

Employee Fraud went up 40% in 2012

By Stephanie Zillman, Human Capital Magazine, 31st January, 2013.

Fraud committed by employees in the UK rocketed by over 40% last year, according to the UK's fraud prevention service, CIFAS.

In terms of just what employees are being fraudulent about, it's a mixed bag. It ranges from deception in the hunt for employment, namely by holding or falsely declaring information such as qualifications or failing to disclose previous convictions. Furthermore, attempts to gain benefit by deception or manipulation while in a job (such as stealing cash from customer accounts or employers) increased by 22%.

Beyond the damage done by fraudsters within the organisation's walls – namely to the balance sheets, customer confidence and staff morale – CIFAS communications manager Richard Hurley said it can also lead to regulatory and legal punishments to organisations. "The 43% increase in staff fraud witnessed in 2012 demonstrates, therefore, that some organisations have invested in better protection and controls – enabling them to identify and prevent more fraud. Some of the frauds, however, demonstrate that organisations remain vulnerable," he said.

"While these types of fraud are thankfully less commonplace than fraud attempts from outside an organisation, the damage that they can cause is as serious, if not more so."

Hurley added that while completely stamping out these kinds of fraud is very difficult, responsible employers can help to do so by sharing data on confirmed cases in order to prevent such fraudsters from simply moving on to another organisation. "It must also serve as a lesson to organisations to have better support networks in place for staff who are struggling financially, so that they do not turn to committing crime within the organisation," Huxley added.

To view the article online: <http://www.hcamag.com/article/employee-fraud-went-up-40-in-2012-148341.aspx>

Recent studies reveal the aggregate value of employee fraud has cost Australian business over \$1 billion dollars in the past 4 years. According to a national organisation of fraud examiners, this equates to an average of \$9 per employee, per day.

The Step-One-Survey II is an assessment tool which identifies and predicts problematic employee theft issues at all levels of an organisation. Used a pre-screening tool for prospective recruits it is a proven honesty and integrity test, examining candidates' work ethic, attitudes and patterns of behaviour.

If you would like more information about the Step-One-Survey II, please contact us:

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