Our study covered 2,504 cases from 125 countries, causing total losses of more than $3.6 billion.

Key Findings

Typical Fraud Case
- Lasts 14 months before detection
- Causes a loss of $8,300 per month

CFEs estimate that organizations lose 5% of revenue to fraud each year.

Median loss per case: $125,000
Average loss per case: $1,509,000

Asset Misappropriation
- Schemes are the most common and least costly
- 86% of cases ($100,000 median loss)

Financial Statement Fraud
- Schemes are the least common and most costly
- 10% of cases ($954,000 median loss)

Corruption
- Was the most common scheme in every global region

Organizations with fraud awareness training for employees were more likely to gather tips through formal reporting mechanisms.

- 56% of tips with training
- 37% of tips without training

43% of schemes were detected by tip, and half of those tips came from employees.

Telephone hotline and email were each used by whistleblowers in 33% of cases.

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Use of targeted anti-fraud controls has increased over the last decade.

- Hotline: 13%
- Anti-fraud policy: 13%
- Fraud training for employees: 11%
- Fraud training for managers/executives: 9%

A lack of internal controls contributed to nearly 1/3 of frauds.

The presence of anti-fraud controls is associated with lower fraud losses and quicker detection.

- Owners/executives committed only 20% of occupational frauds, but they caused the largest losses.

<table>
<thead>
<tr>
<th>Role</th>
<th>Median Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/executive</td>
<td>$600,000</td>
</tr>
<tr>
<td>Manager</td>
<td>$150,000</td>
</tr>
<tr>
<td>Employee</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

Men committed 72% of all occupational fraud, and also caused larger losses than women.

- 80% of fraudsters faced some form of internal discipline from the victim organization.
- 46% of victim organizations declined to refer cases to law enforcement because internal discipline was sufficient.
- 42% of occupational fraudsters were living beyond their means.
- 26% of occupational fraudsters were experiencing financial difficulties.

Certain fraud risks were more likely in small businesses than in large organizations:

- Billing fraud: 2x higher
- Payroll: 2x higher
- Check and payment tampering: 4x higher

More than half of all occupational frauds came from these four departments:

- Operations: 15%
- Accounting: 14%
- Executive/upper management: 12%
- Sales: 11%