ACFE Occupational Fraud 2022: A Report to the Nations

**Quick Fraud Facts**

A Typical Fraud Case

- causes a loss of $8,300 per month
- lasts 12 months before detection

**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

Frauds are being caught **faster** and causing **smaller** losses.

- Median losses down 16%
- Median duration down 33%

70% of victim organizations had hotlines. Fraud losses were **2x higher** at organizations without hotlines:

- With hotlines: $100,000
- Without hotlines: $200,000

**Effect of Employee and Manager Fraud Awareness Training on Hotlines and Reporting**

Training increases the likelihood of detection by tip:

- 45% of cases detected by tip with training
- 37% of cases detected by tip without training

Reports of fraud are more likely to be submitted through hotlines with training:

- With training: 58%
- Without training: 42%
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.

The presence of anti-fraud controls is associated with lower fraud losses and quicker fraud detection.

Implementation rates for 17 of the 18 analyzed anti-fraud controls have INCREASED over the last decade.

These five have INCREASED the most:

- **Hotline**: 2012 - 54%, 2022 - 70%, Increase - 16%
- **Fraud training for employees**: 2012 - 47%, 2022 - 61%, Increase - 14%
- **Anti-fraud policy**: 2012 - 47%, 2022 - 60%, Increase - 13%
- **Fraud training for managers/executives**: 2012 - 47%, 2022 - 59%, Increase - 12%
- **Formal fraud risk assessments**: 2012 - 36%, 2022 - 46%, Increase - 11%

- 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.

Fewer organizations are pursuing CRIMINAL PROSECUTION, but more are taking CIVIL ACTION against the perpetrator.

- 2012: Criminal action - 65%, Civil action - 23%
- 2022: Criminal action - 58%, Civil action - 29%