



The UK's Fraud Prevention Service

# Profiling Staff and Managing the Threat from insiders

Sophie Keen

Member Recruitment Manager (IFD)

CIFAS

## Profiling

- Different perspectives of who your typical fraudster is.
- What cases of internal fraud have been reported to us in the last year:
  - The types of internal fraud being committed
  - Demographic of those committing fraud internally
  - Identifying, Reporting and Convicting

## Managing the treat

- Best practice and steps that can be taken to help combat the risk

# Profile of a fraudster

C I F A S

The UK's Fraud Prevention Service

- **KPMG- Global Profiles of the Fraudster**

- 36-55 years old,
- Senior management
- Over 6 years service



- **Pwc- Global Economic Crime Survey**

- 31-50 years old, male
- Junior members of staff
- Less than 5 years service

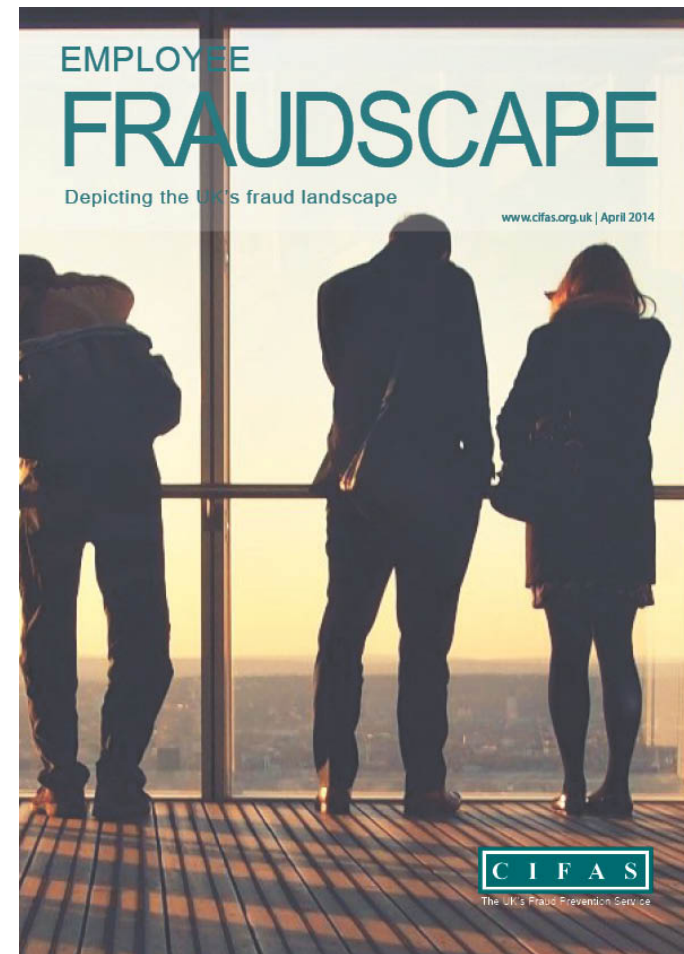


- **ACFE- Global Fraud Survey**

- 31-45 years old, male
- Management
- Between 1 and 5 years service



- Cases filed to the CIFAS Internal Fraud Database
- Breakdown of the fraud types
- Demographic of those filed
- The identification, reporting and convictions of the cases



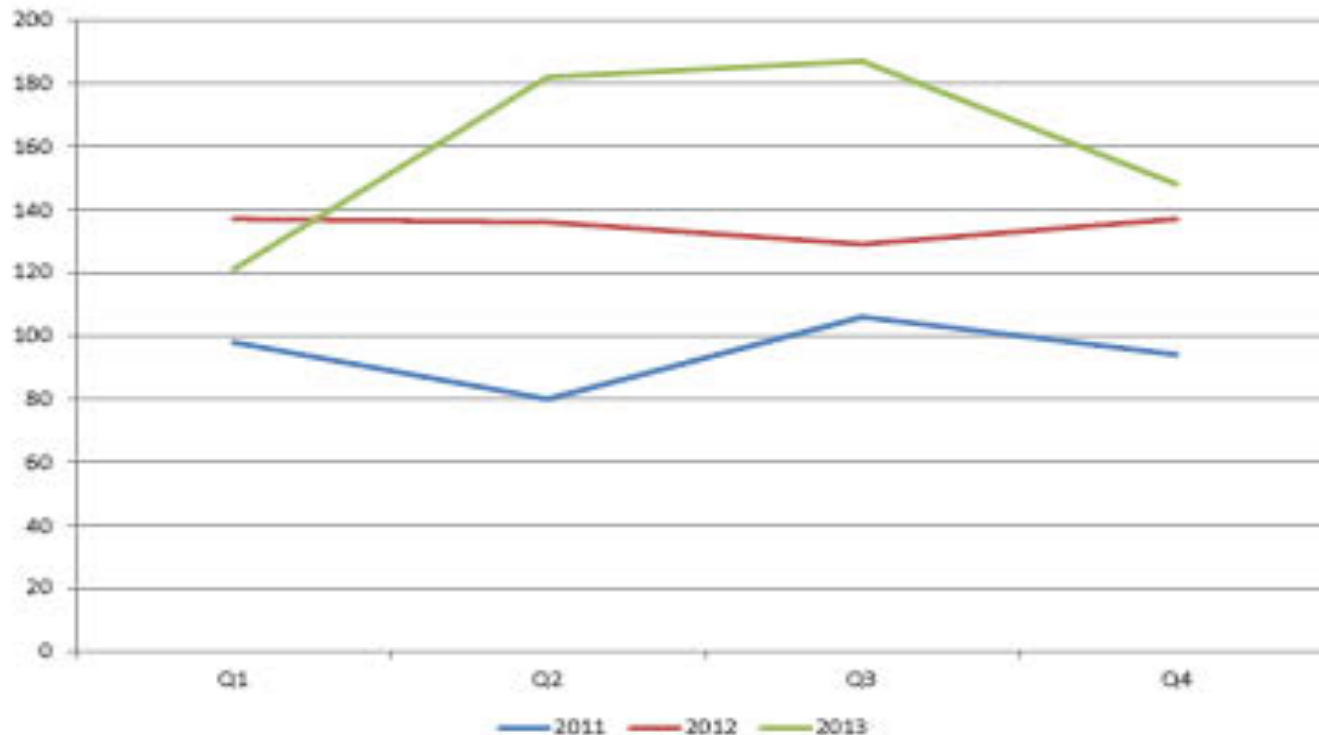
# Total Internal Fraud Cases recorded on the IFD 2011-2013

260+ organisations

638 cases

▲ 18%

Total Internal Fraud cases recorded to the Internal Fraud Database 2011-2013



2013

2012

2011

# Internal Fraud by Fraud Type

C I F A S

The UK's Fraud Prevention Service

<b>Internal Fraud Type</b>	<b>2012</b>	<b>2013</b>	<b>% Change</b>
Account Fraud	55	46	-16.4%
Dishonest Actions	268	254	-5.1%
Employment application fraud - Successful	34	31	-8.8%
Employment application fraud - Unsuccessful	171	293	+71.3%
Unauthorised disclosure of commercial information	2	4	+100.0%
Unauthorised disclosure of personal information	46	48	+4.3%
<b>Total Cases</b>	<b>539</b>	<b>638</b>	<b>+18.4%</b>

- Total- 51% of all cases
- Increase of 58%
- Successful Application frauds dropped by 9%
  
- Concealments
  - Adverse credit history
  - Employment history
  - Unspent criminal convictions

# Dishonest Actions

Dishonest Actions by Staff to Obtain a Benefit by Theft or Deception recorded on the Internal Fraud Database 2012-2013  
Figure 4.2.1





- Total- 40% of all cases
- Theft of cash
  - Customer- targeting elderly and vulnerable
  - Employer
- Manipulation of third party accounts
  - Helping friends or family
- Facilitating and perpetrating fraudulent applications
  - Pressure

- Total- 7% of all cases
- Money laundering proceeds of crime through dormant bank accounts
- Transfers/ withdrawals to employee's account
- Less discovery by customers

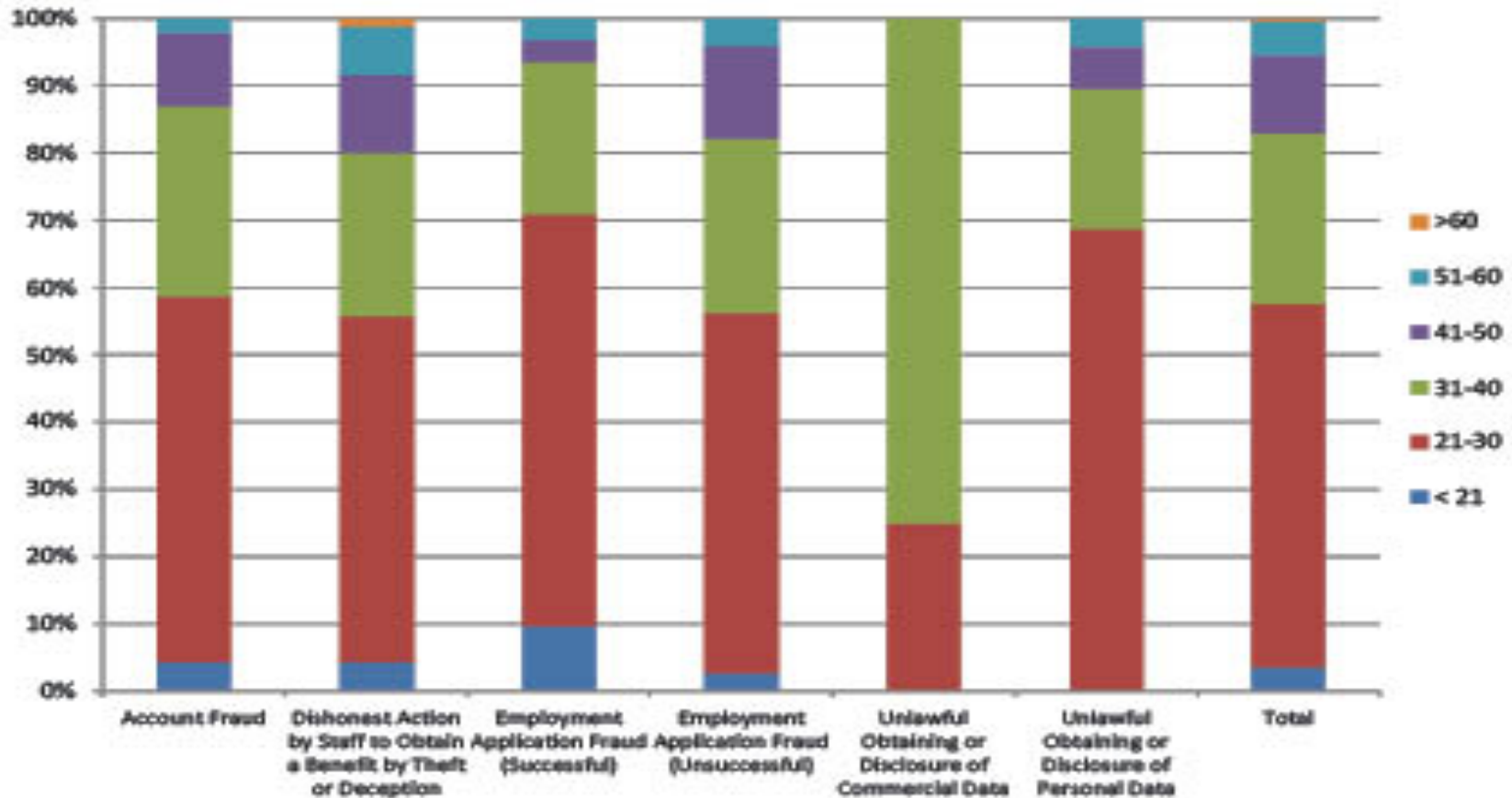
# Unlawful obtaining or disclosure of personal/commercial data

- Total- 8% of all cases
- 8% Increase
- Identity crime linked
- Not just organised criminal approach
- Disclosure to third parties largest proportion
- Consistent low level reporting of commercial data theft

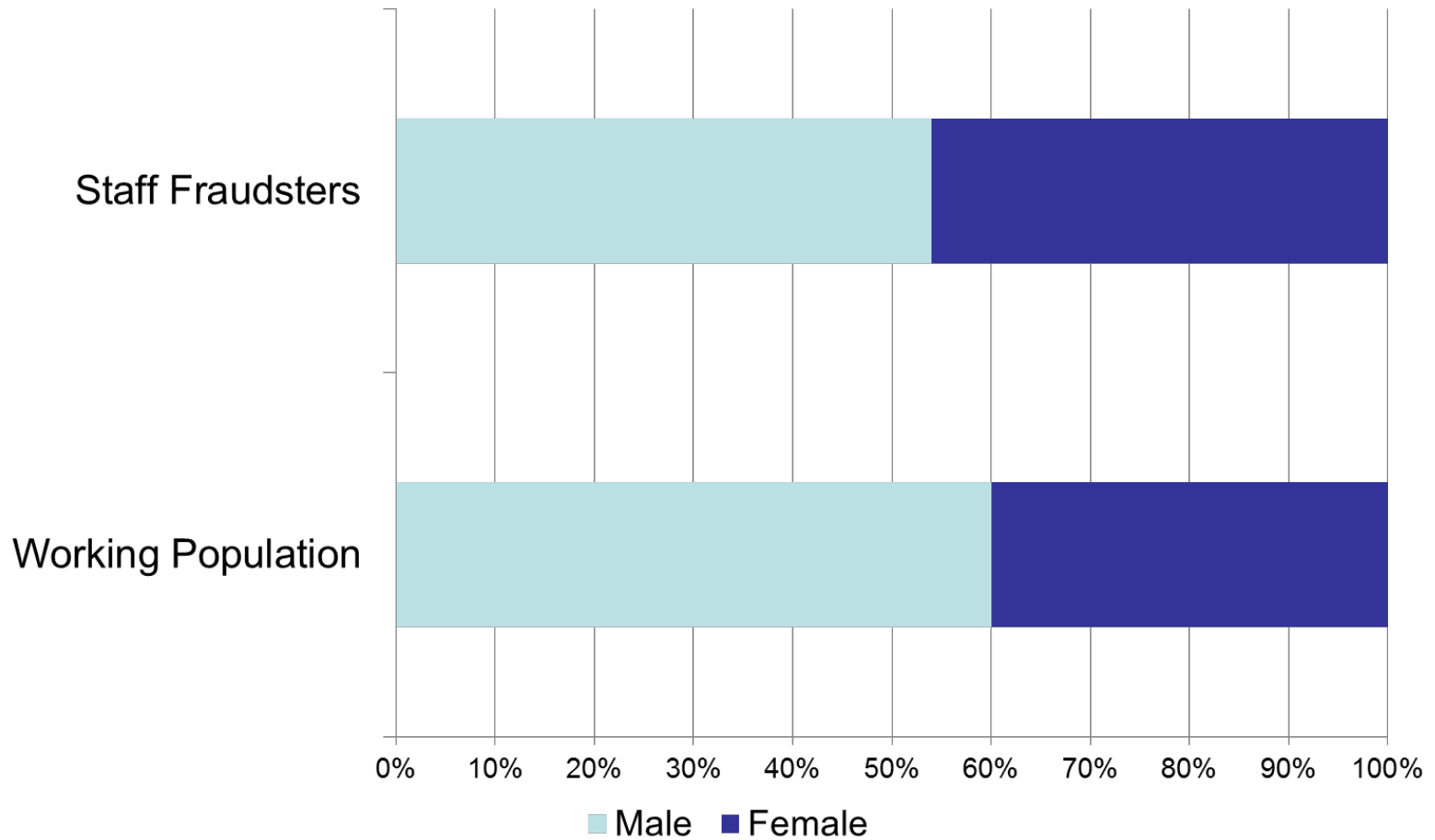
# Demographic and employment- Age

Average age of internal fraudsters across the different fraud types

Figure 5.1.1



# Demographics and employment - gender

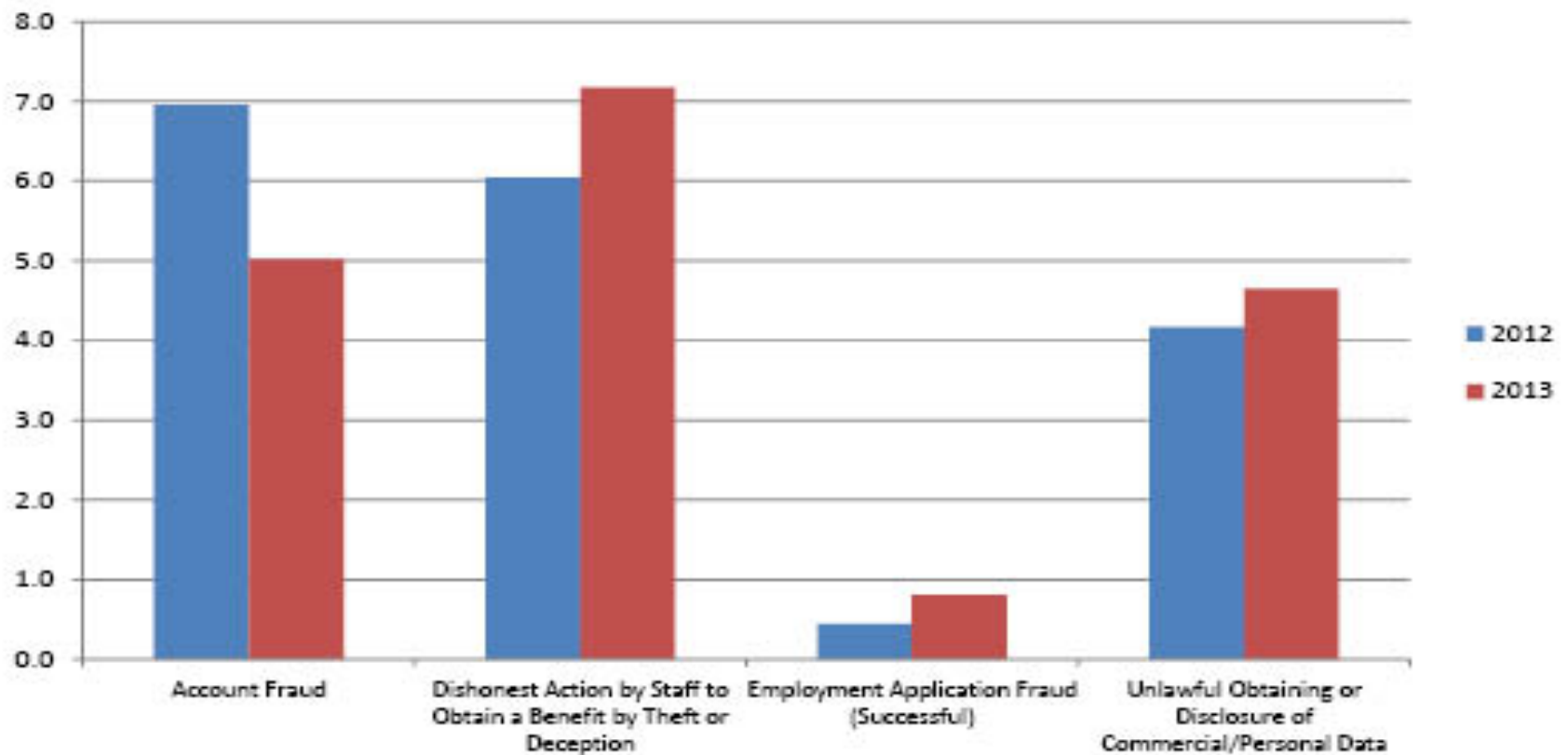


# Demographics and employment -Business Area

- **Branches, Retail outlet/Store- 70%**
  - 85% Account Frauds
  - 90% Data thefts
  - 74% Theft or deception
- **Customer Contact Centres- 20%**
  - 75% Data thefts

# Demographics and employment -length of service

Average length of service for internal fraudsters by fraud type  
Figure 5.4.1



# Identifying, Reporting and Convicting -means of discovery

Internal Controls	60%
Customer	21%
Staff/ Whistleblower	11%
Other	8%



# Identifying, Reporting and Convicting -reason for leaving

Dismissed	63%
Resigned during investigation	26%
Resigned	10%

- Reported to the police
  - ¼ of all cases
  - Account Frauds- 59%
  - Dishonest Actions- 48%
- Convictions
  - 40% of cases reported to law enforcement

# What are the motivations?

- **Links to organised crime**
  - Approaches for customer data
  - Placed with the sole purpose of committing fraud
  - Way to raise funds for other criminal actions
- **Greed**
  - Employment application fraud
  - Theft
- **Need**
  - Debts
  - Addiction
- **Peer pressure/ revenge/ ego?**

- Data sharing
- Interaction between HR, Fraud, Risk and Information Security depts.
- Internal controls
- Staff awareness and training

**Sophie Keen**  
**Member Recruitment Manager-**  
**Internal Fraud Database**

**[Sophie.Keen@cifas.org.uk](mailto:Sophie.Keen@cifas.org.uk)**

**[www.cifas.org.uk](http://www.cifas.org.uk)**