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Fraud is a global issue, but the way it affects organizations in different geographical regions can vary. While the ACFE’s 2016 Report to the Nations on Occupational Fraud and Abuse contains several comparisons of fraud data based on region, we wanted to provide a more robust analysis of occupational fraud trends in these areas. Consequently, we present this regional report that provides a closer view of the cases from the Middle East and North Africa that were included in our global study.
Introduction

For this report, we looked at 79 cases of occupational fraud against victim organizations in the Middle East and North Africa that were investigated between January 2014 and October 2015. Figure 1 shows the breakdown of these cases by the country in which the fraud occurred.

Figure 1: Breakdown of Cases by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>1</td>
</tr>
<tr>
<td>Bahrain</td>
<td>3</td>
</tr>
<tr>
<td>Cyprus</td>
<td>3</td>
</tr>
<tr>
<td>Egypt</td>
<td>5</td>
</tr>
<tr>
<td>Israel</td>
<td>2</td>
</tr>
<tr>
<td>Jordan</td>
<td>2</td>
</tr>
<tr>
<td>Kuwait</td>
<td>4</td>
</tr>
<tr>
<td>Lebanon</td>
<td>5</td>
</tr>
<tr>
<td>Oman</td>
<td>7</td>
</tr>
<tr>
<td>Qatar</td>
<td>7</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>27</td>
</tr>
</tbody>
</table>

This report contains information on the specific fraud schemes, victim organizations’ demographics and controls, detection techniques, fraud perpetrators, and case results.¹ (Readers should note that analyses involving fraud losses are presented in terms of U.S. dollars [USD], which is how respondents reported this information in our Global Fraud Survey.) Our hope is that readers will use this and our other regional reports to help tailor fraud prevention, detection, and investigation strategies to the risks in their respective regions.

¹ For a glossary of terms used in this report, please see page 90 of the 2016 Report to the Nations on Occupational Fraud and Abuse.
How Occupational Fraud Is Committed

Frequency and Median Loss of Occupational Fraud Schemes

Occupational fraud schemes can be broken down into three primary categories: asset misappropriation, corruption, and financial statement fraud. Of these, asset misappropriation schemes were by far the most common form of occupational frauds among the cases in the Middle East and North Africa, which is consistent with both our previous findings and our global data for 2016. More than 75% of the cases in this region involved the misappropriation of organizational assets; these schemes caused a median loss of USD 224,000. Corruption schemes were the next most common, occurring in 57% of cases, and causing a median loss of USD 500,000. Financial statement frauds were the least common form of occupational fraud in the region, occurring in just 6.3% of the reported cases.

Median Loss for All Middle East and North Africa Cases

USD 275,000

Median Duration for All Middle East and North Africa Cases

12 Months
How Occupational Fraud Is Committed

**Figure 2: Occupational Frauds by Category—Frequency**

![Bar chart showing the percentage of cases for different types of fraud: Financial Statement Fraud (6.3%), Corruption (57.0%), Asset Misappropriation (75.9%).]

**Figure 3: Occupational Frauds by Category—Median Loss**

![Bar chart showing the median loss for different types of fraud: Financial Statement Fraud* ($0), Corruption ($500,000), Asset Misappropriation ($224,000).]

* Financial statement fraud category had insufficient responses for median loss calculation.
To expand the analysis of the types of occupational frauds that affect organizations in the Middle East and North Africa, we further broke down the asset misappropriation cases into nine sub-categories; Figure 4 illustrates the frequency of these fraud schemes along with the other two primary categories (corruption and financial statement fraud) for comparison purposes. When compared in this way, our data illustrates the relatively high risk of corruption for organizations in the region; corruption was more than twice as common as any other sub-scheme type among the cases from the Middle East and North Africa.

**Figure 4: Frequency of Fraud Schemes**

<table>
<thead>
<tr>
<th>Scheme Type</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption</td>
<td>57.0%</td>
</tr>
<tr>
<td>Non-Cash</td>
<td>26.6%</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>19.0%</td>
</tr>
<tr>
<td>Billing</td>
<td>15.2%</td>
</tr>
<tr>
<td>Expense Reimbursements</td>
<td>11.4%</td>
</tr>
<tr>
<td>Skimming</td>
<td>11.4%</td>
</tr>
<tr>
<td>Check Tampering</td>
<td>11.4%</td>
</tr>
<tr>
<td>Financial Statement Fraud</td>
<td>7.6%</td>
</tr>
<tr>
<td>Cash Larceny</td>
<td>6.3%</td>
</tr>
<tr>
<td>Payroll</td>
<td>5.1%</td>
</tr>
<tr>
<td>Register Disbursements</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

**Concealment of Fraud Schemes**

In addition to gathering information about how the frauds were perpetrated, we also asked survey respondents how the perpetrators attempted to conceal their schemes. While the sample size of cases from the Middle East and North Africa in which concealment methods were provided was quite small, illustrated below are the three most common methods used by the perpetrators in our study.

- Created fraudulent physical documents
- Altered physical documents
- Destroyed physical documents
Initial Detection of Occupational Frauds

We asked respondents to identify how the occupational fraud schemes were initially detected, and the results are shown in Figure 5. The most common detection method among cases in the Middle East and North Africa was tips (39.2% of cases), followed by internal audit (25.3% of cases). Management review was the initial detection method for 11.4% of cases. These were also the three most common methods of detection in our global study.

Figure 5: Initial Detection of Occupational Frauds
Detection of Fraud Schemes

**Top Three Sources of Tips**

In cases that were detected by tip, we asked survey respondents to identify the source. While the sample size was small, the infographic below shows the top three sources in the Middle East and North Africa, which include employees, customers, and vendors.

- **45%** Employee
- **23%** Customer
- **19%** Vendor

**Formal Reporting Mechanism Used by Whistleblower**

In cases where the fraud was detected by tip, we asked respondents to identify the reporting mechanism used by the whistleblower. Below are the three most common methods in the Middle East and North Africa.

- Telephone Hotline
- Email
- Web-based/Online Form

**Impact of Hotlines**

We also analyzed how the presence of a reporting hotline affected the method by which fraud was initially detected; the results are shown in Figure 6. There was some contrast between how organizations with and without hotlines initially detected fraud. Organizations with hotlines in the Middle East and North Africa detected the fraud by tip in 41.3% of cases, a modest amount more than the 35.7% of such cases in organizations without hotlines. Organizations without hotlines were more than twice as likely to detect fraud by management review as organizations with hotlines.

**Figure 6: Impact of Hotlines on the Top Four Detection Methods**
As part of our survey, we asked respondents to provide information about the organization that was victimized by the fraud scheme, including the entity’s type, size, and industry, as well as the mechanisms the organization had in place to help prevent and detect fraud.

**Type of Organization**

Figure 7 depicts both the median loss and percent of cases based on the type of organization that was victimized. Privately held companies represented the highest reported number of cases, at about 48%, and had a median loss of USD 200,000. Publicly held organizations represented approximately one-third of the cases and suffered a median loss of USD 563,000.

*Not-for-Profit, Government, and Other categories had insufficient responses for median loss calculation.*

---

**Figure 7: Type of Victim Organization—Frequency and Median Loss**

<table>
<thead>
<tr>
<th>Type of Victim Organization</th>
<th>Median Loss</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Company</td>
<td>$200,000</td>
<td>8.9%</td>
</tr>
<tr>
<td>Public Company</td>
<td>$963,000</td>
<td>32.9%</td>
</tr>
<tr>
<td>Not-for-Profit*</td>
<td>$200,000</td>
<td>8.9%</td>
</tr>
<tr>
<td>Government*</td>
<td>$200,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>Other*</td>
<td>$200,000</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
Size of Organization
Organizations with 100 to 999 employees represented the highest number of cases reported in the Middle East and North Africa (40%) but suffered a relatively low median loss of USD 86,000. In contrast, organizations with 1,000 to 9,999 employees experienced the highest median loss of USD 400,000 and represented approximately one-third of cases in the region.

Figure 8: Size of Victim Organization—Frequency and Median Loss

*10,000+ category had insufficient responses for median loss calculation.
Victim Organizations

Industry of Organization

Figure 9 categorizes the cases reported to us by industry of the victim organization. Banking and financial services, retail, and oil and gas were the most represented sectors in the fraud cases we examined. Banking and financial services represented about one-third of the cases and suffered a median loss of USD 375,000. (All other industries had insufficient responses for a median loss calculation.) It is important to note that our data was collected through a survey of Certified Fraud Examiners (CFEs), so this distribution primarily reflects the industries for which CFEs typically provide services; therefore, this data does not necessarily suggest that these industries are more at risk of fraud than others.

Figure 9: Industry of Victim Organization
Anti-Fraud Controls at the Victim Organization

We asked survey respondents which, if any, of several anti-fraud controls were in place at the victim organization at the time the fraud occurred. External audits of the financial statements and an internal audit department were the most commonly implemented controls. As reflected in Figure 10, more than 90% of victim organizations in the Middle East and North Africa in our study had implemented these controls. Other common controls among these organizations included management certification of the financial statements, a formal code of conduct, and external audits of the internal controls over financial reporting.

Figure 10: Frequency of Anti-Fraud Controls
**Victim Organizations**

**Effectiveness of Controls**

To explore the effectiveness of various anti-fraud controls, we compared cases where a certain control had been in place at the time of fraud against cases where the control was not in place. We then measured the size of the loss and the duration of the fraud in each group. As shown in Figure 11, the presence of many controls was associated with a lower median loss. Additionally, four of the 18 controls corresponded with quicker fraud detection in cases in the Middle East and North Africa (see Figure 12). It is worth noting that in our global data, every control was associated with a lower median loss and reduced duration, whereas in the Middle East and North Africa, many controls showed a negative correlation with respect to these measures.

**Figure 11: Median Loss Based on Presence of Anti-Fraud Controls**

<table>
<thead>
<tr>
<th>Control</th>
<th>Percent of Cases</th>
<th>Control in Place</th>
<th>Control Not in Place</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Audit of Internal Controls over Financial Reporting</td>
<td>80.6%</td>
<td>$247,000</td>
<td>$700,000</td>
<td>64.7%</td>
</tr>
<tr>
<td>Proactive Data Monitoring/Analysis</td>
<td>46.5%</td>
<td>$150,000</td>
<td>$420,000</td>
<td>64.3%</td>
</tr>
<tr>
<td>Employee Support Programs</td>
<td>25.4%</td>
<td>$150,000</td>
<td>$325,000</td>
<td>53.8%</td>
</tr>
<tr>
<td>Management Certification of Financial Statements</td>
<td>82.4%</td>
<td>$200,000</td>
<td>$363,000</td>
<td>44.9%</td>
</tr>
<tr>
<td>Management Review</td>
<td>73.2%</td>
<td>$200,000</td>
<td>$300,000</td>
<td>33.3%</td>
</tr>
<tr>
<td>Job Rotation/Mandatory Vacation</td>
<td>24.6%</td>
<td>$250,000</td>
<td>$350,000</td>
<td>28.6%</td>
</tr>
<tr>
<td>Surprise Audits</td>
<td>61.6%</td>
<td>$250,000</td>
<td>$350,000</td>
<td>28.6%</td>
</tr>
<tr>
<td>Rewards for Whistleblowers</td>
<td>14.9%</td>
<td>$275,000</td>
<td>$300,000</td>
<td>10.7%</td>
</tr>
<tr>
<td>Fraud Training for Managers/Executives</td>
<td>44.4%</td>
<td>$225,000</td>
<td>$247,000</td>
<td>8.9%</td>
</tr>
<tr>
<td>Fraud Training for Employees</td>
<td>47.9%</td>
<td>$275,000</td>
<td>$224,000</td>
<td>-22.8%</td>
</tr>
<tr>
<td>Hotline</td>
<td>62.2%</td>
<td>$304,000</td>
<td>$247,000</td>
<td>-23.1%</td>
</tr>
<tr>
<td>Anti-Fraud Policy</td>
<td>50.7%</td>
<td>$300,000</td>
<td>$200,000</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>81.1%</td>
<td>$300,000</td>
<td>$200,000</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Independent Audit Committee</td>
<td>75.7%</td>
<td>$350,000</td>
<td>$200,000</td>
<td>-75.0%</td>
</tr>
<tr>
<td>Formal Fraud Risk Assessments</td>
<td>41.7%</td>
<td>$383,000</td>
<td>$200,000</td>
<td>-81.5%</td>
</tr>
<tr>
<td>Dedicated Fraud Department, Function, or Team</td>
<td>44.6%</td>
<td>$463,000</td>
<td>$247,000</td>
<td>-87.4%</td>
</tr>
<tr>
<td>Internal Audit Department</td>
<td>95.9%</td>
<td>$304,000</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>External Audit of Financial Statements</td>
<td>95.9%</td>
<td>$275,000</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

*Category had insufficient responses for median loss calculation.
### Figure 12: Median Duration of Fraud Based on Presence of Anti-Fraud Controls

<table>
<thead>
<tr>
<th>Control</th>
<th>Percent of Cases</th>
<th>Control in Place</th>
<th>Control Not in Place</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Audit of Internal Controls over Financial Reporting</td>
<td>80.6%</td>
<td>12 months</td>
<td>18 months</td>
<td>33.3%</td>
</tr>
<tr>
<td>Job Rotation/Mandatory Vacation</td>
<td>24.6%</td>
<td>10 months</td>
<td>12 months</td>
<td>16.7%</td>
</tr>
<tr>
<td>Proactive Data Monitoring/Analysis</td>
<td>46.5%</td>
<td>11 months</td>
<td>12 months</td>
<td>8.3%</td>
</tr>
<tr>
<td>Independent Audit Committee</td>
<td>75.7%</td>
<td>12 months</td>
<td>13 months</td>
<td>7.7%</td>
</tr>
<tr>
<td>Employee Support Programs</td>
<td>25.4%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Formal Fraud Risk Assessments</td>
<td>41.7%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fraud Training for Managers/Executives</td>
<td>44.4%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Dedicated Fraud Department, Function, or Team</td>
<td>44.8%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fraud Training for Employees</td>
<td>47.9%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Anti-Fraud Policy</td>
<td>50.7%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Surprise Audits</td>
<td>61.6%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hotline</td>
<td>62.2%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>81.1%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Management Certification of Financial Statements</td>
<td>82.4%</td>
<td>12 months</td>
<td>12 months</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rewards for Whistleblowers</td>
<td>14.9%</td>
<td>13 months</td>
<td>12 months</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Management Review</td>
<td>73.2%</td>
<td>12 months</td>
<td>10 months</td>
<td>-20.0%</td>
</tr>
<tr>
<td>Internal Audit Department</td>
<td>90.9%</td>
<td>12 months</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>External Audit of Financial Statements</td>
<td>95.9%</td>
<td>12 months</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

*Category had insufficient responses for median duration calculation.
Victim Organizations

Internal Control Weaknesses That Contributed to Fraud
Survey respondents also provided information about the internal control breakdowns that contributed to the fraud. A straightforward lack of internal controls was primarily to blame in 27% of cases in the Middle East and North Africa, making this the top contributing factor. In another 16.2% of the frauds, existing controls were overridden by the perpetrator, and in almost 15% of cases, a lack of competent personnel in oversight roles was the main factor contributing to the scheme.

Figure 13: Primary Internal Control Weakness Observed by CFE
Perpetrators

We asked survey respondents to provide information about the fraud perpetrators they investigated, including the fraudster’s level of authority, the department where he or she worked, the perpetrator’s gender, and the behavioral signs that the fraudster had exhibited prior to or during commission of the fraud.²

² In cases where more than one perpetrator was involved, the data on perpetrators relates to the principal perpetrator, which may be defined as the person who worked for the victim organization and who was the primary culprit.

Perpetrator’s Position

The fraudster’s level of authority within an organization is strongly correlated with the size of the fraud, as shown in Figure 14. Only 16.9% of occupational frauds in the Middle East and North Africa were committed by owner/executives, but these cases resulted in a median loss of USD 1,500,000, which was significantly higher than the losses caused by employees or managers. This result was consistent with our global data and with prior studies; high-level fraudsters tend to have greater ability to override internal controls and greater access to organizational resources, both of which may help explain the correlation between authority and median loss.
Perpetrators

Figure 14: Position of Perpetrator—Frequency and Median Loss

*Other category had insufficient responses for median loss calculation.
Perpetrator’s Department

Figure 15 shows the departments where fraudsters in the Middle East and North Africa worked within their organizations. The departments with the greatest percentage of occupational fraud cases reported to us were sales and operations, each of which was identified in approximately 15% of the Middle East and North Africa cases. The next-most-common departments were customer service and purchasing, which were both identified in more than 10% of cases.

**Figure 15: Department of Perpetrator—Frequency**
Perpetrator’s Gender
Approximately 90% of occupational frauds in the Middle East and North Africa were committed by males, which was significantly higher than the 69% rate for males in our global study. The median loss for occupational frauds committed by males in this region was USD 375,000. Due to the low number of fraud cases committed by females in the region, we were unable to calculate a median loss for those cases.

**Figure 16:** Gender of Perpetrator—Frequency

**Profile of Occupational Fraudsters in the Middle East and North Africa**

- **Education:** University degree or higher - 62%
- **Tenure:** More than 5 years - 51%
- **Collusion:** Cases with 2 or more perpetrators - 55%

**Median Age:** 40

**Median Loss in Collusion Cases**

- Was 20% lower than in single-perpetrator schemes

In our global study the median loss in collusion schemes was 194% higher than in frauds committed by lone perpetrators.
Perpetrators

Perpetrator’s Criminal and Employment History

Perpetrator’s Criminal Background
Only 1.8% of occupational fraudsters in the Middle East and North Africa cases had been previously convicted for a fraud-related offense (see Figure 17). Historically, we have found that very few occupational fraud perpetrators have prior fraud convictions.

![Figure 17: Criminal Background of Perpetrator](image)

Perpetrator’s Employment History
Only 4% of fraud perpetrators in the Middle East and North Africa had been previously terminated by an employer for fraud-related conduct, and 8% had previously received some other form of punishment such as a suspension or reprimand for fraud-related activity.

![Figure 18: Employment Background of Perpetrator](image)
Perpetrators

OCCUPATIONAL FRAUD PERPETRATORS OFTEN EXHIBIT CERTAIN BEHAVIORAL CHARACTERISTICS ASSOCIATED WITH THEIR CRIMES.

THE FOLLOWING BEHAVIORAL RED FLAGS WERE IDENTIFIED IN AT LEAST 20% OF MIDDLE EAST AND NORTH AFRICA FRAUD CASES IN OUR STUDY:

- Living Beyond Means: 35%
- Unusually Close Association with Vendor or Customer: 32%
- Control Issues, Unwillingness to Share Duties: 22%

APPROXIMATELY 36% OF OCCUPATIONAL FRAUDSTERS IN THE MIDDLE EAST AND NORTH AFRICA HAD COMMITTED SOME FORM OF NON-FRAUD WORKPLACE VIOLATION PRIOR TO OR DURING THEIR FRAUDS.

THE MOST COMMON NON-FRAUD VIOLATIONS WERE:

- Bullying or Intimidation: 13%
- Excessive Tardiness: 9%
- Excessive Internet Browsing: 9%
- Sexual Harassment: 9%
Case Results

Criminal Prosecution and Civil Suits

We asked respondents about the outcome of their fraud cases, including whether the cases were referred to law enforcement for criminal prosecution or pursued in civil court. Figure 19 shows that victim organizations in the Middle East and North Africa were more likely to refer cases to law enforcement (47.9% of cases) than to seek a remedy in civil litigation (31.3% of cases).

Figure 19: Cases Resulting in Referral to Law Enforcement or Civil Suit

![Figure 19: Cases Resulting in Referral to Law Enforcement or Civil Suit](image)
Case Results

Recovery of Losses
Detecting and investigating fraud is crucial to mitigate current losses and to serve as a deterrent against future frauds. However, our study suggests that organizations are usually not made whole through fraud recovery efforts, even when the perpetrator is identified. More than half of organizations in the Middle East and North Africa recovered no losses resulting from the fraud, while approximately one in ten organizations obtained a full recovery.

Figure 20: Recovery of Victim Organization’s Losses
Action Taken Against Perpetrators

Recovering assets is not the only goal of a fraud examination. It is also important to identify perpetrators at the organization and take appropriate disciplinary action against them. As shown in Figure 21, termination was the most common disciplinary action (53.5% of cases) taken by victim organizations in the Middle East and North Africa.

Figure 21: Action Taken Against Perpetrator
Methodology

This report is based on the results of the 2015 Global Fraud Survey, an online survey opened to 41,788 Certified Fraud Examiners (CFEs) from July 2015 to October 2015. As part of the survey, respondents were asked to provide a detailed narrative of the single largest fraud case they had investigated since January 2014. Additionally, after completing the survey the first time, respondents were given the option to submit information about a second case that they investigated. Cases submitted were required to meet the following four criteria:

1. The case must have involved occupational fraud (defined as internal fraud, or fraud committed by a person against the organization for which he or she works).

2. The investigation must have occurred between January 2014 and the time of survey participation.

3. The investigation must have been complete at the time of survey participation.

4. The respondent must have been reasonably sure the perpetrator(s) was (were) identified.

Respondents were then presented with questions regarding the particular details of the fraud case, including information about the perpetrator, the victim organization, and the methods of fraud employed, as well as fraud trends in general. We received 7,497 total responses to the survey, 2,410 of which were usable for purposes of our global study. Of these usable responses, 79 involved occupational fraud cases perpetrated against organizations in the Middle East and North Africa; the data contained in this report is based solely on the information provided in these 79 responses.

Analysis Methodology

In calculating the percentages discussed throughout this report, we used the total number of complete and relevant responses for the question(s) being analyzed. Specifically, we excluded any blank responses or instances where the participant indicated that he or she did not know the answer to a question. Consequently, the total number of cases included in each analysis varies. In addition, several survey questions allowed participants to select more than one answer. Therefore, the sum of percentages in certain figures throughout the report exceeds 100%. Additionally, all charts throughout the report include only those categories for which we received at least one response from survey participants.

All loss amounts discussed throughout the report are calculated using median loss rather than mean, or average, loss. Additionally, we excluded median loss calculations for categories for which there were fewer than ten responses.

Because the direct losses caused by financial statement frauds are typically spread among numerous stakeholders, obtaining an accurate estimate for this amount is extremely difficult. Consequently, for schemes involving financial statement fraud, we asked survey participants to provide the gross amount of the financial statement misstatement (over- or under-statement) involved in the scheme. All losses reported for financial statement frauds throughout this report are based on those reported amounts.
About the ACFE

Founded in 1988 by Dr. Joseph T. Wells, CFE, CPA, the ACFE is the world’s largest anti-fraud organization and premier provider of anti-fraud training and education. Together with nearly 80,000 members in more than 160 countries, the ACFE is reducing business fraud worldwide and providing the training and resources needed to fight fraud more effectively.

The ACFE provides educational tools and practical solutions for anti-fraud professionals through initiatives including:

• Global conferences and seminars led by anti-fraud experts
• Instructor-led, interactive professional training
• Comprehensive resources for fighting fraud, including books, self-study courses and articles
• Leading anti-fraud publications, including Fraud Magazine™, The Fraud Examiner and FraudInfo
• Local networking and support through more than 170 ACFE chapters worldwide
• Anti-fraud curriculum and educational tools for colleges and universities

The positive effects of anti-fraud training are far-reaching. The best way to combat fraud is to educate anyone engaged in fighting fraud on how to effectively prevent, detect and investigate it. By educating, uniting and supporting the global anti-fraud community with the tools to fight fraud more effectively, the ACFE is inspiring public confidence in the integrity and objectivity of the profession.

Membership

Immediate access to world-class anti-fraud knowledge and tools is a necessity in the fight against fraud. Members of the ACFE include accountants, internal auditors, fraud investigators, law enforcement officers, lawyers, business leaders, risk/compliance professionals and educators, all of whom have access to expert training, educational tools and resources. Members from all over the world have come to depend on the ACFE for solutions to the challenges they face in their professions. Whether their career is focused exclusively on preventing and detecting fraudulent activities or they just want to learn more about fraud, anti-fraud professionals turn to the ACFE for the essential tools and resources necessary to accomplish their objectives. To learn more, visit ACFE.com or call (800) 245-3321 / +1 (512) 478-9000.

Certified Fraud Examiners

The ACFE offers its members the opportunity for professional certification. The Certified Fraud Examiner (CFE) credential is preferred by businesses and government entities around the world and indicates expertise in fraud prevention and detection.

Certified Fraud Examiners (CFEs) are anti-fraud experts who have demonstrated knowledge in four critical areas: financial transactions and fraud schemes, law, investigation, and fraud prevention and deterrence. In support of CFEs and the CFE credential, the ACFE:

• Provides bona fide qualifications for CFEs through administration of the CFE Exam
• Requires CFEs to adhere to a strict code of professional conduct and ethics
• Serves as the global representative for CFEs to business, government and academic institutions
• Provides leadership to inspire public confidence in the integrity, objectivity and professionalism of CFEs