

Behavioral Red Flags of Fraud

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



85%

OF ALL FRAUDSTERS displayed at least one **BEHAVIORAL RED FLAG** while committing their crimes.

7 KEY WARNING SIGNS



42%

Living beyond means



26%

Financial difficulties



19%

Unusually close association with vendor/customer



15%

Control issues, unwillingness to share duties



13%

Irritability, suspiciousness, or defensiveness



13%

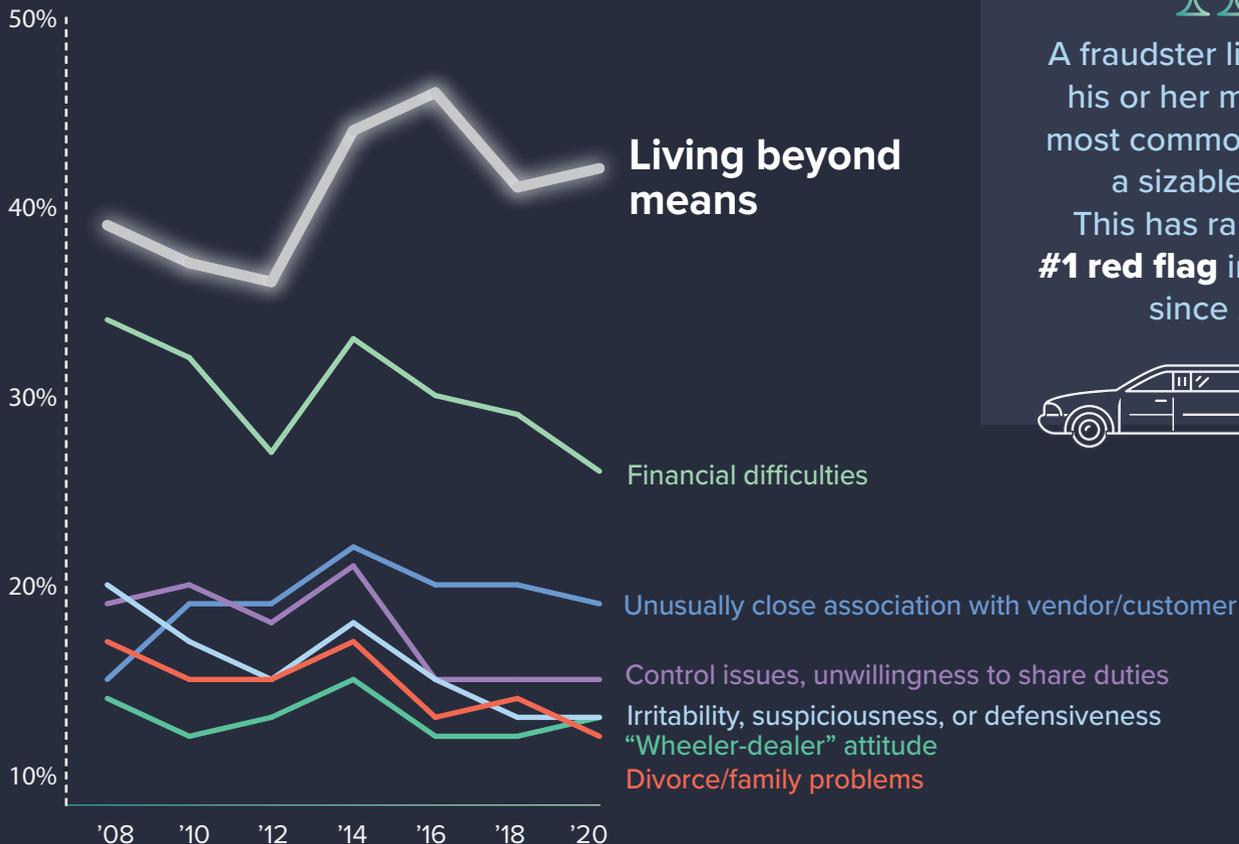
"Wheeler-dealer" attitude



12%

Divorce/family problems

LIVING BEYOND MEANS



A fraudster living beyond his or her means is the most common red flag by a sizable margin. This has ranked as the **#1 red flag** in every study since 2008.





CLASSIFYING RED FLAG BEHAVIORS

In **52%** of cases, the fraudster exhibited red flags connected to their **work duties**.



In **63%** of cases, the fraudster exhibited red flag behavior associated with his or her **personal life**.



JOB PERFORMANCE AS A WARNING SIGN

A fraud perpetrator’s job performance will often suffer while the scheme is taking place. Each of these performance-related issues were cited in at least 10% of cases.



13%

POOR PERFORMANCE EVALUATIONS



13%

EXCESSIVE ABSENTEEISM



12%

FEAR OF JOB LOSS



12%

EXCESSIVE TARDINESS



10%

DENIED RAISE OR PROMOTION