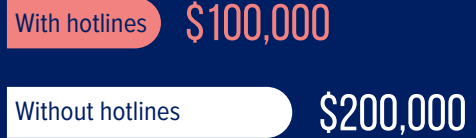# HOTLINE AND REPORTING MECHANISM EFFECTIVENESS

Maintaining a hotline or reporting mechanism increases the chances of earlier fraud detection and reduces losses. Fraud awareness training encourages tips through reporting mechanisms.
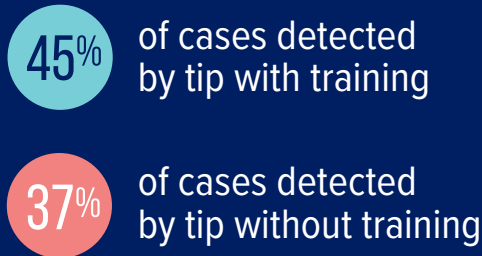
70% of **VICTIM ORGANIZATIONS** had hotlines

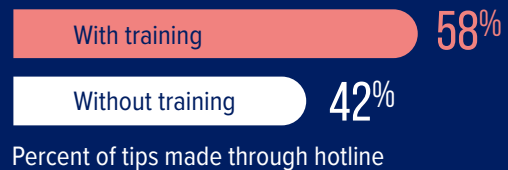Fraud losses were **2X HIGHER** at organizations without hotlines

With hotlines $100,000

Without hotlines $200,000

EFFECT OF EMPLOYEE AND MANAGER FRAUD AWARENESS TRAINING ON HOTLINES AND REPORTING
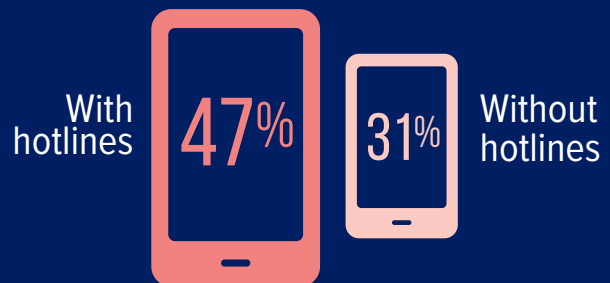
TRAINING INCREASES the likelihood of detection by tip

45% of cases detected by tip with training

37% of cases detected by tip without training

Reports of fraud are **MORE LIKELY TO BE SUBMITTED** through hotlines with training

With training 58%

Without training 42%

Percent of tips made through hotline

Organizations with hotlines detect frauds **MORE QUICKLY**

With hotline 12 MONTHS

Without hotline 18 MONTHS

Organizations with hotlines are more likely to detect fraud **BY TIP**

With hotlines **47%**
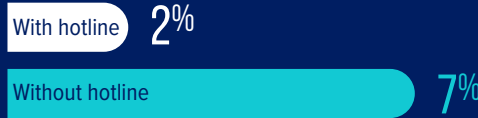
31% Without hotlines
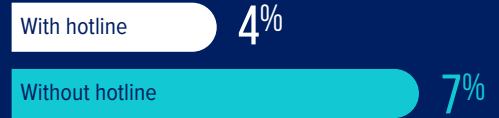
Percent of cases detected by tip

ORGANIZATIONS WITHOUT HOTLINES ARE 3.5X MORE LIKELY
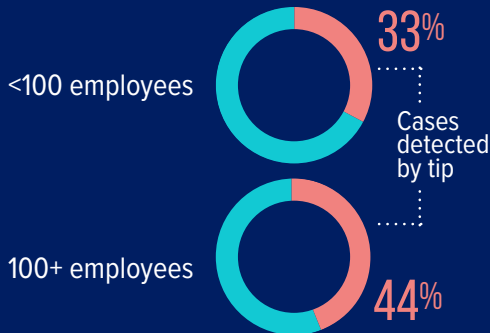## to discover fraud through an external audit and nearly 2X more likely by accident
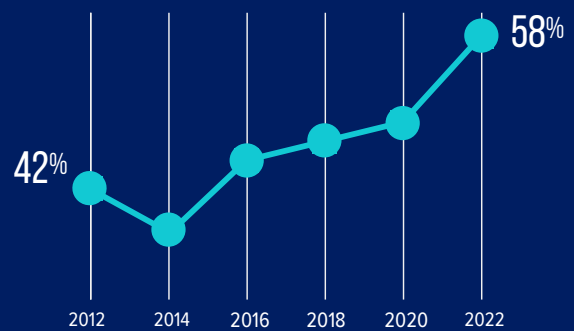
External audit

With hotline — 2%

Without hotline — 7%

By accident

With hotline — 4%

Without hotline — 7%

LARGE ORGANIZATIONS are especially likely to detect occupational fraud by tip

<100 employees — 33%

Cases detected by tip

100+ employees — 44%

Since 2012, the percent of tips made through hotlines has INCREASED DRAMATICALLY

42% — 58%

2012 · 2014 · 2016 · 2018 · 2020 · 2022

HOTLINE IMPLEMENTATION AND TIP DETECTION RATES BY REGION

United States and Canada — 63% / 32%

Western Europe — 68% / 41%

Eastern Europe and Western/Central Asia — 75% / 36%

Southern Asia — 72% / 51%

Asia-Pacific — 80% / 58%

Latin America and the Caribbean — 67% / 41%

Sub-Saharan Africa — 76% / 48%

Middle East and North Africa — 68% / 41%

Hotline implementation rate

Percent of cases detected by tip