

FRAUD IN GOVERNMENT ORGANIZATIONS

Examining the characteristics of occupational fraud that occurs at governmental organizations can help illuminate some of the issues and risks specific to these entities at all levels.

OUR STUDY INCLUDED



296 CASES

of occupational fraud that occurred at government organizations

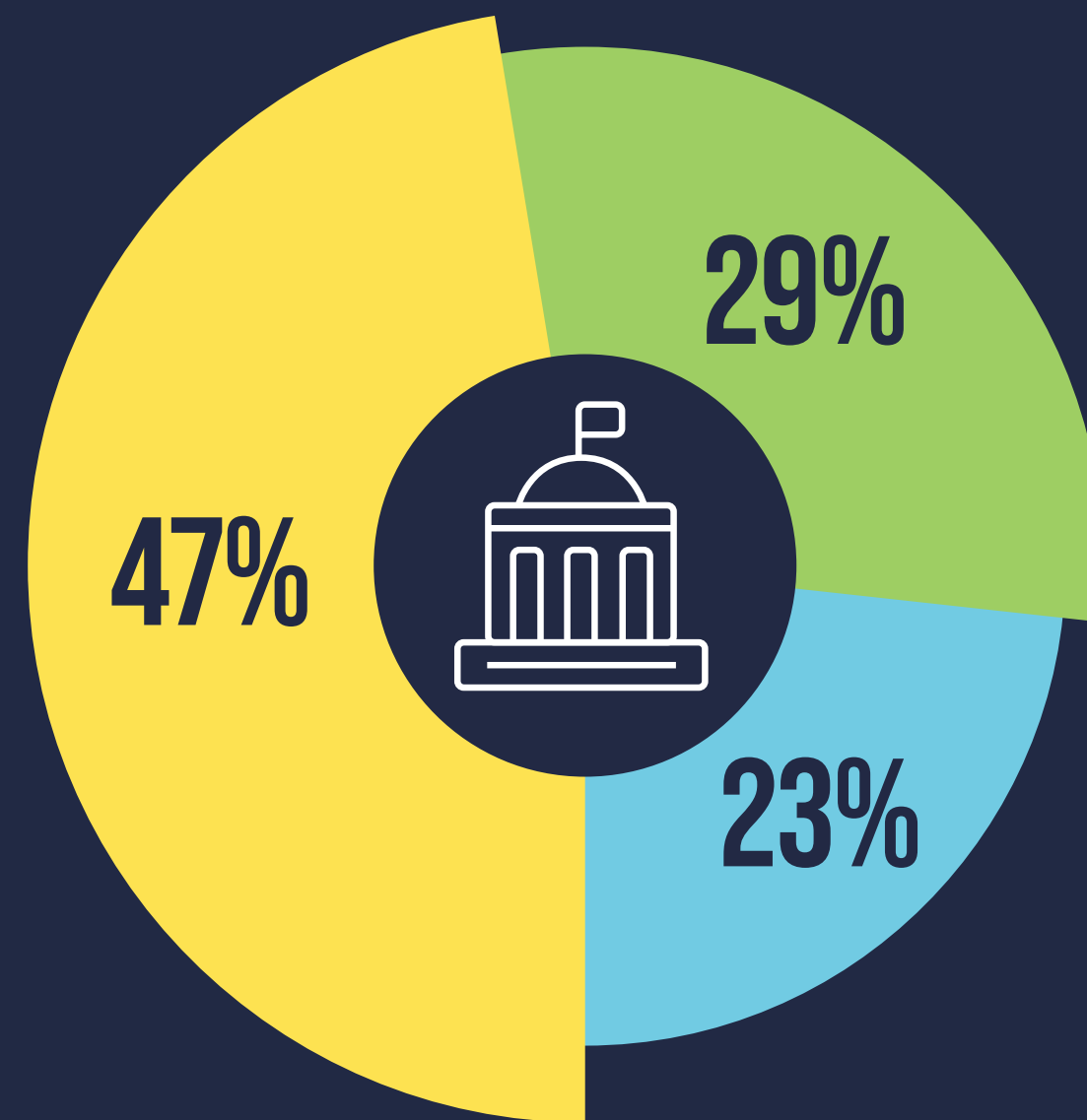


MEDIAN LOSS \$150,000

AVERAGE LOSS \$2,306,000



MEDIAN DURATION 12 MONTHS



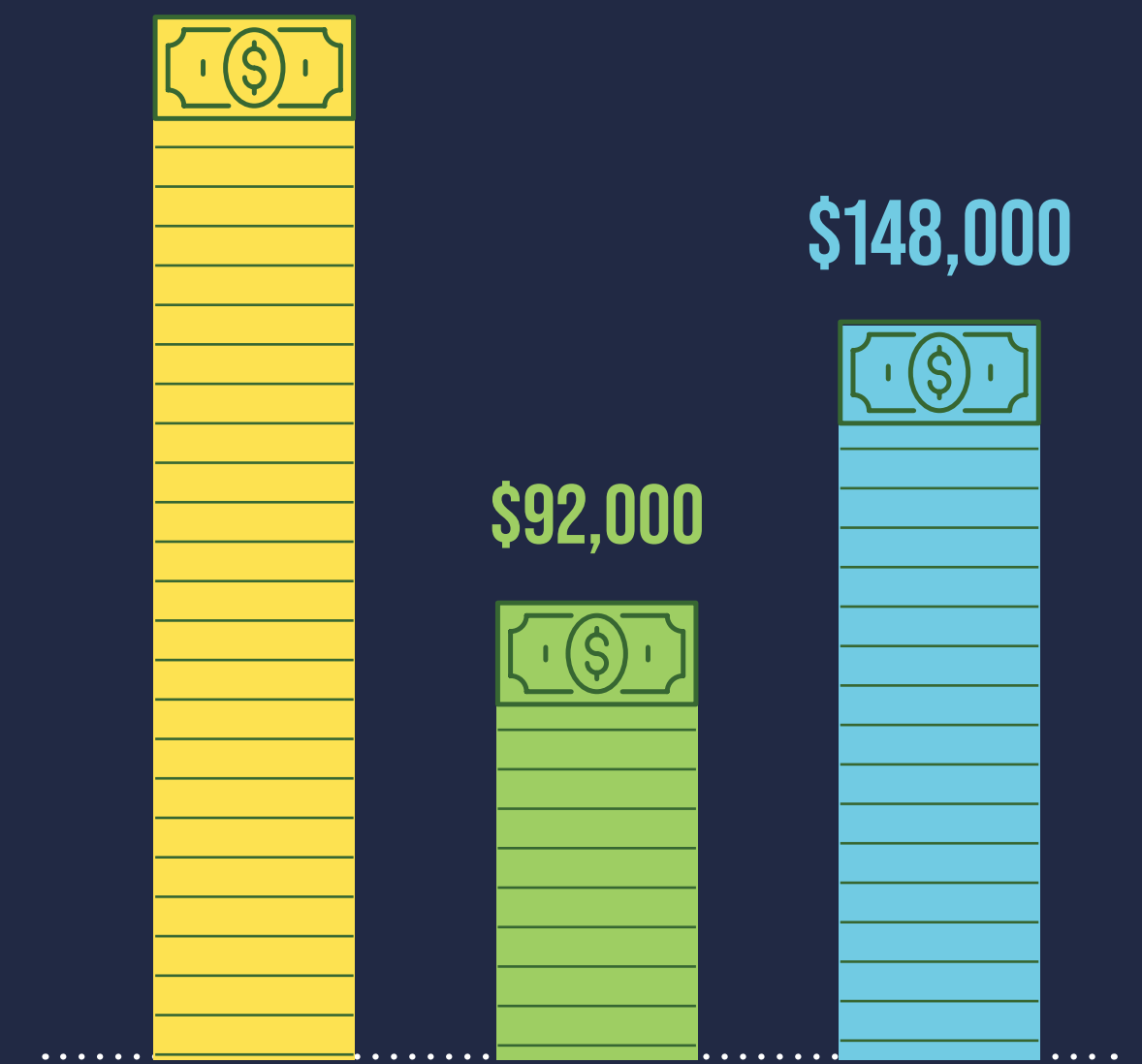
■ National ■ State/provincial ■ Local

Median losses were largest at the **NATIONAL LEVEL OF GOVERNMENT**

\$210,000

\$92,000

\$148,000



WHO COMMITS OCCUPATIONAL FRAUD IN GOVERNMENT ORGANIZATIONS?

Executive



\$313,000
MEDIAN LOSS



ONLY 19% of perpetrators in government organizations were at the executive level, but **FRAUDSTERS AT THE TOP CAUSED THE LARGEST LOSSES.**

Manager



\$224,000
MEDIAN LOSS



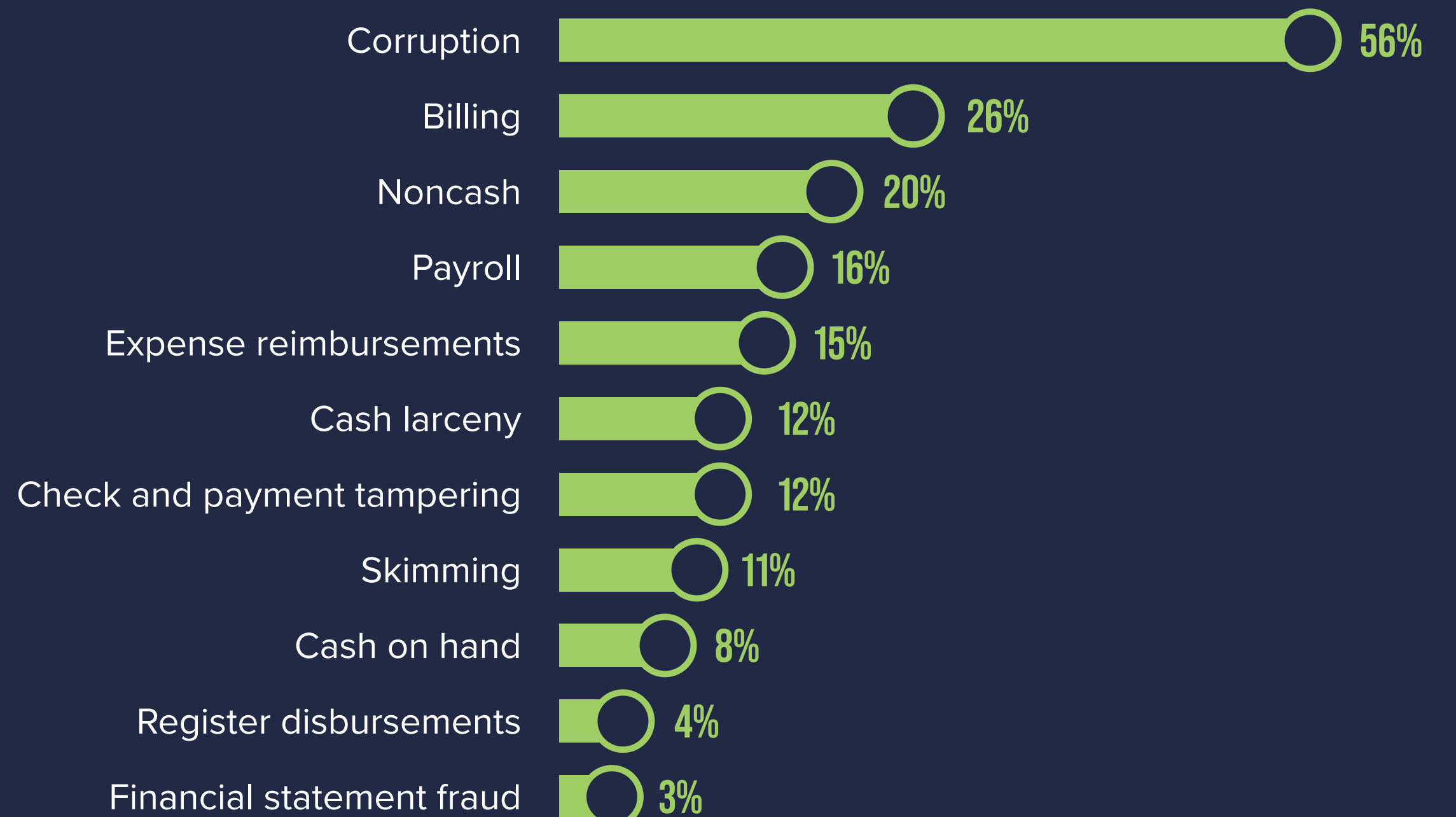
Employee



\$50,000
MEDIAN LOSS



OCCUPATIONAL FRAUD SCHEMES IN GOVERNMENT ORGANIZATIONS



CORRUPTION is most common at the **NATIONAL LEVEL OF GOVERNMENT**



National



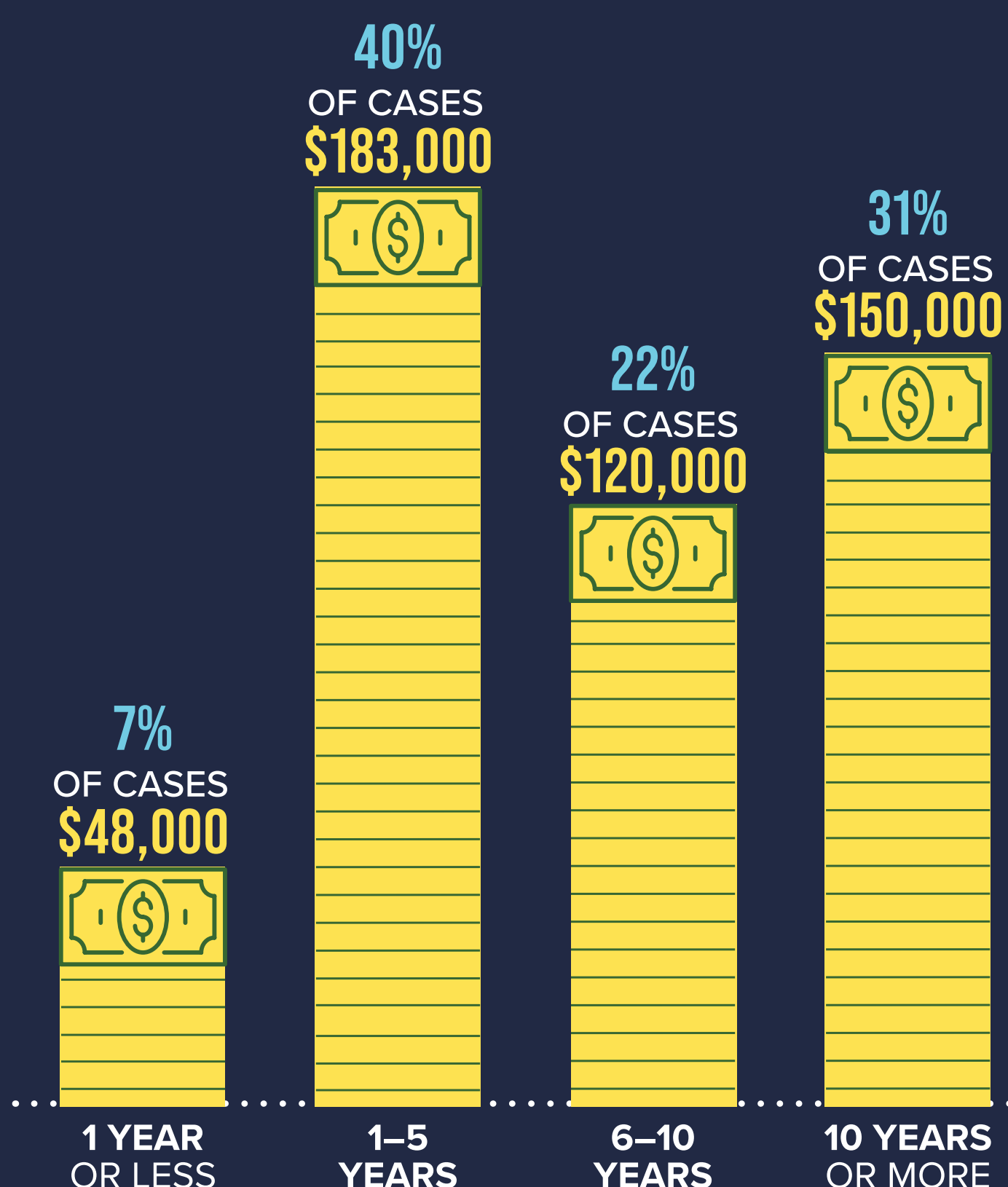
State/provincial



Local

MORE THAN HALF of perpetrators had worked for the victim organization for **SIX YEARS OR LONGER.**

But perpetrators with a tenure of 1–5 years **CAUSED THE HIGHEST MEDIAN LOSS.**



TOP 3 WAYS FRAUD IS DETECTED in government organizations:



44%
TIP



18%
INTERNAL AUDIT



11%
MANAGEMENT REVIEW

Government organizations are **MUCH MORE LIKELY TO REFER CASES TO LAW ENFORCEMENT** for criminal prosecution than other organization types.

73%
GOVERNMENT

55%
PRIVATE COMPANIES

52%
NONPROFIT

49%
PUBLIC COMPANIES