

Occupational Fraud & How to Prevent It

89%

Asset Misappropriation
(\$120,000 Median Loss)

Stealing company money, inventory, and other assets.

5%

Financial Statement Fraud
(\$766,000 Median Loss)

“Cooking the books” to deceive shareholders.

48%

Cases Involve Corruption
(\$200,000 Median loss)

Misuse of position or power for personal gain.

**Statistics from ACFE*

What is Occupational Fraud?

The use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the organization’s resources or assets.

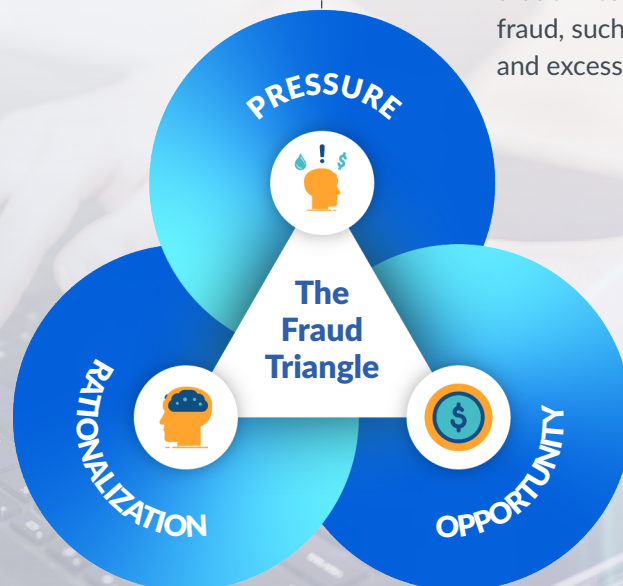
Association of Certified Fraud Examiners

Rationalization

The mental process by which individuals justify their fraudulent actions, such as convincing themselves that the fraud is harmless, that they will repay the stolen funds, or that the organization owes them.

Pressure

The financial or personal motivation that drives an individual to commit fraud, such as financial difficulties and excessive greed.



Opportunity

The circumstances that allow fraud to occur like weak or incomplete internal controls, lack of oversight, or access to sensitive information.

TYPES OF ASSET FRAUD

- Forging checks
- Stealing checks
- Payroll fraud / Ghost employees
- Expense reimbursement
- Vendor fraud
- Lapping schemes
- Inventory skimming
- Personal data theft

TYPES OF ASSET FRAUD

- **Separation of Responsibility** - Ensure that no one person has the power to do everything, e.g., separate roles for approving and printing checks.
- **Positive Pay File** - Restrict banks to cashing checks that are on a check and/or ACH pay list.
- **Signature File** - Ensure signature files are properly encrypted and changes made with approval.
- **PII Access Control** - Limit access to Personally Identifiable Information to authorized users.

THE IMPACT OF FRAUD

- Organizations lose **5%** of their revenue to fraud annually
- Median loss per case: **\$145,000**
- **23%** of cases cause losses of \$1.7 million or more

HOW FRAUD IS DETECTED

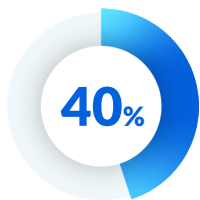
- **43%** Tips from employees, vendors & customers
- **14%** Internal audit
- **13%** Management review
- **30%** Other mechanisms

HOW THE PAK HELPS

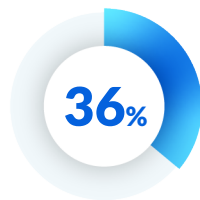
PakEnergy offers leading tools to assist with Fraud prevention

- Monitor by exception / alerts
- Bank grade security controls
- Annual SOC certified audit
- Separation of responsibilities
- PII access restrictions
- Signature & positive pay files
- Certified Fraud Examiners

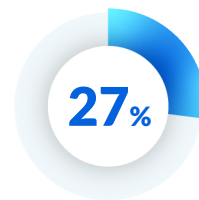
HOW FRAUDSTERS ATTEMPT TO CONCEAL THEIR CRIMES



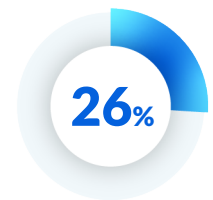
Created fraudulent physical documents



Altered physical documents



Altered electronic documents or files



Created fraudulent electronic documents or files

READY TO BETTER MANAGE YOUR FRAUD RISK?

Speak with our certified fraud experts to discover how purpose-built technology and business automation can mitigate costly risks.

[Talk to our Pak Pros Now](#)