

# 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%

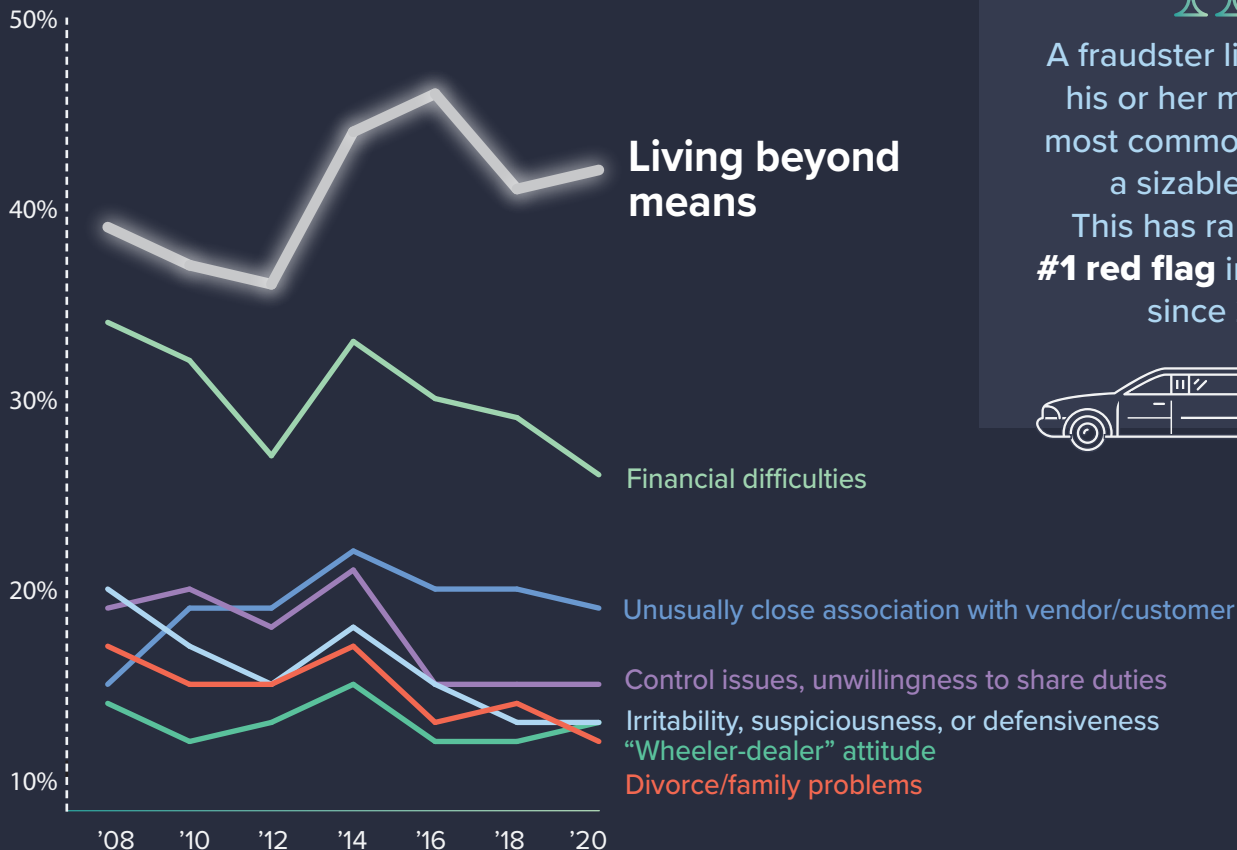
"Wheeler-dealer" attitude



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.

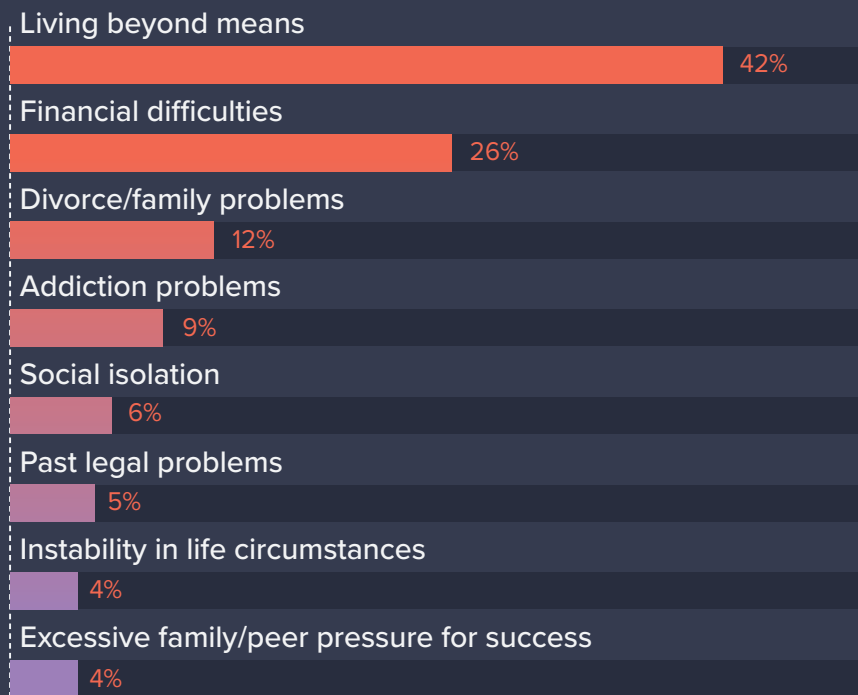


# CLASSIFYING RED FLAG BEHAVIORS

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.



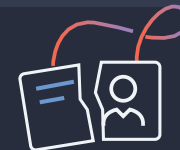
**13%**

**POOR PERFORMANCE EVALUATIONS**



**13%**

**EXCESSIVE ABSENTEEISM**



**12%**

**FEAR OF JOB LOSS**



**12%**

**EXCESSIVE TARDINESS**



**10%**

**DENIED RAISE OR PROMOTION**