Organizations worldwide lose an estimated 5 percent of their annual revenues to fraud, according to Occupational Fraud 2022: A Report to the Nations. A single instance of fraud can be devastating: the median loss per fraud case was $117,000, and more than a fifth of the cases involved losses of at least $1 million.

The good news? There are some basic steps your organization can take immediately to lessen your vulnerability to fraud:

1. **Be Proactive.**
   Adopt a code of ethics for management and employees. Evaluate your internal controls for effectiveness and identify areas of the business that are vulnerable to fraud.

2. **Establish Hiring Procedures.**
   When hiring staff, conduct thorough background investigations. Check educational, credit and employment history (as permitted by law), as well as references.

3. **Train Employees in Fraud Prevention.**
   Do workers know the warning signs of fraud? Ensure that staff members know basic fraud prevention techniques.

4. **Implement a Fraud Hotline.**
   Fraud is still most likely to be detected by a tip. Providing an anonymous reporting system for your employees, contractors and clients will help uncover more fraud.

5. **Increase the Perception of Detection.**
   Communicate regularly to staff about anti-fraud policies, ways to report suspicions of misconduct, and the potential consequences (including termination and prosecution) of fraudulent behavior.

Implementing these tips could help prevent your organization from becoming a statistic. **Take action today.**

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