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During the past five years, an average of 31.1 percent of respondents to annual Deloitte polls say their organizations have experienced supply chain financial crime—particularly fraud, waste or abuse—in the preceding year. Yet, in a 2018 poll, just 15.1 percent of respondents report their organizations are using (3.9 percent) or piloting (11.2 percent) blockchain to help mitigate financial crime risks in their supply chains.

"Financial crimes in supply chains are more complex than ever, but some leading edge organizations are leveraging emerging technologies to help combat it," said Larry Kivett, a Deloitte Risk and Financial Advisory partner in the forensic practice, Deloitte Financial Advisory Services LLP. "Enhanced transactional transparency and visibility along the chain of custody are pushing organizations to look to blockchain to help prevent and detect supply chain fraud, waste and abuse through third-party relationship management and transaction execution. Layered

were: technology, media and telecommunications (14 percent) and consumer (13.5 percent)—followed by government and public sector (8.1 percent).

"We're seeing a growing awareness among executives that blockchain could be worth exploring as it can offer a new way to mitigate the possibility of supply chain fraud, waste and abuse," said Mike Prokop, a Deloitte Risk and Financial Advisory managing director in regulatory and operational risk management, Deloitte & Touche LLP. "While the technology's application for financial crime management in supply chains is nascent, early adopters could glean interesting competitive advantage by leveraging blockchain's inherent anti-fraud functionality."

Data encryption and information security led as the greatest anti-fraud benefits of blockchain

In the 2018 poll, more than one-quarter (26.5 percent) of respondents agreed that data encryption and information security resulting from a blockchain solution stood to improve their organizations' supply chain financial crime risk management efforts the most. Others said blockchain's creation of an immutable register (i.e., transactions can't be manipulated in the register; 15.3 percent), proof of identity (13.5 percent) and anti-money laundering safeguards (6.3 percent) were helpful for anti-fraud efforts in supply chains.

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