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Fraud Report

The three types of workplace fraud

	Cases reported	Median loss
Asset misappropriation	1,038	\$150,000
Corruption	349	\$538,000
Fraudulent statements	120	\$2,000,000

Financial statement fraud schemes

	Percent of cases
Concealed liabilities	45%
Fictitious revenue	43%
Improper asset valuations	40%
Improper disclosures	38%
Timing differences	28%

Corruption schemes

	Percent of cases
Conflicts of interest	62%
Bribery	43%
Illegal gratuities	30%
Extortion	17%

Occupational fraud schemes, by industry

	Median loss
Mining	\$17,000,000
Wholesale trade	\$1,000,000
Construction	\$500,000
Manufacturing	\$413,000
Services	\$300,000
Banking/financial	\$258,000

Methods of fraud in small business*

	Percent of cases
Check tampering	29%
Skimming	28%
Billing	25%
Corruption	23%
Expense reimbursement	23%
Cash larceny	20%

*Organizations of fewer than 100 employees

Note: Some cases fall under more than one method of classification.
Source: Association of Certified Fraud Examiners, "2006 Report to the Nation"

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