Fraudsters commonly display distinct behaviors that can serve as warning signs of their misdeeds. Organizations can improve their anti-fraud programs by taking these behavioral red flags into consideration when designing and implementing fraud prevention and detection measures.

84% of all fraudsters displayed at least one behavioral red flag. Fraudsters who displayed at least one behavioral red flag caused median losses that were 20% greater than those who did not display any. No behavioral red flags caused a median loss of $125,000, while at least one behavioral red flag caused a median loss of $150,000.

75% of fraudsters displayed at least one of the 8 most common behavioral clues; each of these behavioral red flags was observed in at least 10% of cases. The most common behavioral red flag has been fraudsters living beyond their means, which has been consistently the most common since we began tracking this data in 2008.

Common behavioral red flags:

- Living beyond means (50%)
- Financial difficulties (40%)
- Unusually close association with vendor/customer (30%)
- Control issues, unwillingness to share duties (20%)
- Irritability, suspiciousness, or defensiveness (10%)
- “Wheeler-dealer” attitude (0%)
- Bullying or intimidation (50%)
- Divorce/family problems (40%)

Programs that incorporate these behavioral red flags into their anti-fraud strategies can significantly enhance their effectiveness in detecting and preventing fraud.
**Behavioral red flags associated with the HIGHEST MEDIAN LOSSES**

- Excessive pressure from within the organization: $617,000
- Past legal problems: $500,000
- "Wheeler-dealer" attitude: $350,000
- Bullying or intimidation: $300,000

**Behavioral red flags associated with the LONGEST MEDIAN DURATIONS**

- Bullying or intimidation: 24 months
- Divorce or family problems: 22 months
- Control issues, unwillingness to share duties: 20 months
- Refusal to take vacations: 19 months

**Gender Differences in Behavioral Red Flags**

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living beyond means</td>
<td>41%</td>
<td>39%</td>
</tr>
<tr>
<td>Financial difficulties</td>
<td>31%</td>
<td>26%</td>
</tr>
<tr>
<td>Divorce or family problems</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Unusually close association with vendor/customer</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>&quot;Wheeler-dealer&quot; attitude</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>Irritability, suspiciousness, or defensiveness</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Perpetrators of financial statement fraud schemes more commonly FACED EXCESSIVE PRESSURE TO PERFORM FROM WITHIN the organization.**

- Financial statement fraud cases: 22%
- All cases: 7%

**Perpetrators of corruption schemes more commonly MAINTAINED AN UNUSUALLY CLOSE ASSOCIATION WITH A VENDOR/CUSTOMER.**

- Corruption cases: 30%
- All cases: 20%