

compliance & fraud hotline

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THE HIDDEN COST OF FRAUD

Fraud hurts. It damages your organization, your public reputation and your employees' morale, and it's more widespread than most organizations realize. The best estimate by members of the Association of Certified Fraud Examiners (ACFE) in its *2016 Report to the Nations on Occupational Fraud and Abuse* is that the typical organization loses 5% of revenues to fraud each year, with a median loss of about \$150,000 per incident. Nearly half of all victim organizations are unable to recover their losses. However, organizations do have some recourse: according to the ACFE's study, **on-the-job fraud is discovered nearly 40% of the time through a tip from another employee.**

CENTRALIZED, ANONYMOUS REPORTING IS KEY

REDW has partnered with Navexglobal, the leading national provider of hotlines, to offer our prospects and clients a dedicated 24/7, multi-lingual fraud, waste and abuse hotline. Thousands of organizations, spanning virtually every industry, rely on these services for centralized, anonymous reporting of sensitive workplace incidents.

The REDW Compliance & Fraud Hotline can help your organization strengthen its internal controls, reduce employee temptation, and deter fraudulent activities by creating an environment where the opportunities for fraud are narrowed and the odds of early discovery are greatly improved.

By subscribing to this national service, your organization will be able to:

- Protect important resources.
- Avoid investigations, fines and legal actions related to compliance issues.
- Preserve faith in your organization's abilities, integrity and oversight that can be damaged following a fraud discovery.
- Improve your operations by correcting compliance mistakes, instituting better internal controls and strengthening their enforcement.
- Follow up reports of suspicious activity with professional internal audits and forensic investigations to identify gaps and weaknesses in your controls and detect employee error or wrongdoing.
- Build support for insurance claims, terminations or legal charges, if necessary, as part of your recovery efforts.

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TYPICAL HOTLINE TIPS:

- Fraud, waste and abuse
- Regulatory compliance violations
- Theft of cash, goods & services, or time
- Accounting and audit irregularities
- Falsification of records
- Conflicts of interest
- Unauthorized discounts
- Fraudulent insurance claims
- Kickbacks
- Disclosure or theft of proprietary information



As part of your subscription, you receive a set of posters and flyers to help promote the REDW Compliance & Fraud Hotline within your organization.

HOW IT WORKS

Anonymous reporting through the REDW Compliance & Fraud Hotline shields the identities of whistleblowers—meaning there’s a safe and reliable system in place for employees, customers or vendors to report suspicious behavior, dishonesty and inconsistencies.

Using professionally trained interviewers from Navexglobal also cuts down on crank calls, reports that are politically motivated, or personal complaints about management that are best handled through your internal policies and procedures. Trained operators read from pre-determined scripts that quickly zero in on relevant information and discourage callers who aren’t serious. Urgent matters are escalated to the appropriate contact within your organization.

Written reports about suspicious activities or evidence of fraud go directly from Navexglobal to the contacts you identify within your organization, or to an appropriate REDW client service representative, for further action.

FOLLOW-UP INVESTIGATIVE SERVICES FROM REDW

While the REDW Compliance & Fraud Hotline reports can help you identify the areas where you need to beef up security or look for evidence, the rest is up to you. The professionals at REDW are always ready to help, should you decide to engage outside assistance with:

- Internal audit
- Forensic investigations
- Litigation support
- Expert witness testimony
- IT audits
- Human Resources consulting.

CONTACT US to learn how the REDW Compliance & Fraud Hotline can help your organization mitigate risk, achieve compliance and, ultimately, create a better, more ethical workplace.



DID YOU KNOW ...

According to the Report to the Nation's 2016 Global Fraud Study, which is based on an analysis of 2,410 cases of occupational fraud:

- The median loss experienced by organizations affected by occupational fraud was \$150,000, with 23% facing losses of at least \$1 million.
- The most common detection method by far was tips, and organizations with reporting hotlines were much more likely to detect fraud than those without (47% vs. 28%).
- Most people who commit fraud are first-time offenders with clean employment histories.
- Despite occurring only 20% of the time, business owners and executives stole the highest amounts, with a median loss of \$703,000.