

Fraud Awareness Week Casts Spotlight on White Collar Crime

SHANNON & ASSOCIATES JOINS RANKS OF SUPPORTERS FOR NOV. 11-17 AWARENESS MOVEMENT

We are pleased to announce that we will be participating in International Fraud Awareness Week, Nov. 11-17, 2012, as an official supporter to promote anti-fraud awareness and education. Organizations around the world lose an estimated 5 percent of their annual revenues to fraud, according to a study conducted by the Association of Certified Fraud Examiners (ACFE).

As an official supporter of the movement (also known as “Fraud Week”), Shannon & Associates joins hundreds of organizations who have partnered with the ACFE, the world’s largest anti-fraud organization and premier provider of anti-fraud training and education, in a commitment to proactively fight fraud and help safeguard business and investments from this growing problem.

During Fraud Week, official supporters will engage in various activities, including: hosting fraud awareness training for employees and/or the community, conducting employee surveys to assess levels of fraud awareness within their organization, posting articles on company websites and in newsletters, and teaming with local media to highlight the problem of fraud.

“We as a firm have made the decision to become a supporter of Fraud Awareness Week as we see the impact that fraud has on our clients. The objectives of this cause fit nicely with our mission and service offering such as Red Flag Reporting which is working to make fraud prevention and detection front of mind for our clients. In a tough economy, the risk is that much higher.” Jessica Kinney, CPA, CFE

ACFE President and CEO James D. Ratley, CFE, said that the support of organizations around the world helps make Fraud Week an effective tool in raising anti-fraud awareness.

“While fraud prevention and detection is a year-round endeavor, International Fraud Awareness Week provides a great opportunity to spotlight this serious problem and stress the importance of anti-fraud training and education,” Ratley said. “Businesses and organizations who are involved in this campaign show an understanding that spreading awareness is key in combating the worldwide fraud threat.”

“This marks the fifth year since Fraud Week became an international movement, and once again, we want to say ‘thank you’ to all of the Fraud Awareness Week supporters for making it a reality,” Ratley said.

In its *2012 Report to the Nations on Occupational Fraud & Abuse*, the ACFE found that:

- **Fraud schemes are extremely costly. The median loss caused by the occupational fraud cases in the ACFE study was \$140,000. More than one-fifth of the frauds involved losses of at least \$1 million.**
- **Schemes can continue for months or even years before they are detected. The frauds in the study lasted a median of 18 months before being caught.**
- **Occupational fraud is a global problem. Though some findings differ slightly from region to region, most of the trends in fraud schemes, perpetrator characteristics and anti-fraud controls are similar regardless of where the fraud occurred.**
- **Small businesses are especially vulnerable to occupational fraud. These organizations are typically lacking in anti-fraud controls compared to their larger counterparts, which makes them particularly vulnerable to fraud.**
- **Tips are key in detecting fraud. Occupational frauds are much more likely to be detected by tip than by any other means. This finding reinforces the need for promoting awareness to foster an informed workforce.**

For more information about increasing awareness and reducing the risk of fraud during International Fraud Awareness Week, visit www.FraudWeek.com.

The *2012 Report to the Nations* is available for download online at the ACFE's web site: ACFE.com/RTTN. The Report is in PDF format.

Shannon & Associates is a full service accounting and consulting firm serving businesses and individuals across Washington, 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.

We have also recently affiliated ourselves with 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

About the Association of Certified Fraud Examiners

The ACFE is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with nearly 65,000 members in over 150 countries, the ACFE is reducing the incidence of fraud and providing the training and resources to fight fraud more effectively. For more information about the ACFE, visit www.ACFE.com.