

Association of Certified Fraud Examiners

The Gregor Building • 716 West Avenue • Austin, Texas 78701

Contact: Rick Ponds, Public Information Director
Day Phone: (800) 245-3321 or (512) 478-9070
Night Phone: (512) 346-3012
E-Mail: rickp@cfenet.com
Web Site: www.cfenet.com

New Product Release

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For Immediate Release

Occupational Fraud and Abuse **Book explores and classifies all aspects of business frauds**

AUSTIN, Texas — Joseph T. Wells, Chairman and founder of the Association of Certified Fraud Examiners, has authored a ground-breaking new book on workplace deviance, *Occupational Fraud and Abuse*. This book is the first work to take an in-depth look at the methods used by dishonest employees to defraud their employers of more than \$400 billion per year.

Occupational Fraud and Abuse is based on an exhaustive four year review of more than 1,500 actual cases totaling approximately \$4 billion in losses. The book classifies every major type of employee fraud, explains how these crimes are committed and offers guidelines on how to prevent fraud from infiltrating the workplace. Some facts contained in *Occupational Fraud and Abuse*:

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- Results are based on what is believed to be the largest study ever done on occupational fraud.
- Fraud and abuse in the workplace can be divided into three categories: corruption, asset misappropriation, and fraudulent statements.
- The most common fraud case (one out of five) involves a skimming scheme (the removal of a company's cash prior to its entry in an accounting system).
- Corruption makes up only about 15% of fraud and abuse but the losses due to corruption are very high (average \$440,000 per case).
- The most common corruption scheme is bribery, which basically involves kickbacks and the rigging of competitive bids. Bribery schemes, on average, cost victims \$500,000.
- Approximately two-thirds of all occupational fraud schemes are asset misappropriations: theft of cash, false payments of cash (fraudulent disbursements), and theft or misuse of inventory and supplies.
- Nearly half of the fraud cases involve the false payment of cash (fraudulent disbursement schemes) of which the most common are billing schemes.
- Employees are more likely to steal from their companies than managers and owners, but managers and owners steal larger sums.
- Fraud committed by men is four times higher than that by women.

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- The older and more educated a fraudulent employee is, the larger the fraud is likely to be.
- Small companies are 100 times more susceptible to fraud than the largest companies.

This is Wells' fifth book on the subject of fraud. Nearing his fourth decade in the field of fraud detection and deterrence, Wells writes in the preface to *Occupational Fraud and Abuse*, "(The definition of fraud) implied to me that there was an almost unlimited number of ways people could think up to cheat one another. But my experience told me something else: after investigating and researching literally thousands of frauds, they seemed to fall into definite patterns. If we could somehow determine what those patterns were and in what frequency they occurred, it would aid greatly in understanding and ultimately preventing fraud. And since so much fraud occurs in the workplace, this particular area would be the starting point."

Occupational Fraud and Abuse retails for \$69.00, and is available through the Association of Certified Fraud Examiners. For information, or to order a copy, call (800) 245-3321 or (512) 478-9070 or visit the Association's web site at <http://www.cfenet.com>.

The Association of Certified Fraud Examiners, founded in 1988, is a 20,000-member, international, professional organization dedicated to educating qualified individuals (Certified Fraud Examiners) in the highly specialized aspects of fraud

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detection and prevention. The Association researches and develops fraud-related training programs on a variety of topics while presenting over 50 national and international seminars per year. *U.S. News & World Report*, *The Wall Street Journal*, and *Fortune*, among others, have offered critical acclaim of the Association's work. ABC-TV's *Nightline* called Wells, "the country's foremost fraud specialist." For more information, visit the Association of Certified Fraud Examiners' web site at <http://www.cfenet.com..>

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