Hotline and Reporting Mechanism Effectiveness

Maintaining a hotline or reporting mechanism speeds up fraud detection and reduces losses. Fraud awareness training further improves cultivation of tips through reporting mechanisms.

**Effect of EMPLOYEE FRAUD AWARENESS TRAINING on hotlines and reporting**

- Training increases the likelihood of detection by tip: 48% of cases detected by tip with training, 36% of cases detected by tip without training.
- Tips are more likely to be submitted through reporting mechanisms with training: 56% tips with training, 37% tips without training.

**MEDIAN LOSSES WERE NEARLY DOUBLED AT ORGANIZATIONS WITHOUT HOTLINES**

- With hotlines: $100,000
- Without hotlines: $198,000

**Organizations with hotlines detect frauds MORE QUICKLY than those without hotlines**

- With hotlines: 12 months
- Without hotlines: 18 months

**Since 2010, the use of hotlines or reporting mechanisms has increased notably**

- 49% increase in use of hotlines or reporting mechanisms since 2010.

**Organizations with hotlines detected fraud by tip more often**

- 49% of cases detected by tip with hotlines, 31% of cases detected by tip without hotlines.

Small organizations are especially likely to detect occupational fraud by tip:

- <100 employees: 47% cases detected by tip
- 100+ employees: 31% cases detected by tip