Global Fraud & Risk Report

Kroll
2016/17

OBJECTIVE:
The survey is released once a year and its objective is to determine the percentage of executives that have experienced fraud over the past year.

METHODS USED:
Kroll commissioned Forrester Consulting to conduct 10 in-depth interviews and an additional online survey with 545 senior executives worldwide across multiple industries and geographies. The survey was fielded through July and August 2016.

KEY FINDINGS:
- 82% of executives surveyed worldwide experienced a fraud incident in the past year compared to 75% in 2015
  - 80% from the U.S.
- 85% of executives reported at least one cyber incident and over two-thirds reported security incidents
  - 88% in the U.S.
- Current and former employees were the most common perpetrators
- Overall, 44% of respondents reported that insiders were the primary perpetrators of a cyber incident, with former employees the most frequent source of risk (20%)

CONCLUSION:
- It’s concerning that the number of frauds have gone up in the past year. Many companies have established fraud prevention programs that are supposed to improve from year to year, so this is tough to figure out
- Based on this survey, it’s important to look within for fraud because that’s where a majority of the fraud in these companies is coming from.
- Risks can be minimized through prevention, detection and response. Prevention includes building business resilience, detection includes responding to whistle-blower allegations, and response includes building an incident response plan.

Full Report