

**AS BUSINESS FRAUD STATISTICS GROW,
SHANNON & ASSOCIATES AFFILIATES WITH RED FLAG REPORTING**



FOR IMMEDIATE RELEASE September 2012 – With a typical organization losing 5% of its revenue to fraud each year, it's no wonder that Shannon & Associates, one of the area's largest accounting firms, has affiliated its business with Red Flag Reporting services.

The *2012 Report to the Nations on Occupational Fraud and Abuse* by the Association of Certified Fraud Examiners (ACFE) reported an average loss due to fraud of \$140,000 per victim, with more than 20% of victims losing at least \$1,000,000. The result of these findings is a concerted effort on the part of Shannon & Associates with the education and training of their employees and clients on fraud prevention, detection, and proactive reporting.

"Unfortunately, we've seen a lot of vulnerability in clients who over-rely on audits and internal controls alone to protect themselves from fraud," states Certified Fraud Examiner and CPA Jessica Kinney of Shannon & Associates.

"Businesses today need to focus on protecting their bottom line everywhere possible – not only on spreadsheets, but within their own work environments. Choosing to affiliate with Red Flag Reporting was an easy decision for us – as it is the most cost-effective anti-fraud solution and it's created for organizations of all sizes. It was the perfect fit into our portfolio because it was founded within our industry, by experts with the high standards similar our own," says Jessica.

Red Flag Reporting can help clients achieve 44% less loss from fraud (than those without). In fact, the national average for loss to fraud reported by companies without a hotline is \$180,000.

"Clients love it because it's a targeted, user-friendly and cost-effective solution to occupational fraud," says Raymond Dunkle, President of Red Flag Reporting. "At Red Flag Reporting, we see it as part of our job to protect a client's bottom line, and so we founded this turnkey program for our affiliated firms to be able to extend the

protection to their clients as well. We're ecstatic to see the benefits of this proven system for fraud prevention being utilized by a firm with the stellar reputation that Shannon has."

Red Flag Reporting was created to educate and empower employees with the tools to detect and report unethical behavior. Because tips and complaints are proven to be the number one method of fraud protection (*2012 ACFE Report to the Nations on Occupational Fraud and Abuse*), the anonymity that hotlines like Red Flag Reporting provides has been shown to make employees feel both protected and alleviated from burden. By adding a new service to our portfolio, Shannon & Associates is now in a unique position to build value and protect our clients.

About Shannon & Associates

Shannon & Associates is a full service accounting and consulting firm serving successful businesses and individuals across Washington, Alaska, Oregon and California. Offering industry expertise to manufacturers, distributors, financial institutions, not for profits, retail, construction and family or closely-held companies. Our services include traditional accounting, auditing and tax expanding to estates and trusts, international tax, employee benefit plan audits and plan administration, accounting and ERP software, state and local taxes, mergers and acquisitions, forensic accounting including fraud prevention and awareness.

About Red Flag Reporting

Red Flag Reporting's mission is to protect organizations and their people from damages caused by financial fraud and employee misconduct. Developed by experienced fraud investigators and human resources consultants, Red Flag Reporting is a highly effective program to detect and stop costly problems such as embezzlement, false billing, misuse of appropriations and accounting irregularities. The program also addresses employee protection, raising red flags before a work condition leads to a litigious situation. For more information contact Certified Fraud Examiner, Jessica Kinney, CPA, CFE at 253-852-8500 or JKinney@Shannon-cpas.com