

BEHAVIORAL RED FLAGS OF FRAUD

Recognizing the behavioral clues displayed by fraudsters can help organizations more effectively detect fraud and minimize their losses.

8 KEY WARNING SIGNS

85%

OF ALL FRAUDSTERS displayed at least one **BEHAVIORAL RED FLAG**

These are the 8 most common behavioral clues of occupational fraud. **At least one of these red flags** was observed in 76% of all cases.



39%

Living beyond means



25%

Financial difficulties



20%

Unusually close association with vendor/customer



13%

Control issues, unwillingness to share duties



12%

Irritability, suspiciousness, or defensiveness



12%

Bullying or intimidation



11%

Divorce/family problems



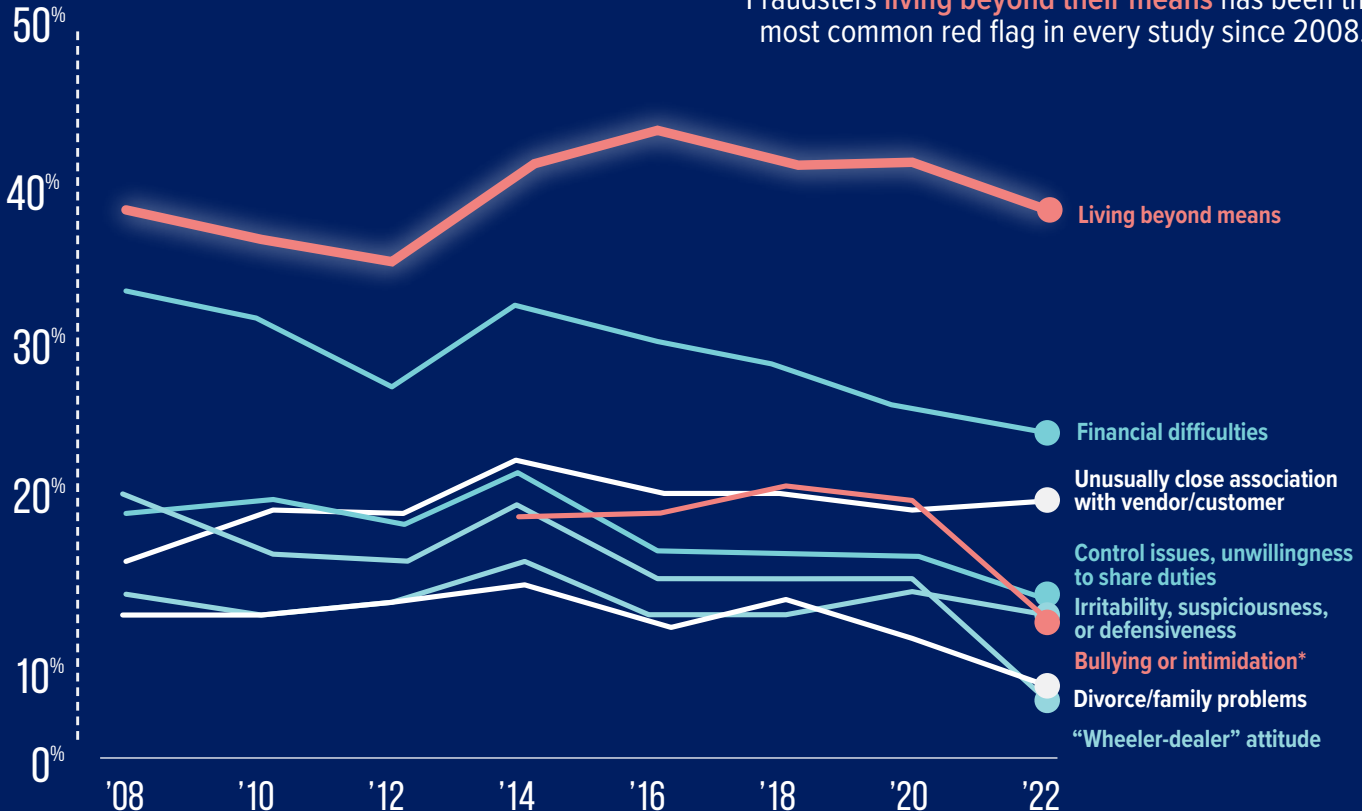
10%

"Wheeler-dealer" attitude

LIVING BEYOND MEANS



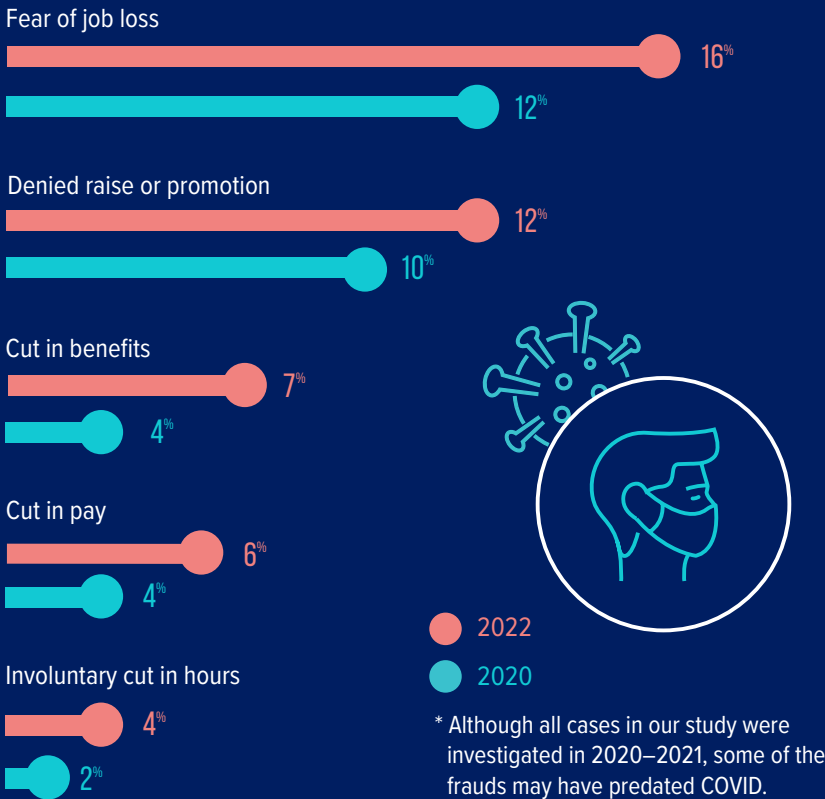
Fraudsters **living beyond their means** has been the most common red flag in every study since 2008.



* "Bullying or intimidation" was included as an option in our survey beginning in 2014 and was asked in a separate question prior to 2022.

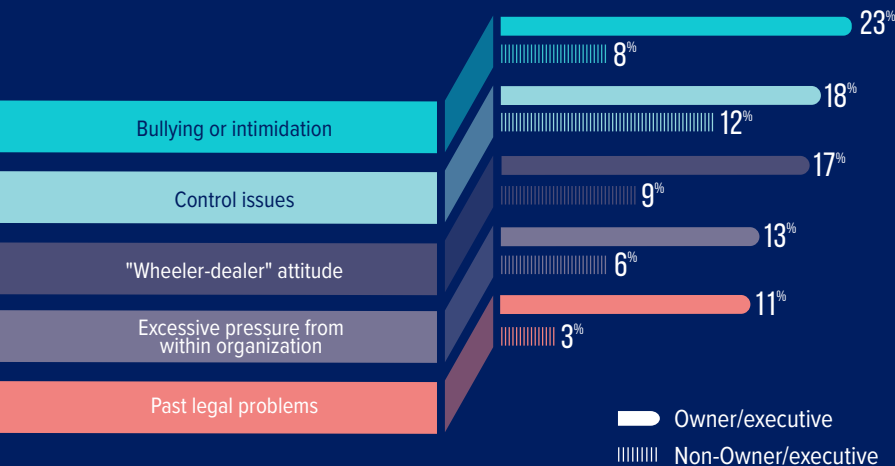
DID JOB UNCERTAINTY DURING COVID CONTRIBUTE TO FRAUD?

These five HR-related issues all involve a fraudster's job or compensation security. **All five increased in 2022.**



RED FLAGS IN THE C-SUITE

These **5 red flags** were much more common among owner/executives



GENDER AND RED FLAGS

Some behavioral flags tended to correlate with the fraudster's gender.



MORE COMMON WITH FEMALE FRAUDSTERS



Living beyond means

44%

37%



Financial difficulties

34%

22%



Recent divorce or family problems

17%

9%



MORE COMMON WITH MALE FRAUDSTERS



Unusually close association with vendor/customer

23%

13%



"Wheeler-dealer" attitude

13%

5%



Bullying or intimidation

13%

9%