

Business Fraud Update September 25, 2019

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FIG. 24 How does the perpetrator's level of authority relate to occupational fraud?

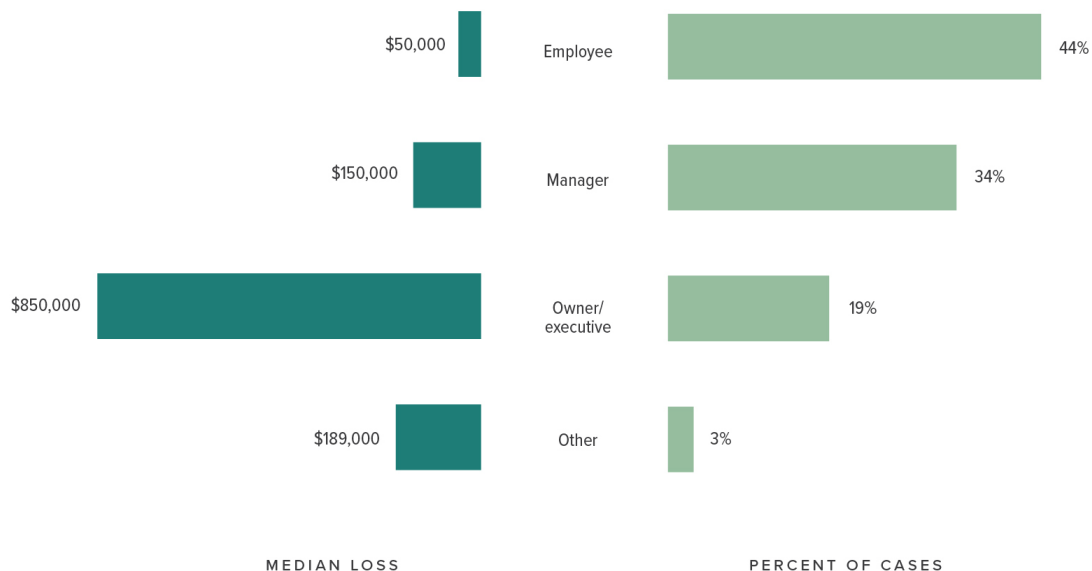


FIG. 25 How does the perpetrator's level of authority relate to scheme duration?

Position	Median months to detection
Employee	12 months
Manager	18 months
Owner/executive	24 months

FIG. 27 How does the perpetrator's tenure relate to median loss at different levels of authority?

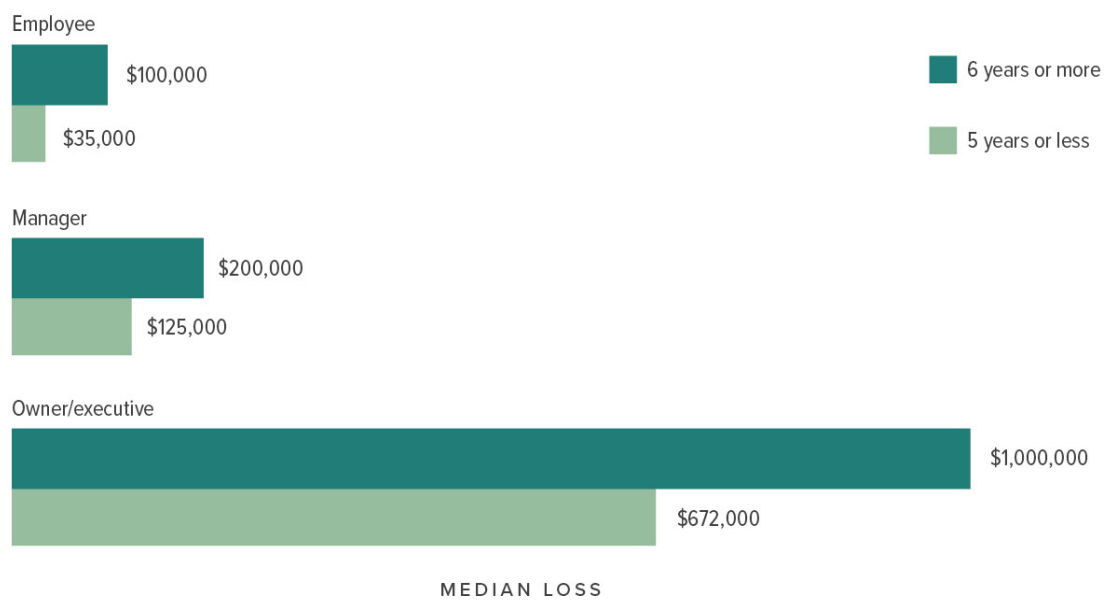


FIG. 35 How does the number of perpetrators in a scheme relate to occupational fraud?

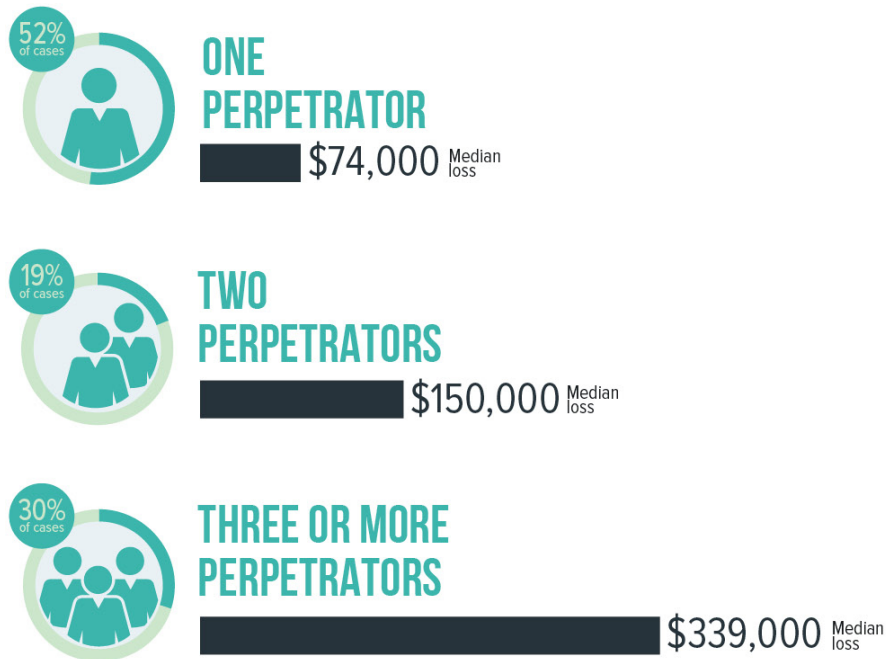


FIG. 38 How often do perpetrators exhibit behavioral red flags?

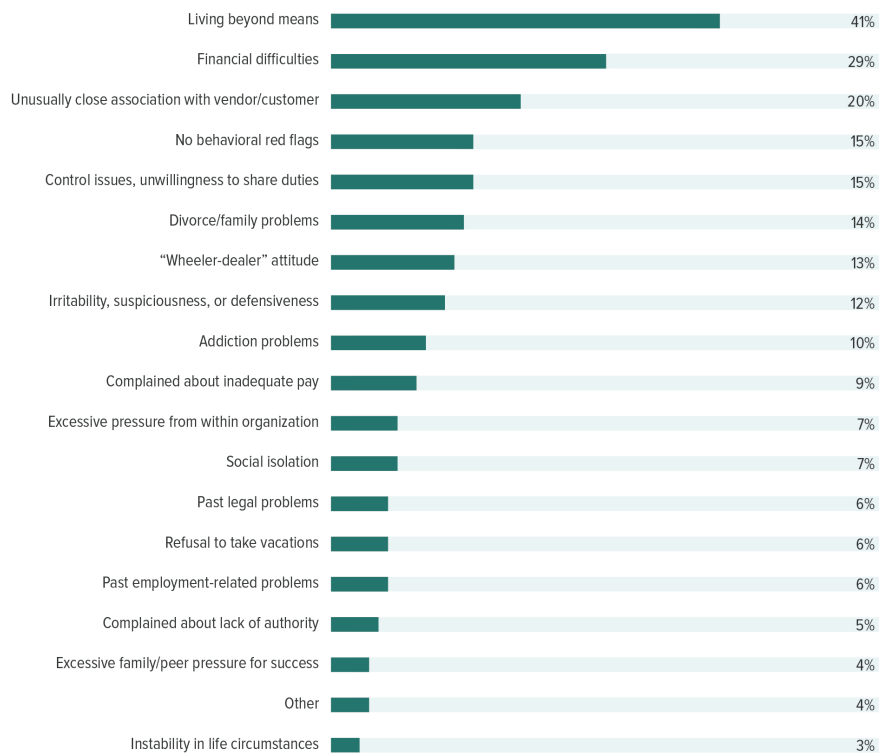


FIG. 39 Do fraud perpetrators also engage in non-fraud-related misconduct?

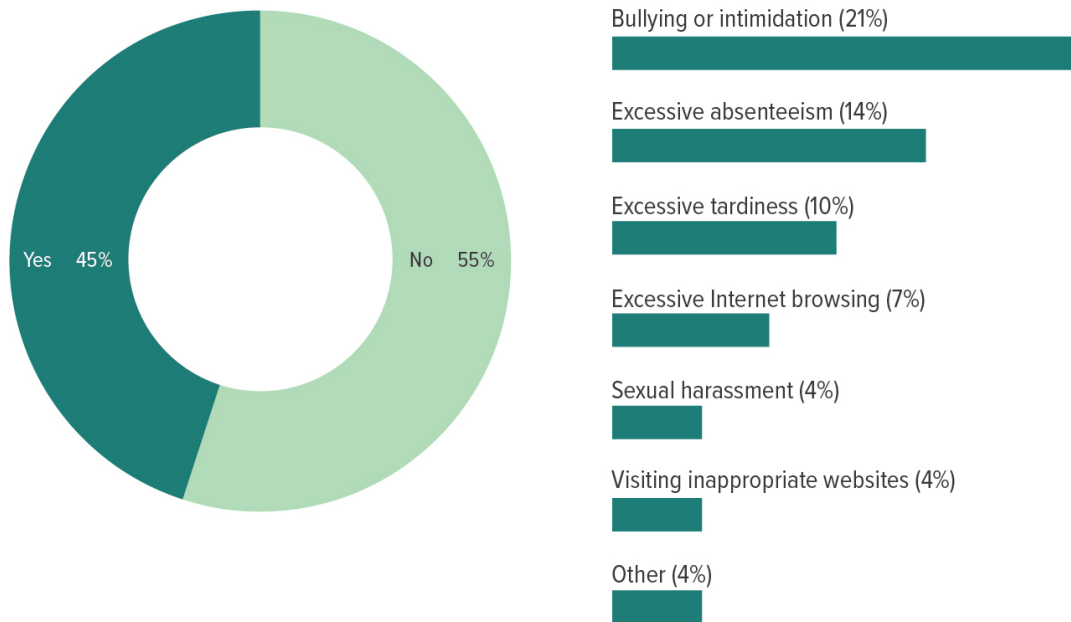
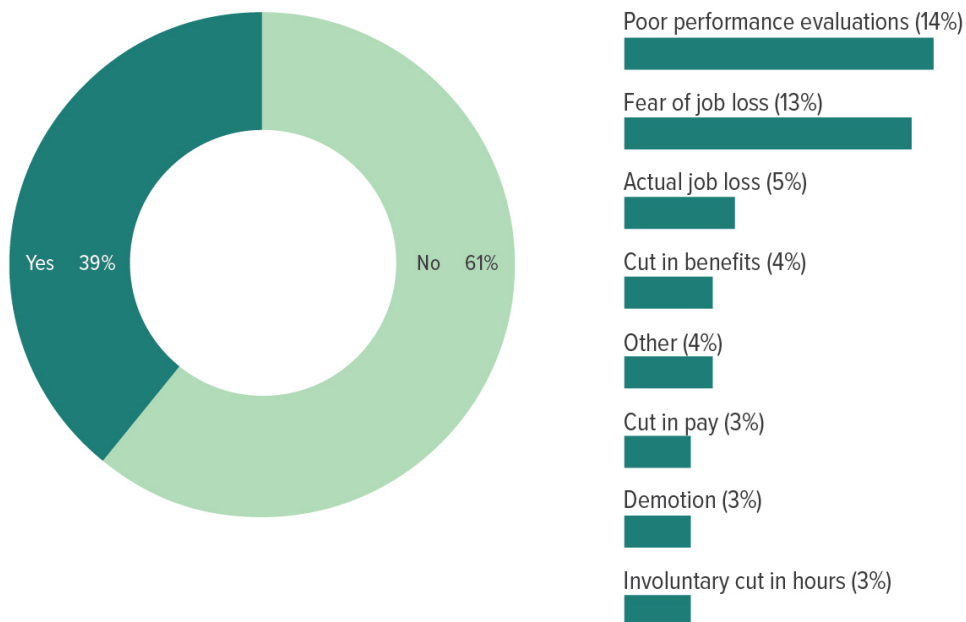


FIG. 40 Do fraud perpetrators experience negative HR-related issues prior to or during their frauds?



Addressing red flags in the data

Results from the 2019 Anti-Fraud Technology Benchmarking Report



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NEARLY
2/3 of organizations currently use
**exception reporting or
anomaly detection techniques**
in their fraud-related initiatives

AND

MORE THAN
1/2 use **automated monitoring**
of red flags or violations of
business rules.

Over the next two years, the use of each of these types
of analytics is expected to grow to **72%** of organizations.

THE USE OF ARTIFICIAL INTELLIGENCE
AND MACHINE LEARNING AS PART OF
ORGANIZATIONS' ANTI-FRAUD
PROGRAMS IS EXPECTED TO ALMOST

TRIPLE



OVER THE NEXT TWO YEARS.

FIG. 13 Are organizations contributing to data-sharing consortiums to help prevent or detect fraud?

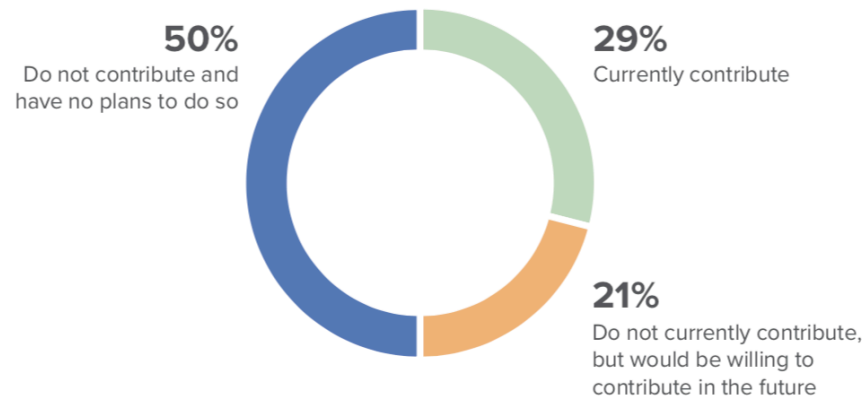
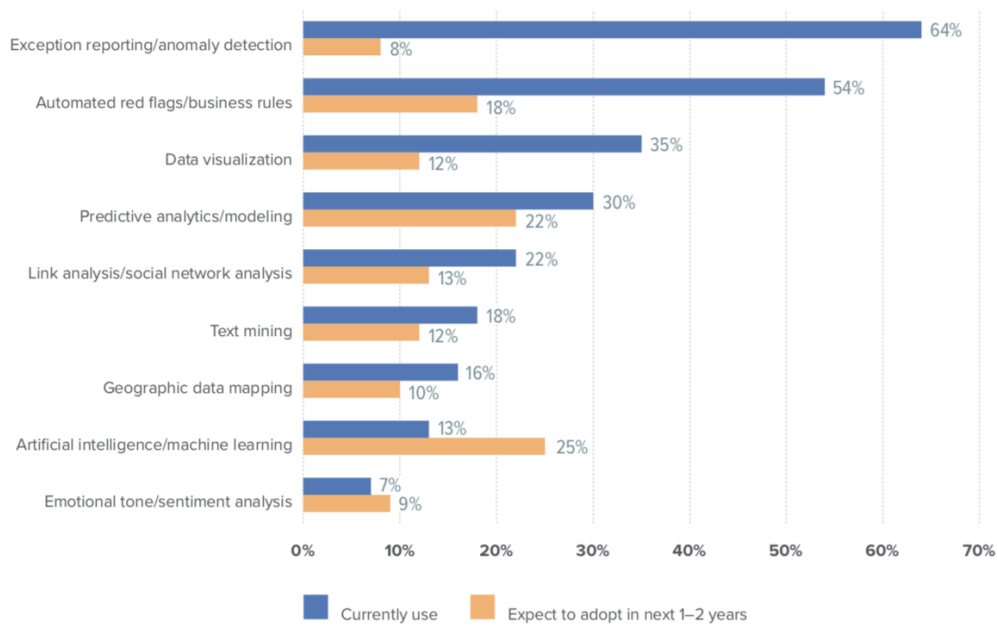


FIG. 3 In what risk areas do organizations use data analytics to monitor for fraud?



FIG. 1 What data analysis techniques do organizations use to fight fraud?



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