



Welcome to this microlearning nugget on the

IMPACT AND SIGNIFICANCE OF FRAUD

Select **START** to begin.

START



What is fraud today?

Fraud is no longer just an exaggerated expenses claim. It is an **international business** and its impact is greater than many imagine.

Fraudsters are **Ultimate Beneficial Owners (UBOs)** who exist behind complex corporate structures.



The Impact of Fraud

Fraud has **serious repercussions** for employees and customers as well as revenue and reputation. Let's look at the impact felt by respondents to a survey.



Select each bar to learn more.



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This is the percentage of respondents who, after experiencing cyber fraud, felt that employee safety, privacy and morale were affected.

Select each bar to learn more.

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Almost three-quarters of the respondents felt that customer privacy and safety, and therefore satisfaction, was affected after experiencing cyber fraud.

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Over half the respondents estimated fraud-related losses ranging between 1% to 3% of revenue; with 1 in 10 businesses reporting losses between 4% and 6%.

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Fraud Avatars

A fraudster and the fraud he/she perpetrates can take many guises.



The Money Launderer:

A fraudster doesn't just have to commit the crime but hide the trail too. This gives him/her a direct segue into being a money launderer.



The Cyber Criminal:

Fraud can be in the form of Ransomware; sneaking into your email as an innocuous message, and lying in wait. All that is needed is your action to help the fraudster hold you – as the name says – at ransom.



The Corrupt Official:

When a person in a position of power or influence does a favour for another in exchange for personal gains, (including cash payment or asset ownership) this is bribery.

Where Does The Money Go?

The money a fraudster makes has to go somewhere.

For the most part, it is laundered back into the financial system thereby legitimising it. This makes the financial institution receiving such funds unquestioningly, **equally complicit** in the crime.

Increasingly, a part of the money is finding its way to fund more **nefarious activities**. These include:



Financing
Terrorism



Human
Trafficking



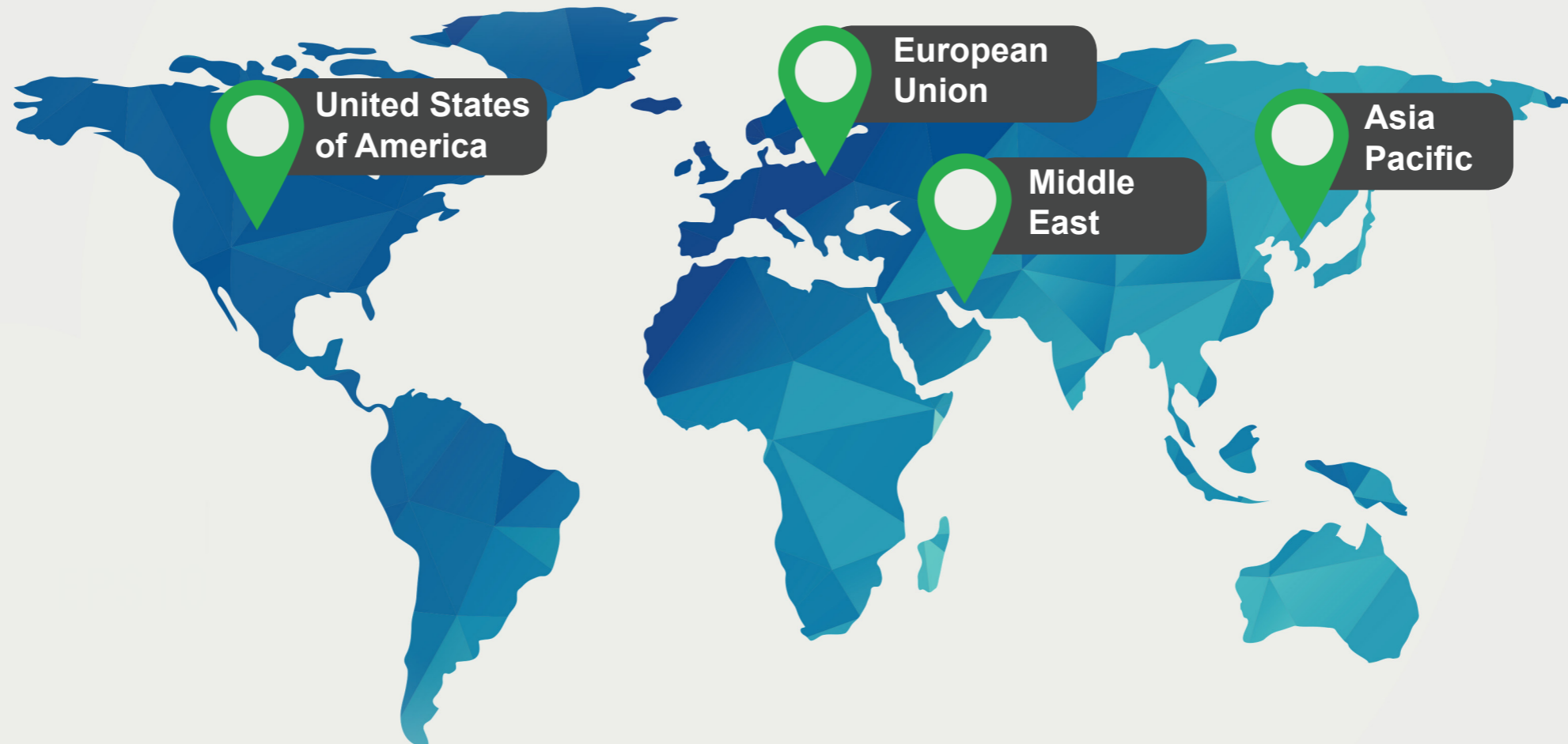
Drug
Trafficking

Aren't Laws Strong Enough?

There are **plenty of enforceable laws** in place – just not enough systems and controls to catch them.

Here is a list of regions and the relevant legislations in place to tackle fraud.

Select each region to learn more.

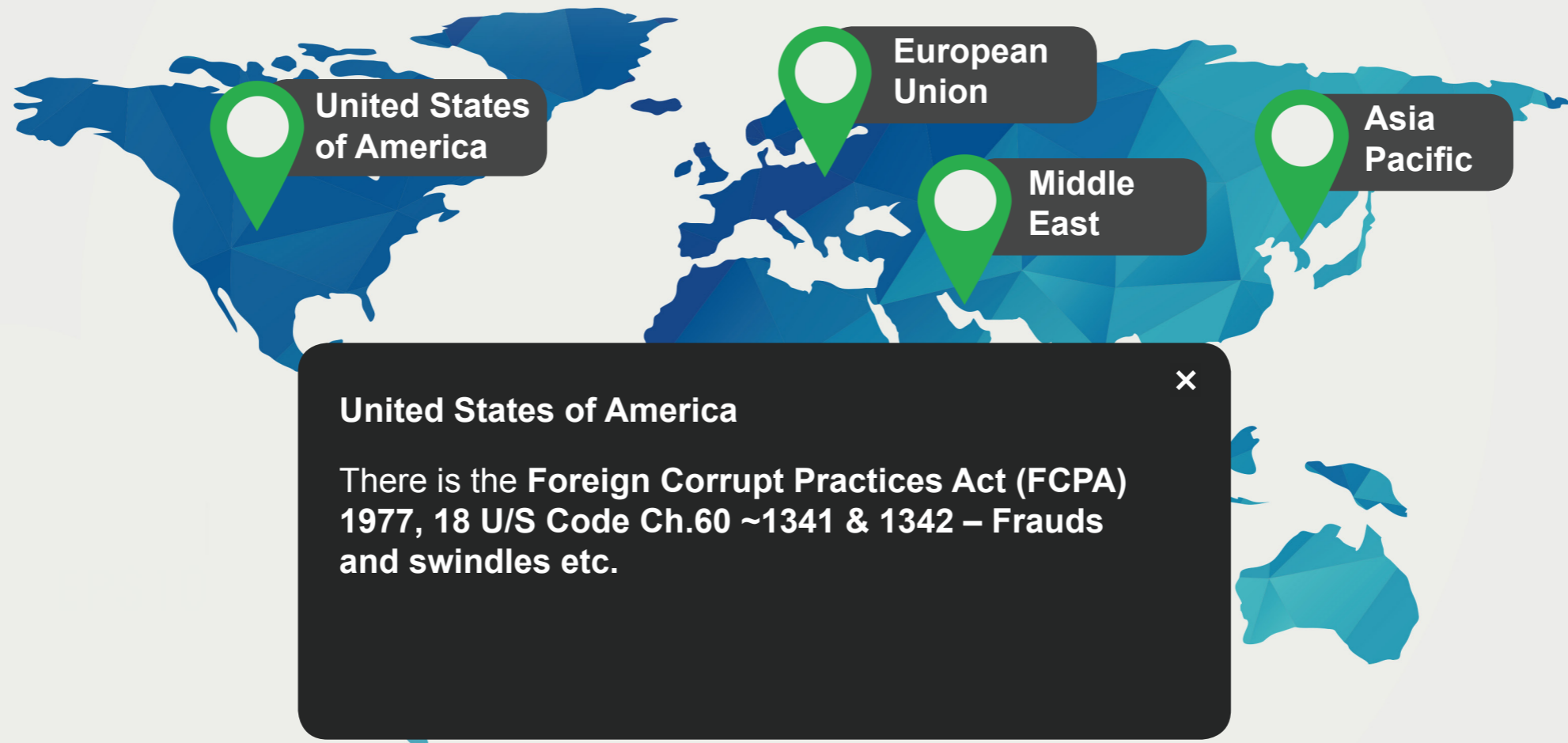


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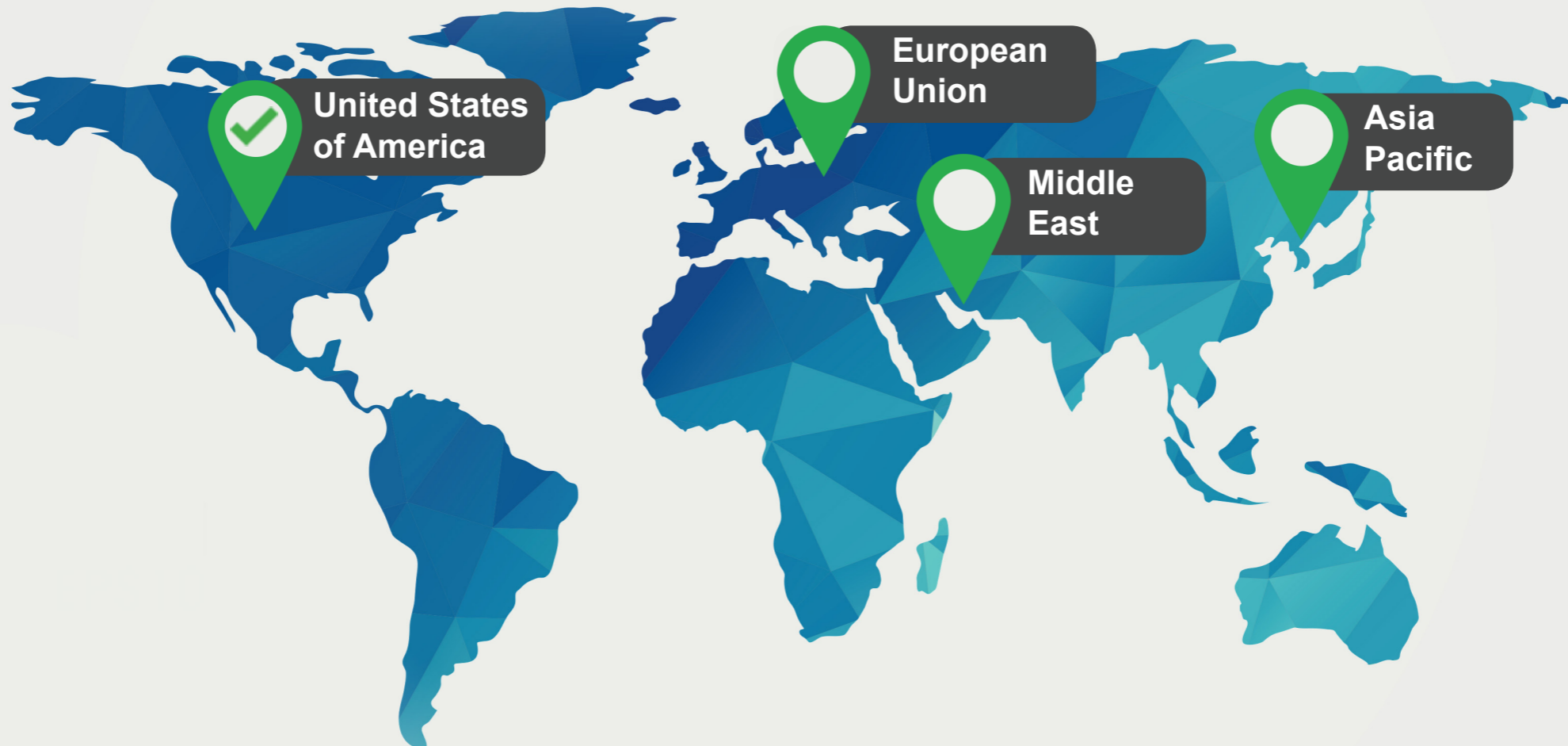


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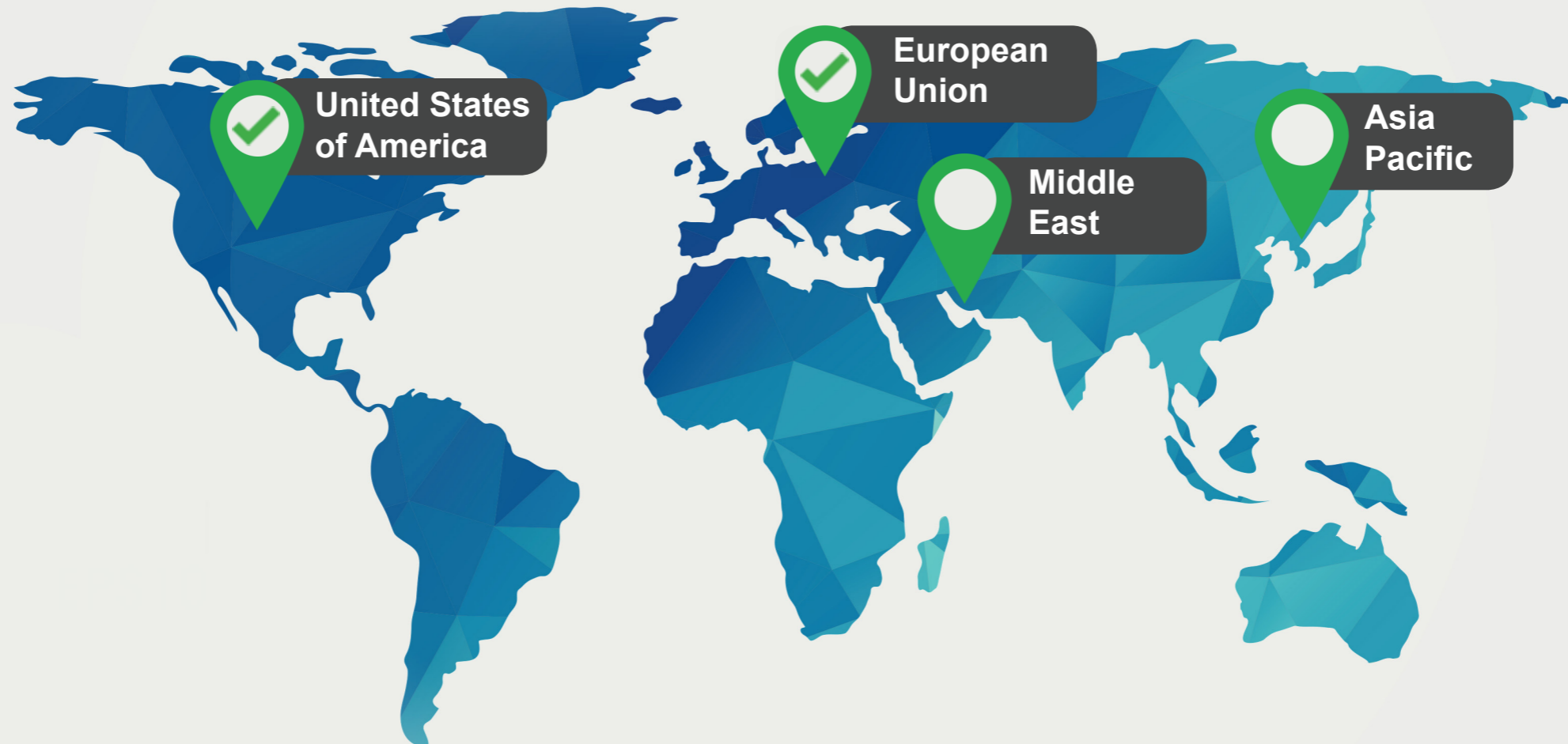


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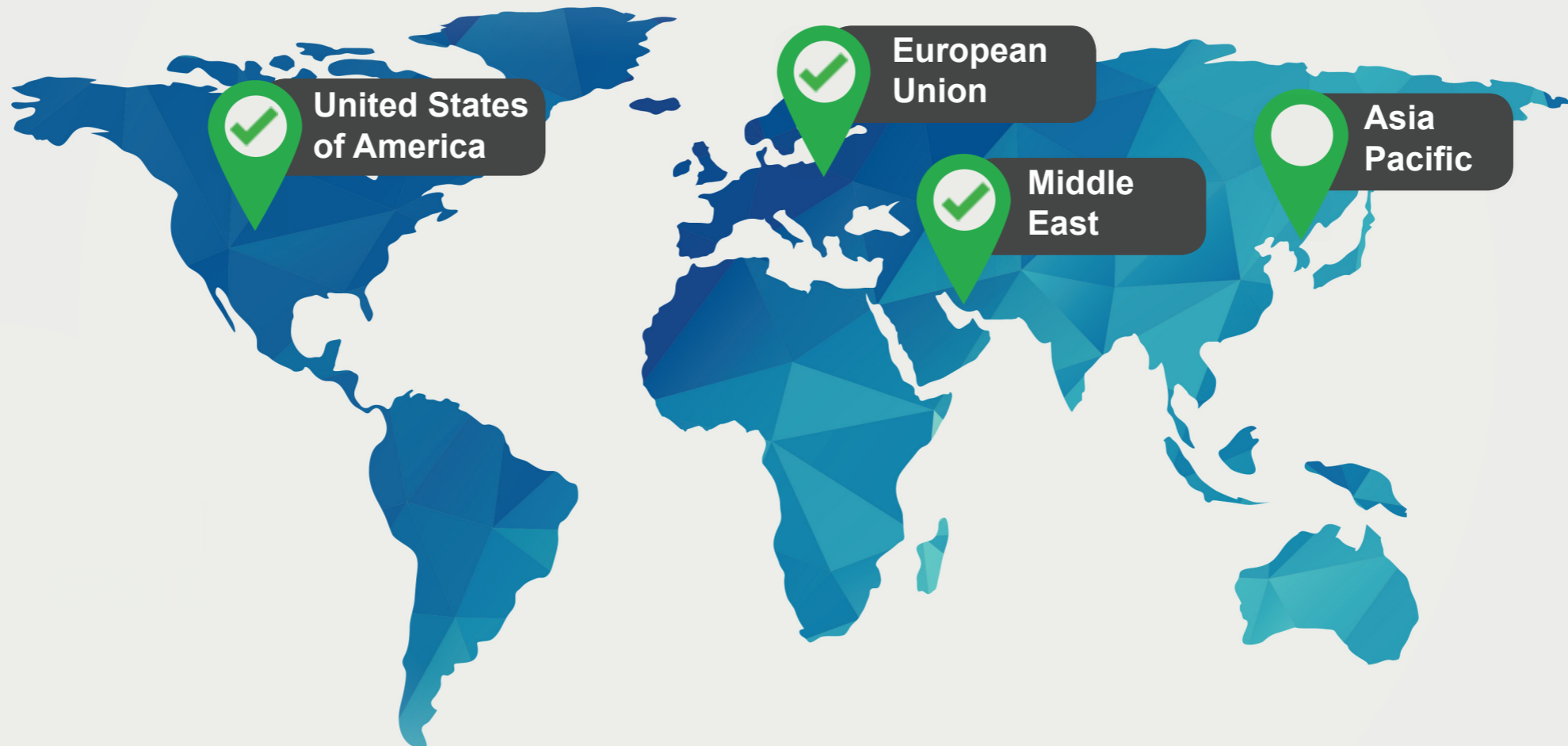


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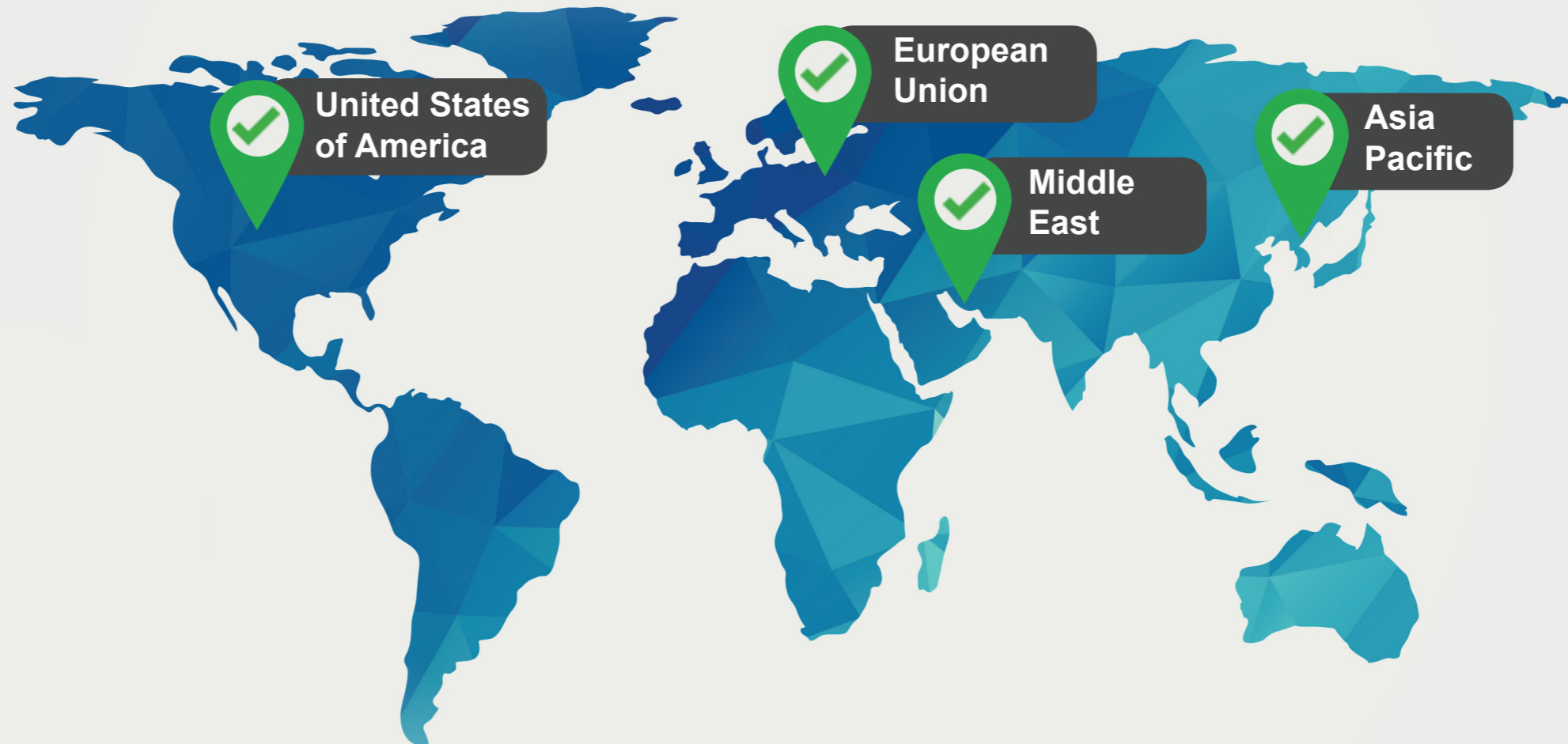


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You have reached the end of this microlearning nugget on the
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This nugget is a part of the
CONNECTED FRAUD RISK PROFESSIONAL PROGRAMME.

Please visit the [Bridge Page](#) on
CONNECTED FRAUD RISK PROFESSIONAL
for more information.

