

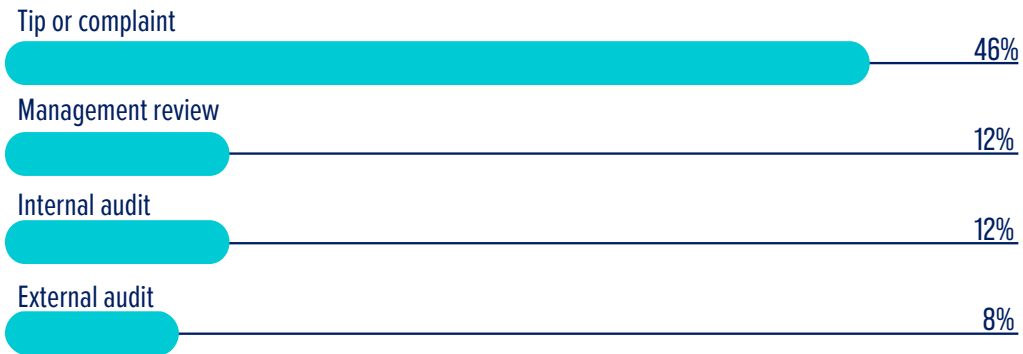
HOW OCCUPATIONAL FRAUD IS DETECTED



Our study explores how fraud is initially detected, when it is detected, and how it is reported in government organizations.

HOW IS OCCUPATIONAL FRAUD INITIALLY DETECTED IN GOVERNMENT ORGANIZATIONS?

Fraud in government organizations was most commonly detected as the result of a tip or complaint, management review, internal audit, or external audit



NEARLY 85% of tips in government organizations came from employees or anonymous sources



EMPLOYEE
61%



ANONYMOUS OR UNKNOWN SOURCE
23%

58% of tips came through a formal reporting mechanism



Email



Online reporting form



Telephone hotline



Frauds at government organizations without hotlines lasted **83% longer** than frauds at government organizations with hotlines

With hotlines 12 MONTHS

Without hotlines 22 MONTHS

71% of **VICTIM** ORGANIZATIONS had hotlines

Median fraud losses were more than **2X HIGHER** at government organizations without hotlines*



\$105,000
With hotlines

\$230,000
Without hotlines

*All loss amounts are expressed in terms of U.S. dollars, which is how respondents reported this information in the *Global Fraud Survey*.