THE EFFECTIVENESS OF PROVIDING FRAUD AWARENESS TRAINING

Providing fraud awareness training to employees at all levels of an organization is an important component of a comprehensive fraud risk management program. Our study highlights how this type of training can help organizations detect frauds faster and reduce fraud losses.

A growing percentage of organizations are providing **FRAUD AWARENESS TRAINING** for their staff.

	2016		2026
Employees	52%	→	67%
Managers	51%	→	66%

Organizations that have **FRAUD AWARENESS TRAINING** have lower median losses.

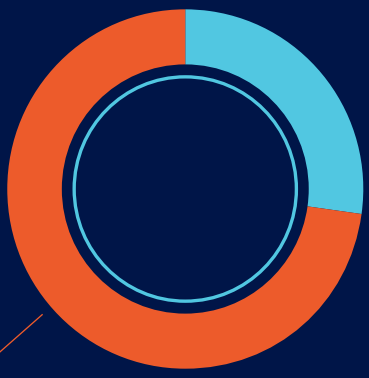
Training both staff-level employees and management
$84,000 MEDIAN LOSS

Training neither
$150,000 MEDIAN LOSS

OVER 2X MORE TIPS

Employees whose organizations provided fraud awareness training to employees were **MORE THAN 2X** as likely to submit a tip that resulted in the detection of fraud.

Employee tips with and without **FRAUD AWARENESS TRAINING**

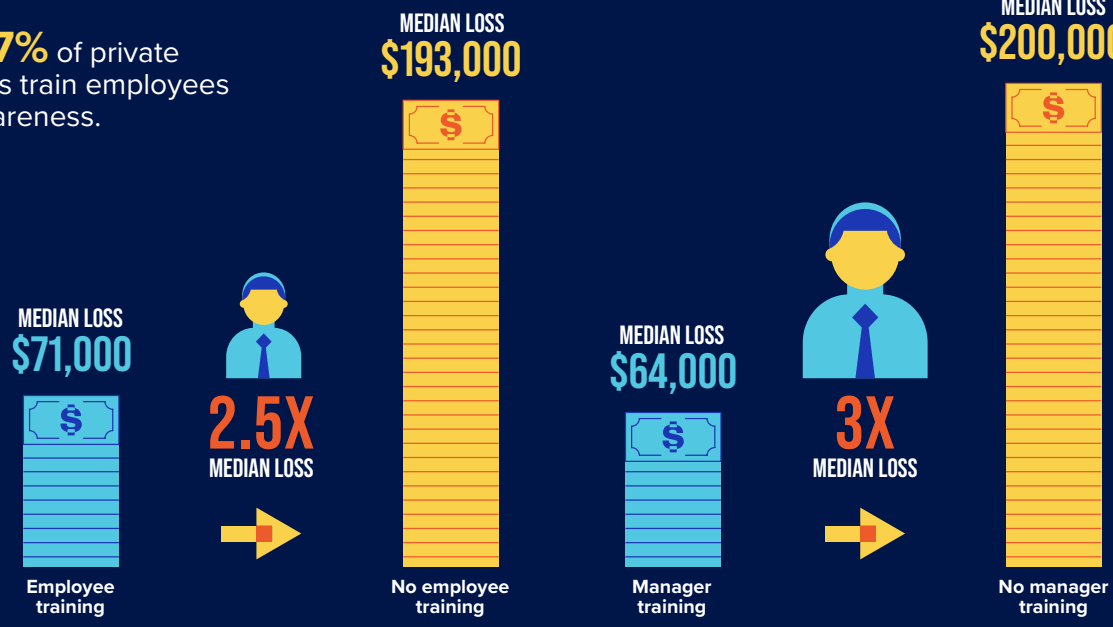


71% Employee whistleblowers had fraud awareness training

29% Employee whistleblowers did not have fraud awareness training

THE IMPACT OF FRAUD AWARENESS TRAINING AT PRIVATELY HELD COMPANIES

ONLY 47% of private organizations train employees on fraud awareness.



FRAUD AWARENESS TRAINING AT NONPROFIT ORGANIZATIONS

Fraud awareness training for
EMPLOYEES

WITH TRAINING	WITHOUT TRAINING
8 MONTHS median duration	18 MONTHS median duration

Fraud awareness training for
MANAGERS

WITH TRAINING	WITHOUT TRAINING
8 MONTHS median duration	15 MONTHS median duration

Nonprofit organizations that provided fraud awareness training uncovered frauds over **2X TIMES FASTER** than organizations that did not.

DURATION OF FRAUD

Organizations that provided fraud awareness training **UNCOVERED FRAUD FASTER** at all perpetrator levels.

PERPETRATOR	MEDIAN DURATION WITH TRAINING	MEDIAN DURATION WITHOUT TRAINING
Employee	8 MONTHS	12 MONTHS
Manager	12 MONTHS	18 MONTHS
Owner	15 MONTHS	24 MONTHS

Owner-level frauds took the longest to detect.

HOTLINE REPORTING

NO HOTLINE OR TRAINING

18 MONTHS median duration

$175,000 median loss

HOTLINE WITH TRAINING

11 MONTHS median duration

$85,000 median loss

50% lower losses and **40%** faster detection

MEDIAN LOSSES OF FRAUDS PERPETRATED BY OWNERS

Fraud awareness training was associated with **SIGNIFICANTLY LOWER MEDIAN LOSSES** in frauds perpetrated by owners.

