

More perpetrators are in roles with **HIGHER LEVELS OF AUTHORITY**



Manager/executive/owner

# FRAUDSTERS



INTERNATIONAL FRAUD AWARENESS WEEK ACFE Occupational Fraud 2022: A Report to the Nations  
November 13-19, 2022

FAMU FLORIDA A&M UNIVERSITY DIVISION OF AUDIT

## TOP 5 CONCEALMENT METHODS USED BY FRAUDSTERS



39%

Created fraudulent physical documents



32%

Altered physical documents



28%

Created fraudulent electronic documents or files



25%

Altered electronic documents or files



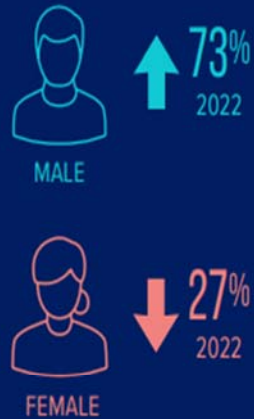
23%

Destroyed or withheld physical documents

**Education**

MEDIAN LOSS \$56,000 | 69 CASES

**MEN** are perpetrating an **INCREASING** percentage of **FRAUDS**, but the gap in **LOSSES** has **NARROWED**.



## 8 KEY WARNING SIGNS

85%

OF ALL FRAUDSTERS displayed at least one **BEHAVIORAL RED FLAG**

These are the 8 most common behavioral clues of occupational fraud. **At least one of these red flags** was observed in 76% of all cases.



39%

Living beyond means



25%

Financial difficulties



20%

Unusually close association with vendor/customer



13%

Control issues, unwillingness to share duties



12%

Irritability, suspiciousness, or defensiveness



12%

Bullying or intimidation



11%

Divorce/family problems



10%

"Wheeler-dealer" attitude

# CONCEALMENT BY POSITION



**48%** of executive-level perpetrators **DESTROYED** evidence.



**61%** of managers **CREATED** fraudulent evidence.

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



Less-tenured fraudsters were more than twice as likely to have been previously fired or punished for fraud-related conduct. Less-tenured fraudsters were more likely to have a criminal record.

Long-tenured **FRAUDSTERS** steal almost **3X MORE**



These **6 RED FLAGS** were much more common among long-tenured employees



Even when **COMPARING FRAUDSTERS** with similar **LEVELS OF AUTHORITY**, **LONG-TENURED FRAUDSTERS** caused **MUCH LARGER LOSSES**