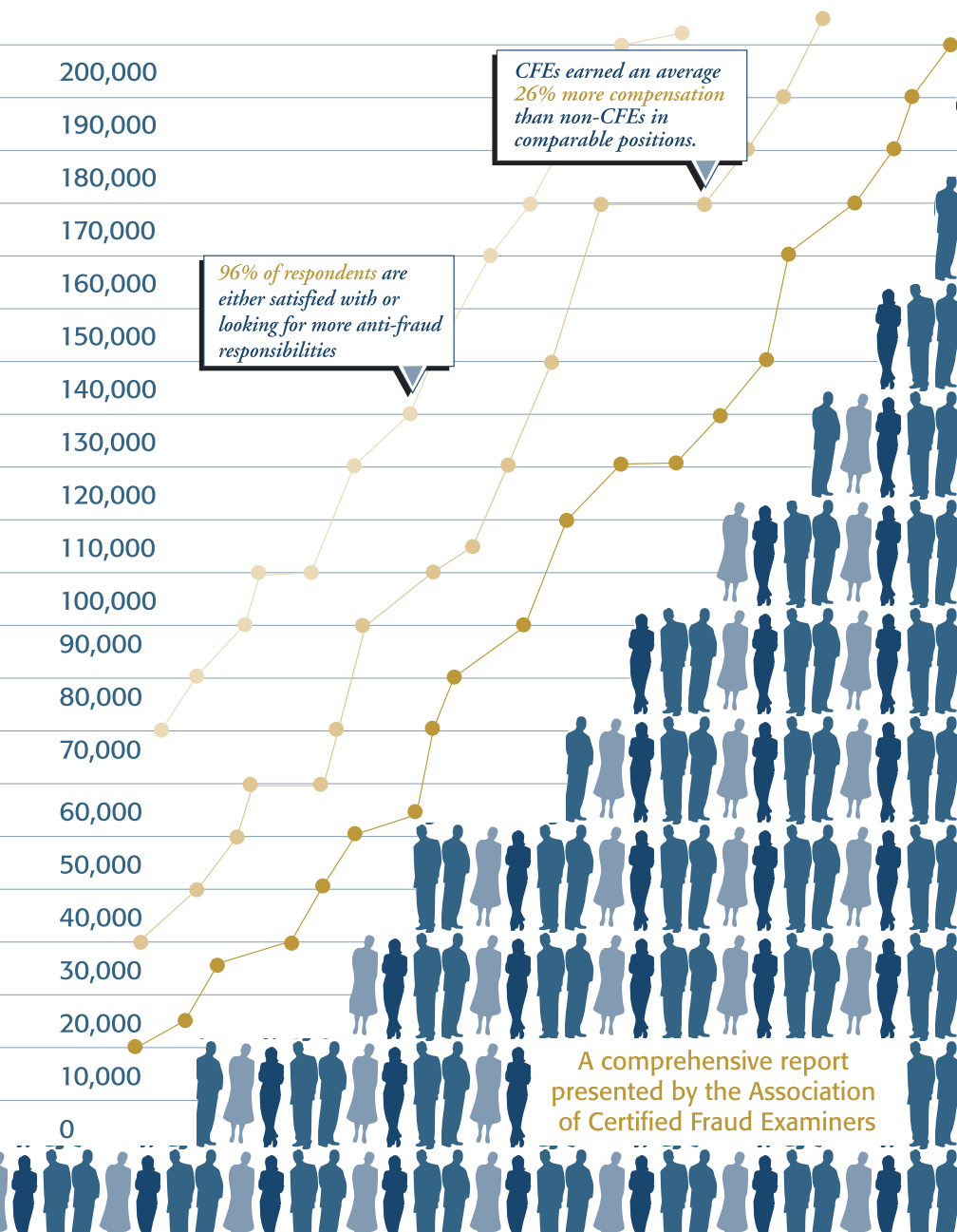




2005 compensation guide

for anti-fraud professionals





Decisions regarding your career are often challenging and complex since there are many variables involved in the process of determining what is right for you. What is your area of focus? How do you find a company that matches your needs? We all seek the ideal combination of personal interest, compensation, work/life balance, level of responsibility and advancement opportunities.

Careers in the anti-fraud profession continue to grow as more organizations seek out individuals skilled in preventing, detecting, deterring and investigating corporate fraud. This unique knowledge

and expertise continues to be recognized as a significant value to entities in the US. This fact is illustrated by the *26% compensation premium commanded by professionals who hold the CFE designation* compared to those in comparable positions without it.

The *2005 Compensation Guide for Anti-Fraud Professionals* provides a comprehensive look at compensation of US based anti-fraud professionals. In addition to exploring compensation, the report highlights attitudes regarding job satisfaction and key skills necessary to succeed in this profession. ■



Methodology/Data

Compensation information is personal and private, yet it is important to have benchmarks to understand individual compensation potential. The ACFE would like to thank the 4,605 responders to the second annual compensation survey. By providing this quantitative data via a confidential survey administered by an independent research firm, respondents provided important information for anti-fraud professionals in a variety of disciplines, industries and locations.

The *2005 Compensation Guide for Anti-Fraud Professionals* provides extensive salary information for CFEs and non-CFEs. The figures shown represent mean (average) total cash compensation, which includes: base salary, bonus and “other cash compensation” such as auto allowance, additional consulting contracts and commissions.

Maximize Your Potential

Survey respondents indicated that they were attracted to their most recent position for work/life balance (20%) and opportunity for advancement (16%). But, if they were to change employers in the next 12 months, 33% would do so for better compensation. For those who are satisfied with their jobs but interested in higher compensation, there are ways to reach that goal.

Factors that maximize earning potential:

- Earn the CFE credential
- Supervise more employees
- Continue your education
- Gain more fraud-related experience

CFEs earned an average 26% more in 2004 than non-CFEs in comparable positions.

CFEs Command Premium Compensation

CFEs earned an average 26% more compensation in 2004 than their non-CFE colleagues in comparable positions. This premium was more evident in base compensation for CFEs, with a 23% higher average base salary and a 9% premium in average bonus.

- CFEs and non-CFEs alike are expecting to earn more in 2005

Compensation Growth	Base	Bonus	Total
2004 Reported Compensation			
CFE	\$82,997	\$15,714	\$95,144
Non-CFE	\$67,329	\$14,368	\$75,362
CFE Premium	23%	9%	26%
2005 Estimated Compensation			
CFE	\$87,454	\$17,416	\$100,228
Non-CFE	\$71,737	\$15,602	\$80,536
Estimated % Growth (2004-2005)			
CFE	5%	11%	5%
Non-CFE	7%	9%	7%

Note: Mean compensation shown in US dollars.



Utilizing the Guide

The *2005 Compensation Guide for Anti-Fraud Professionals* provides detailed comparisons of average total cash compensation for the tax year ending December 31, 2004 based on the following factors:

- Level of responsibility
- Level of seniority
- Industry
- Region
- Size of company

A breakout for levels of government is also provided for anti-fraud professionals in the public sector.

Please note that each chart must be viewed independently, as the data in each of these charts is not additive or cumulative. Find the applicable compensation in each chart based upon role, seniority, company type, industry and region to determine a typical range of compensation.

CFEs earn on average over \$20,000 more per year than non-CFEs in the same job function.

By job function and level of responsibility	Independent Auditor		Internal Auditor		Finance/Accounting	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
Executive/Partner/Principal/Director	\$157,006	\$138,016	\$138,345	\$116,013	\$120,410	\$103,735
Manager	81,284	73,670	93,609	83,771	87,256	70,281
Supervisor/Senior Consultant	61,631	60,625	74,058	66,535	69,970*	67,643
Staff/Consultant/Analyst	58,417	54,357	64,199	51,512	58,176*	49,404
Average Salary Nationwide (using total gross pay)	92,960	76,494	91,058	73,248	94,602	71,802

Note: Mean compensation shown in US dollars.

*Small sample size (n < 30)

– Insufficient sample size (n < 10)

By industry and level of responsibility	Accounting/Consulting		Communications / Telecom		Education	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
Executive/Partner/Principal/Director	\$177,753	\$135,505	\$138,770*	–	\$85,628	\$84,775
Manager	94,221	85,802	99,195*	75,465*	77,199*	69,664*
Supervisor/Senior Consultant	67,082	63,203	79,976*	68,042*	72,064*	55,553*
Staff/Consultant/Analyst	51,945	48,096	68,477*	60,749*	61,998*	49,158*
Average Salary Nationwide (using total gross pay)	120,938	83,702	96,339	78,683	84,164	70,510

Note: Mean compensation shown in US dollars.

*Small sample size (n < 30)

– Insufficient sample size (n < 10)

By industry and level of responsibility
(continued)

Executive/Partner/Principal/Director
Manager
Supervisor/Senior Consultant
Staff/Consultant/Analyst
Average Salary Nationwide (using total gross pay)

	Internal Fraud Examiner		Independent Fraud Examiner		Legal/Law Enforcement		Security/Loss Prevention	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
	\$123,964	\$93,228	\$163,241	\$117,408	–	\$90,709*	\$130,163	\$95,296
	84,205	66,831	92,305	100,930	88,537*	89,097*	85,882	70,790
	73,001	63,694	70,914	61,292	83,962	84,687*	–	61,842*
	58,608	51,850	58,780	52,862	62,570	70,584	71,861*	47,170*
	84,148	63,920	111,463	77,299	80,217	75,646	104,222	69,764

	Financial		Government (Federal, State, Local)		Healthcare		Insurance	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
	\$111,282	\$85,421	\$104,071	\$94,242	\$122,036	\$102,929	\$138,492	\$110,317
	73,826	64,195	77,938	78,282	79,662*	74,288	90,607	79,885
	61,681	58,985	74,203	69,865	71,263*	–	69,618	62,692
	57,166	50,340	64,854	60,471	55,666	51,821	61,838	52,973
	81,298	65,134	77,897	67,387	85,014	71,466	89,056	65,540

	IT / Software Services		Law Enforcement		Manufacturing		Private Investigation	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
	\$165,100	\$137,333	–	–	\$178,507*	\$181,283*	\$112,974	\$65,576
	–	–	–	–	98,254	86,312	–	–
	–	–	82,896	–	94,227*	81,136	–	–
	–	60,250*	63,939	52,129	72,885*	65,326*	–	–
	113,550	92,215	76,799	73,460	113,218	96,231	102,539	87,165

US Regions

The list below outlines which states are considered in each region.

NORTHEAST	SOUTHEAST	MIDWEST	WEST
Connecticut	Alabama	Arkansas	Alaska
DC	Florida	Illinois	Arizona
Delaware	Georgia	Indiana	California
Maine	Louisiana	Iowa	Colorado
Maryland	Mississippi	Kansas	Hawaii
Massachusetts	North Carolina	Kentucky	Idaho
New Hampshire	South Carolina	Michigan	Montana
New Jersey	Tennessee	Minnesota	New Mexico
New York		Missouri	Nevada
Pennsylvania		Nebraska	Oregon
Rhode Island		North Dakota	Utah
Vermont		Ohio	Texas
Virginia		Oklahoma	Washington
West Virginia		South Dakota	Wyoming
		Wisconsin	

Compensation Variances

In addition to job function, industry and level of seniority, the size of company and region of the US can significantly affect compensation. The northeast consistently offers higher compensation than the national average, as do companies with annual revenues of \$500 million or more.

Each chart shows the individual variable as compared to the national average.

To apply the variances:

1. Determine the appropriate company size, region for the state in which you are employed and level of government, if applicable.
2. Identify the appropriate national average and corresponding variance for each chart.
3. Calculate the variance to determine a range of compensation. (If the variance is a positive percentage, add it to the national average. If it is negative, subtract from the national average.)

Company Size

- Small = <\$10 million in revenues
- Medium = \$10-49 million in revenues
- Large = >\$50 million in revenues

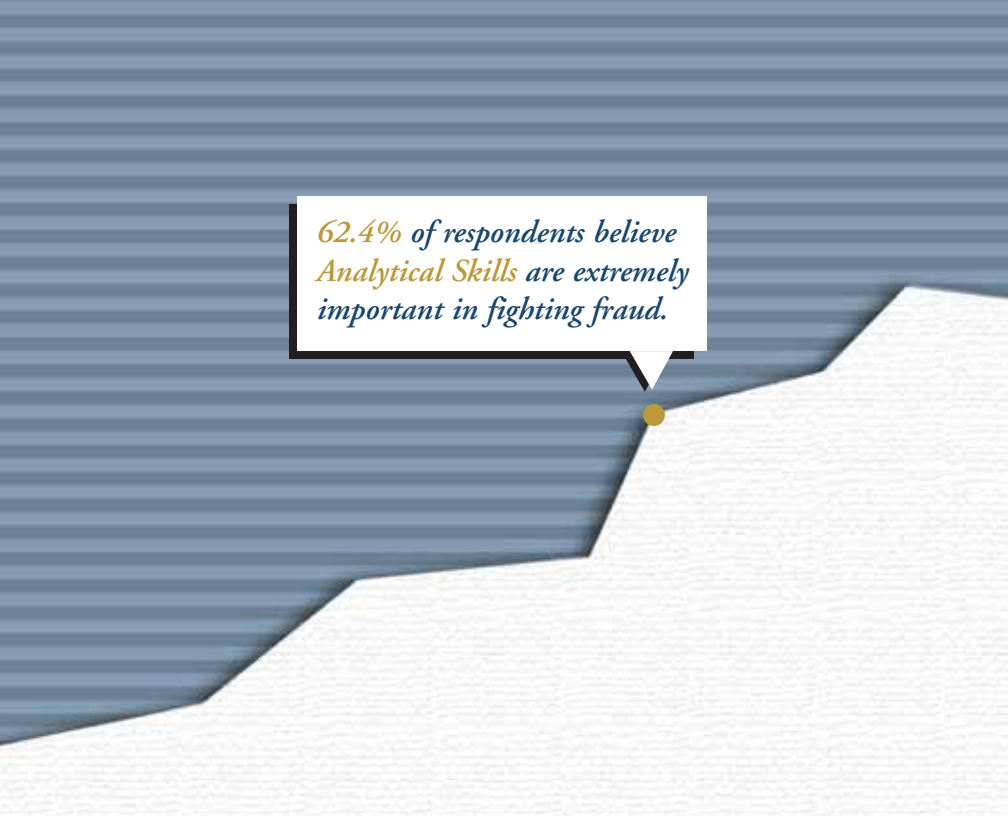
National Average Gross Compensation for 2004	National Average	
	CFE	Non-CFE
Executive/Partner/Principal/Director	\$143,455	\$121,550
Manager	\$89,078	\$78,911
Supervisor/Senior Consultant	\$73,175	\$66,038
Staff/Consultant/Analyst	\$61,715	\$54,145

Note: Mean compensation shown in US dollars.

Variances by region	Northeast		Southeast		Midwest		West	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
Executive/Partner/Principal/Director	9%	29%	-16%	-15%	4%	-9%	1%	-9%
Manager	5%	12%	-10%	-6%	2%	-4%	-5%	-2%
Supervisor/Senior Consultant	8%	6%	-4%	0%	-1%	-3%	-4%	-1%
Staff/Consultant/Analyst	10%	6%	-5%	-7%	-6%	-5%	2%	12%

Variances by size of company	Large		Medium		Small	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
Executive/Partner/Principal/Director	25%	23%	-3%	-7%	-16%	-10%
Manager	5%	13%	0%	-6%	-15%	-18%
Supervisor/Senior Consultant	5%	6%	3%	-2%	-16%	-11%
Staff/Consultant/Analyst	8%	8%	1%	-1%	-15%	-16%

Variances by type of government	Federal		State		Local	
	CFE	Non-CFE	CFE	Non-CFE	CFE	Non-CFE
Executive/Partner/Principal/Director	-21%	14%	-36%	-36%	-19%	-27%
Manager	14%	14%	-23%	-11%	-15%	-3%
Supervisor/Senior Consultant	32%	29%	-18%	-13%	-13%	-9%
Staff/Consultant/Analyst	31%	43%	-19%	-17%	-11%	-5%



62.4% of respondents believe Analytical Skills are extremely important in fighting fraud.

Measuring Career Satisfaction

One measure of the attraction of a profession is the level of satisfaction of its workforce. The majority of anti-fraud professionals are highly satisfied with their current career situations.

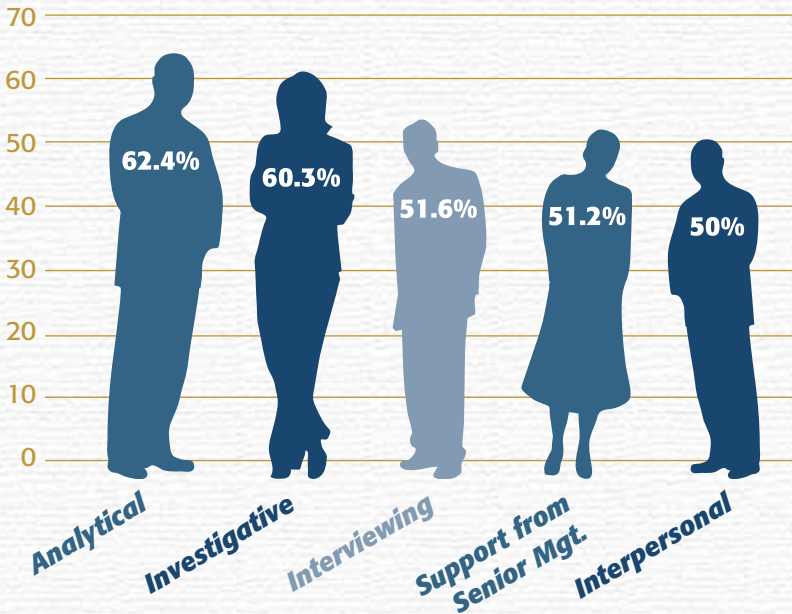
Of survey respondents:

- **96%** are either satisfied with or looking for more anti-fraud responsibilities
- **76%** are content with their current employer, but **24%** say they will be looking to change employers in the next 12 months
- Those who were to change employers, **33%** would do so for better compensation, while **23%** would look for different development opportunities and **14%** would want more challenge

Keys to Skills for Success

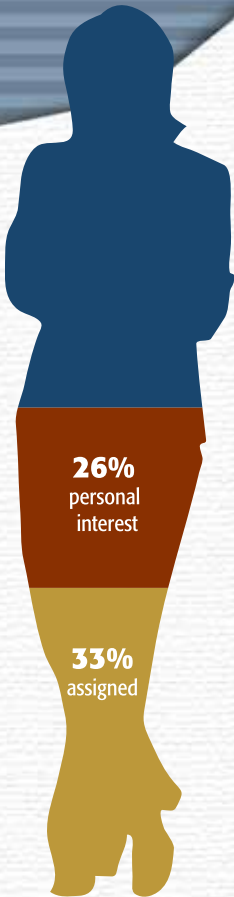
With the continuing awareness and growth of the anti-fraud profession, those pursuing a career fighting fraud are interested in understanding the path to success.

Anti-fraud professionals at all levels agree, analytical and investigative skills are extremely valuable, followed closely by interviewing skills, support from senior management and interpersonal skills.



*Percent of respondents who indicated these skills are extremely important.

Anti-fraud professionals spend 54% of their fraud time on investigation.



Notable Facts and Figures

There are multiple ways to enter the anti-fraud profession

- 33% of respondents were assigned to a fraud-related project or case
- 26% requested anti-fraud work because of a personal interest
- 12% learned about it in school



The average annual bonus for an executive is \$46,954 as compared to \$10,675 for a manager.

Of time spent fighting fraud, slightly more time is spent investigating than preventing, detecting and deterring.

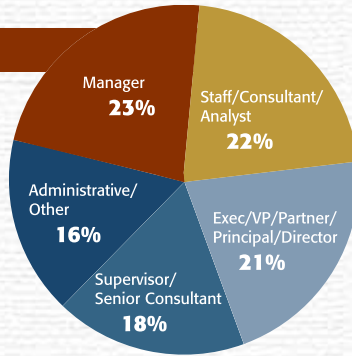


Average number of years of total experience = 16 years

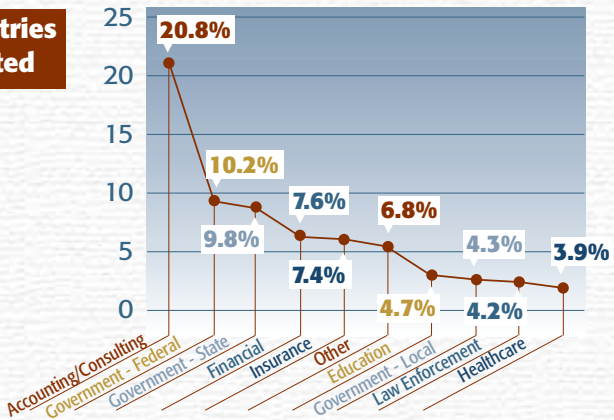
Average number of years of fraud-related experience = 9 years

Background Information

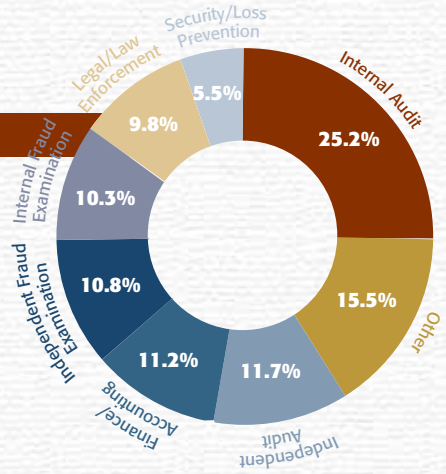
Level of Seniority



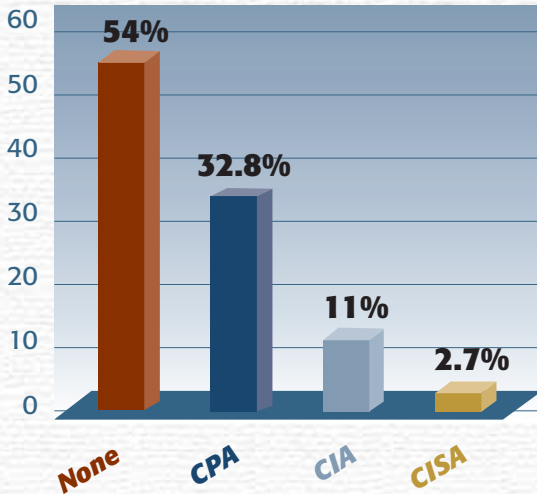
Top Industries Represented



Top Job Functions Represented



Other Certifications Held



NETWORKING remains the best way to find a job in this profession with **41% of responders** finding their most recent job through networking or through someone they know.

Together with over 34,000 members, the ACFE is reducing business fraud worldwide and inspiring public confidence in the integrity and objectivity of our profession. The Certified Fraud Examiner (CFE) designation is globally preferred and indicates expertise in fraud prevention, deterrence, detection and investigation.



To learn more about the impact of fraud and the anti-fraud profession, visit www.CFEnet.com.



ACFESM

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