# **BEHAVIORAL RED FLAGS OF FRAUD**

Recognizing the behavioral clues displayed by fraudsters can help organizations more e ectively detect fraud and minimize their losses.

### **8 KEY WARNING SIGNS**

OF ALL FRAUDSTERS displayed at least one

These are the 8 most common behavioral clues of occupational fraud. At least one of these red flags was observed in 76% of all cases.

















Living beyond

Financial

dificulties

Unusually close association with vendor/customer

Control issues, unwillingness to share duties

Irritability, suspiciousness, or defensiveness

**Bullying** or intimidation

111/2

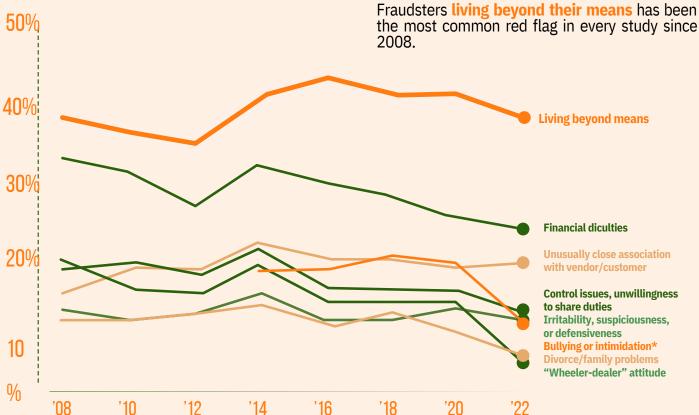
Divorce/family problems

111/2

111/2

"Wheeler-dealer" attitude



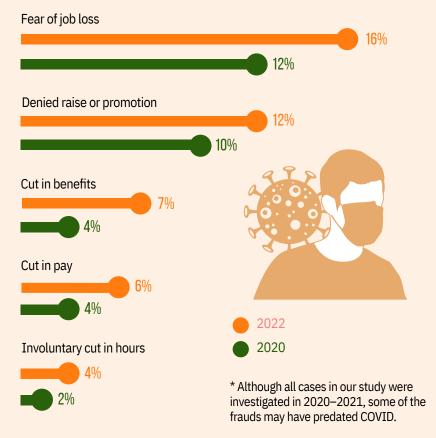


\* "Bullying or intimidation" was included as an option in our survey beginning in 2014 and was asked in a separate question prior to 2022.

0%

#### **DID JOB UNCERTAINTY DURING COVID CONTRIBUTE** TO FRAUD?

These five HR-related issues all involve a fraudster's job or compensation security. All five increased in 2022.



## **RED FLAGS IN THE C-SUITE**

Owner/executive These 5 red flags were much more common among Non-Owner/executive owner/executives 23% **Bullying or intimidation** 8% 18% **Control issues** 12% 17% "Wig dealer" attitude 9% 13% Excessive pressure from within organization 6% 11% Past legal problems 3%

## **GENDER AND RED FLAGS**

Some behavioral flags tended to correlate with the fraudster's gender.



44% 37% Living beyond means **34**% **22**%

Financial difficulties

9% Recent divorce or family problems



23% 13% Unusually close association with vendor/customer **13**% **5**%

"Wheeler-dealer" attitude

**Bullying** or intimidation 13% 9%