

PUBLICATION

Employee Fraud

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U.S. businesses lose 5% of their revenues each year to fraud according to a new report issued by the Association of Certified Fraud Examiners (ACFE). In actual dollar losses, that translates to an estimated \$652 billion, annually. Losses shared, unfortunately, within law firms as well as by our clients.

Fraud schemes by employees are especially troublesome and disproportionately affect small businesses. The ACFE study indicates that the typical occupational fraud scheme is difficult to detect (because of the extended time periods over which such fraud develops) and that small businesses (less than 100 employees) have higher losses per event than even the largest organizations (companies having over 10,000 employees).