

## ALL ORGANIZATIONS ARE SUSCEPTIBLE TO FRAUD

**Issues or concerns that may be reported using our service:**

### Accounting and Financial Issues

- Embezzlement or misappropriation of assets
- Accounting errors, omissions, or misrepresentations
- Financial statement fraud
- Internal control problems
- Bribery, kickbacks and corruption
- Falsification of contracts, reports or official records

### Compliance & Ethics Reporting

- Conflicts of interest
- Theft of inventory, assets, or intellectual property
- Violation of the law or company policy
- Self-dealing
- Misuse of company property
- Vandalism and sabotage
- Ethics violations or misconduct

### Human Resource Concerns

- Discrimination
- Sexual harassment
- Workplace violence or retaliation
- Substance abuse
- Privacy and HIPAA compliance
- Identity theft
- Security of personal information
- Unfair labor practices

**Q:** How can an anonymous and confidential reporting service help protect your organization?

**A:** Fraud Hotline serves as a best practice by enhancing whistle-blower policies, discouraging unwanted behavior, and improving internal controls related to preventing and detecting fraud.

For more information, please visit:  
**[www.FRAUDHL.com](http://www.FRAUDHL.com)**

According to a 2012 Report to the Nations on Occupational Fraud and Abuse by the Association of Certified Fraud Examiners:

- Occupational fraud is a significant threat to small businesses and charitable organizations.
- Providing individuals a means to report suspicious activity is a critical part of an anti-fraud program. Fraud reporting mechanisms, such as hotlines, should be set up to receive tips and should allow for both anonymity and confidentiality.
- Fraud is more likely to be detected by a tip than by any other method.
- A typical fraud lasted 18 months before being detected and caused a median loss of \$140,000.
- Anti-fraud controls appear to help reduce both the cost and duration of the fraud, with the most effective of these controls being a "hotline". Organizations with hotlines suffered much smaller losses than those without them.
- The cost of fraud can be damaging - both financially and to an organization's reputation.



### **Fraud Hotline, LLC**

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