

Impact of Fraud

The typical organization **loses 5 percent of its revenues to fraud** each year.*

Impact of CFEs

ACFE research shows that organizations with CFEs on staff uncover frauds 50 percent sooner and have losses 55 percent lower.*



The Certified Fraud Examiner Credential

Together, Reducing Fraud Worldwide



The 2016 *Report to the Nations on Occupational Fraud and Abuse* estimates that the typical organization **loses 5 percent of its revenues to fraud each year**. At its extreme, fraud can destroy entire companies — Enron, Arthur Anderson and WorldCom are just a few examples.

Today's economic climate and the resulting preponderance of fraud schemes has forced organizations to take a strong anti-fraud stance and proactive, comprehensive approach to combating fraud. This means making sure your staff is sufficiently educated and has the tools they need to implement fraud prevention and detection programs. Certified Fraud Examiners (CFEs) around the world are trained to identify the warning signs and red flags that indicate fraud. They help protect the global economy by exposing fraud and implementing processes to prevent fraud from occurring in the first place.

What is a CFE?

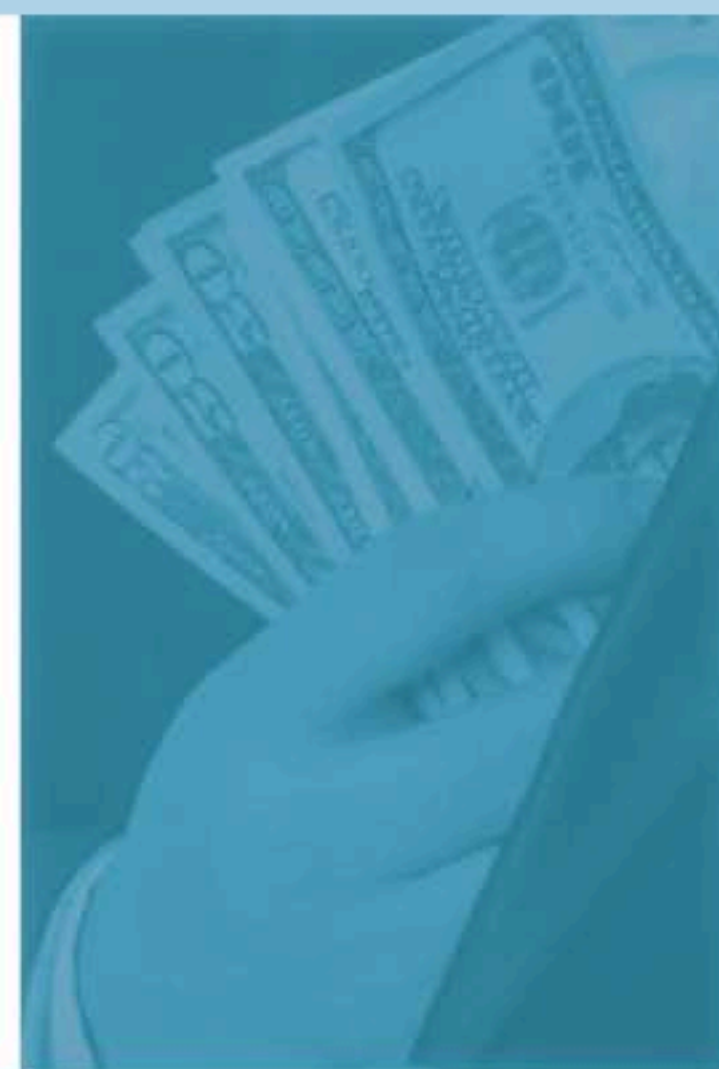
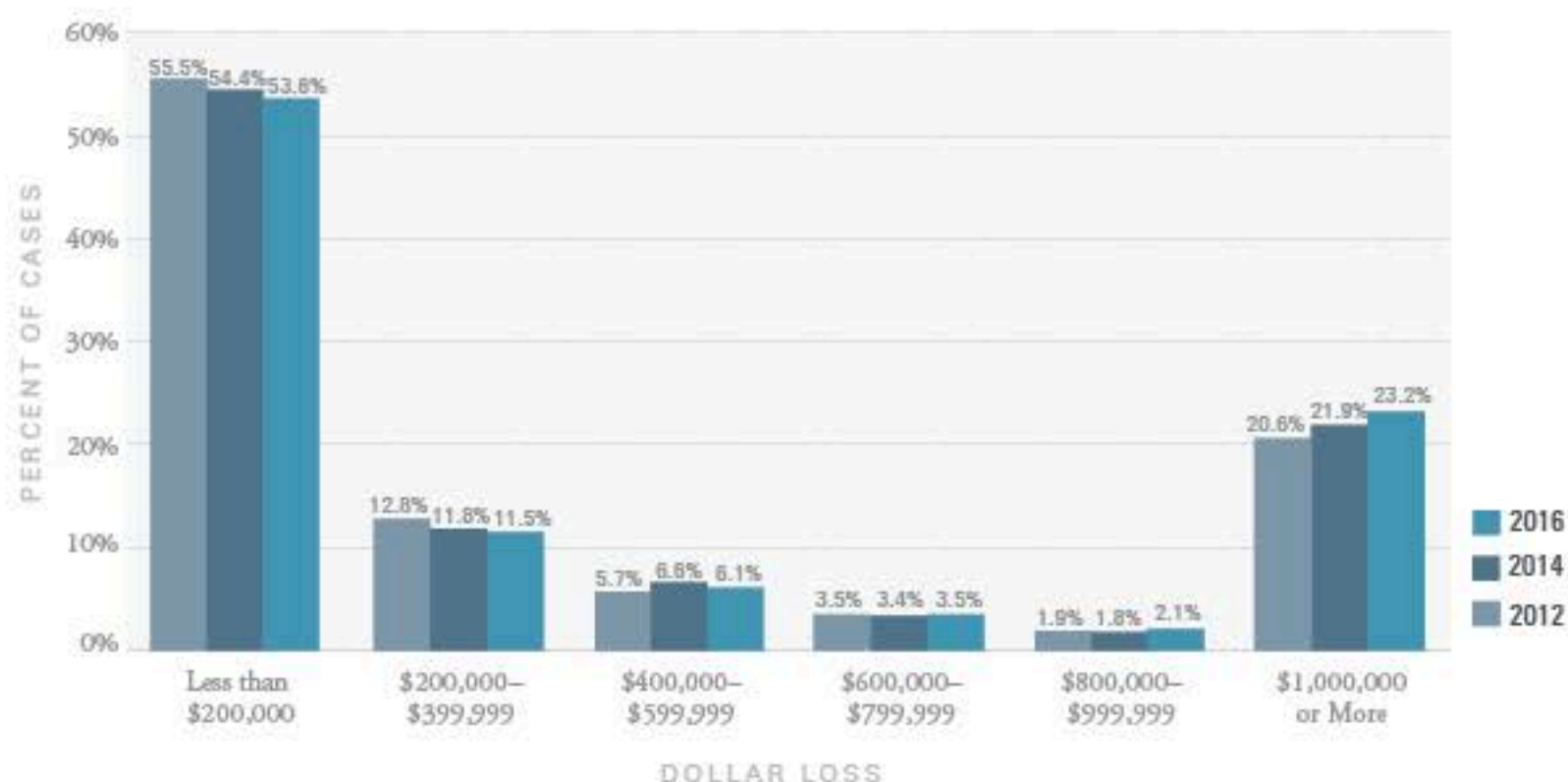
CFEs have a unique set of skills that are not found in any other career field or discipline; they combine knowledge of complex financial transactions with an understanding of investigative techniques, law and how to resolve allegations of fraud. Those who earn the CFE credential demonstrate expertise in fraud prevention, detection and investigation, and are committed to continuing professional training and education.

How Fraud Impacts Organizations

Research conducted by the ACFE as part of preparing the 2016 *Report to the Nations* determined that:

- **More than 23 percent of the cases in the study resulted in losses over \$1 million.**
- **The median loss amounted to \$150,000 and the frauds lasted a median of 18 months before being detected.**
- **The cost of occupational fraud — both financially and to an organization's reputation — can be acutely damaging.** With more than half of victim organizations unable to recover their losses, proactive measures to prevent fraud are critical.

Distribution of Dollar Losses



No organization is immune from the serious damage that fraudulent activity can inflict. From large corporations to small businesses, occupational fraud is pervasive and often results in devastating consequences. In fact, the *Report to the Nations* found that the **smallest organizations tend to suffer disproportionately large losses**, since these organizations typically employ fewer anti-fraud controls than their larger counterparts, which increases their vulnerability to fraud.

But large corporations aren't immune. According to a 2010 study,** fraudulent activities within U.S. public companies have significant negative consequences for investors and executives. The study found that **news of an alleged fraud resulted in a 17% stock price decline** in the two days surrounding the announcement. These companies often experienced bankruptcy, delisting from a stock exchange, or asset sale, and in many cases the CEO and/or CFO were named for alleged involvement.



CFEs Protect Your Organization and Your Bottom Line

The unique expertise CFEs possess in preventing, detecting and investigating fraud has a significant effect on the bottom line. **ACFE research shows that organizations with CFEs on staff uncover frauds 50 percent sooner and suffer losses 55 percent lower than organizations without CFEs.**

Furthermore, CFEs strengthen your organization's anti-fraud efforts by:

- Employing the skill set, knowledge and expertise necessary to assess fraud risk; design and implement controls; and manage the ongoing risks your organization encounters.
- Possessing a solid understanding of fraud prevention, detection and deterrence techniques.
- Maintaining an ongoing commitment to continuing education and professional development, keeping them up to speed on solid fundamentals, best practices and the latest trends.
- Their commitment to professionalism and integrity.

The ACFE provides the best anti-fraud training available, giving your staff skills that they can apply immediately. When you provide the opportunity for your staff to earn the CFE credential, you receive an outstanding return on your training investment, maximize the value of your workforce and have confidence that you employ the best anti-fraud professionals in the marketplace.

For additional information on CFE certification and training, visit ACFE.com/CFEInfo

Impact of CFEs:

More than 75 percent of Fortune 500 companies employ Certified Fraud Examiners.



Visit ACFE.com/CFEInfo for information on CFE certification and training



Association of Certified Fraud Examiners

GLOBAL HEADQUARTERS • THE GREGOR BUILDING
716 West Ave • Austin, TX 78701-2727 • USA

© 2016 Association of Certified Fraud Examiners, Inc. "Association of Certified Fraud Examiners," "ACFE," "Certified Fraud Examiner," "CFE," "Report to the Nations," the ACFE Logo and related trademarks, names and logos are the property of the Association of Certified Fraud Examiners, Inc., and are registered and/or used in the U.S. and countries around the world.

*Source: ACFE's 2016 *Report to Nations on Occupational Fraud and Abuse*.
**Fraudulent Financial Reporting: 1998-2007, Committee of Sponsoring Organizations (COSO) of the Treadway Commission.