

5 FRAUD TIPS

Every Business Leader Should Act On

Organizations worldwide lose an estimated 5 percent of their annual revenues to fraud, according to the ACFE's 2016 *Report to the Nations on Occupational Fraud and Abuse*. A single instance of fraud can be devastating: the **median loss per fraud case 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. **Take action today.**

FraudWeek.com
[#fraudweek](https://twitter.com/fraudweek)



November 17-23, 2019