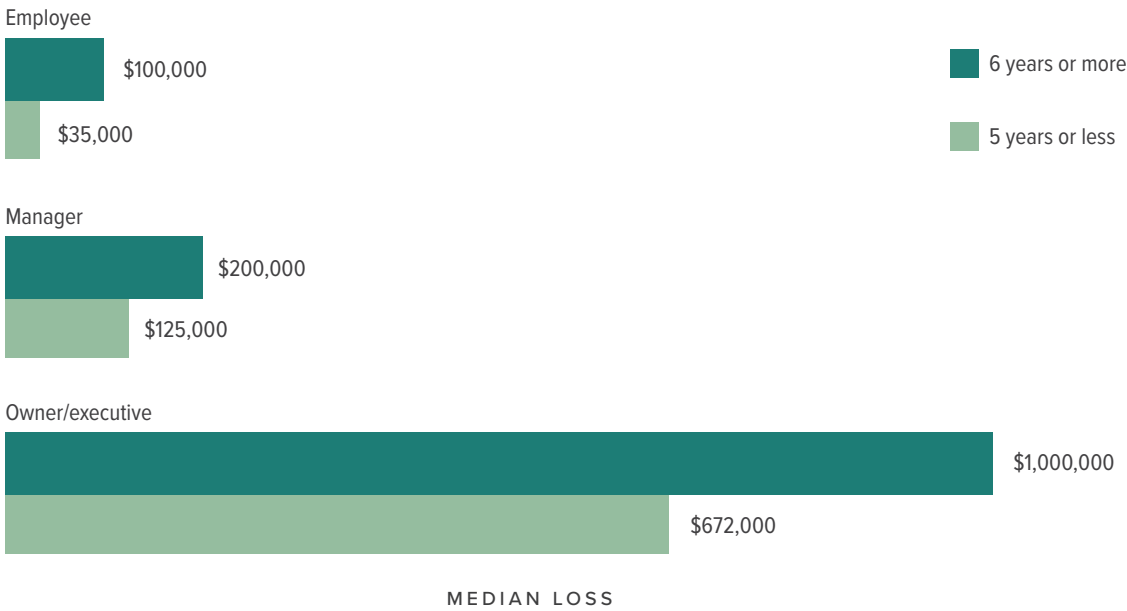
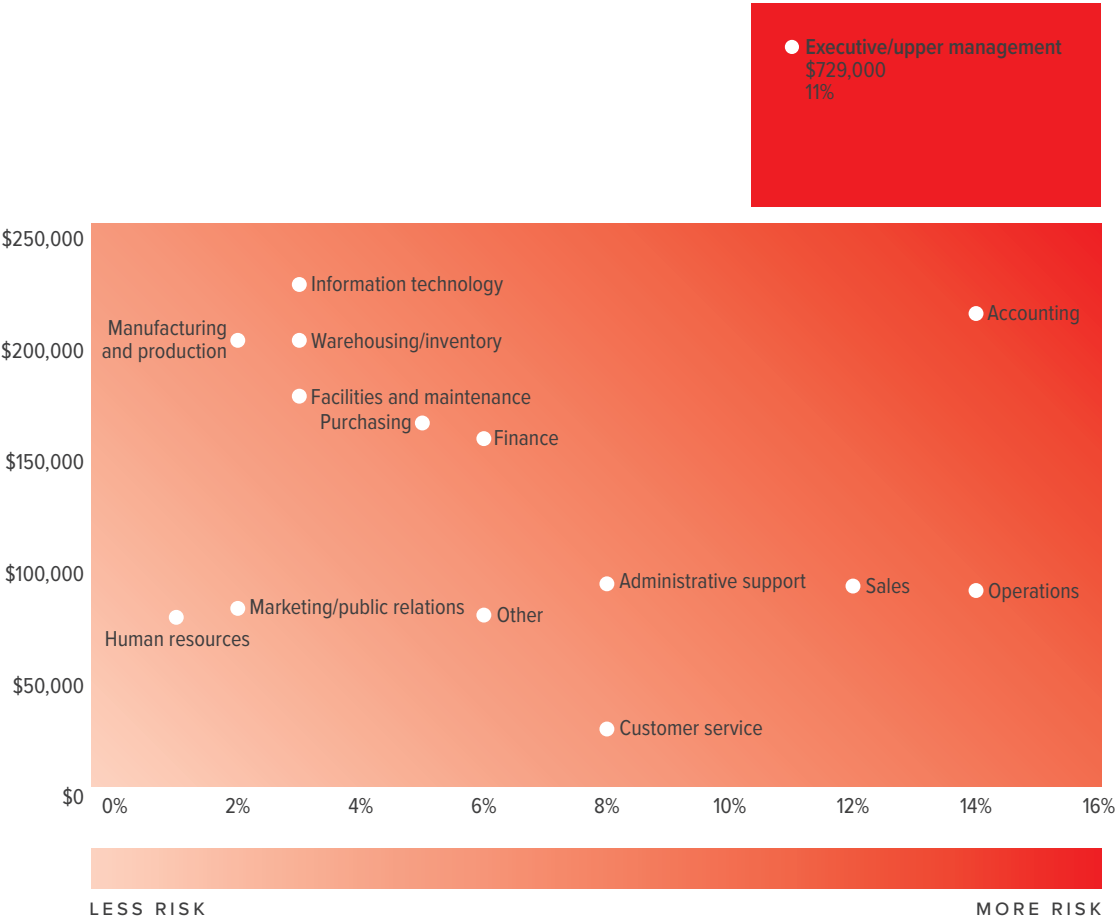


FIG. 28 What departments pose the greatest risk for occupational fraud?



Department*	Percent of cases	Median loss
Accounting	14%	\$ 212,000
Operations	14%	\$ 88,000
Sales	12%	\$ 90,000
Executive/upper management	11%	\$ 729,000
Customer service	8%	\$ 26,000
Administrative support	8%	\$ 91,000
Other	6%	\$ 77,000
Finance	6%	\$ 156,000
Purchasing	5%	\$ 163,000
Facilities and maintenance	3%	\$ 175,000
Warehousing/inventory	3%	\$ 200,000
Information technology	3%	\$ 225,000
Marketing/public relations	2%	\$ 80,000
Manufacturing and production	2%	\$ 200,000
Human resources	1%	\$ 76,000

FIG. 29 What are the most common occupational fraud schemes in high-risk departments?

INDUSTRY	Cases	Billing	Cash larceny	Cash on hand	Check and payment tampering	Corruption	Expense reimbursements	Financial statement fraud	Noncash	Payroll	Register disbursements	Skimming
Accounting	290	29%	14%	17%	30%	23%	12%	13%	7%	14%	2%	19%
Operations	266	15%	8%	15%	8%	36%	11%	4%	20%	5%	2%	11%
Executive/upper management	223	35%	14%	16%	15%	62%	29%	30%	20%	12%	3%	9%
Sales	216	10%	12%	12%	6%	34%	13%	6%	25%	2%	5%	14%
Customer service	155	5%	16%	31%	8%	19%	4%	1%	15%	3%	5%	14%
Administrative support	147	33%	7%	21%	14%	26%	22%	8%	19%	13%	3%	14%
Finance	110	17%	15%	21%	16%	37%	13%	16%	15%	6%	2%	10%
Purchasing	94	18%	5%	6%	5%	77%	10%	3%	31%	3%	2%	4%



FIG. 30 How does the perpetrator's gender relate to occupational fraud?

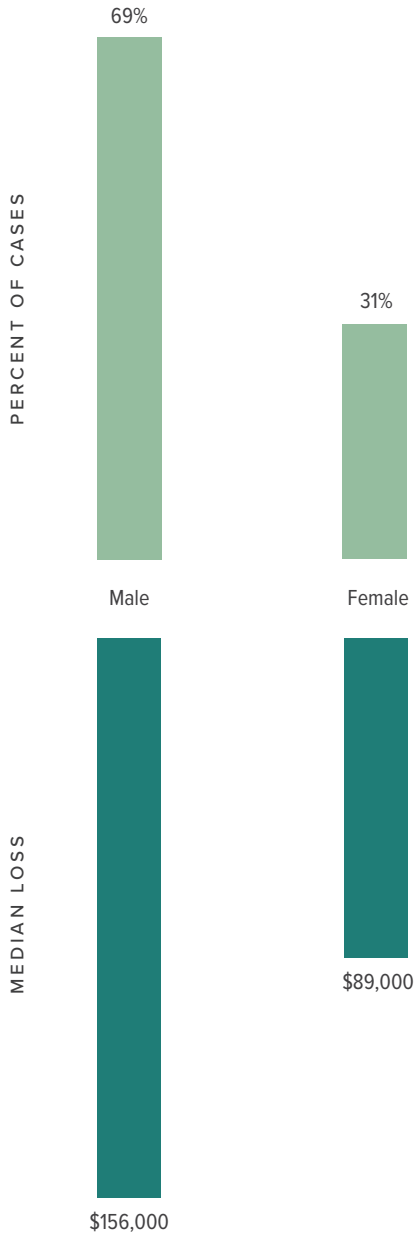


FIG. 31 How does the gender distribution of perpetrators vary by region?

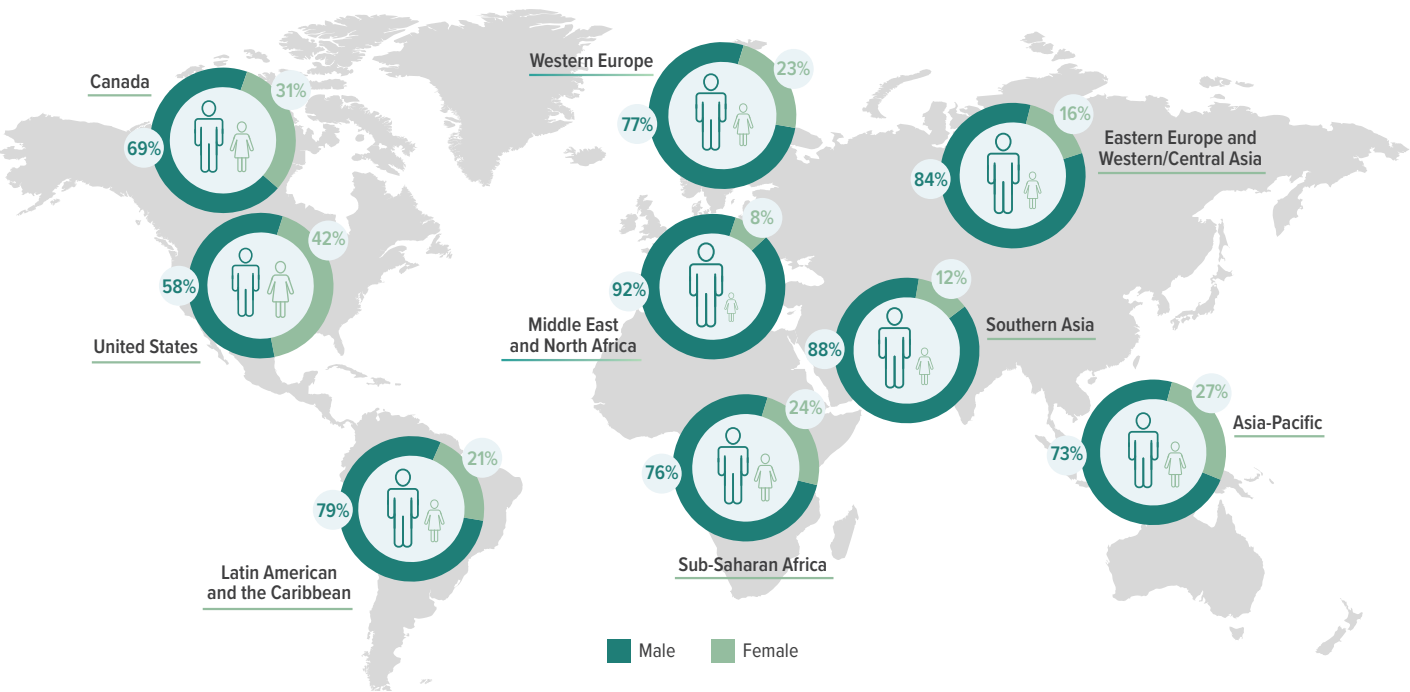


FIG. 32 How does gender distribution and median loss vary based on the perpetrator's level of authority?



FIG. 33 How does the perpetrator's age relate to occupational fraud?

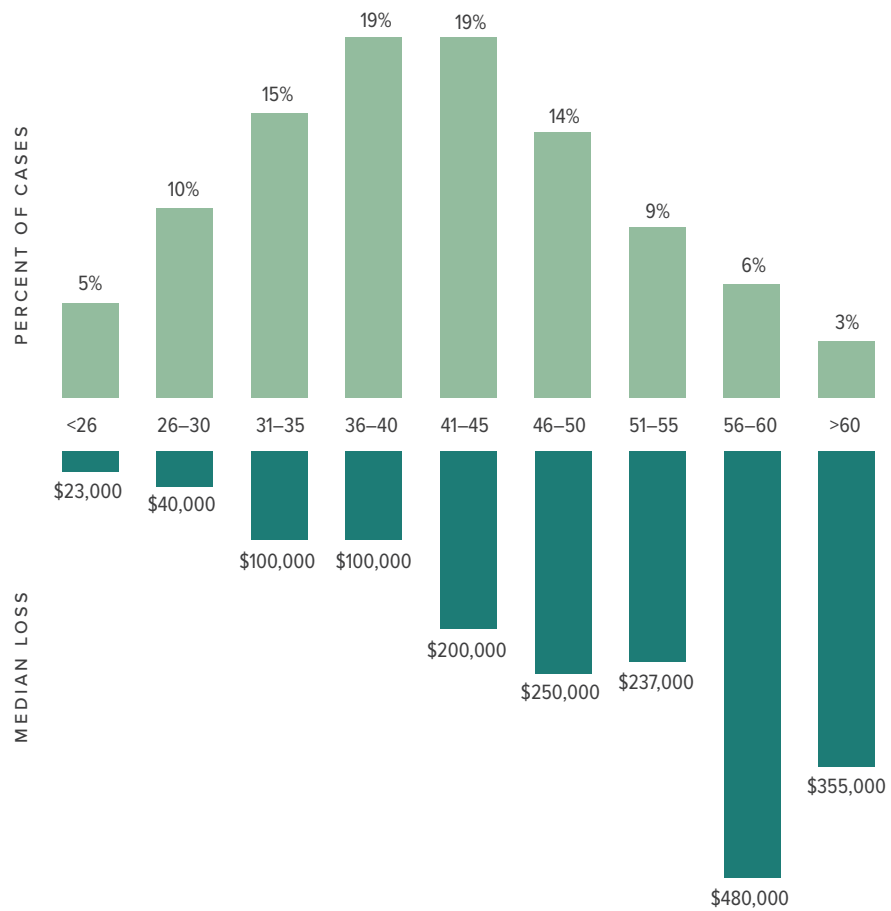


FIG. 34 How does the perpetrator’s education level relate to occupational fraud?

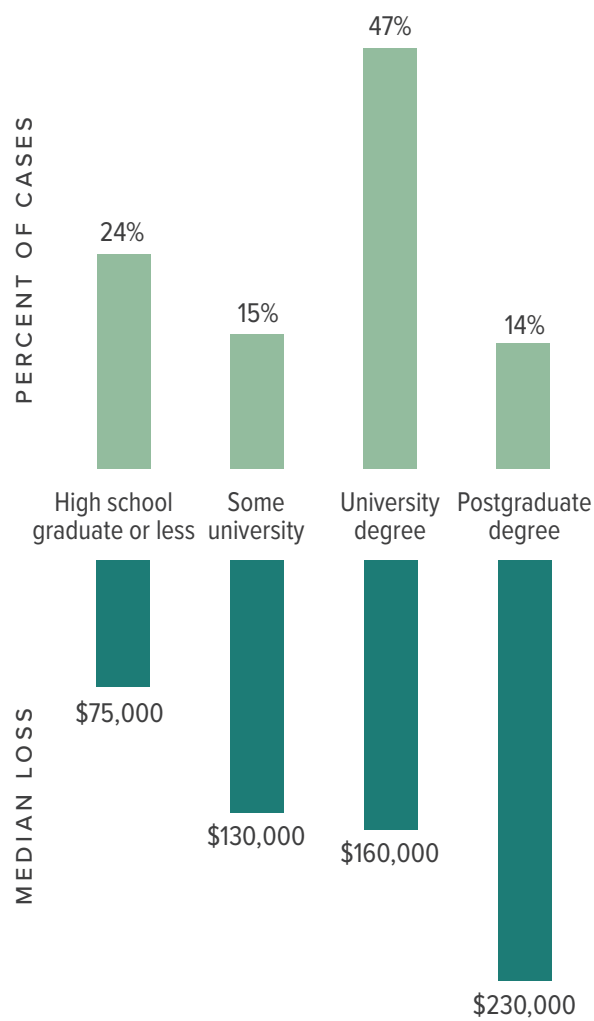


FIG. 35 How does the number of perpetrators in a scheme relate to occupational fraud?

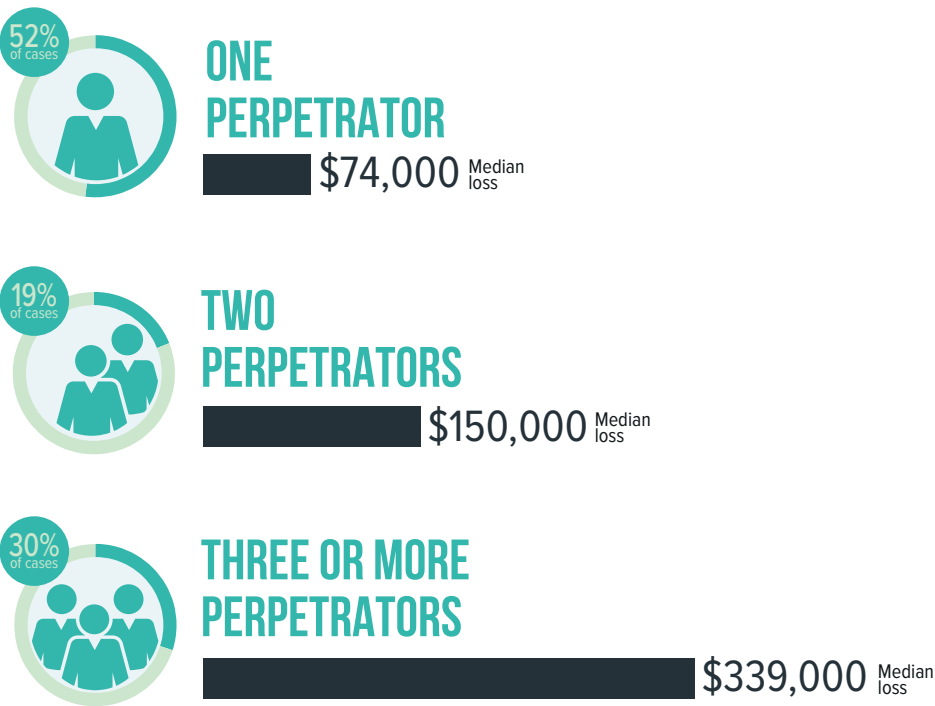


FIG. 36 Do perpetrators tend to have prior fraud convictions?



- Never charged or convicted (89%)
- Charged but not convicted (6%)
- Had prior convictions (4%)
- Other (1%)

FIG. 37 Do perpetrators tend to have prior employment-related disciplinary actions for fraud?



- Never punished or terminated (85%)
- Previously terminated (9%)
- Previously punished (6%)
- Other (1%)

FIG. 38 How often do perpetrators exhibit behavioral red flags?

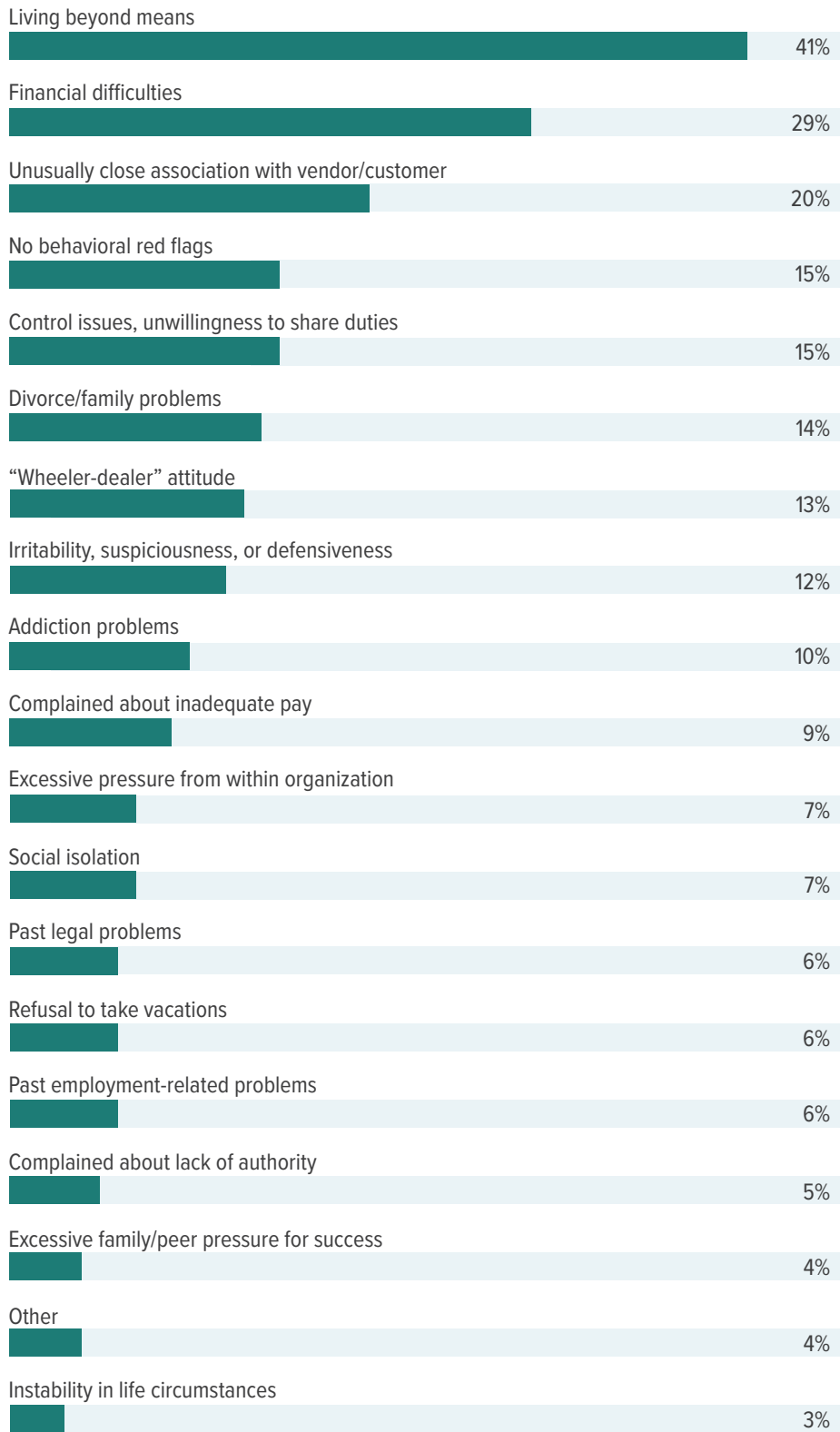


FIG. 39 Do fraud perpetrators also engage in non-fraud-related misconduct?

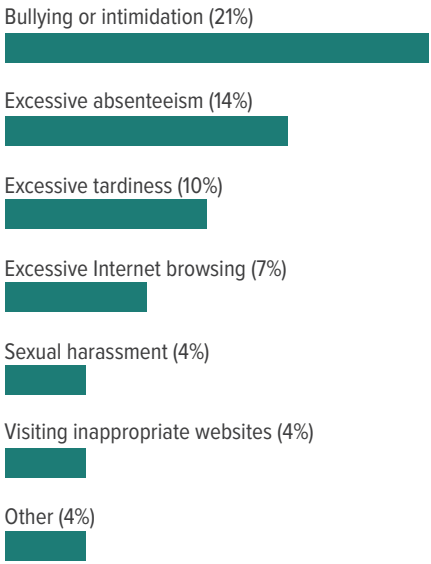
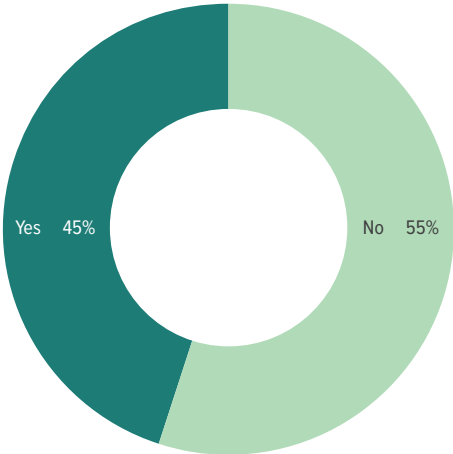


FIG. 40 Do fraud perpetrators experience negative HR-related issues prior to or during their frauds?

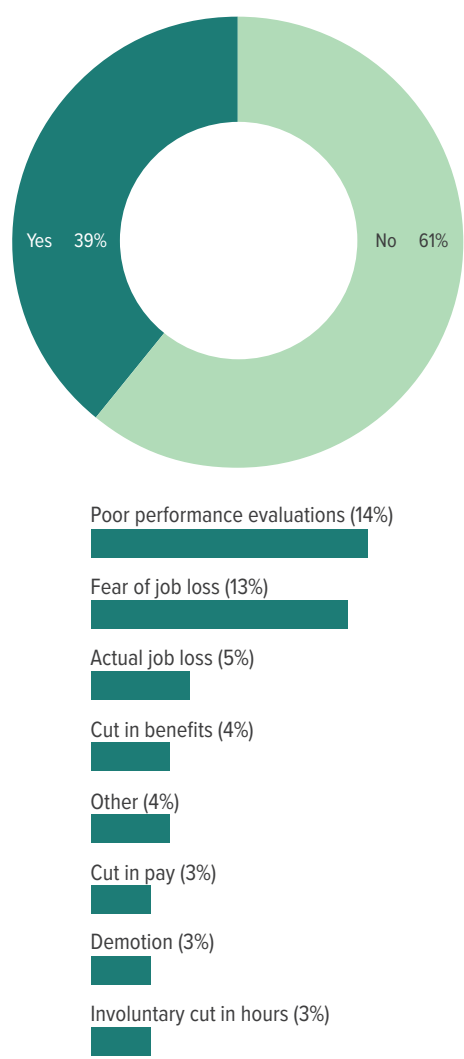


FIG. 41 How do victim organizations punish fraud perpetrators?

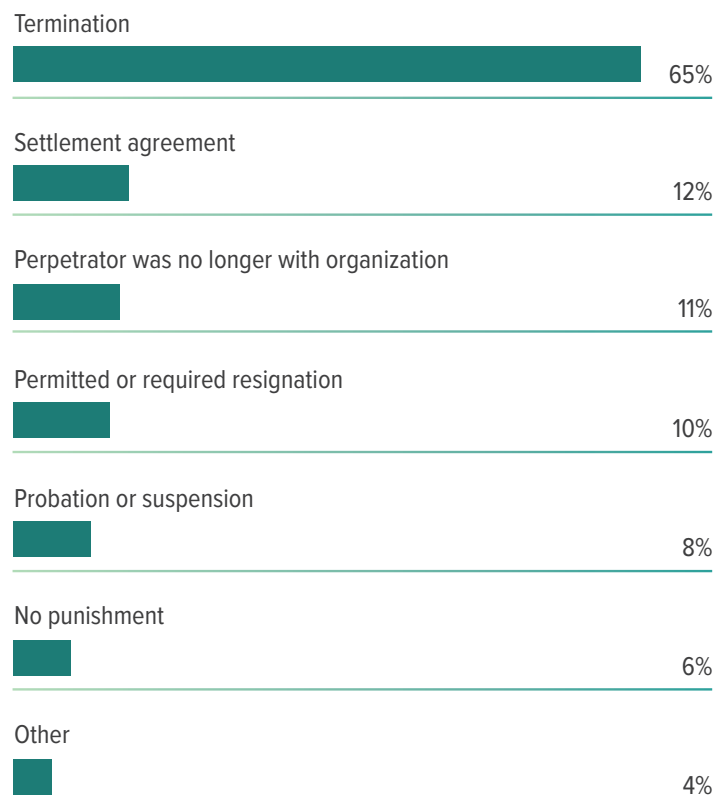


FIG. 42 Does the perpetrator's position affect the punishment for fraud?

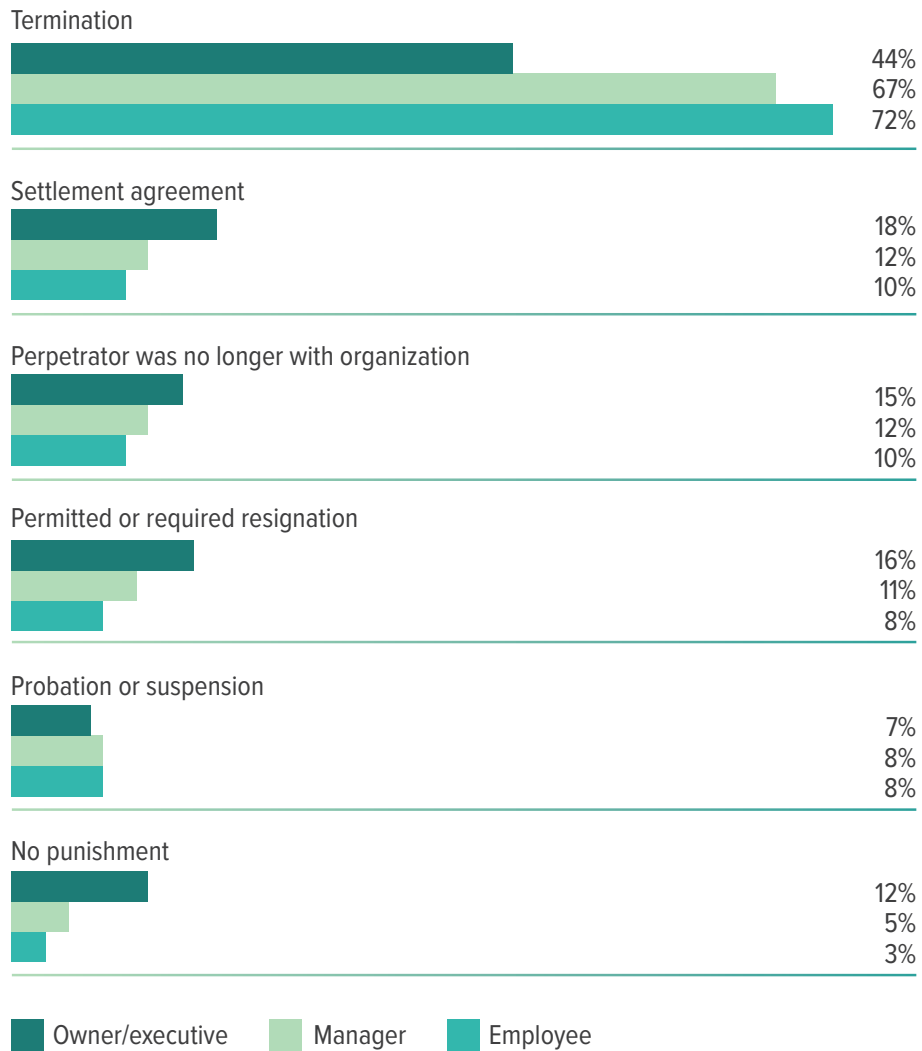


FIG. 43 How often is litigation pursued against occupational fraud perpetrators?

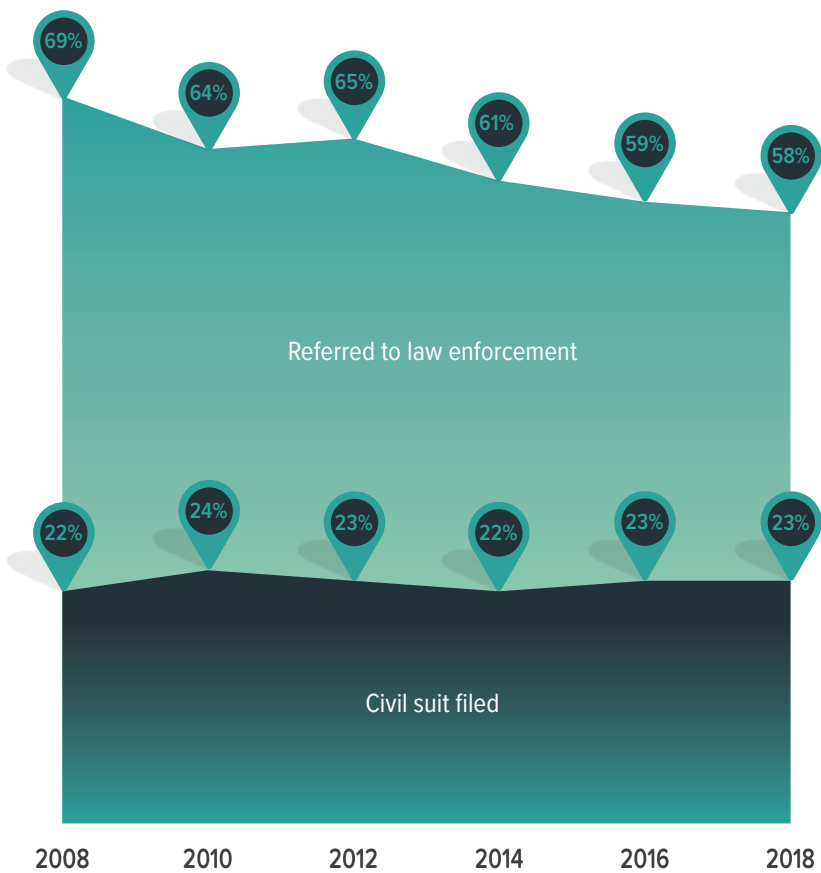


FIG. 44 What were the results of criminal referrals?

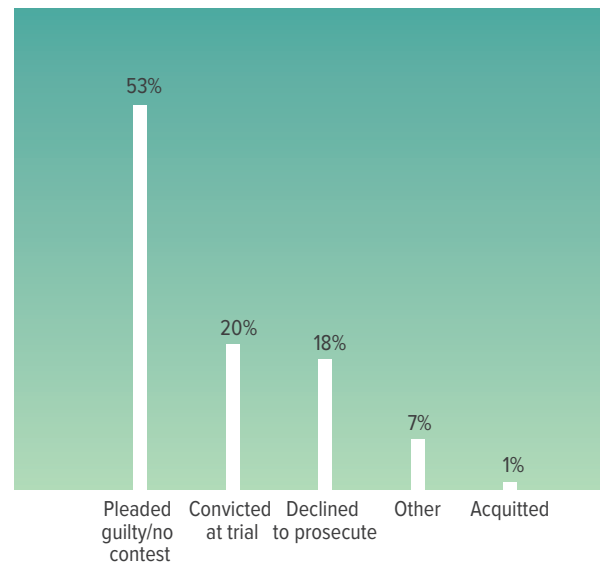


FIG. 45 What were the results of civil suits?

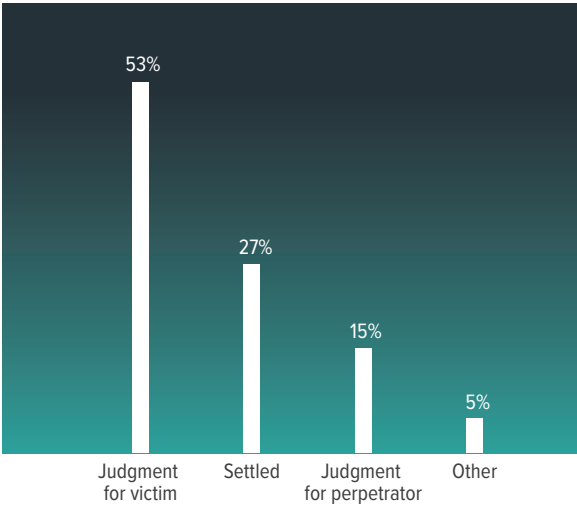


FIG. 46 Why do organizations decide not to refer cases to law enforcement?

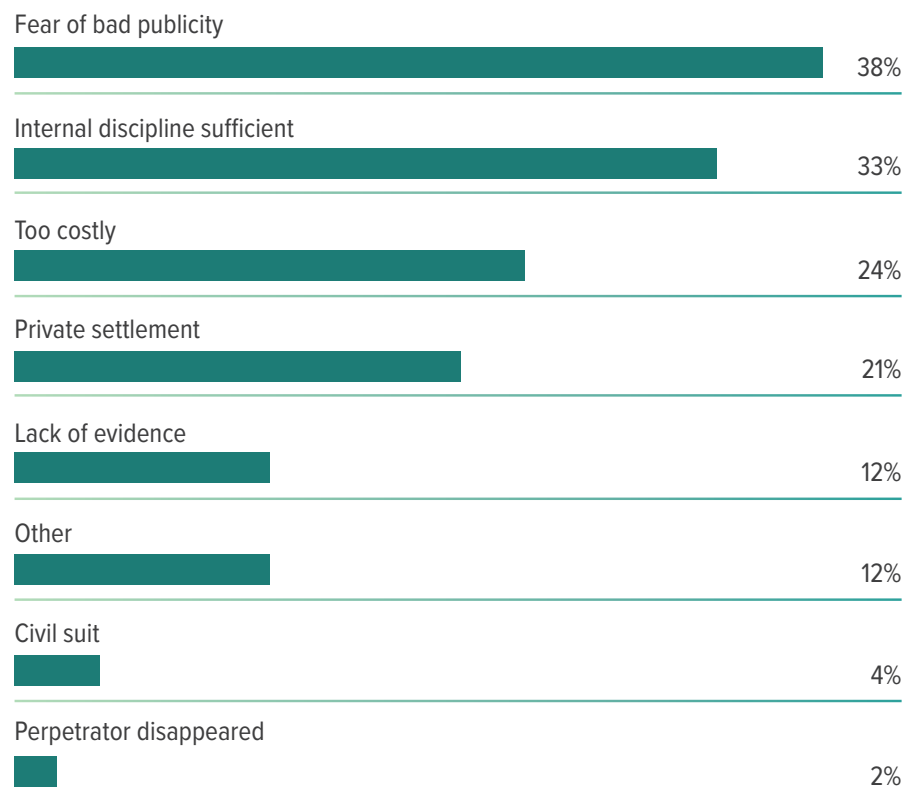


FIG. 47 What was the primary occupation of survey participants?

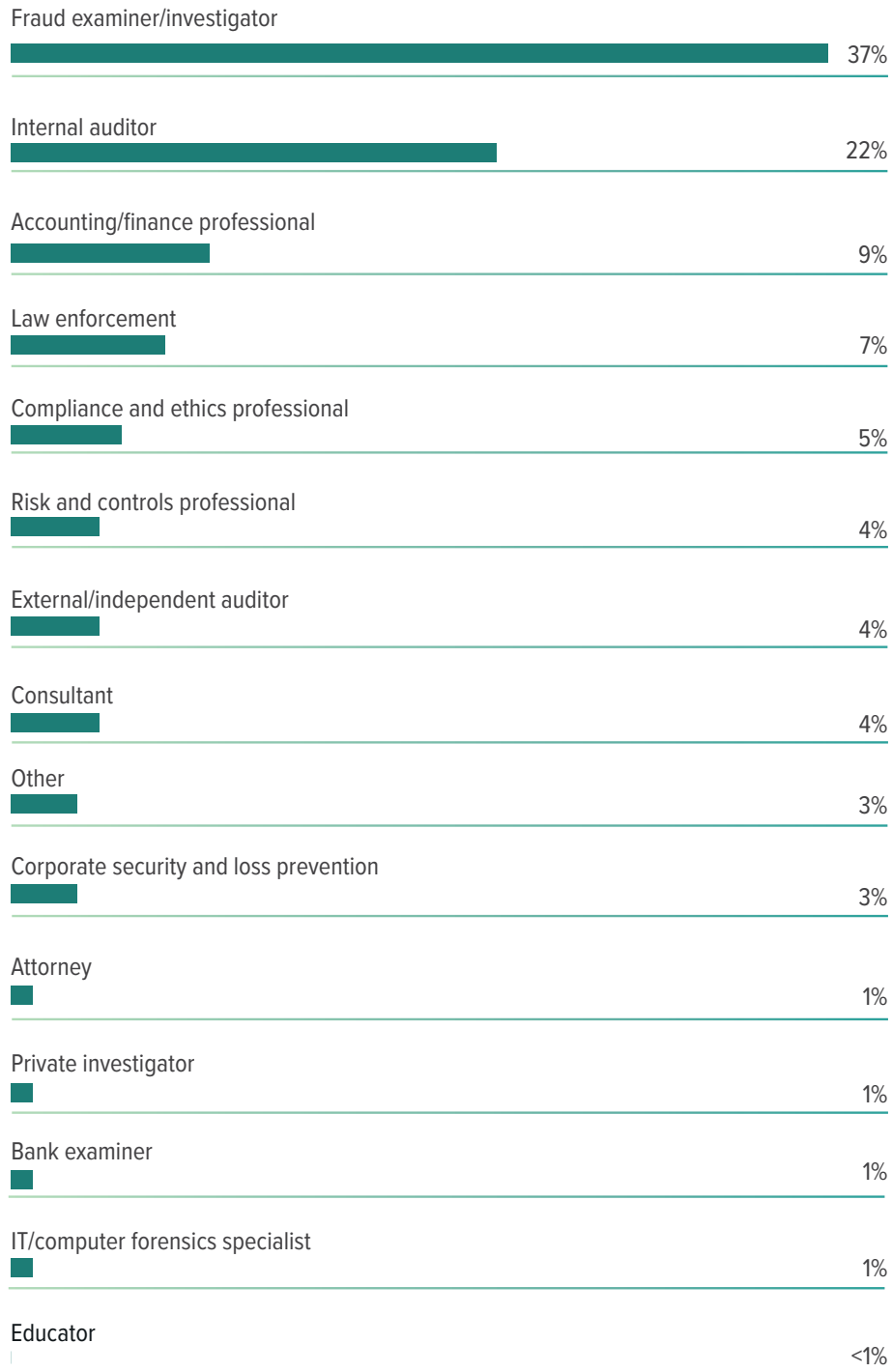


FIG. 48 What was the professional role of the survey participants?

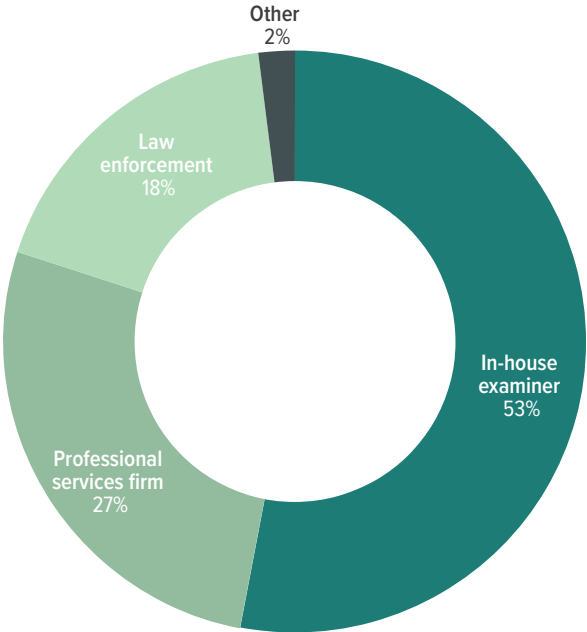


FIG. 49 How much fraud examination experience did survey participants have?

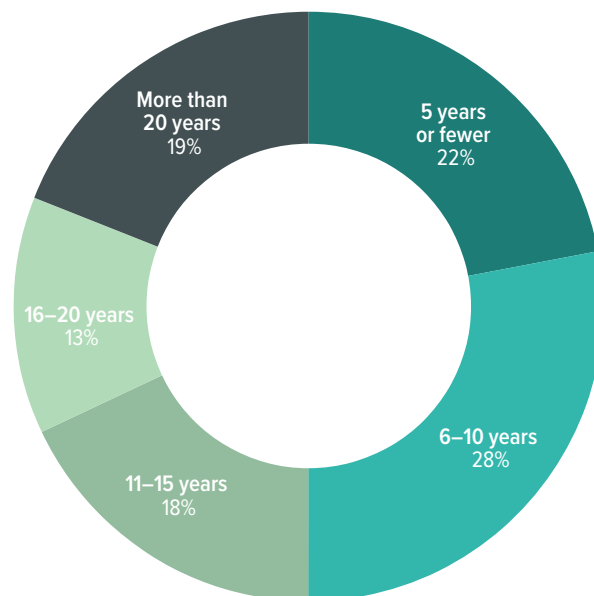


FIG. 50 How many fraud cases have survey participants investigated in the past two years?

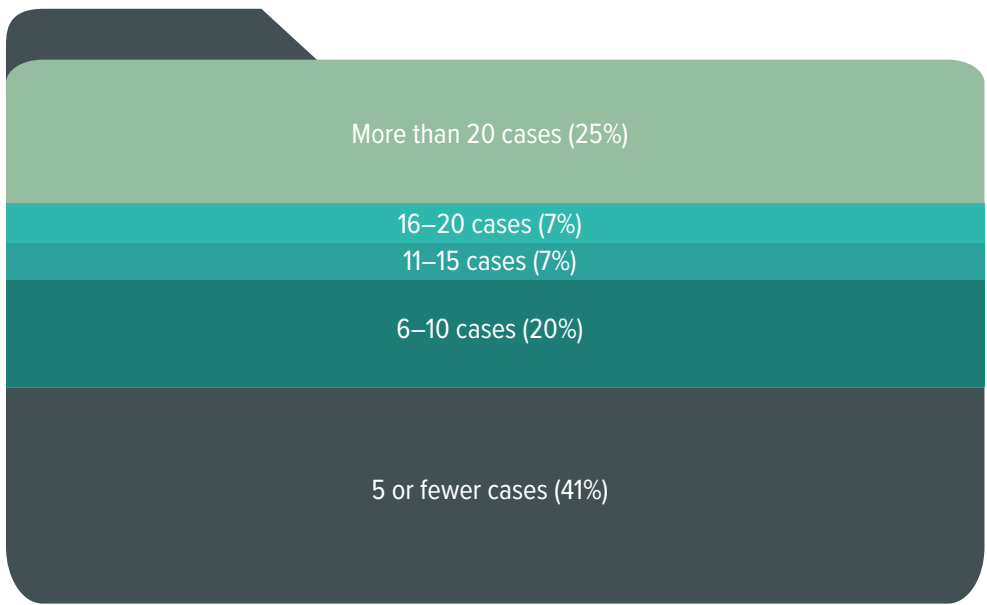


FIG. 51 What are the most common occupational fraud schemes in the Asia-Pacific region?

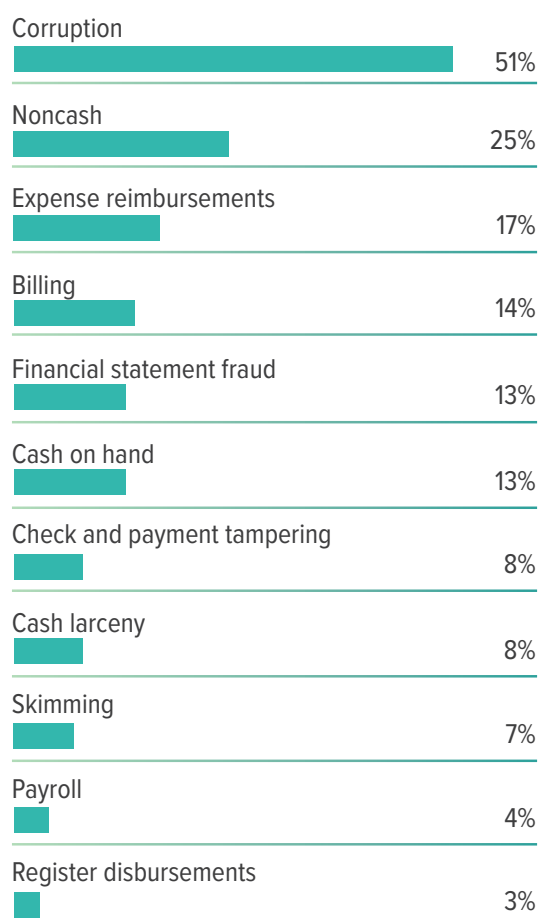


FIG. 52 How is occupational fraud initially detected in the Asia-Pacific region?



FIG. 53 What anti-fraud controls are the most common in the Asia-Pacific region?

Control	Percent of cases
External audit of financial statements	93%
Code of conduct	87%
Internal audit department	80%
Management certification of financial statements	79%
Hotline	74%
External audit of internal controls over financial reporting	73%
Management review	71%
Independent audit committee	69%
Anti-fraud policy	60%
Fraud training for employees	59%
Fraud training for managers/executives	57%
Employee support programs	49%
Dedicated fraud department, function, or team	42%
Formal fraud risk assessments	37%
Surprise audits	34%
Proactive data monitoring/analysis	32%
Job rotation/mandatory vacation	16%
Rewards for whistleblowers	11%

FIG. 54 How does the perpetrator's level of authority relate to occupational fraud in the Asia-Pacific region?

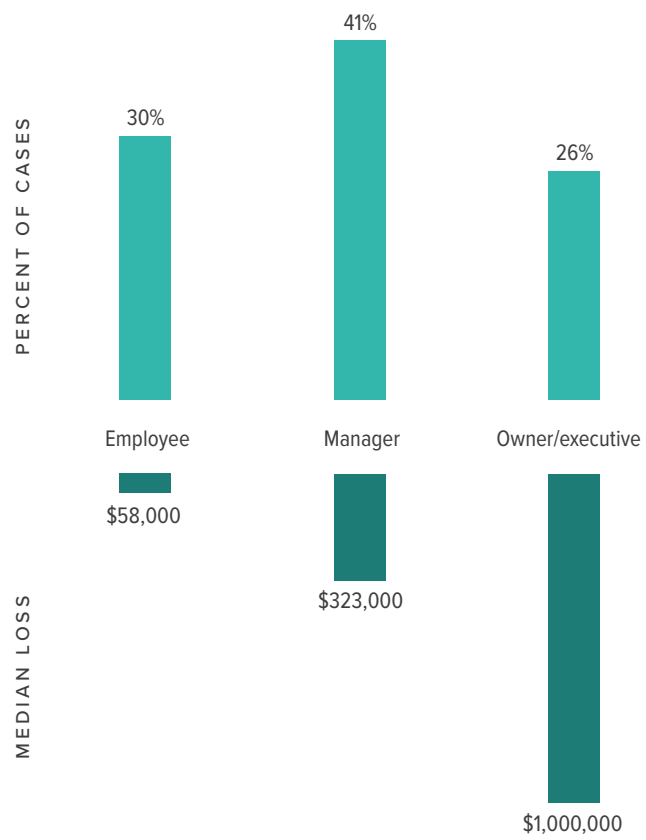


FIG. 55 Cases by country in the Asia-Pacific region

Country	Number of cases
Australia	38
Cambodia	2
China	49
East Timor	1
Hong Kong	10
Indonesia	29
Japan	4
Macau	1
Malaysia	14
Myanmar (Burma)	1
New Zealand	8
Papua New Guinea	1
Philippines	25
Singapore	17
South Korea	6
Taiwan	6
Thailand	3
Vietnam	5
Total cases:	220

FIG. 56 What are the most common occupational fraud schemes in Canada?

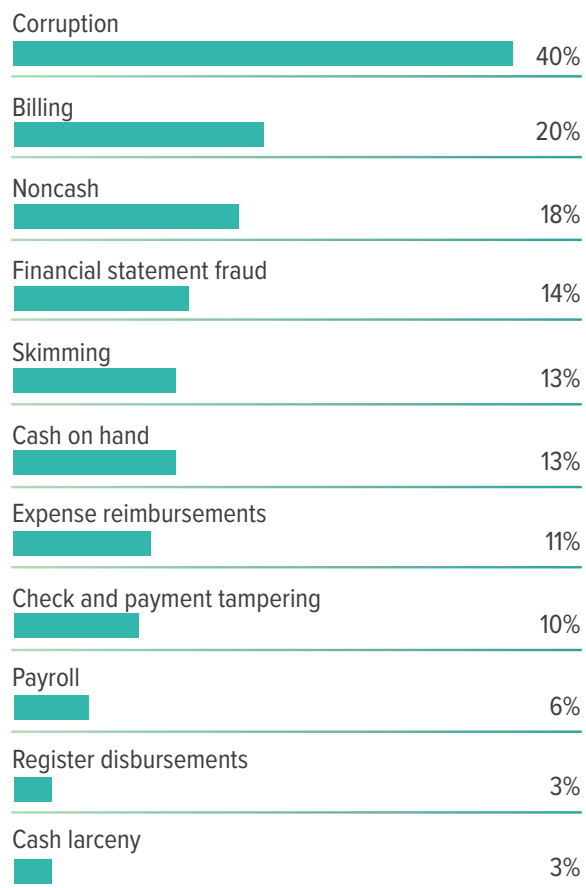


FIG. 57 How is occupational fraud initially detected in Canada?

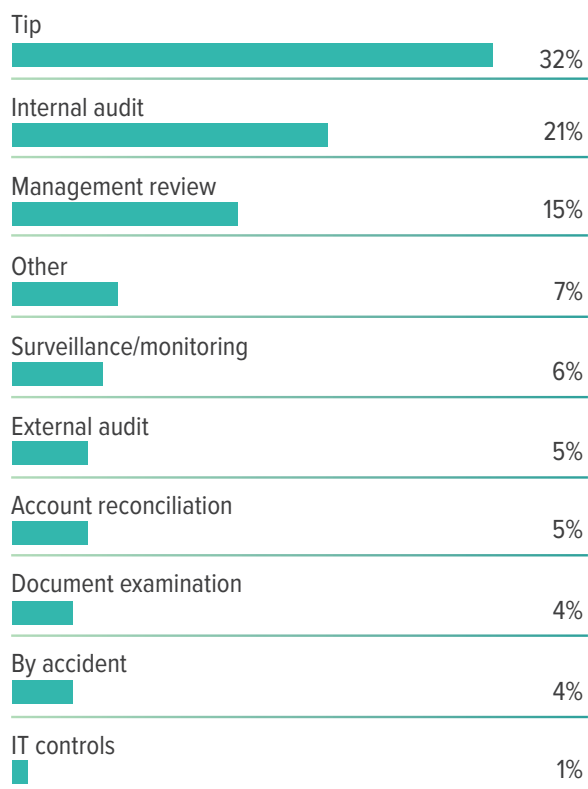


FIG. 58 What anti-fraud controls are the most common in Canada?

Control	Percent of cases
Code of conduct	80%
External audit of financial statements	72%
Internal audit department	71%
Employee support programs	71%
Management review	68%
Management certification of financial statements	67%
Independent audit committee	61%
Hotline	57%
External audit of internal controls over financial reporting	54%
Fraud training for managers/executives	51%
Fraud training for employees	51%
Anti-fraud policy	44%
Proactive data monitoring/analysis	38%
Formal fraud risk assessments	35%
Dedicated fraud department, function, or team	33%
Surprise audits	28%
Job rotation/mandatory vacation	15%
Rewards for whistleblowers	10%

FIG. 59 How does the perpetrator's level of authority relate to occupational fraud in Canada?

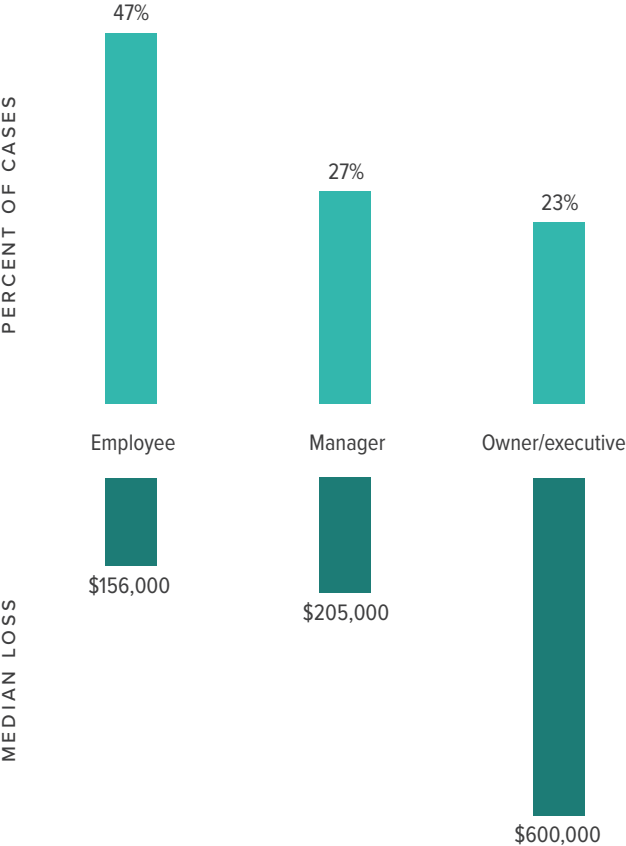


FIG. 60 What are the most common occupational fraud schemes in Eastern Europe and Western/Central Asia?

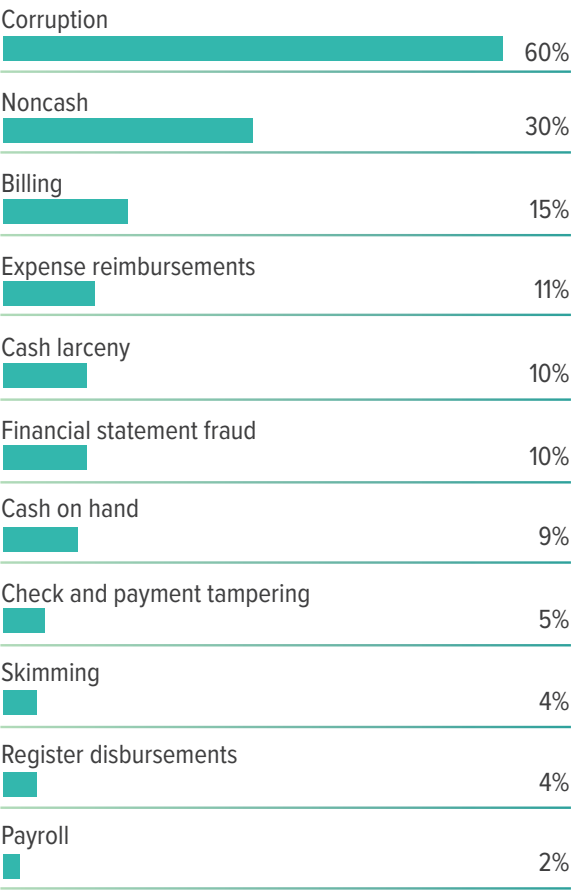


FIG. 61 How is occupational fraud initially detected in Eastern Europe and Western/Central Asia?



FIG. 62 What anti-fraud controls are the most common in Eastern Europe and Western/Central Asia?

Control	Percent of cases
External audit of financial statements	95%
Internal audit department	91%
Code of conduct	83%
Management certification of financial statements	79%
Management review	76%
Hotline	75%
External audit of internal controls over financial reporting	75%
Independent audit committee	73%
Anti-fraud policy	66%
Fraud training for employees	58%
Dedicated fraud department, function, or team	57%
Fraud training for managers/executives	56%
Formal fraud risk assessments	46%
Surprise audits	40%
Proactive data monitoring/analysis	36%
Employee support programs	27%
Job rotation/mandatory vacation	17%
Rewards for whistleblowers	5%

FIG. 63 How does the perpetrator’s level of authority relate to occupational fraud in Eastern Europe and Western/Central Asia?



FIG. 64 Cases by country in Eastern Europe and Western/Central Asia

Country	Number of cases
Bulgaria	3
Czech Republic	3
Georgia	1
Hungary	1
Kazakhstan	4
Kosovo	2
Latvia	2
Lithuania	1
Macedonia	2
Montenegro	1
Poland	5
Romania	11
Russia	15
Serbia	9
Slovakia	4
Slovenia	4
Tajikistan	1
Turkey	13
Ukraine	3
Uzbekistan	1
Total cases:	86

FIG. 65 What are the most common occupational fraud schemes in Latin America and the Caribbean?

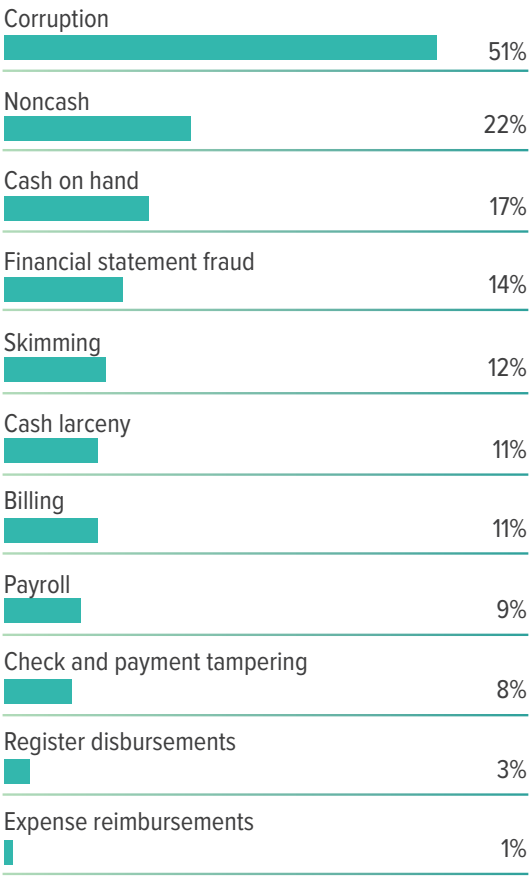


FIG. 66 How is occupational fraud initially detected in Latin America and the Caribbean?

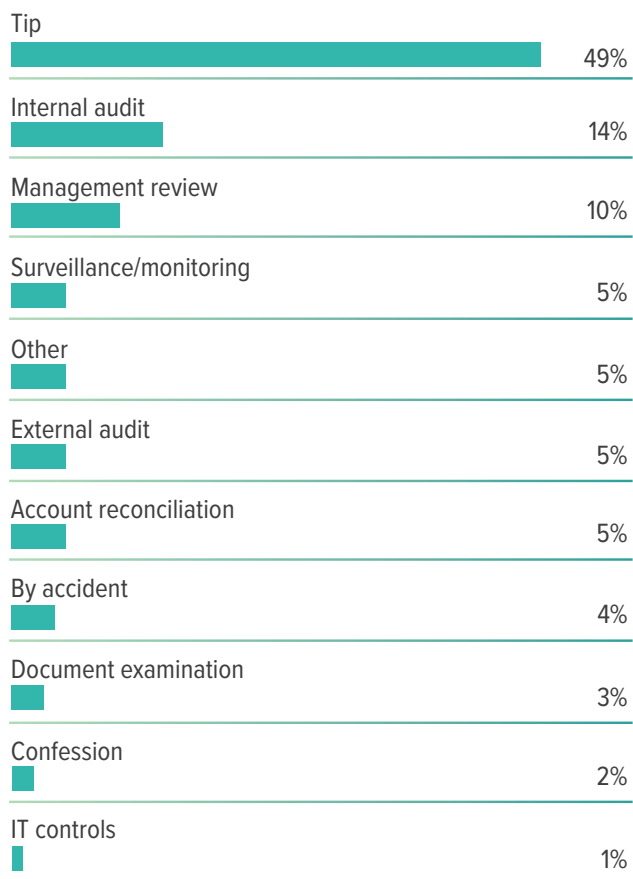


FIG. 67 What anti-fraud controls are the most common in Latin America and the Caribbean?

Control	Percent of cases
Internal audit department	89%
External audit of financial statements	86%
Code of conduct	81%
Management certification of financial statements	73%
Management review	71%
External audit of internal controls over financial reporting	70%
Hotline	68%
Independent audit committee	61%
Employee support programs	51%
Anti-fraud policy	50%
Fraud training for employees	50%
Fraud training for managers/executives	48%
Dedicated fraud department, function, or team	44%
Formal fraud risk assessments	40%
Surprise audits	35%
Proactive data monitoring/analysis	32%
Job rotation/mandatory vacation	26%
Rewards for whistleblowers	6%

FIG. 68 How does the perpetrator's level of authority relate to occupational fraud in Latin America and the Caribbean?

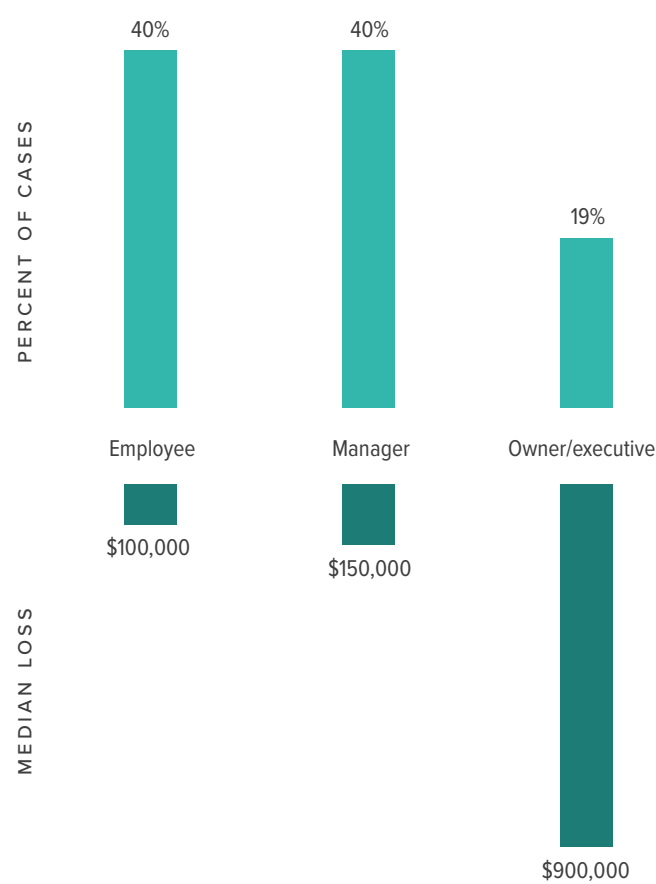


FIG. 69 Cases by country in Latin America and the Caribbean

Country	Number of cases
Antigua and Barbuda	1
Argentina	8
Bahamas	3
Belize	1
Brazil	22
Chile	8
Colombia	10
Costa Rica	1
Curaçao	2
Grenada	1
Haiti	1
Honduras	1
Jamaica	6
Mexico	29
Nicaragua	3
Peru	5
Saint Kitts and Nevis	1
Trinidad and Tobago	7
Total cases:	110

FIG. 70 What are the most common occupational fraud schemes in the Middle East and North Africa?

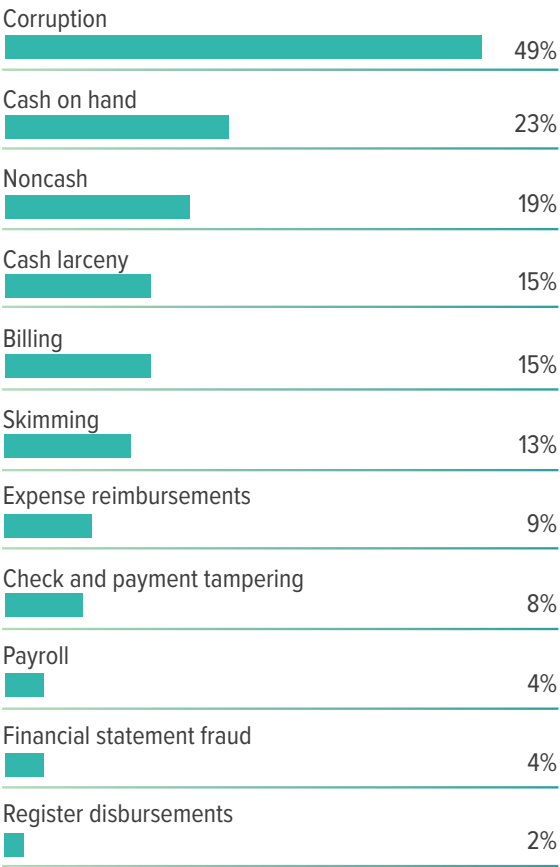


FIG. 71 How is occupational fraud initially detected in the Middle East and North Africa?



FIG. 72 What anti-fraud controls are the most common in the Middle East and North Africa?

Control	Percent of cases
External audit of financial statements	93%
Internal audit department	85%
Management certification of financial statements	81%
Code of conduct	78%
External audit of internal controls over financial reporting	69%
Management review	68%
Independent audit committee	67%
Hotline	59%
Surprise audits	59%
Anti-fraud policy	54%
Fraud training for managers/executives	47%
Fraud training for employees	47%
Dedicated fraud department, function, or team	44%
Formal fraud risk assessments	40%
Proactive data monitoring/analysis	40%
Employee support programs	33%
Job rotation/mandatory vacation	23%
Rewards for whistleblowers	9%

FIG. 73 How does the perpetrator’s level of authority relate to occupational fraud in the Middle East and North Africa?

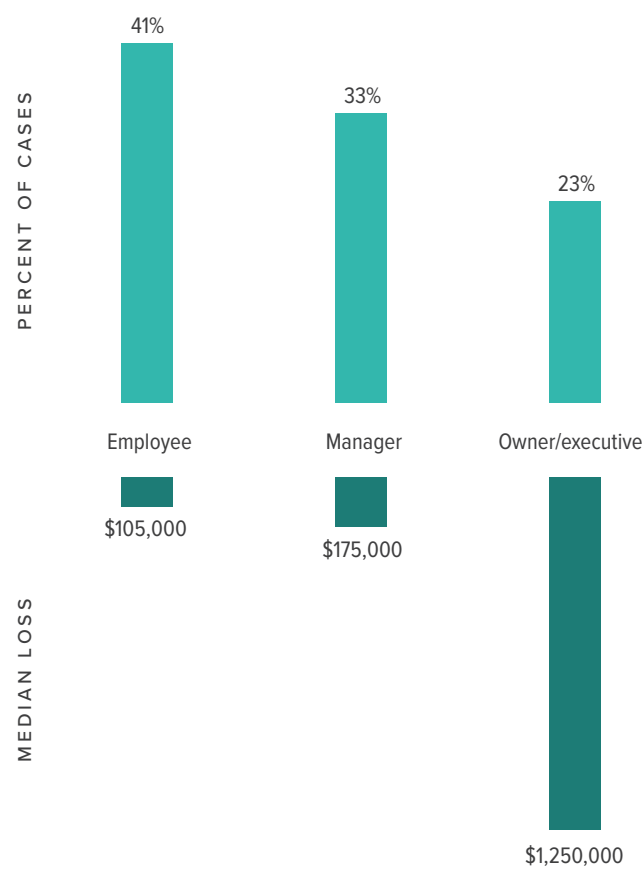


FIG. 74 Cases by country in the Middle East and North Africa

Country	Number of cases
Algeria	1
Bahrain	2
Cyprus	5
Egypt	8
Iraq	1
Israel	4
Jordan	10
Kuwait	5
Lebanon	2
Oman	4
Qatar	8
Saudi Arabia	16
Syria	1
United Arab Emirates	34
Total cases:	101

FIG. 75 What are the most common occupational fraud schemes in Southern Asia?

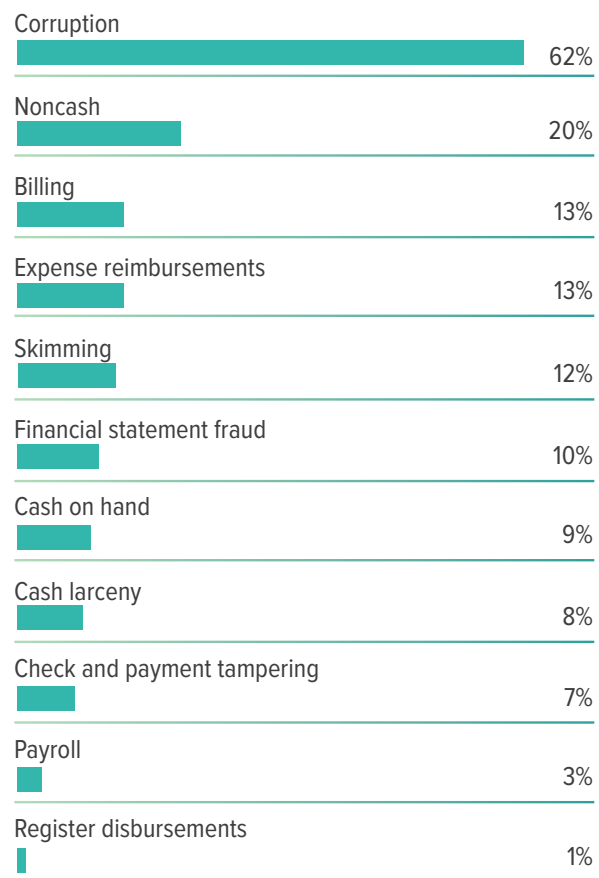


FIG. 76 How is occupational fraud initially detected in Southern Asia?



FIG. 77 What anti-fraud controls are the most common in Southern Asia?

Control	Percent of cases
External audit of financial statements	90%
Internal audit department	88%
Code of conduct	88%
Management certification of financial statements	85%
External audit of internal controls over financial reporting	77%
Independent audit committee	76%
Management review	76%
Hotline	63%
Anti-fraud policy	58%
Fraud training for employees	56%
Surprise audits	53%
Fraud training for managers/executives	53%
Dedicated fraud department, function, or team	49%
Employee support programs	43%
Formal fraud risk assessments	42%
Proactive data monitoring/analysis	35%
Job rotation/mandatory vacation	25%
Rewards for whistleblowers	9%

FIG. 78 How does the perpetrator's level of authority relate to occupational fraud in Southern Asia?

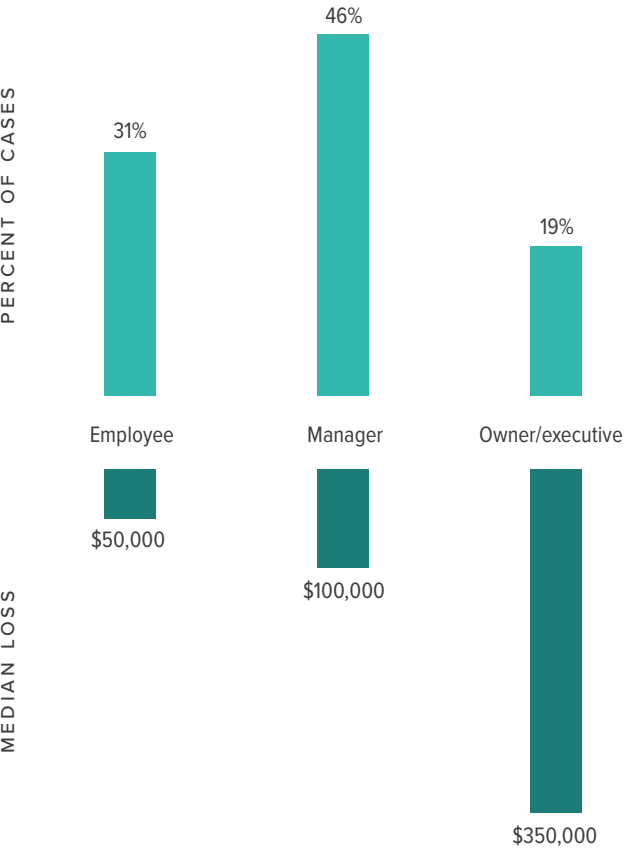


FIG. 79 Cases by country in Southern Asia

Country	Number of cases
Afghanistan	6
Bangladesh	3
India	72
Maldives	2
Pakistan	13
Total cases:	96

FIG. 80 What are the most common occupational fraud schemes in Sub-Saharan Africa?

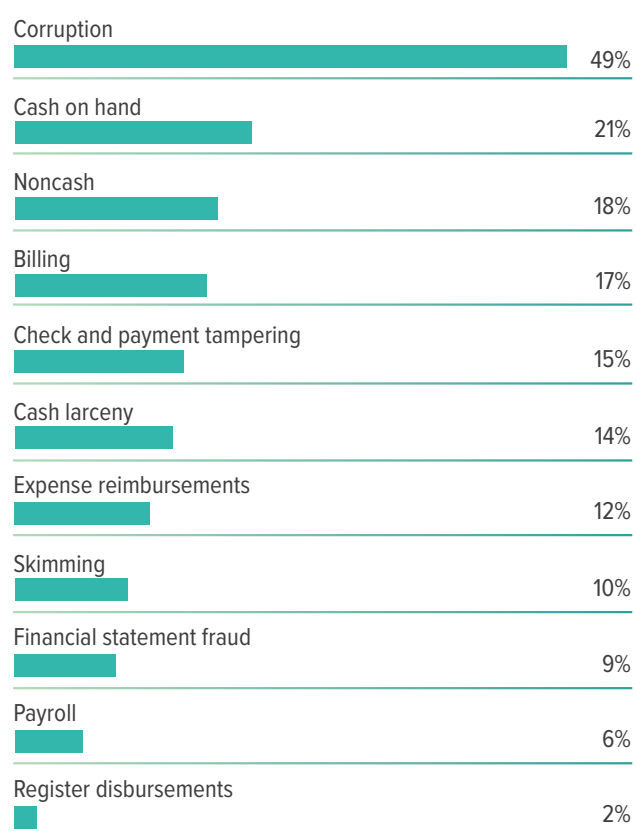


FIG. 81 How is occupational fraud initially detected in Sub-Saharan Africa?



FIG. 82 What anti-fraud controls are the most common in Sub-Saharan Africa?

Control	Percent of cases
External audit of financial statements	90%
Code of conduct	89%
Internal audit department	87%
Management certification of financial statements	81%
Independent audit committee	73%
External audit of internal controls over financial reporting	72%
Hotline	70%
Management review	69%
Anti-fraud policy	60%
Fraud training for employees	55%
Fraud training for managers/executives	52%
Employee support programs	50%
Formal fraud risk assessments	46%
Surprise audits	46%
Dedicated fraud department, function, or team	43%
Proactive data monitoring/analysis	40%
Job rotation/mandatory vacation	25%
Rewards for whistleblowers	20%

FIG. 83 How does the perpetrator's level of authority relate to occupational fraud in Sub-Saharan Africa?

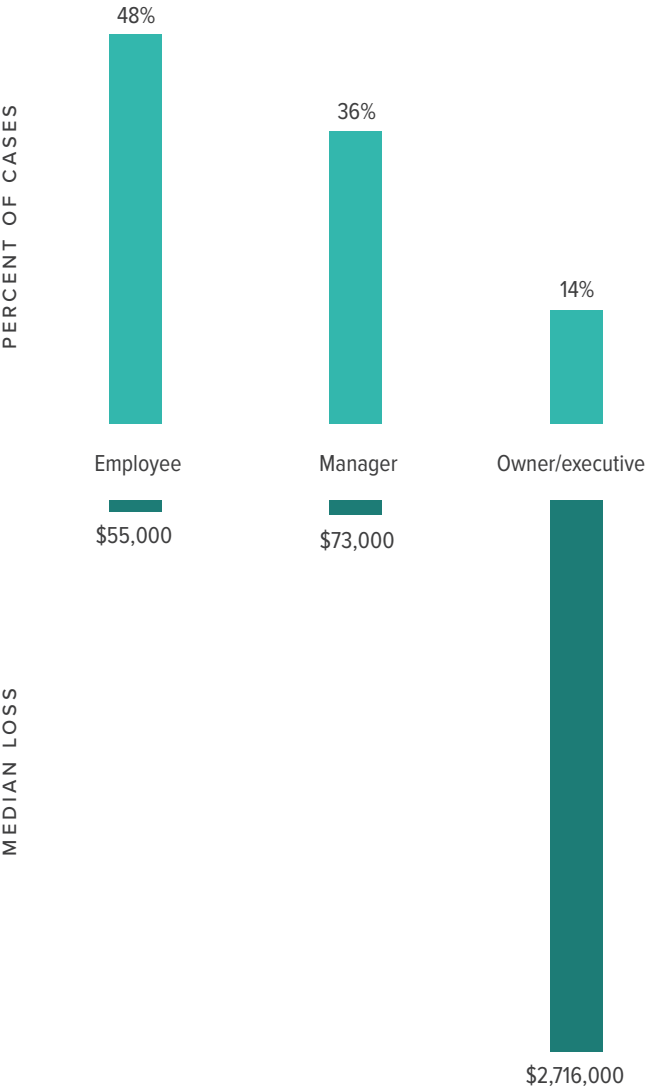


FIG. 84 Cases by country in Sub-Saharan Africa

Country	Number of cases
Angola	3
Botswana	1
Cameroon	1
Central African Republic	1
Chad	3
Congo, Democratic Republic of the	3
Congo, Republic of the	1
Cote d'Ivoire	5
Equatorial Guinea	1
Gambia	1
Ghana	8
Guinea	1
Kenya	34
Liberia	8
Madagascar	2
Malawi	3
Mali	4
Mauritania	1
Mauritius	2
Mozambique	1
Namibia	4
Nigeria	55
Rwanda	1
Senegal	1
Somalia	2
South Africa	87
Sudan	1
Swaziland	1
Tanzania	5
Uganda	11
Zambia	5
Zimbabwe	10
Total cases:	267

FIG. 85 What are the most common occupational fraud schemes in the United States?

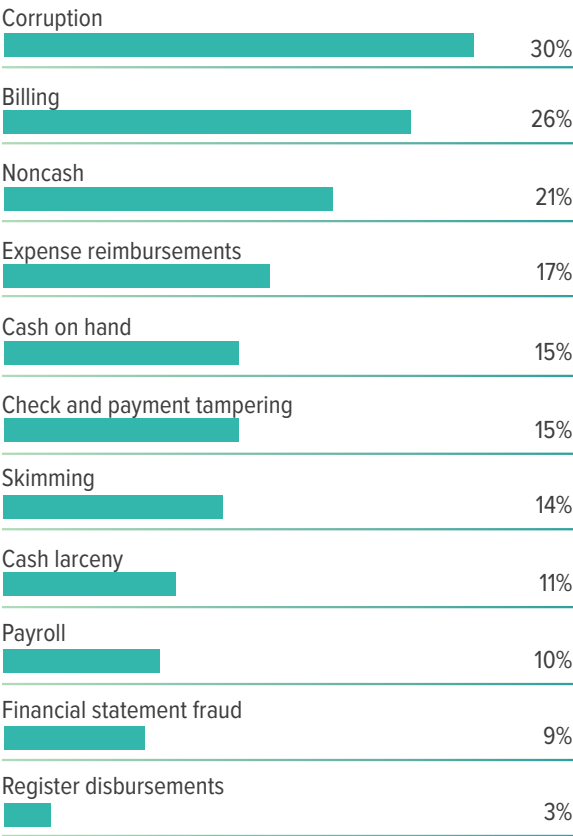


FIG. 86 How is occupational fraud initially detected in the United States?

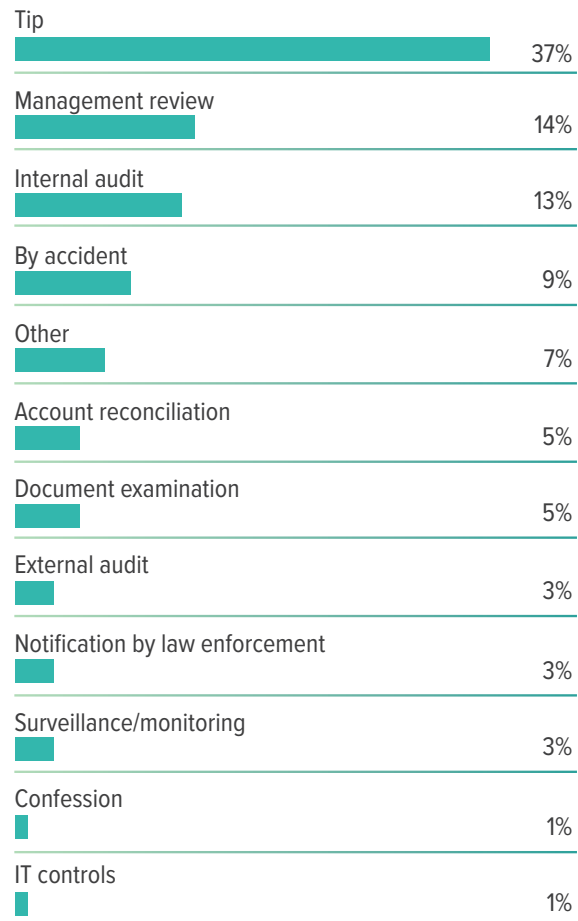


FIG. 87 What anti-fraud controls are the most common in the United States?

Control	Percent of cases
Code of conduct	73%
External audit of financial statements	69%
Employee support programs	62%
Management certification of financial statements	61%
Internal audit department	60%
External audit of internal controls over financial reporting	60%
Management review	59%
Hotline	56%
Fraud training for employees	50%
Fraud training for managers/executives	49%
Independent audit committee	49%
Anti-fraud policy	47%
Formal fraud risk assessments	37%
Proactive data monitoring/analysis	36%
Dedicated fraud department, function, or team	35%
Surprise audits	31%
Job rotation/mandatory vacation	15%
Rewards for whistleblowers	12%

FIG. 88 How does the perpetrator's level of authority relate to occupational fraud in the United States?

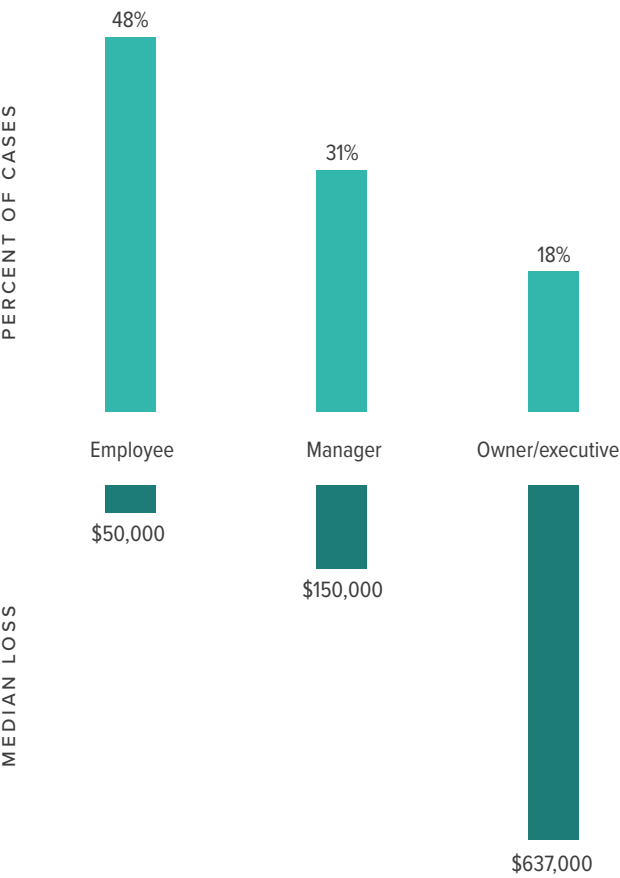


FIG. 89 What are the most common occupational fraud schemes in Western Europe?

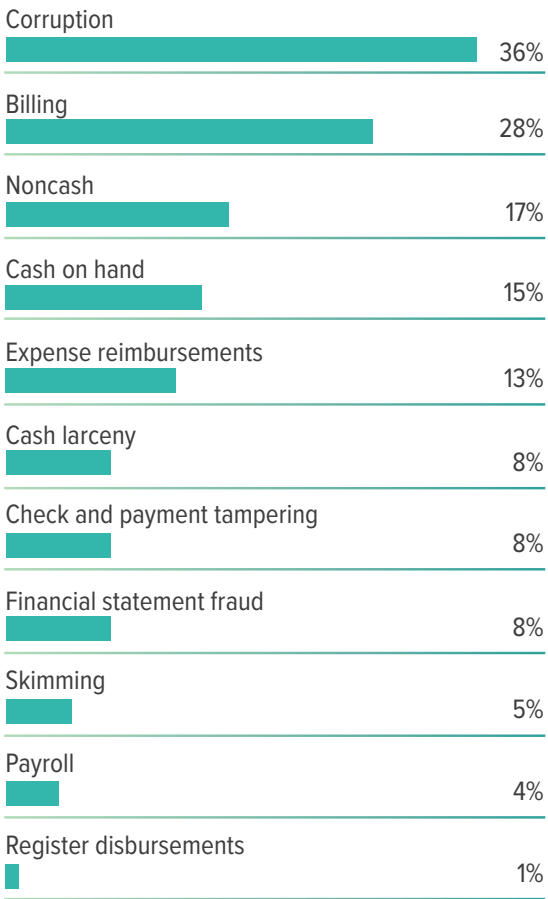


FIG. 90 How is occupational fraud initially detected in Western Europe?



FIG. 91 What anti-fraud controls are the most common in Western Europe?

Control	Percent of cases
Code of conduct	93%
Management certification of financial statements	88%
External audit of financial statements	88%
External audit of internal controls over financial reporting	85%
Management review	83%
Internal audit department	80%
Independent audit committee	78%
Hotline	76%
Anti-fraud policy	65%
Fraud training for managers/executives	63%
Fraud training for employees	59%
Formal fraud risk assessments	53%
Dedicated fraud department, function, or team	49%
Employee support programs	48%
Surprise audits	41%
Proactive data monitoring/analysis	38%
Job rotation/mandatory vacation	22%
Rewards for whistleblowers	10%

FIG. 92 How does the perpetrator's level of authority relate to occupational fraud in Western Europe?

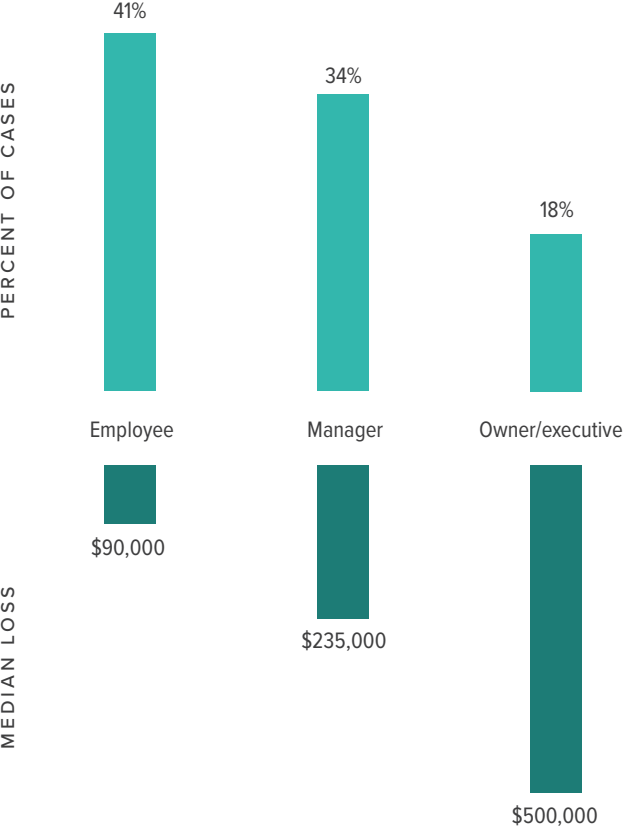


FIG. 93 Cases by country in Western Europe

Country	Number of cases
Austria	4
Belgium	7
Denmark	2
Finland	2
France	4
Germany	16
Greece	22
Iceland	1
Ireland	2
Italy	8
Netherlands	10
Norway	2
Portugal	1
Spain	4
Switzerland	11
United Kingdom	34
Total cases:	130