

Report to the Nations on Occupational Fraud and Abuse



Report to the Nations

- Biennial study: 1996 – 2016
- Occupational Fraud
 - Costs
 - Methods
 - Detection
 - Victims
 - Perpetrators
 - Case Results
- Practitioner Focused

Global Fraud Survey

- Online survey
 - 41,788 CFEs
 - 2,410 usable responses
- Actual case investigated in last 2 years
- 81 questions plus sub-questions
- Respondents:
 - Median 10 years' fraud examination experience
 - 57% investigated > 5 cases
 - 56% in house
 - 26% professional services
 - 13% law enforcement
- Review and analysis by ACFE Research



IFP Database

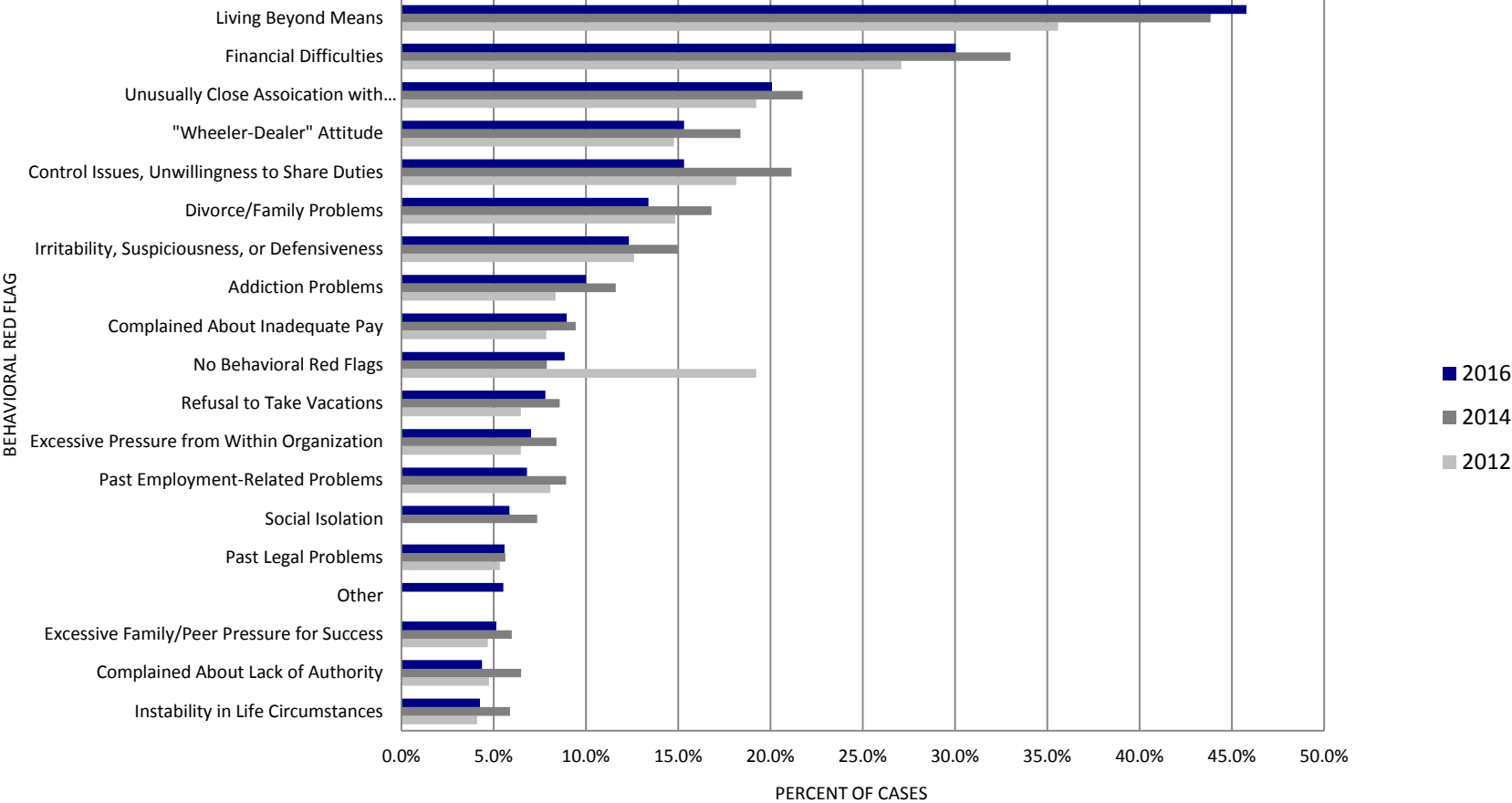
- Approaching 10,000 records
- 421 columns of data
- >1.3 million populated data cells
- Tremendous amount of unmined information
- Organized/scrubbed and formatted for research purposes

IFP Dataset

- Scheme types (20)
- \$ losses
- Duration
- Concealment techniques (14)
- Detection methods (11)
- Org. type, size and industry
- Anti-fraud controls (18)
- Control weaknesses
- Countries (>100)
- Perp employment data
- Perp demographics
- Behavioral red flags (17)
- Non-fraud misconduct (13)
- Case results
- Recoveries

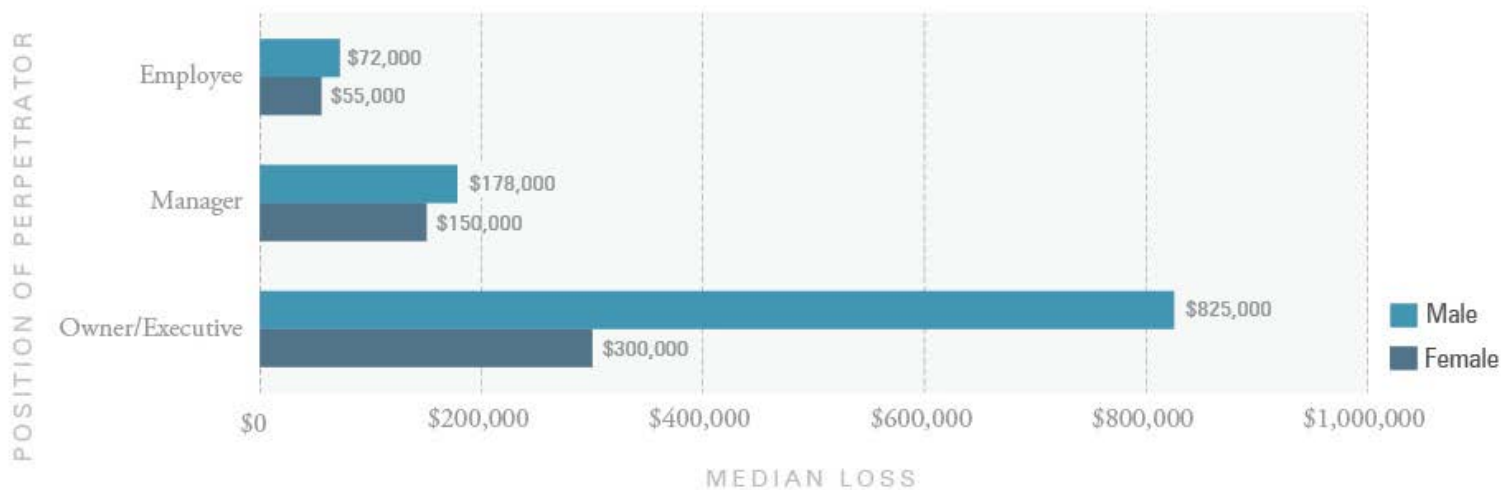
Behavioral Red Flags

Behavioral Red Flags Displayed by Perpetrators



Position of Perpetrator Based on Gender

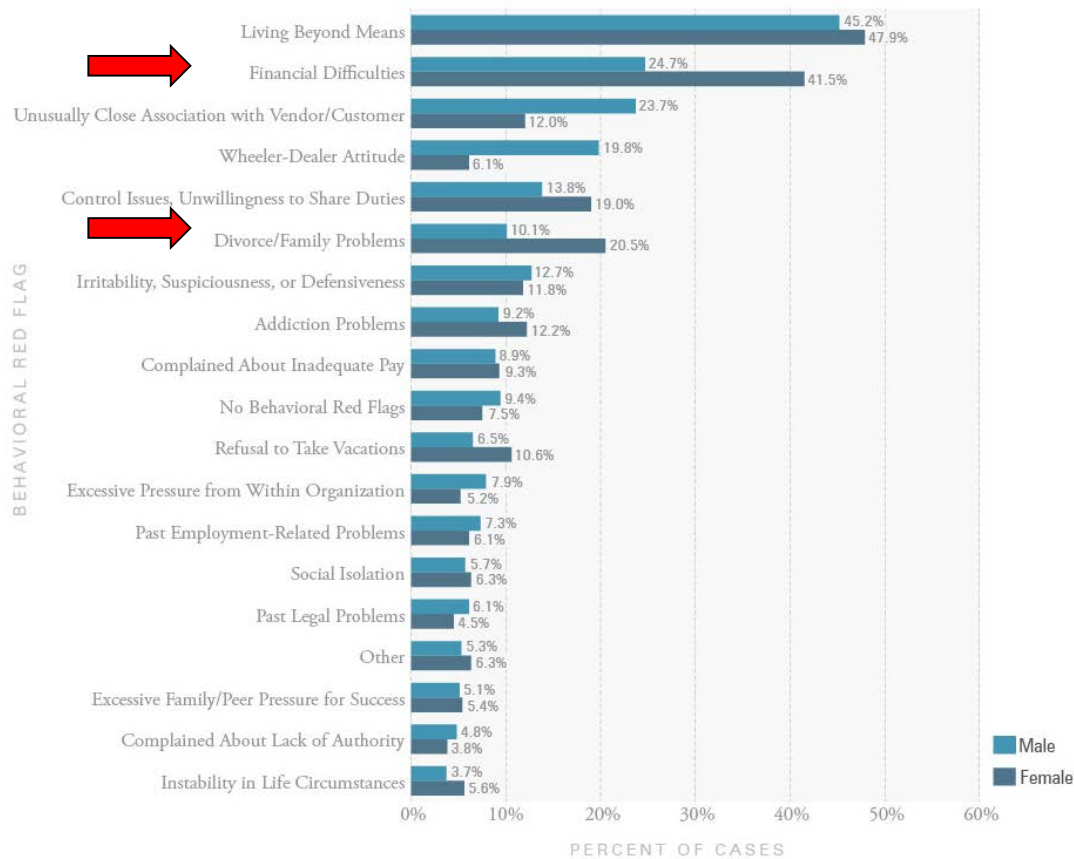
Figure 83: Position of Perpetrator—Median Loss Based on Gender



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Behavioral Red Flags Based on Perpetrator's Gender

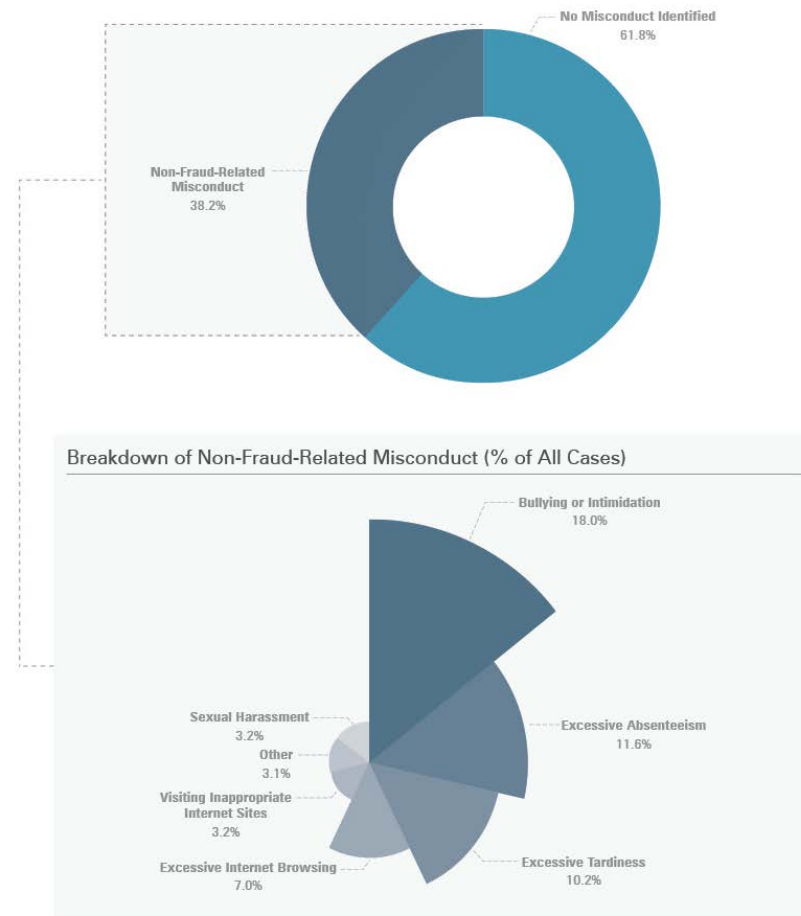
Figure 97: Behavioral Red Flags Based on Perpetrator's Gender



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Non-Fraud-Related Misconduct

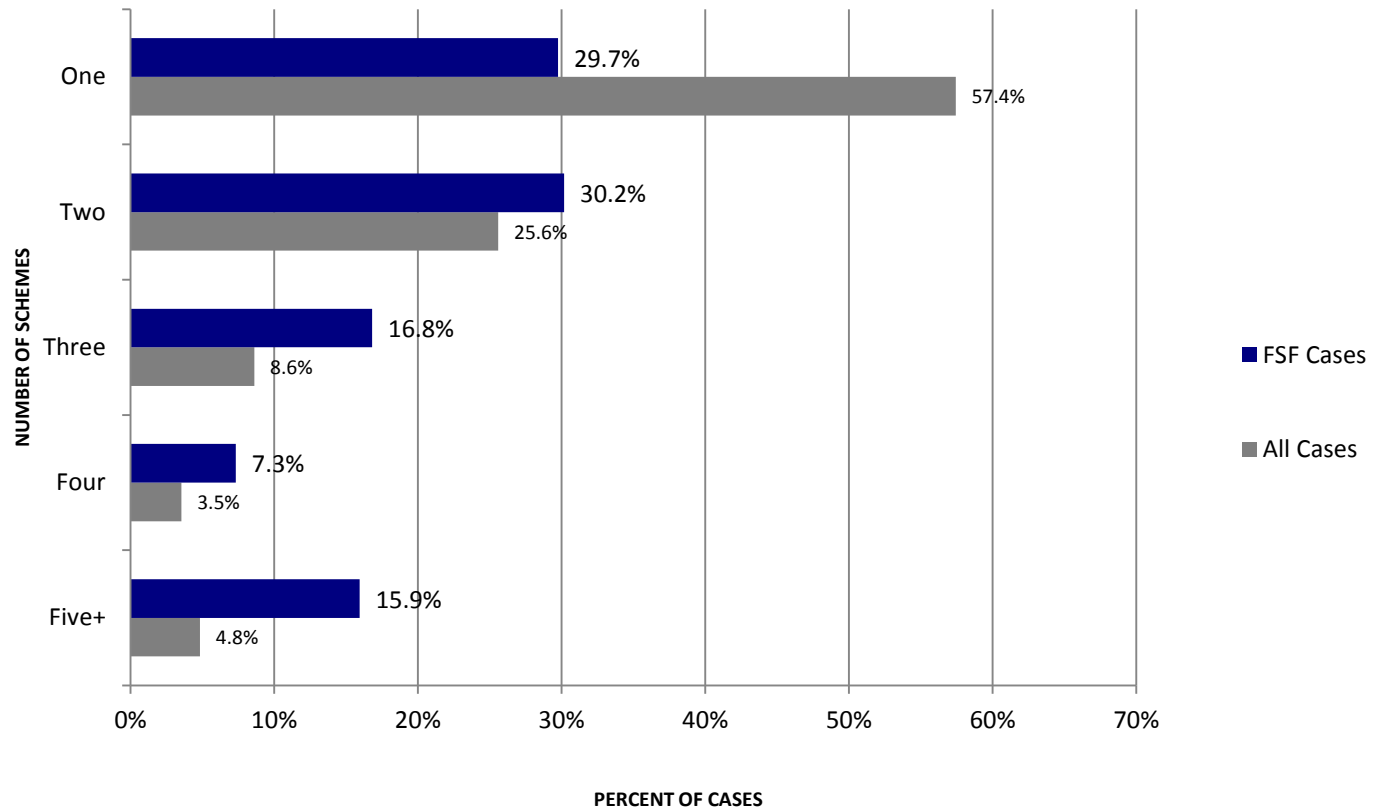
Figure 98: Non-Fraud-Related Misconduct



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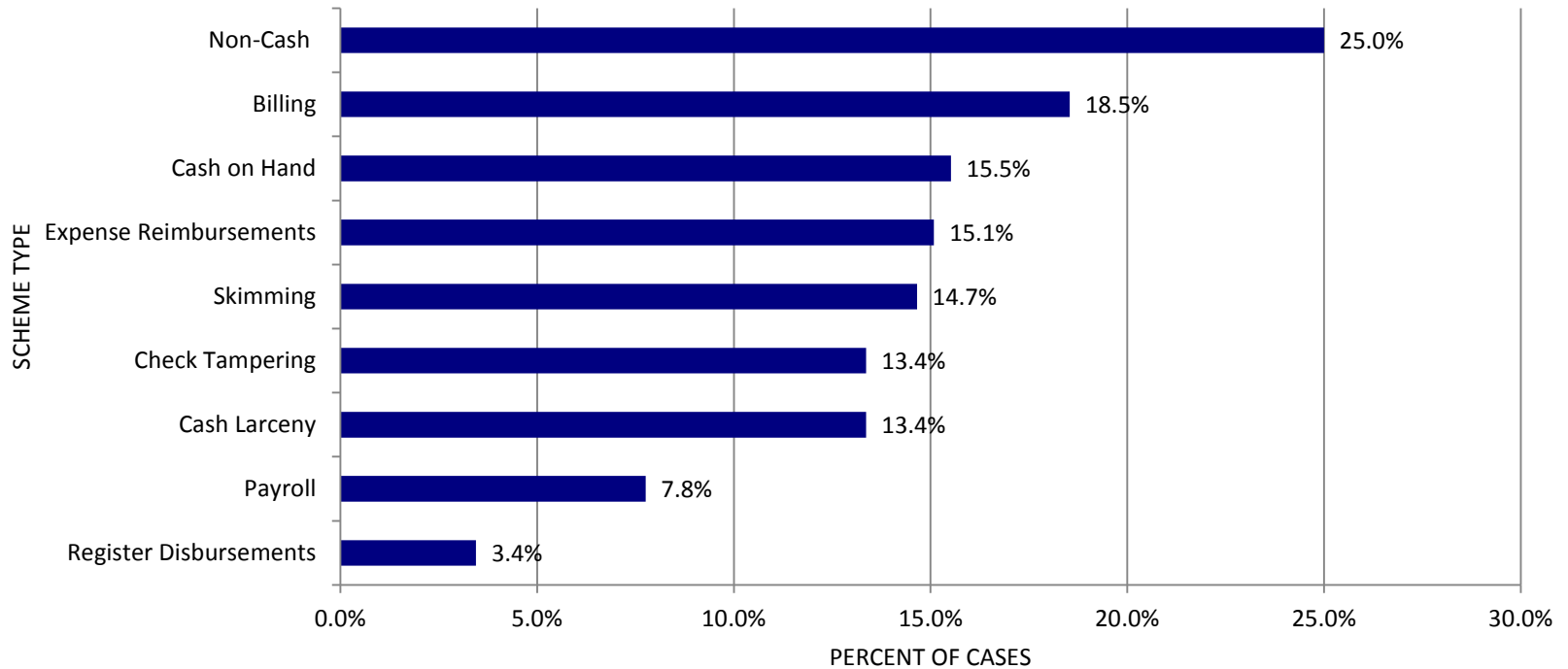
Scheme Combinations

Number of Different Fraud Schemes Utilized



Scheme Combinations

Asset Misappropriation Schemes Utilized in Addition to FSF



Party to Whom Whistleblower Initially Reported

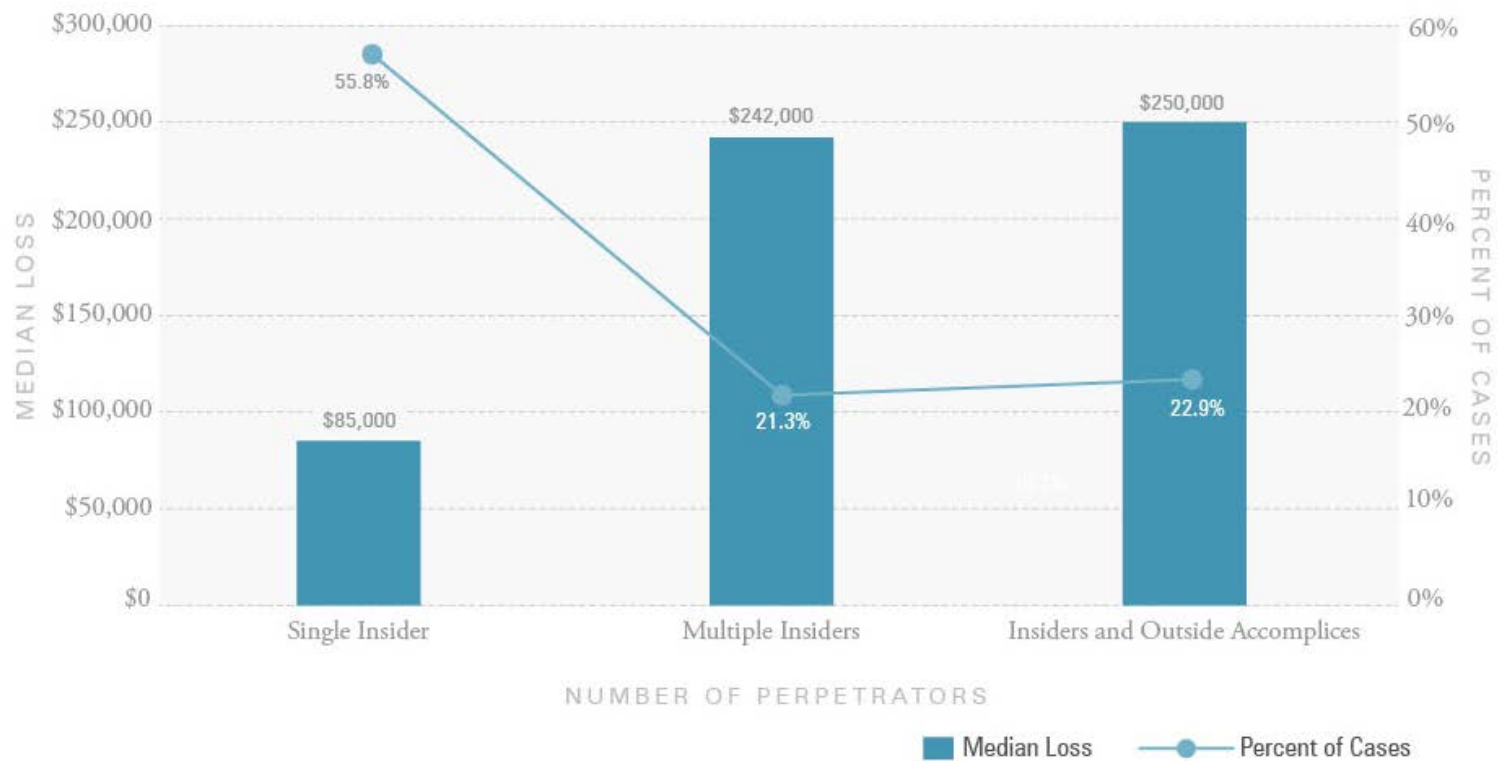
Figure 37: Top Three Parties to Whom Tips Were Reported Based on Perpetrator's Department

Operations	Accounting	Sales	Customer Service	Purchasing	Finance	Executive/Upper Management
Direct Supervisor (25.3%)	Executive (38.0%)	Direct Supervisor (26.4%)	Direct Supervisor (28.6%)	Executive (26.7%)	Direct Supervisor (21.1%)	Board or Audit Committee (22.2%)
Internal Audit (18.6%)	Direct Supervisor (27.1%)	Executive (20.8%)	Coworker (23.8%)	External Audit (26.7%)	Coworker (21.1%)	Law Enforcement or Regulator (20.4%)
Fraud Investigation Team or Executive (Both 15.7%)	Fraud Investigation Team (10.1%)	Fraud Investigation Team (17.0%)	Internal Audit (16.7%)	Direct Supervisor or Fraud Investigation Team (Both 16.7%)	Executive (21.1%)	Executive (18.5%)

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Collusion Based on Perpetrators' Relationship to Victim

Figure 89: Collusion—Frequency and Median Loss Based on Perpetrators' Relationship to Victim



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The Impact of Collusion

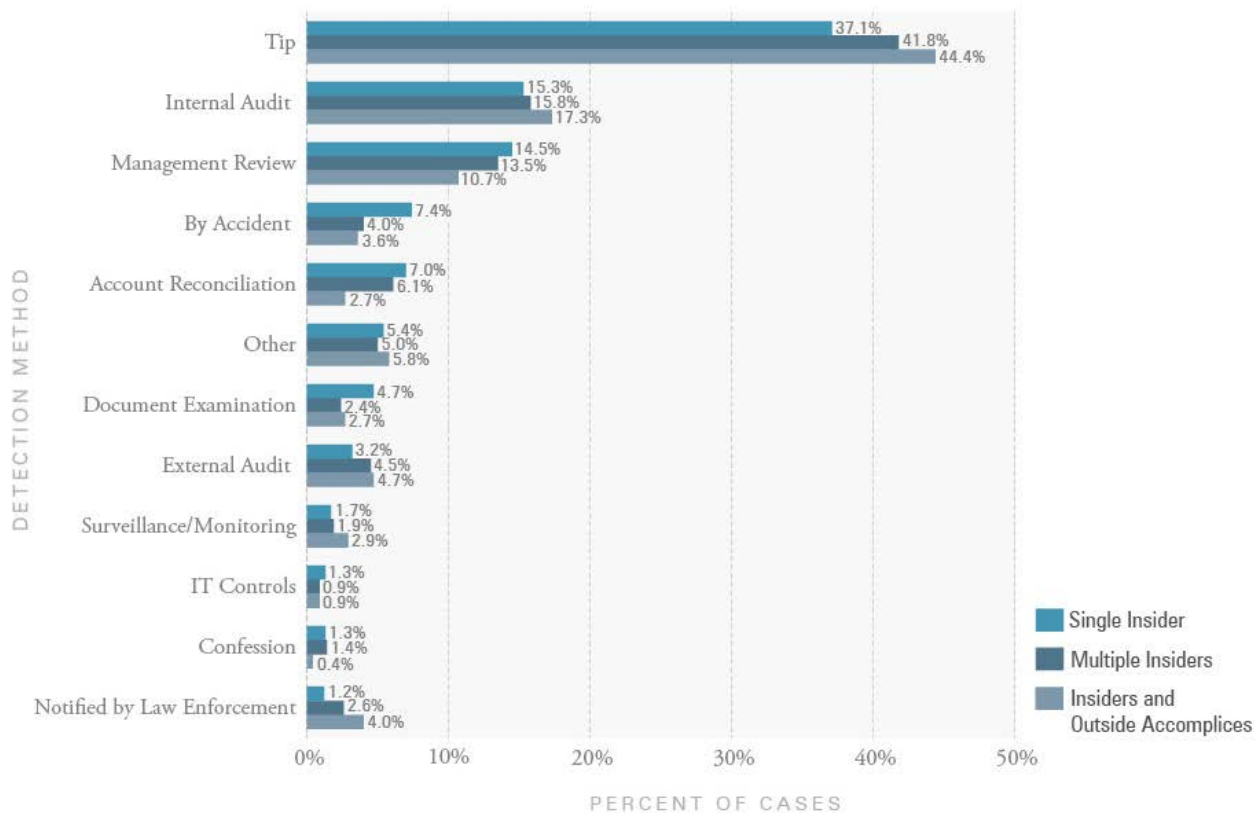
Figure 88: Median Duration of Fraud Based on Number of Perpetrators

Number	Median Moths to Detect
One	16
Two or More	18

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Collusion Based on Perpetrators' Relationship to Victim

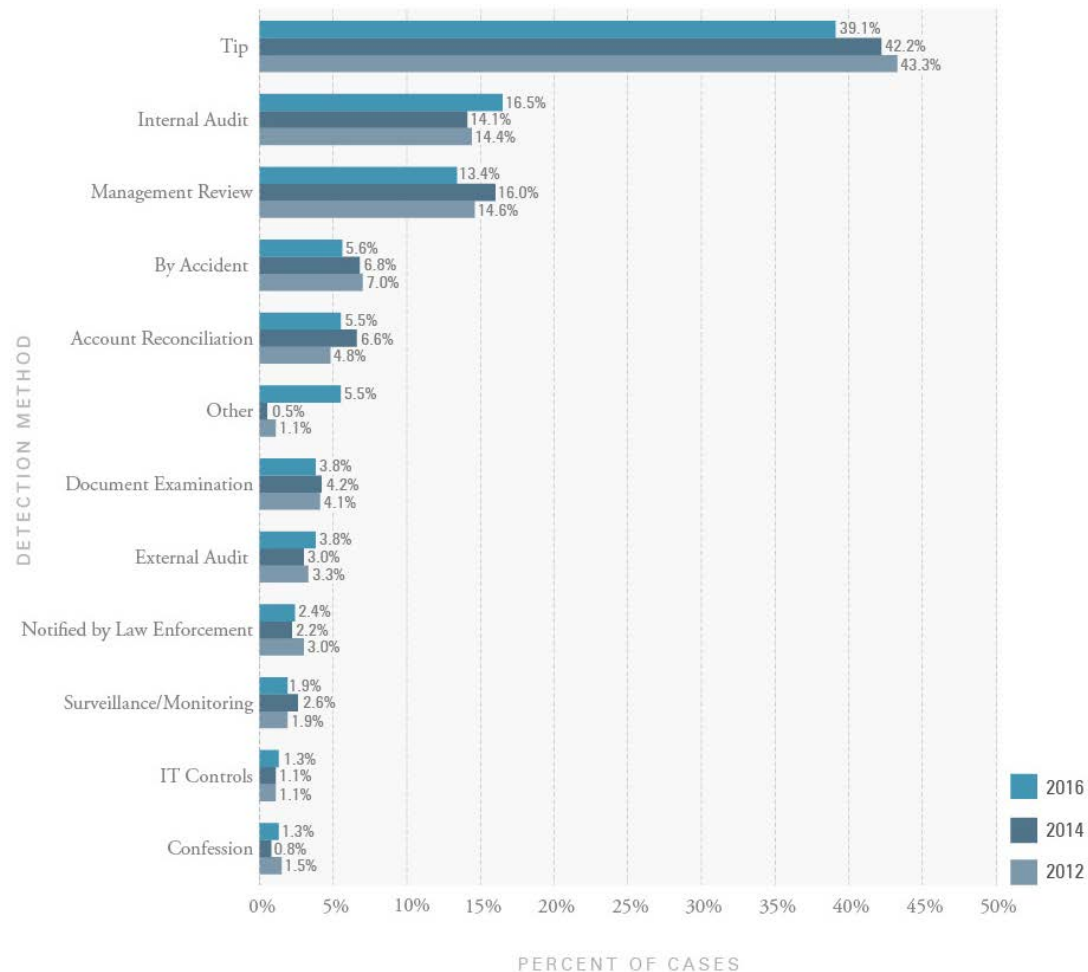
Figure 91: Detection Method by Perpetrators' Relationship to Victim



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Initial Detection of Occupational Frauds

Figure 21: Initial Detection of Occupational Frauds



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