In-House Fraud Investigation Teams:
2017 Benchmarking Report
Key Findings

1,485 Survey Responses
22 Industries
104 Countries

On average, organizations with 10,000+ employees have 59 fraud investigators on staff.

25% of fraud investigation teams report to the Head of Internal Audit.

64% of fraud investigation teams don’t outsource to third parties.

51% of fraud investigators have an average caseload of <5 cases at any given time.

60% of fraud investigation teams close cases within 30 days on average.

38% of fraud investigation teams use case management software.

47% of fraud investigation teams use data analytics software.

Organizations typically recover 25% or less of their fraud losses.

Top 3 qualifications desired for fraud investigators:
1. Professional licenses and certifications
2. Prior investigation experience
3. Relevant education and degrees
Introduction

Organizations throughout the world use benchmarking data to evaluate how their performance, structure, and operations compare to those of their peers. Benefits of this practice include determining whether resources are being used efficiently, pinpointing knowledge gaps, and identifying areas for potential improvements.

As benchmarking has grown into a best practice, we have frequently heard from our members about a desire to benchmark their organizations’ internal fraud investigation teams. Their organizations often have historical data about their own investigation teams but lack access to similar data from other organizations that can be used for benchmarking purposes. To help meet this need, in 2017 we conducted our second Fraud Investigation Team Benchmarking Survey. This report presents the results of that survey. We hope that this information is helpful for company leaders and anti-fraud professionals in assessing their existing fraud investigation teams and planning for their future anti-fraud initiatives.

Methodology

In January 2017, we sent a 24-question survey to all ACFE members who work as part of an in-house team that performs fraud investigations for their employing organization. Respondents who perform fraud investigations on behalf of other organizations (e.g., those who work for professional services firms or law enforcement agencies that investigate frauds at other organizations) were excluded from survey participation. Survey responses were collected anonymously. We received a total of 2,808 survey responses, 1,485 of which were usable for purposes of this report.

Respondents were asked to provide information about the following topics related to internal fraud investigation teams:

- **Industry**
- **Geographical region**
- **Organization size**
- **The number of fraud investigators on staff**
- **The party the investigation team reports to**
- **The time spent conducting fraud investigations**
- **The team’s caseload**
- **The time to close a case**
- **The types of cases investigated**
- **The percentage of investigations outsourced**
- **The use of software**
- **The typical case outcome**
- **The fraud losses recovered**
- **The performance metrics used to measure the team**
- **The skillsets on the investigation team**
- **The desired qualifications for fraud investigators**
- **The annual training budget per fraud investigator**

We analyzed the survey responses to determine how internal fraud investigation teams are structured, how they perform, and how they measure their own effectiveness. This report provides a summary of respondents’ answers to the survey questions. The information provided herein can be used to compare an investigation team with teams at other organizations of a similar size or in the same industry. It can also help improve investigation teams’ processes and allocation of resources.
Respondent Demographics

Demographic information about survey respondents’ organizations provides context for the overall results of our study.
Management is typically interested in how their organization compares to other organizations in the same industry. We asked survey respondents to specify the industry in which their organization operates. Figure 1 shows the percentage of responses by industry. The banking and financial services sector is the most highly represented industry in our study (26% of responses), followed by government and public administration (14%), and insurance (10%).
Region of Respondents’ Organizations

Business practices often vary based on the location of operations. We asked respondents to identify the country in which their organization is headquartered; organizations from 104 countries are represented in our study. We categorized these organizations into nine geographic regions. As shown in Figure 2, the region with the highest percentage of reporting organizations is the United States (48%), followed by Sub-Saharan Africa (14%) and Western Europe (13%).

Size of Respondents’ Organizations

Anti-fraud initiatives also tend to vary based on organizational size, so obtaining data related to the number of employees in each organization was useful when analyzing various data throughout the report. As shown in Figure 3, two-thirds of respondents are from organizations with more than 1,000 employees. Smaller organizations (those with fewer than 100 employees) are the least represented in our study, possibly due to the lower likelihood of organizations of this size having dedicated in-house fraud investigation teams.
The structure of internal fraud investigation teams varies across organizations. Some companies might determine the staffing level and internal placement of their investigation teams based solely on the overall size of the organization. Others might allocate resources to their investigation teams based on the number of fraud cases investigated annually. In our survey, we asked respondents to provide information about the number of fraud investigators on their team, as well as the team’s line of reporting.
Number of Fraud Investigators

Fraud investigation teams must have adequate staff to effectively respond to allegations of fraud. One of the most fundamental—and yet often one of the most difficult—considerations when creating or expanding an investigation team is how many staff members are needed. One factor in assessing the ideal size of the team is the size of the organization it serves. Organizations with many employees typically need more investigators than those with fewer employees. Budget restraints also frequently play a role in staffing decisions, especially at smaller organizations (i.e., smaller organizations often have smaller budgets). Our survey results reinforce these considerations. Organizations with 10,000 or more employees have an average of 59 fraud investigators on staff. In contrast, the two categories of mid-size companies have teams averaging 9 to 10 investigators, and small businesses—those with fewer than 100 employees—have an average of 6 investigators on their in-house teams.

To further help organizations in benchmarking the size of their fraud investigation team, we also analyzed the number of fraud investigators per thousand employees. For all organizations, the median ratio of investigators per thousand employees is 1.67 (i.e., for every thousand employees on staff, organizations employ a median 1.67 fraud investigators).

FIG. 4 How Many Fraud Investigators Do Organizations Have on Staff?

<table>
<thead>
<tr>
<th>Number of Investigators</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Fraud investigators in an organization with &lt;100 employees</td>
</tr>
<tr>
<td>10</td>
<td>Fraud investigators in an organization with 100–999 employees</td>
</tr>
<tr>
<td>9</td>
<td>Fraud investigators in an organization with 1,000–9,999 employees</td>
</tr>
<tr>
<td>59</td>
<td>Fraud investigators in an organization with 10,000+ employees</td>
</tr>
</tbody>
</table>
Whom Does the Fraud Investigation Team Report To?

When creating an internal fraud investigation team, another important factor to consider is who oversees the team. Survey respondents were asked to specify which party their investigation teams report to directly. As shown in Figure 5, these teams most commonly report to the head of internal audit or to the CEO or other senior management. Combined, these two reporting lines account for half of all investigation teams included in our study.

By Organization Size

We also analyzed which party internal fraud investigation teams report to based on organization size. In the largest organizations (those with 10,000 or more employees), 31% of investigation teams report directly to the head of internal audit, making this the most common reporting line for organizations of this size. Fraud investigation teams in these organizations are also more likely to report to the head of loss prevention and corporate security, the head of compliance, and in-house legal counsel than their counterparts at smaller organizations. In the two categories of small organizations (those with fewer than 100 employees and those with 100 to 999 employees), the largest percentage of investigation teams report to the CEO or other senior management (37% and 35%, respectively), in contrast with just 13% of teams at the largest organizations. Interestingly, organizations with 100 to 999 employees were also the most likely to have their investigation teams report directly to the board of directors or audit committee.
By Industry
Management might also be interested in benchmarking their fraud investigation team’s reporting line against other organizations in their industry. The heat map in Figure 7 illustrates this information, with the boxes shaded to indicate the least common, somewhat common, and most common parties to which investigation teams in each industry report.

### FIG. 7 How Do Reporting Lines Vary by Industry?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Responses</th>
<th>Board of Directors or Audit Committee</th>
<th>CEO or Other Senior Management</th>
<th>Head of Compliance</th>
<th>Head of Internal Audit</th>
<th>Head of Loss Prevention and Corporate Security</th>
<th>Head of Risk Management</th>
<th>In-House Legal Counsel</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Organizations</td>
<td>1,001</td>
<td>13%</td>
<td>24%</td>
<td>10%</td>
<td>25%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting</td>
<td>12</td>
<td>8%</td>
<td>25%</td>
<td>33%</td>
<td>8%</td>
<td>17%</td>
<td>2%</td>
<td>0%</td>
<td>8%</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>19</td>
<td>16%</td>
<td>26%</td>
<td>11%</td>
<td>16%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>Banking and Financial Services</td>
<td>241</td>
<td>14%</td>
<td>17%</td>
<td>15%</td>
<td>20%</td>
<td>9%</td>
<td>12%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Communications and Publishing</td>
<td>10</td>
<td>20%</td>
<td>10%</td>
<td>10%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Construction</td>
<td>13</td>
<td>31%</td>
<td>23%</td>
<td>8%</td>
<td>38%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Education</td>
<td>41</td>
<td>12%</td>
<td>27%</td>
<td>2%</td>
<td>44%</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Government and Public Administration</td>
<td>130</td>
<td>15%</td>
<td>35%</td>
<td>5%</td>
<td>25%</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Health Care</td>
<td>39</td>
<td>15%</td>
<td>23%</td>
<td>15%</td>
<td>26%</td>
<td>5%</td>
<td>3%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Insurance</td>
<td>99</td>
<td>6%</td>
<td>22%</td>
<td>8%</td>
<td>25%</td>
<td>2%</td>
<td>13%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>78</td>
<td>13%</td>
<td>17%</td>
<td>8%</td>
<td>37%</td>
<td>6%</td>
<td>4%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Mining</td>
<td>11</td>
<td>27%</td>
<td>36%</td>
<td>0%</td>
<td>27%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>30</td>
<td>7%</td>
<td>30%</td>
<td>23%</td>
<td>33%</td>
<td>0%</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>28</td>
<td>18%</td>
<td>29%</td>
<td>11%</td>
<td>21%</td>
<td>0%</td>
<td>4%</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6</td>
<td>0%</td>
<td>17%</td>
<td>33%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Religious, Charitable, or Social Services</td>
<td>23</td>
<td>17%</td>
<td>35%</td>
<td>4%</td>
<td>17%</td>
<td>0%</td>
<td>0%</td>
<td>26%</td>
<td>0%</td>
</tr>
<tr>
<td>Retail</td>
<td>33</td>
<td>12%</td>
<td>18%</td>
<td>0%</td>
<td>15%</td>
<td>30%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Services (Other)</td>
<td>21</td>
<td>19%</td>
<td>19%</td>
<td>5%</td>
<td>14%</td>
<td>24%</td>
<td>0%</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Services (Professional)</td>
<td>21</td>
<td>14%</td>
<td>33%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
<td>19%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Technology</td>
<td>28</td>
<td>7%</td>
<td>7%</td>
<td>37%</td>
<td>7%</td>
<td>0%</td>
<td>18%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>43</td>
<td>2%</td>
<td>30%</td>
<td>7%</td>
<td>30%</td>
<td>5%</td>
<td>14%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>38</td>
<td>16%</td>
<td>18%</td>
<td>5%</td>
<td>39%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>22</td>
<td>9%</td>
<td>41%</td>
<td>5%</td>
<td>32%</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>7</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>14%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Fraud Investigation Team Workload

Respondents were asked to provide information related to their fraud investigation team’s caseloads and the average amount of time the team takes to close a fraud case. This information can be extremely helpful for benchmarking purposes, as it provides insight regarding the efficiency of investigation teams. It can also help management make informed decisions on how to best allocate the organization’s fraud investigation resources.
Time Devoted to Fraud Investigations

In addition to investigating fraud, many fraud investigators fulfill roles in areas such as internal auditing, compliance, and information security. These responsibilities often result in investigators splitting their time among various roles. On average, the investigation teams in our study devote 56% of their time to fraud investigations. Additionally, 37% of teams spend three-quarters or more of their time solely on fraud investigations (see Figure 8).

Average Caseload per Fraud Investigator

Monitoring how many active cases fraud investigators handle at any given time can help improve the effectiveness and efficiency of the investigation team. Organizations with internal fraud investigation teams typically know how many cases they have investigated overall and the number of cases handled per investigator during a given period. But knowing what the average caseload is at other organizations can be helpful in determining whether investigators’ assigned caseloads are reasonable. Figure 9 reflects the average caseload per investigator at any given time for the teams represented in our study. More than half of respondents indicated that the average caseload per investigator on their team is fewer than five, while a very small percentage (2%) average 100 or more cases per investigator at any given time.
By Industry
In addition, we analyzed the average caseload of fraud investigators by industry. As illustrated in Figure 10, the insurance and the agriculture, forestry, fishing, and hunting industries have the highest average caseloads per investigator (21 cases and 15 cases, respectively). The three industries with the lowest average (3 cases per investigator) are professional services, mining, and communications and publishing.

By Organization Size
We analyzed the average caseload of fraud investigators by organization size. As illustrated in Figure 11, more than half of investigators in the three smallest categories of organizations (those with fewer than 100 employees, 100 to 999 employees, and 1,000 to 9,999 employees) handled fewer than five fraud cases, on average, at any given time. Investigators at the largest organizations (those with 10,000 or more employees) were more likely to have a slightly larger caseload, with 39% having between five and 19 cases at any given time, compared to 27% to 29% of their counterparts at the three smaller categories of organizations.
Fraud cases are not always closed within the same timeframe; some cases are more complex than others, which might require more time to complete the investigation. Knowing the average number of days it takes to close a fraud case can serve as a useful benchmark for fraud investigation teams. We asked respondents to provide the average number of days it takes for their teams to close a case. As shown in Figure 12, 60% of investigation teams take a month or less, on average, to close a fraud case. Only 7% of teams take more than four months on average to complete their investigations.

By Organization Size
The previous chart (Figure 12) shows results for the average time to close a fraud case for all fraud investigation teams. Figure 13 provides the same data broken down by organization size. In general, we see that investigation teams at smaller organizations close their cases slightly more quickly than large organizations do; 66% of teams at organizations with fewer than 100 employees and 70% of teams at organizations with 100 to 999 employees close their fraud cases in 30 days or less on average. In contrast, 49% of the teams at the largest organizations close cases in a month or less on average. Interestingly, as noted in Figure 11, more than half of the investigation teams in smaller organizations worked fewer than five fraud cases at any given time. Since our data shows that fraud investigators at smaller organizations tend to have fewer cases than investigators at large companies, they might have more time to devote to each case, resulting in a faster closing time.
The concept of fraud encompasses several schemes, and investigation teams are often responsible for investigating numerous types of allegations. To help benchmark the variety of cases handled by fraud investigation teams, we asked survey respondents how often their teams investigate several categories of violations. Figure 14 reveals that more than three-quarters of teams frequently or occasionally investigate employee embezzlement, while only a small percentage (6%) never investigate this type of allegation. Other commonly investigated schemes include fraud committed by customers, fraud committed by vendors and contractors, and HR issues. These types of allegations are either frequently or occasionally investigated by more than 60% of the teams in our study.
Outsourced Fraud Investigations

We asked survey respondents approximately what percent of their organization’s fraud investigations are outsourced. Responses revealed that 64% of organizations do not outsource any of their fraud investigations, while just 2% outsource more than half of their cases.

By Organization Size
We also analyzed the percentage of fraud investigations outsourced based on the organization’s size. As depicted in Figure 16, the largest organizations (those with 10,000 or more employees) are most likely to outsource their fraud investigations, with 44% outsourcing at least some of their cases.
By Industry

Another factor that can be useful for benchmarking is how many fraud investigations are outsourced by industry. As shown in Figure 17, the top three industries—construction; utilities; and religious, charitable, and social services—outsource an average of 10% to 12% of their fraud investigations. The wholesale trade and professional service industries fall on the other end of the spectrum; organizations in both these industries outsource less than 1% of their fraud investigations, on average.

**FIG. 17 How Does Outsourcing Vary by Industry?**
Software Used by Fraud Investigation Teams

Fraud investigations usually require sorting, reviewing, and organizing large volumes of data. Many investigation teams have improved their efficiency through the use of various software programs. To help organizations assess their existing fraud investigation tools and to provide insight into other organizations’ use of software in fraud investigations, we collected data about the types of case management and data analytics software adopted by the investigation teams in our study.
We asked respondents if their team uses a formal case management software program. As shown in Figure 18, only 38% of teams currently use this type of program. Respondents who do use case management software were also asked to identify which program(s) they currently use.

The top response was an in-house proprietary program, meaning that organizations most commonly develop their own case management tool. Popular third-party case management tools used by respondents include Navex Global, TeamMate, and Perceptive.
Additionally, we asked respondents if their fraud investigation team uses a data analytics software program. Just under half of the respondents indicated they do use a software program to perform data analytics in their investigations (see Figure 19). We also asked these respondents to list the software they use. ACL is the most widely used data analytics program among respondents, followed by CaseWare Analytics (IDEA).

**FIG. 19 Are Fraud Investigation Teams Using Data Analytics Software?**

47% use data analytics software
53% don’t use data analytics software

**TOP DATA ANALYTICS SOFTWARE USED**

ACL
CaseWare Analytics
In-House/Proprietary Software
Microsoft Excel
Tableau
IBM
Fraud Investigation Case Results

The basic objectives of fraud investigation teams are to preserve the integrity of the organization and to mitigate losses due to fraud. To help organizations benchmark their success in achieving these objectives, we asked survey respondents about the typical outcome of their fraud investigations and how much of their organization’s fraud losses are usually recovered.
As part of their investigations, fraud investigators might review allegations that are not substantiated as actual fraud. For cases that are substantiated, management must decide what to do. Some form of disciplinary action might be taken or, if serious enough, the case might be referred to law enforcement for prosecution. Benchmarking the proportion of cases that end in these different scenarios can be helpful for fraud investigation teams to assess their own results.

We asked respondents what percentage of their fraud investigation team’s cases are substantiated (i.e., result in credible evidence of wrongdoing). Figure 20 shows that more than one-third of investigation teams substantiate more than 75% of their fraud investigations. Substantiated cases of fraud usually result in some form of disciplinary action. We asked respondents approximately what percentage of their team’s fraud investigations result in an individual being terminated or receiving some other disciplinary action. As Figure 20 shows, 5% of the teams’ fraud investigations result in no disciplinary action.

In addition, we asked respondents approximately what percentage of their team’s fraud investigations result in a referral to law enforcement for criminal prosecution. Figure 20 shows that 70% of investigation teams refer 25% or fewer of their cases for prosecution. Possible explanations for not seeking criminal prosecution include that management does not want the public to know of fraudulent conduct at their organization or that the costs of prosecuting the case outweigh the benefits to the organization.
Substantiating a fraud is one thing, but recovering losses is another. In some cases, organizations find that it is not cost-beneficial to pursue a recovery, especially if the dollar loss was small or the fraudster has spent or hidden the ill-gotten gains. Figure 21 shows that 12% of organizations recover nothing from their fraud investigations, while 24% recover more than half of their losses.

**FIG. 21 How Much of an Organization’s Fraud Losses Are Usually Recovered?**

<table>
<thead>
<tr>
<th>PERCENT OF ORGANIZATION’S LOSSES RECOVERED</th>
<th>PERCENT OF FRAUD INVESTIGATION TEAMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>12%</td>
</tr>
<tr>
<td>1–25%</td>
<td>47%</td>
</tr>
<tr>
<td>26–50%</td>
<td>17%</td>
</tr>
<tr>
<td>51–75%</td>
<td>11%</td>
</tr>
<tr>
<td>76–100%</td>
<td>13%</td>
</tr>
</tbody>
</table>
Evaluating the Effectiveness of Fraud Investigation Teams

Just like any other team within an organization, fraud investigation teams should be subject to a formal and continuous monitoring process to assess their effectiveness.
Survey respondents were asked which performance metrics, if any, are used to evaluate their investigation teams, and 39% reported that no performance metrics are used. Figure 22 shows the performance metrics used by the 61% of teams in our survey that do formally measure performance. For those teams, the most commonly used metric is the percentage of cases closed year-over-year (58%), followed by the percentage of losses recovered (50%).
Effectiveness of Performance Metrics

It is often said: what gets measured gets done. Figure 22 shows that organizations use a variety of performance metrics to measure their fraud investigation team’s success. We wanted to see how these various performance metrics affected organizations’ recovery of fraud losses. To do so, we looked at the average percentage of fraud losses recovered based on the performance metrics that organizations had in place (see Figure 23). Not surprisingly, the two metrics associated with the highest average recovery rates are the amount of losses recovered and the percentage of estimated losses to actual losses.

An interesting trend in this data is that performance metrics that focused on the quality of the outcome of investigations (e.g., recovery of actual losses or change in expected losses, cases resulting legal action, compliance with investigation standards, and amount of losses diverted) tend to correspond with greater loss recovery than performance metrics based on the quantity of cases completed (e.g., number of days to close cases and number of cases closed year-over-year). In Figure 22, the number of cases closed year-over-year was the most common performance metric, but, as shown in Figure 23, organizations using this metric averaged one of the lowest percentage of losses recovered.

Another significant finding is the relatively low percentage of fraud losses recovered (25%) by organizations that do not use any performance metrics to measure their investigation team’s effectiveness. Based on this analysis, organizations might consider revising some of their performance metrics or adding metrics to improve their recovery of fraud losses.

**FIG. 23** What Impact Do Performance Metrics Have on Fraud Losses Recovered?

![Bar chart showing the percentage of fraud losses recovered for different performance metrics.](image)

- **Amount of Losses Recovered**: 39%
- **Comparison of Estimated Losses to Actual Losses**: 38%
- **Percent of Cases Resulting in Legal Action**: 35%
- **Percent of Cases Compliant With Investigation Standards**: 35%
- **Amount of Losses Diverted**: 34%
- **Percent of Cases Resolved In Cycle-Time Goal**: 33%
- **Case Complexity**: 33%
- **Percent of Cases Resulting In Disciplinary Action**: 31%
- **Number of Cases Closed Year-Over-Year**: 30%
- **Number of Days to Close Cases**: 29%
- **Other**: 29%
- **No Performance Metrics Reported**: 25%

<table>
<thead>
<tr>
<th>Performance Metric Used</th>
<th>Average Percent of Fraud Losses Recovered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of Losses Recovered</td>
<td>39%</td>
</tr>
<tr>
<td>Comparison of Estimated Losses to Actual Losses</td>
<td>38%</td>
</tr>
<tr>
<td>Percent of Cases Resulting in Legal Action</td>
<td>35%</td>
</tr>
<tr>
<td>Percent of Cases Compliant With Investigation Standards</td>
<td>35%</td>
</tr>
<tr>
<td>Amount of Losses Diverted</td>
<td>34%</td>
</tr>
<tr>
<td>Percent of Cases Resolved In Cycle-Time Goal</td>
<td>33%</td>
</tr>
<tr>
<td>Case Complexity</td>
<td>33%</td>
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<tr>
<td>Percent of Cases Resulting In Disciplinary Action</td>
<td>31%</td>
</tr>
<tr>
<td>Number of Cases Closed Year-Over-Year</td>
<td>30%</td>
</tr>
<tr>
<td>Number of Days to Close Cases</td>
<td>29%</td>
</tr>
<tr>
<td>Other</td>
<td>29%</td>
</tr>
<tr>
<td>No Performance Metrics Reported</td>
<td>25%</td>
</tr>
</tbody>
</table>
Building a Fraud Investigation Team

We frequently hear that organizations are interested in how their peers approach hiring and managing their fraud investigation teams. Consequently, as part of our survey, we posed several questions about these areas specifically to respondents who hold supervisory or management responsibilities for their organizations’ fraud investigation team.
Skillset of Fraud Investigation Teams

Fraud investigation teams often include staff with diverse professional backgrounds. Team members’ backgrounds might include information security, accounting, auditing, compliance, private investigation, or law enforcement. Respondents with managerial oversight for their teams were provided a list of skillsets and asked to identify whether their teams currently have, are currently seeking, expect to add, or do not foresee the need to add these skillsets as part of their team’s collective knowledge base.

As shown in Figure 24, 84% of fraud investigation teams currently have one or more staff members with interviewing expertise, making this the most common skillset present on the teams in our study. The least common skillsets currently present among the investigation teams are cybersecurity and computer and digital forensics; however, 37% of teams are currently seeking or expecting to add cybersecurity to their collective skillset, and 43% are either currently seeking or expecting to add computer and digital forensics expertise.

**FIG. 24 What Skillsets Are Needed on Fraud Investigation Teams?**

<table>
<thead>
<tr>
<th>Skillset</th>
<th>Currently Present</th>
<th>Currently Seeking</th>
<th>Expected to Add</th>
<th>Do Not Foresee Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewing</td>
<td>84%</td>
<td>9%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Legal/Litigation Support</td>
<td>65%</td>
<td>7%</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Data Analytics/Data Mining</td>
<td>62%</td>
<td>18%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Social Media/Internet Investigations</td>
<td>58%</td>
<td>15%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Forensic Accounting</td>
<td>55%</td>
<td>13%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Multilingual</td>
<td>47%</td>
<td>8%</td>
<td>13%</td>
<td>32%</td>
</tr>
<tr>
<td>Computer/Digital Forensics</td>
<td>39%</td>
<td>14%</td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>Cybersecurity</td>
<td>36%</td>
<td>14%</td>
<td>23%</td>
<td>30%</td>
</tr>
</tbody>
</table>

*Survey respondents were permitted to select more than one answer for each category. Therefore, the sum of percentages for each category exceeds 100%.*
We asked the managers in our study to identify the top three qualifications they seek when hiring staff for their fraud investigation teams; the results of this analysis are shown in Figure 25. Professional licenses and certifications and prior investigation experience are the most highly sought qualifications. Additionally, 43% of managers indicated they place a high value on the educational background of candidates when hiring for their team. In contrast, a small percentage of managers (1%) prioritize hiring individuals with prior experience with specific software programs.

**FIG. 25 What Qualifications Do Managers Look for When Hiring Fraud Investigators?**

- Professional Licenses and Certifications (57%)
- Prior Investigation Experience (57%)
- Relevant Education and Degrees (43%)
- Prior Fraud-Related Experience (32%)
- Prior Experience in the Organization’s Industry (24%)
- Prior Accounting or Auditing Experience (20%)
- Experience in Written Communication (18%)
- Data Analytics or Data Mining Skills (16%)
- Interviewing Expertise (12%)
- Prior Law Enforcement Experience (7%)
- Computer Forensics Skills (3%)
- Other (2%)
- Prior Experience With Specific Software Programs (1%)
Training Budget per Fraud Investigator

Anti-fraud training is an important part of any organization’s fraud risk management initiatives. But management might not know how much should be spent on training the staff members who are charged with investigating fraud.

Respondents with managerial responsibilities were asked to provide an approximate annual training budget per fraud investigator on their team. The overall median response indicates that organizations typically spend $2,000 per year on training for each fraud investigator on staff.

**FIG. 26 How Does the Average Annual Training Budget per Investigator Vary by Industry?**

- **$5,000**
  - Transportation and Warehousing Services (Professional)

- **$2,500**
  - Manufacturing

- **$2,250**
  - Telecommunications

- **$2,000**
  - Technology
  - Religious, Charitable, or Social Services
  - Arts, Entertainment, and Recreation
  - Oil and Gas
  - Education
  - Health Care
  - Insurance
  - Government and Public Administration

- **$1,500**
  - Retail
  - Banking and Financial Services

*Industries not listed above had insufficient responses for median training budget calculation.
ABOUT THE ACFE

Founded in 1988 by Dr. Joseph T. Wells, CFE, CPA, the ACFE is the world’s largest anti-fraud organization and premier provider of anti-fraud training and education. Together with more than 80,000 members in more than 150 countries, the ACFE is reducing business fraud worldwide and providing the training and resources needed to fight fraud more effectively.

The positive effects of anti-fraud training are far-reaching. Clearly, the best way to combat fraud is to educate anyone engaged in fighting fraud on how to effectively prevent, detect and investigate it. By educating, uniting and supporting the global anti-fraud community with the tools to fight fraud more effectively, the ACFE is reducing business fraud worldwide and inspiring public confidence in the integrity and objectivity of the profession. The ACFE offers its members the opportunity for professional certification. The Certified Fraud Examiner (CFE) credential is preferred by businesses and government entities around the world and indicates expertise in fraud prevention and detection.

MEMBERSHIP

Immediate access to world-class anti-fraud knowledge and tools is a necessity in the fight against fraud. Members of the ACFE include accountants, internal auditors, fraud investigators, law enforcement officers, lawyers, business leaders, risk/compliance professionals and educators, all of whom have access to expert training, educational tools and resources. Members from all over the world have come to depend on the ACFE for solutions to the challenges they face in their professions. Whether their career is focused exclusively on preventing and detecting fraudulent activities or they just want to learn more about fraud, the ACFE provides the essential tools and resources necessary for anti-fraud professionals to accomplish their objectives.

CERTIFIED FRAUD EXAMINERS

Certified Fraud Examiners (CFEs) are anti-fraud experts who have demonstrated knowledge in four critical areas: Financial Transactions and Fraud Schemes, Law, Investigation, and Fraud Prevention and Deterrence. In support of CFEs and the CFE credential, the ACFE:

• Provides bona fide qualifications for CFEs through administration of the CFE Exam

• Requires CFEs to adhere to a strict code of professional conduct and ethics

• Serves as the global representative for CFEs to business, government and academic institutions

• Provides leadership to inspire public confidence in the integrity, objectivity and professionalism of CFEs

For more information, visit ACFE.com.