



November 16-22, 2014

International Fraud Awareness Week

5 Fraud Tips Every Business Leader Should Act On

Organizations around the world lose an estimated 5 percent of their annual revenues to fraud, according to the ACFE's 2014 *Report to the Nations on Occupational Fraud and Abuse*.

A single instance of fraud can be devastating: the median loss per fraud case in the ACFE study was \$145,000, 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 – so take action today.



To learn more about protecting your business from fraud, visit FraudWeek.com.