THE IMPORTANCE OF PROVIDING FRAUD AWARENESS TRAINING

Providing fraud awareness training to staff at all levels of an organization is a vital part of a comprehensive anti-fraud program. Our study shows that training employees, managers, and executives about the risks and costs of fraud can help reduce fraud losses and ensure frauds are caught more quickly.

A GROWING PERCENTAGE OF ORGANIZATIONS ARE PROVIDING FRAUD AWARENESS TRAINING FOR THEIR STAFF
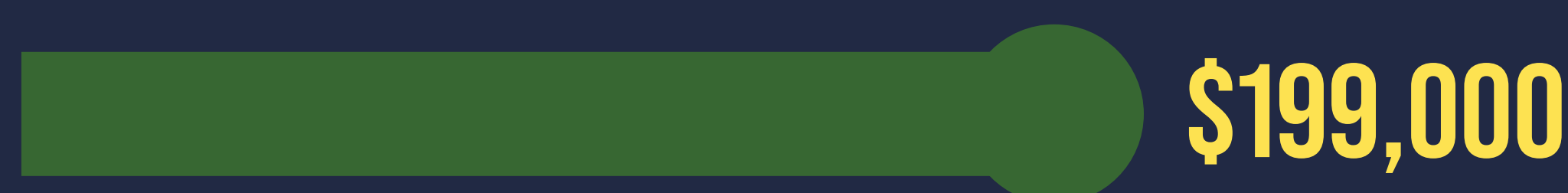
Fraud awareness training for **EMPLOYEES**

2016 **52**%

2024 **63**%

Fraud awareness training for **MANAGERS/EXECUTIVES**

2016 **51**%

2024 **62**%

Organizations that **DID NOT PROVIDE** fraud awareness training lost nearly **2X MORE**.

TRAINING BOTH employees and managers/executives
$100,000

TRAINING NEITHER employees nor managers/executives
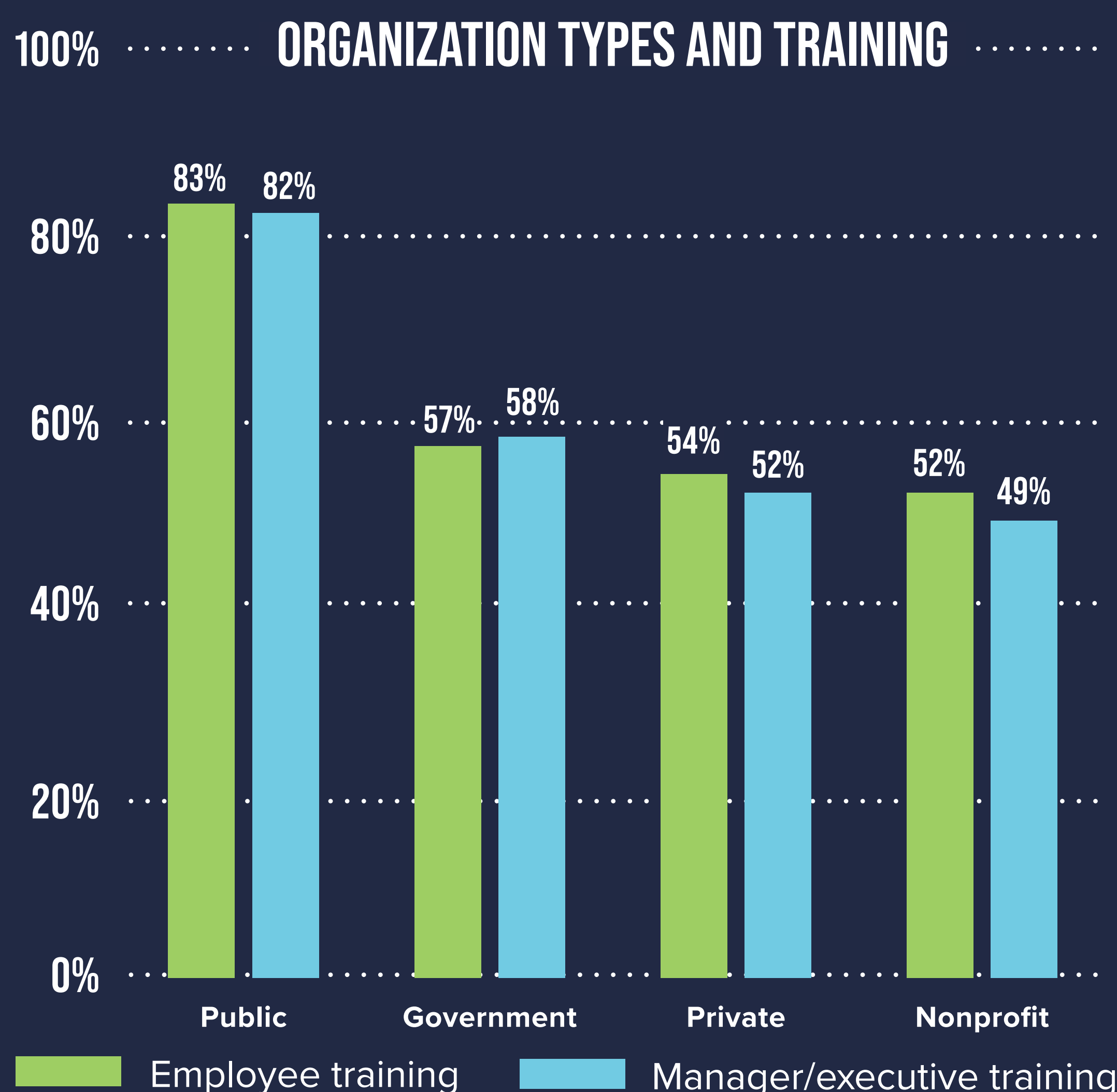**$199,000**

**33%** of employee whistleblowers **DID NOT HAVE** fraud awareness training
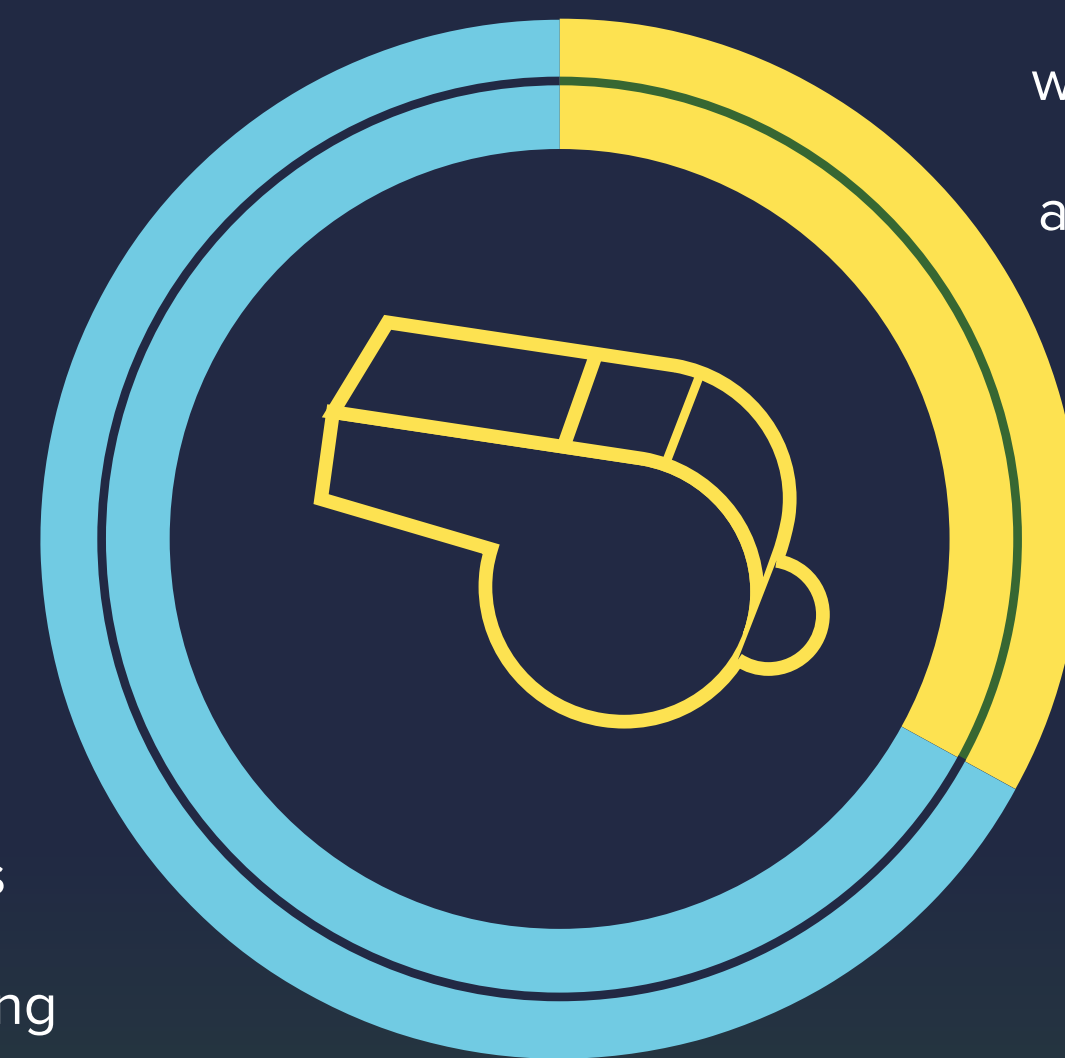
67% of employee whistleblowers **HAD** fraud awareness training

TIPS ARE TWICE as likely to come from employees who received fraud awareness training as from employees who did not.

NONPROFIT ORGANIZATIONS HAVE THE LOWEST IMPLEMENTATION RATE OF FRAUD AWARENESS TRAINING

ORGANIZATION TYPES AND TRAINING

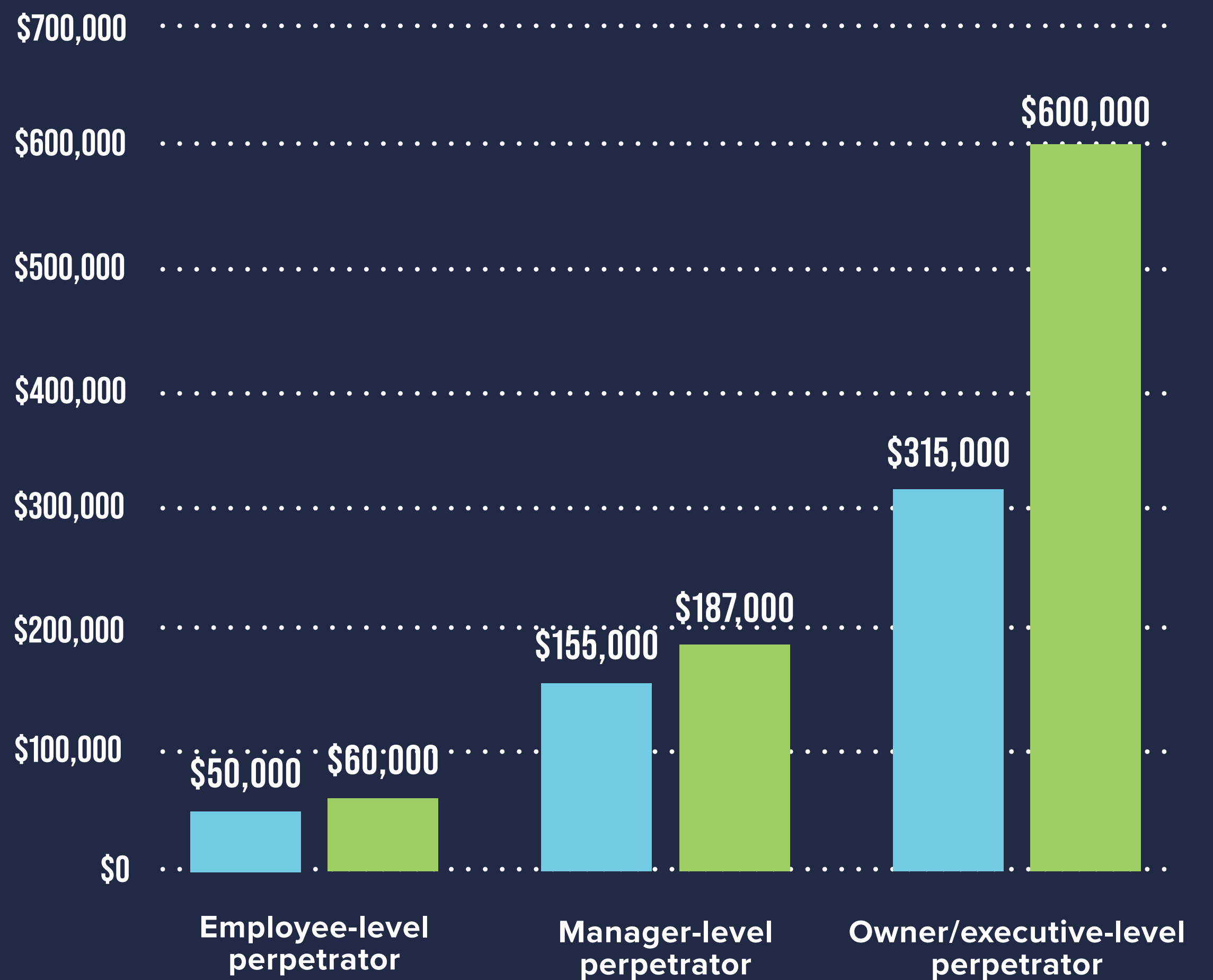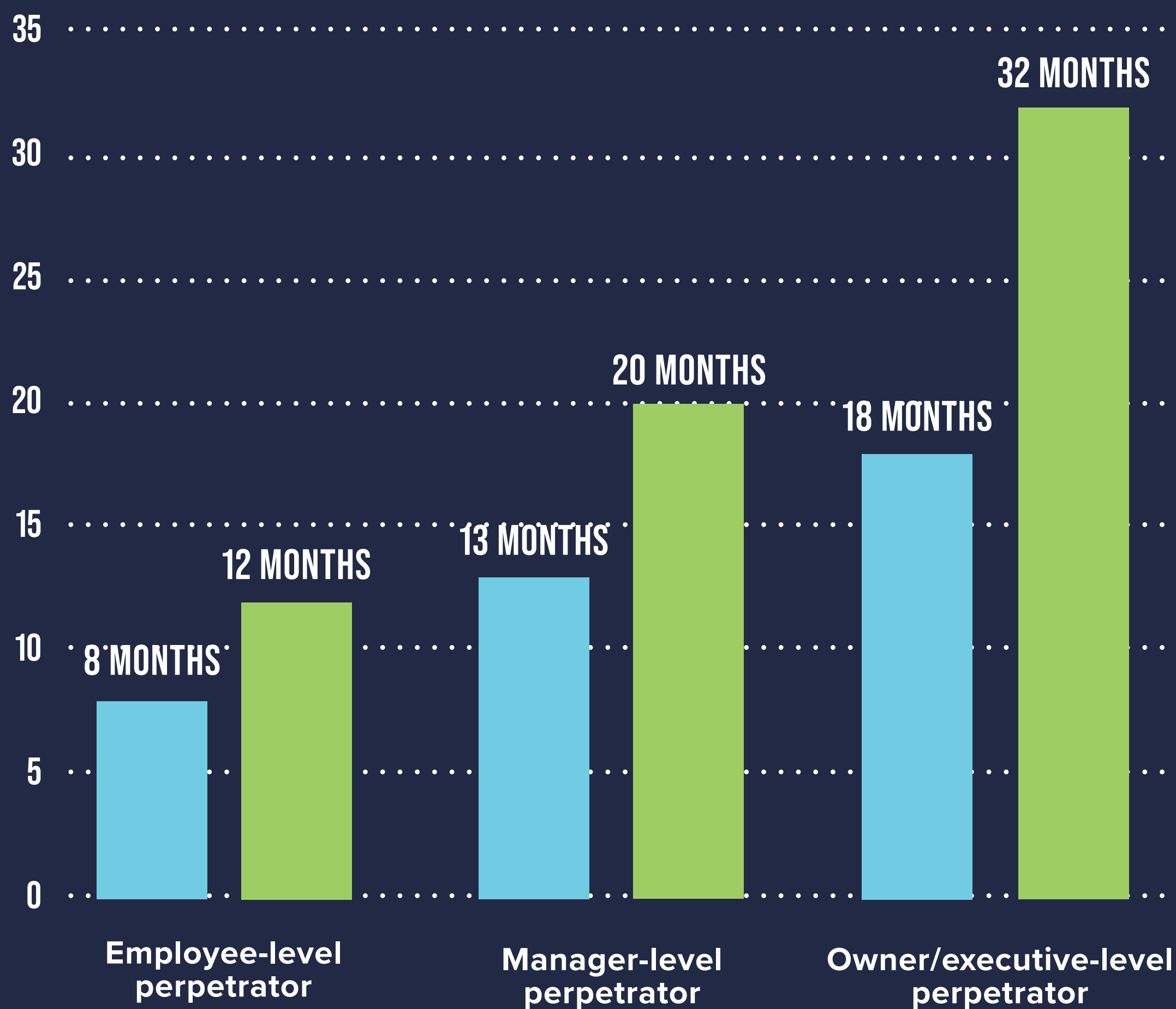| Organization	Employee training	Manager/executive training
Public	83%	82%
Government	57%	58%
Private	54%	52%
Nonprofit	52%	49%

Nonprofit organizations that **PROVIDED** fraud awareness training uncovered frauds more than **2.5X TIMES** faster than organizations that did not.

MEDIAN DURATION

9 MONTHS — Training provided

24 MONTHS — No training provided
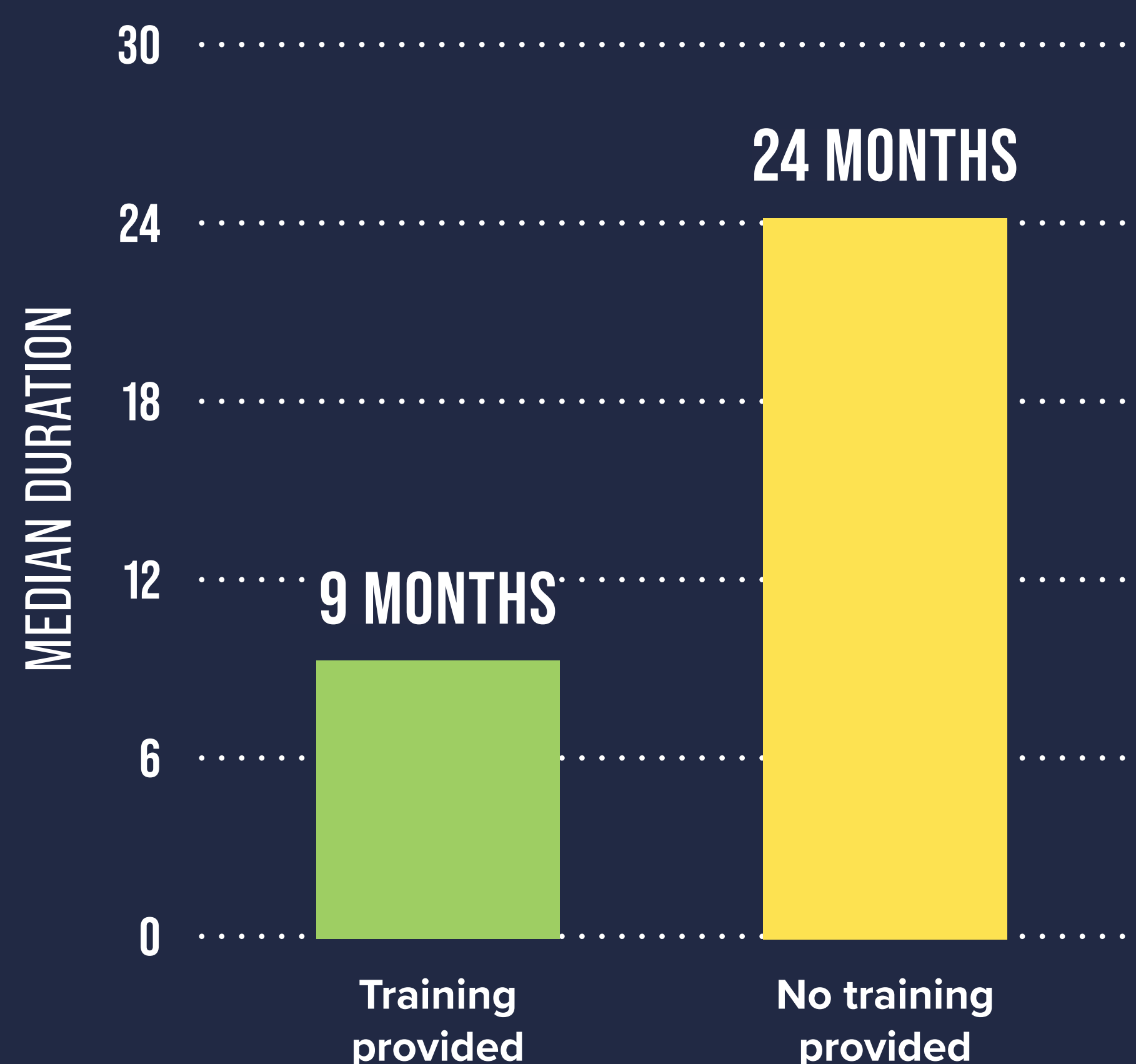
Fraud awareness training for managers and executives is associated with **FASTER DETECTION AND LOWER LOSSES** in general, but the benefit is most seen when the perpetrator is at the owner/executive level

DURATION OF FRAUD WITH AND WITHOUT FRAUD AWARENESS TRAINING FOR MANAGERS/EXECUTIVES

Employee-level perpetrator: 8 MONTHS (Training provided), 12 MONTHS (No training provided)

Manager-level perpetrator: 13 MONTHS (Training provided), 20 MONTHS (No training provided)

Owner/executive-level perpetrator: 18 MONTHS (Training provided), 32 MONTHS (No training provided)

Training provided   **No training provided**

MEDIAN LOSS WITH AND WITHOUT FRAUD AWARENESS TRAINING FOR MANAGERS/EXECUTIVES

Employee-level perpetrator: $50,000 (Training provided), $60,000 (No training provided)

Manager-level perpetrator: $155,000 (Training provided), $187,000 (No training provided)

Owner/executive-level perpetrator: $315,000 (Training provided), $600,000 (No training provided)

HOTLINE & TRAINING

While the presence of a **HOTLINE** is associated with reduced fraud losses, the impact is even greater when the hotline is accompanied by **FRAUD AWARENESS TRAINING**

MEDIAN LOSS

$200,000 — No hotline or training

$126,000 — Hotline without training

$100,000 — Hotline with training