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World's largest anti-fraud organization, indicates that the longer a fraud lasts before it is ...

Isaac M. O'Bannon • Oct. 09, 2014

# THE COST OF COMPLACENCY

INTERNATIONAL FRAUD AWARENESS WEEK  
November 16-22, 2014

**AN INCIDENT OF FRAUD COSTS A COMPANY AN AVERAGE OF \$145,000. NEARLY A QUARTER OF THESE FRAUDS COST THE BUSINESS AT LEAST \$1 MILLION.**

The **LONGER** a fraud lasts before it is detected, the **MORE** the victim organization loses.

\$965,000



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Together, Reducing  
Fraud Worldwide

Data from the ACFE's 2014 Global Fraud Study, Report to the Nations on Occupational Fraud and Abuse.

Download the Full Report and view interactive graphs at [ACFE.com/RTTN](http://ACFE.com/RTTN).

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Fraud costs businesses billions directly, but what is the cost of complacency? Research conducted by the [Association of Certified Fraud Examiners](http://ACFE.com) (ACFE), the world's largest anti-fraud organization, indicates that the longer a fraud lasts before it is detected, the more the victim organization stands to lose.

A new infographic illustrating the relationship between anti-fraud controls and the duration and cost of fraud has been made available by the ACFE for download online

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It was detected – was 18 months.

- Frauds discovered by passive detection methods (such as confession, notification by law enforcement, external audit and by accident) lasted longer and resulted in higher losses.
- By contrast, frauds discovered through proactive detection methods (such as hotlines, management review procedures, internal audits and employee monitoring mechanisms) were caught sooner, with fewer financial losses.

The 2014 Report to the Nations includes data compiled from 1,483 cases of fraud submitted by CFEs globally. The full Report is available for download (in PDF format) online at: [ACFE.com/RTTN](https://www.acfe.com/RTTN).

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