



The Impact of Fraud on U.S. Public Companies

A Webinar Hosted by the
Anti-Fraud Collaboration

Learning Objectives



- Determine fraud losses and fraud risks faced by U.S. public companies and contributing factors to the level of fraud
- Evaluate the likelihood of occurrence and significance/magnitude of various fraud risks
- Assess the current and future fraud risk environment
- Identify mechanisms for effective fraud deterrence and detection and potential enhancements across the financial reporting ecosystem

Today's Speakers



Lucy Wang
Director of Anti-Fraud
Initiatives
CAQ



Andi McNeal
Chief Training Officer
ACFE

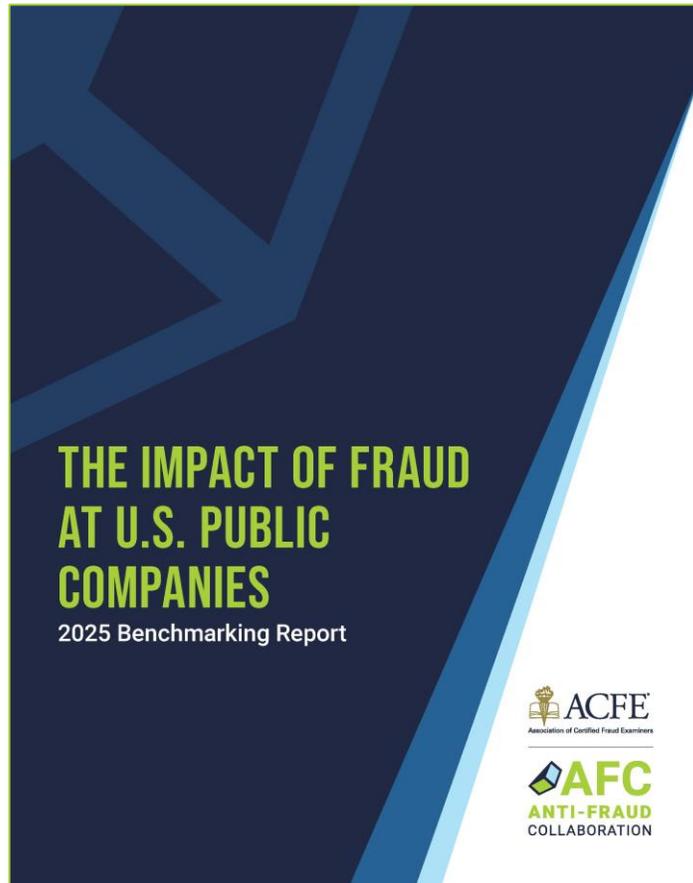


Chris Ekimoff
Principal, Forensic &
Valuation Services
WithumSmith+Brown, PC



Theo Bunting
Independent Director

Surveys on the Impact of Fraud



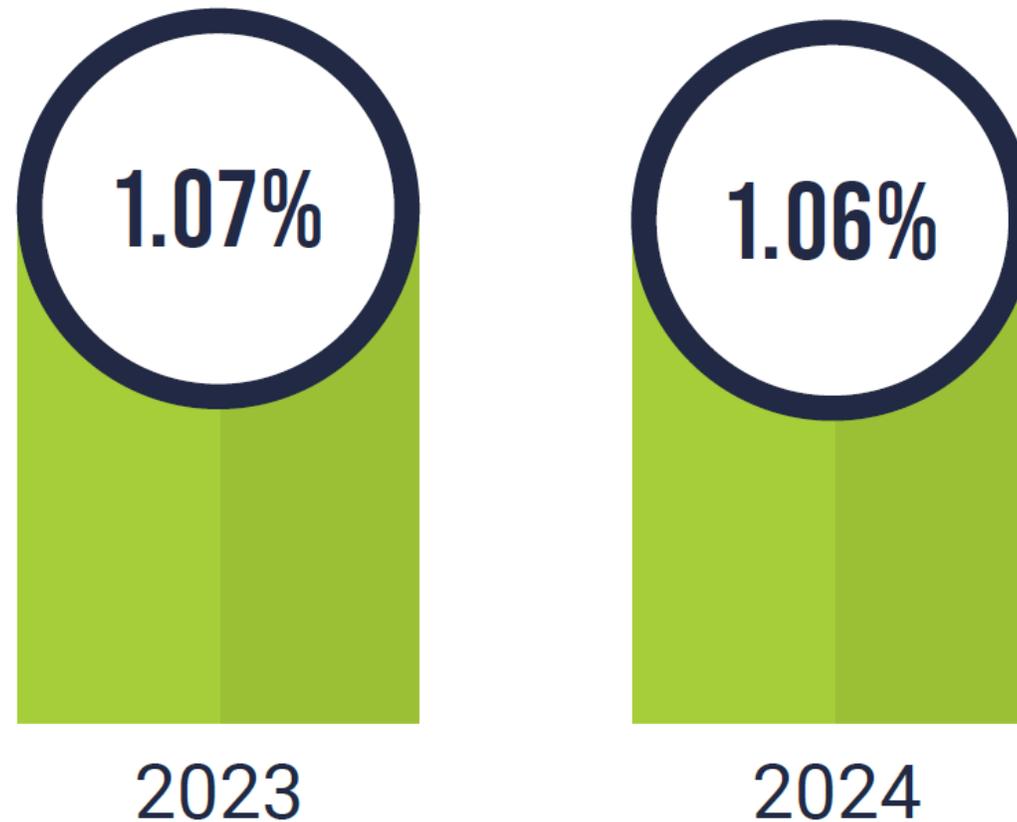
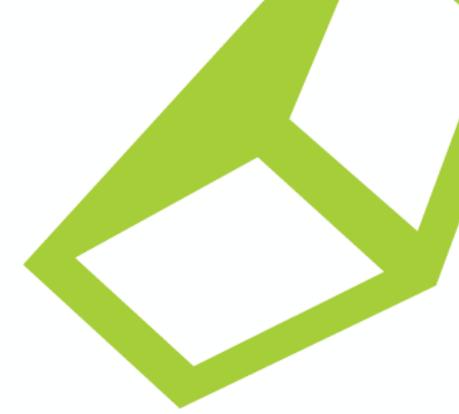
[The Impact of Fraud at U.S. Public Companies: 2025 Benchmarking Report](#)



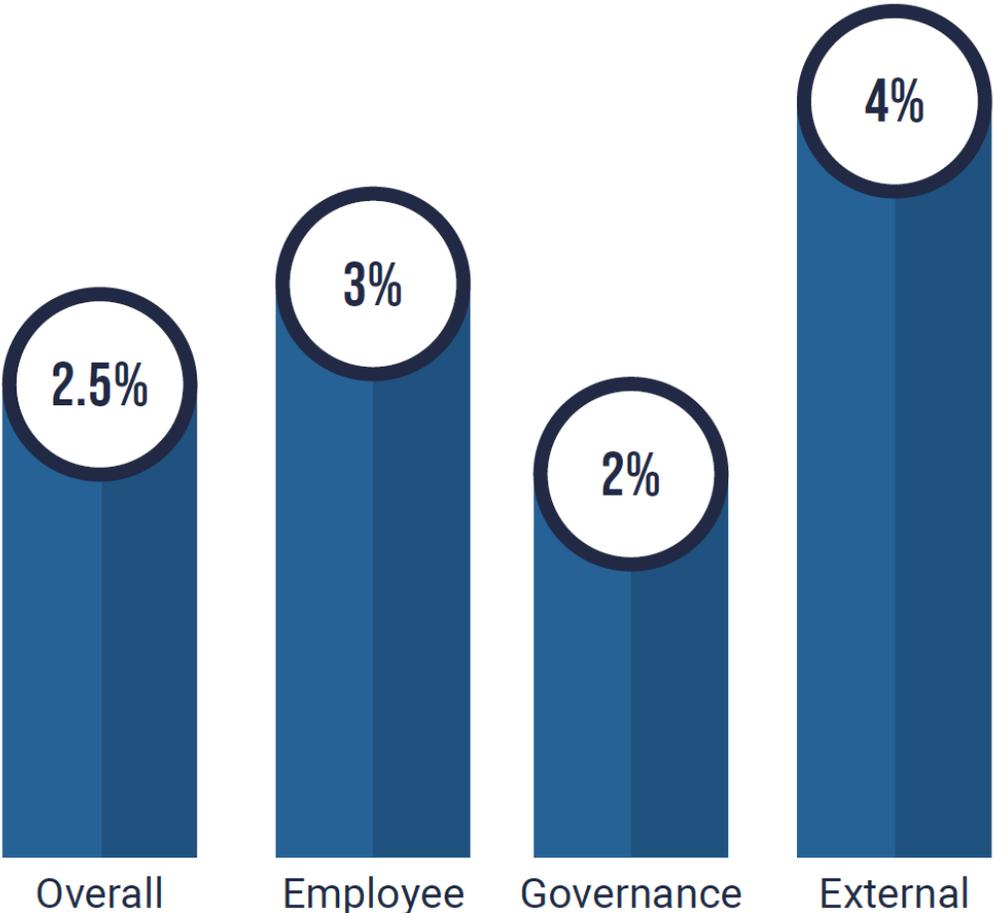
[Institutional Investor Survey | Research Findings, Fraud](#)

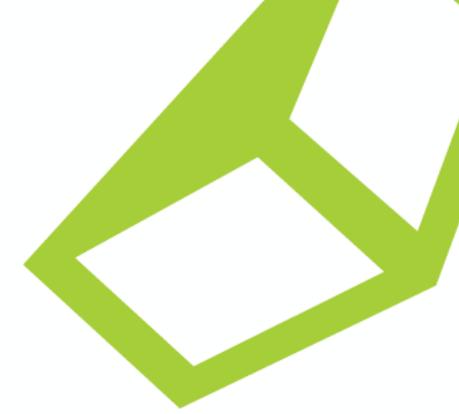
The Impact of Fraud Survey Findings:
Known and Estimated Fraud Losses

Annual Revenue Lost to *Known* Fraud at U.S. Public Companies



Estimated Annual Revenue Lost to All Fraud at the Typical U.S. Public Company

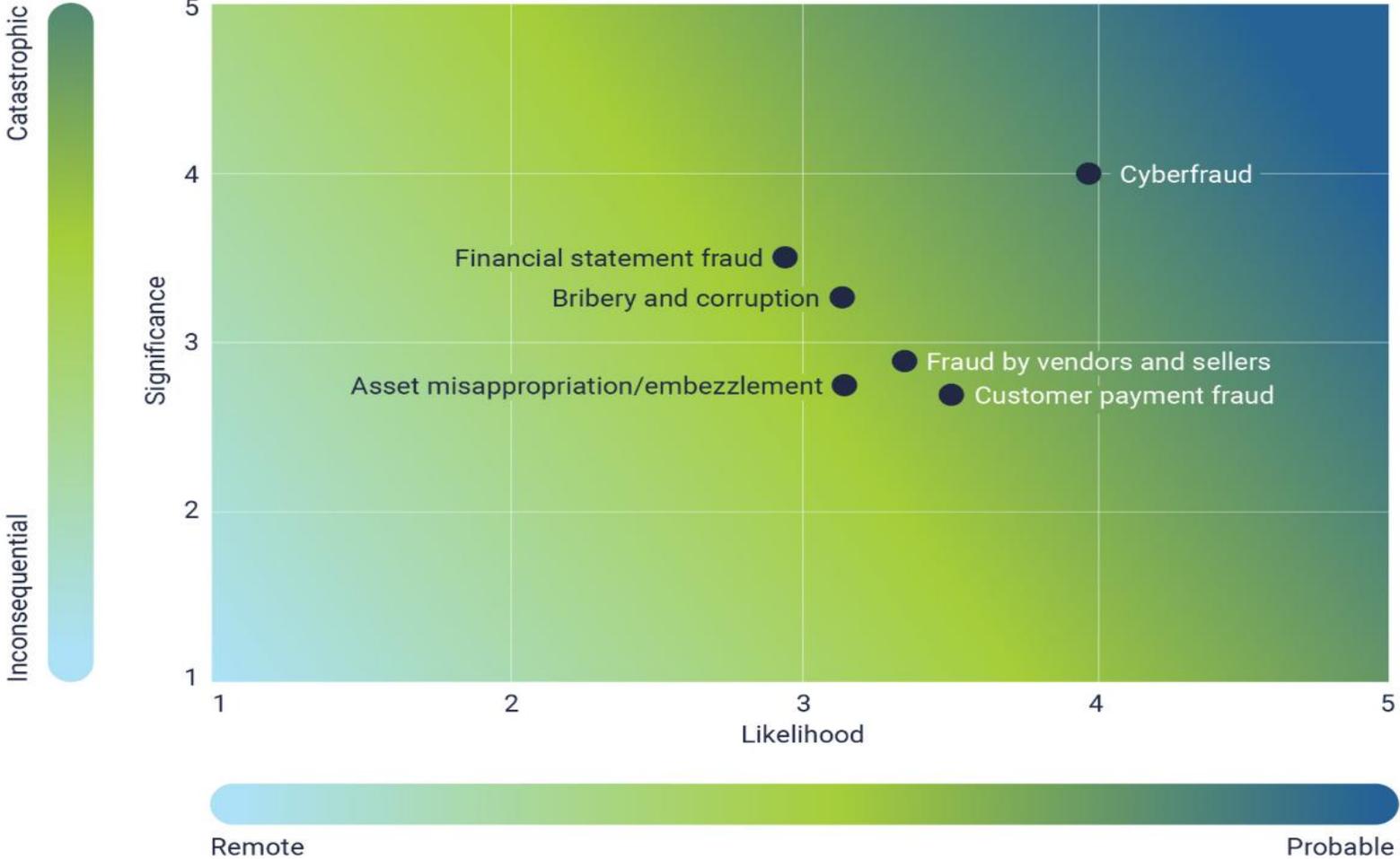




Investors *estimated* 3% of annual revenues is lost due to fraud at the typical U.S. public company

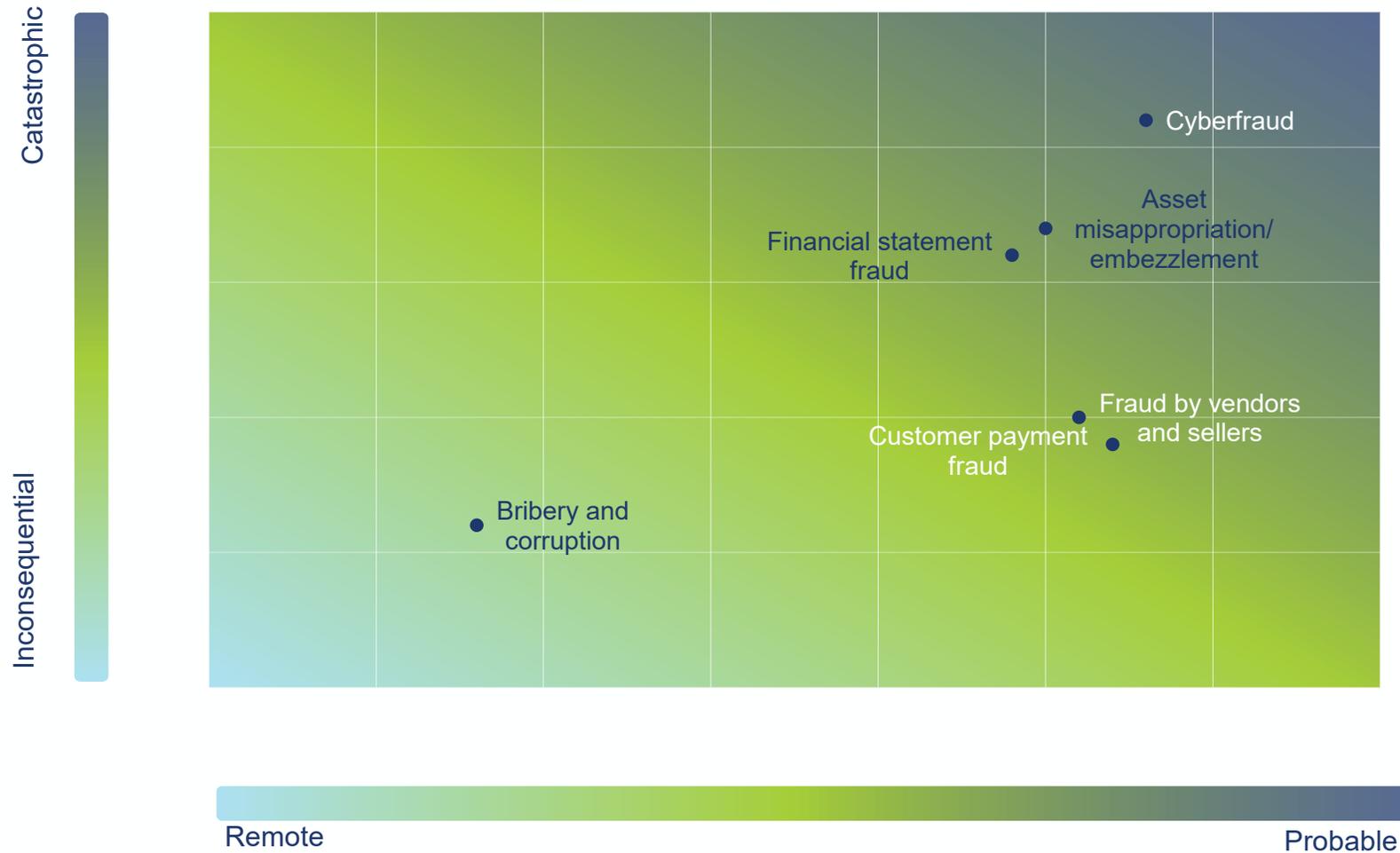
The Impact of Fraud Survey Findings: *Types of Fraud Risks*

Likelihood and Significance of Fraud Risks



White text = External frauds
 Blue text = Internal frauds

Investors: Likelihood and Significance of Fraud Risks



White text = External frauds
Blue text = Internal frauds

The Impact of Fraud Survey Findings: *Contributing Factors to Fraud*

Factors that Contribute to Current Levels of Fraud

Most significant

Least significant

EMPLOYEE RESPONSES

- 1 Regulatory environment
- 2 Economic conditions/environment
- 3 Organizational culture/tone at the top
- 4 External pressures
(e.g., market expectations for financial performance)
- 5 Overall internal control environment
- 6 Maturity of anti-fraud program
- 7 Technological advancements
- 8 Effectiveness of governance by board and audit committee
- 9 Risk profile of operations
(E.g., geographical jurisdictions)
- 10 Quality of external audits

GOVERNANCE RESPONSES

- 1 Quality of external audits
- 2 Technological advancements
- 3 Maturity of anti-fraud program
- 4 Effectiveness of governance by board and audit committee
- 5 Economic conditions/environment
- 6 External pressures
(e.g., market expectations for financial performance)
- 7 Risk profile of operations
(E.g., geographical jurisdictions)
- 8 Overall internal control environment
- 9 Organizational culture/tone at the top
- 10 Regulatory environment

EXTERNAL RESPONSES

- 1 Economic conditions/environment
- 2 Organizational culture/tone at the top
- 3 External pressures
(e.g., market expectations for financial performance)
- 4 Effectiveness of governance by board and audit committee
- 5 Overall internal control environment
- 6 Regulatory environment
- 7 Technological advancements
- 8 Quality of external audits
- 9 Risk profile of operations
(E.g., geographical jurisdictions)
- 10 Maturity of anti-fraud program

Investors: Factors the Contribute to Current Levels of Fraud

- 1 Technological advancements
- 2 Quality of external audits
- 3 Economic conditions/environment
- 4 Risk profile operations (e.g., geographical jurisdictions)
- 5 External pressures (e.g., market expectations for financial performance)
- 6 Effectiveness of governances by board and audit committee
- 7 Overall internal control environment
- 8 Maturity of antifraud program
- 9 Regulatory environment
- 10 Organizational culture/tone at the top

Most frequently rated the #1 contributing factor

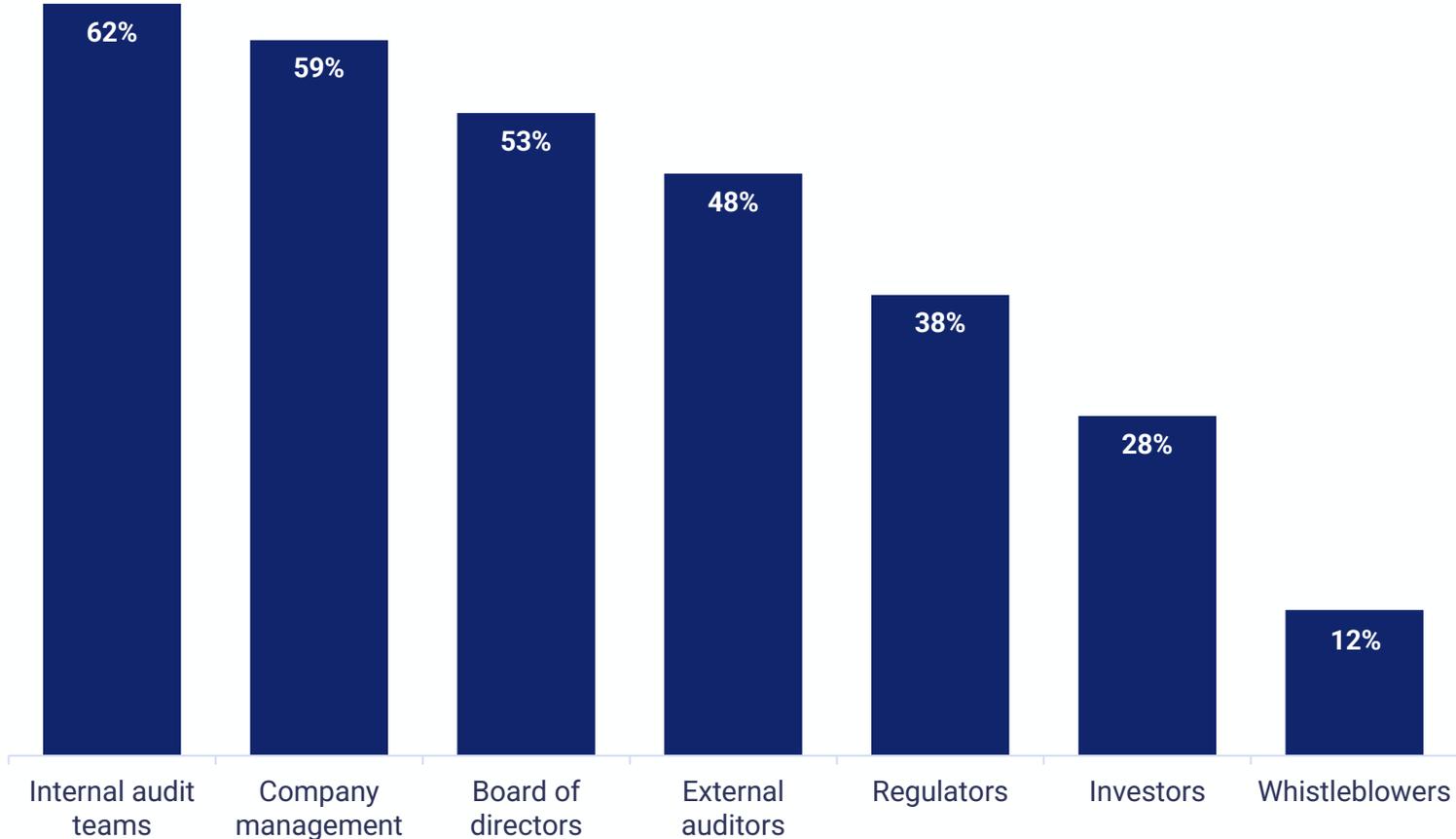
Least frequently rated the #1 contributing factor

The Impact of Fraud Survey Findings:
Who “Owns” Fraud?

Responsibility for Anti-Fraud Programs



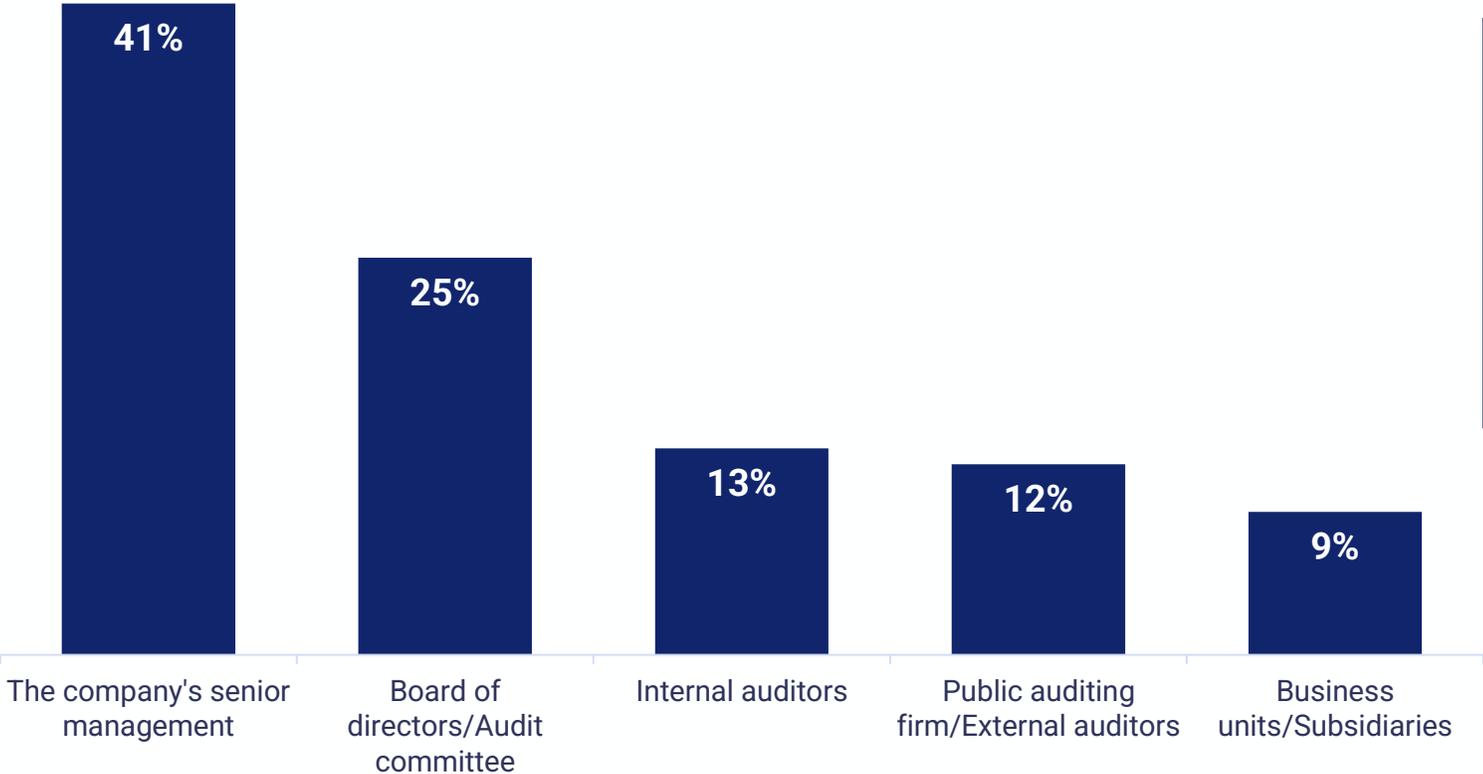
Investors: Responsibility for Fraud Prevention and Detection



62%

of respondents ranked **internal audit teams** as either first, second, or third most responsible for preventing and detecting fraud within an organization

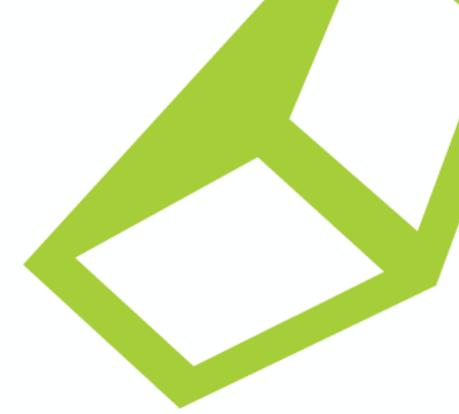
Investors: Who Is Most Responsible When Fraud Occurs?



41%
of respondents viewed the **company's senior management** as most responsible when a financial reporting fraud occurs at a publicly traded company

The Impact of Fraud Survey Findings:
Current and Future Levels of Fraud

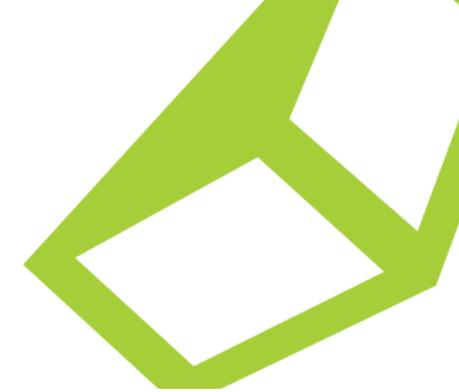
Current Levels of Fraud



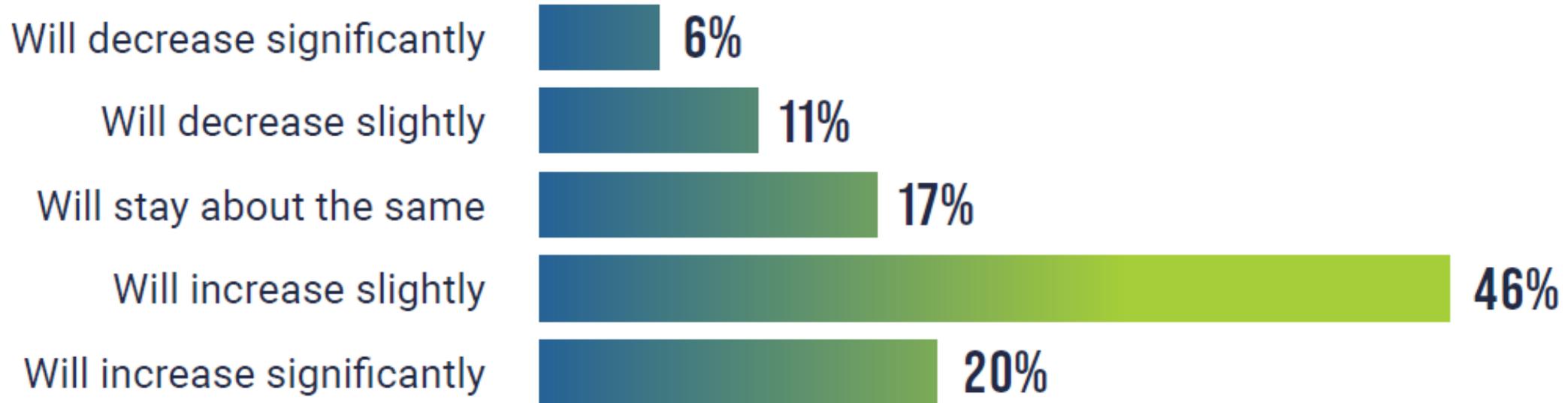
CURRENT OVERALL LEVEL OF FRAUD AT U.S. PUBLIC COMPANIES



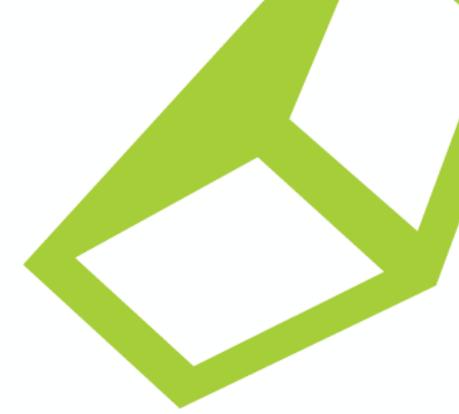
Future Levels of Fraud



EXPECTED CHANGE IN OVERALL LEVEL OF FRAUD AT U.S. PUBLIC COMPANIES OVER THE NEXT 2 YEARS



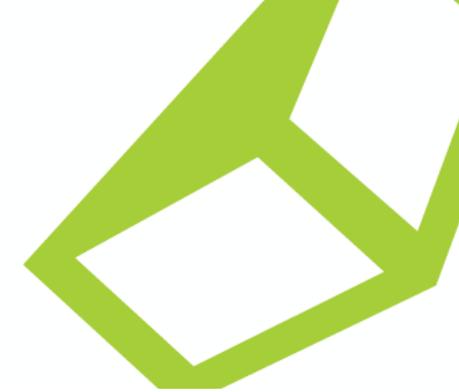
Investors: Current Levels of Fraud



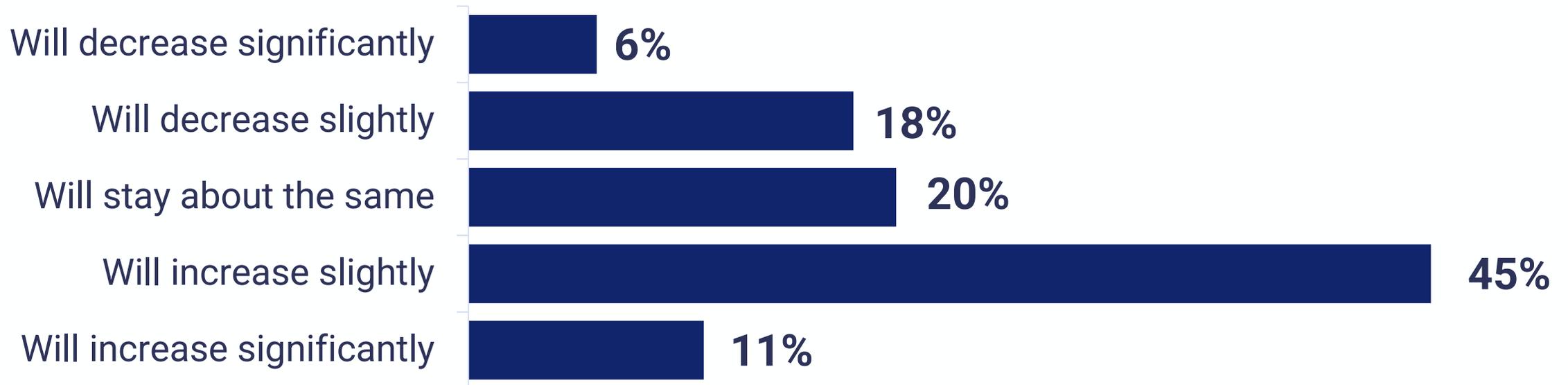
CURRENT OVERALL LEVEL OF FRAUD AT U.S. PUBLIC COMPANIES



Investors: Future Levels of Fraud

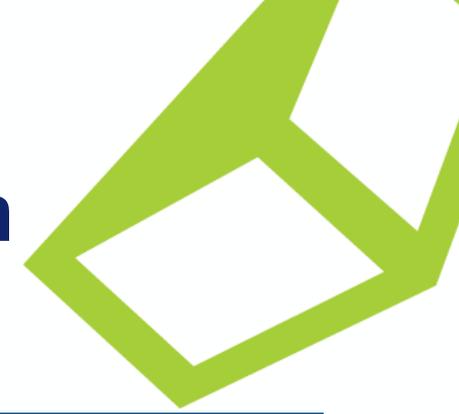


EXPECTED CHANGE IN OVERALL LEVEL OF FRAUD AT U.S. PUBLIC COMPANIES OVER THE NEXT 2 YEARS



The Impact of Fraud Survey Findings:
Strengthening Fraud Prevention and Detection

Effective Fraud Prevention and Detection



STRENGTHENING FRAUD PREVENTION AND DETECTION AT U.S. PUBLIC COMPANIES

We asked employees and individuals in governance roles what could have been done differently to better deter fraud or detect it sooner at their organizations. Their responses provided several key trends and insights.

56% recommended more or improved proactive and continuous monitoring for fraud.

15% recommended new or improved use of technology and AI.

13% recommended enhanced efforts related to fraud awareness training and an anti-fraud culture.

Investors: Effective Fraud Prevention and Detection

INVESTORS: STRENGTHENING FRAUD PREVENTION AND DETECTION AT U.S. PUBLIC COMPANIES

We asked investors, based on their knowledge of frauds that have occurred at companies they invested in or other companies they may be aware of, what could have been done differently to better detect or deter fraud. Their responses provided several key trends and insights:

42% recommended more or improved proactive and continuous monitoring for fraud.

35% recommended improvements to organizational culture.

12% recommended enhanced efforts relating to whistleblower reporting and protection.

