

Beat: Business

Employee Fraud: Why Do They Cheat, Lie and Steal?

Too big to fail, too big to jail

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USPA NEWS - Organizations lose an average of 5% of their annual revenues to employee fraud. The Association of Certified Fraud Examiners (ACFE) published a recent report in which they found that the average fraud loss to medium and small businesses was over \$55,000.

No business owner likes to think an employee is committing fraud. If suspicions are raised, it's better to act early and hire some expertise than to deal with the consequences of theft "" which can be life changing.

A conversation about suspicions is preferable to losing thousands of dollars and being certain months later, the Forensic Accounting Specialist, they often gets called by business owners who say they know something isn't right, but can't pinpoint why the company is not performing as expected. This isn't surprising, because fraud by its nature is all about deceit.

All employees lie at one point or another. That is human nature -- to display false results in order to raise employee status. Many employees agree that company's pressures to perform well have been one reason for lying and cheating. Falsifying their performance -- like coming in late and not reporting it or putting in numbers that are not true -- is common.

Many companies have laws and regulations set in order to keep these small fraudulent activities to the minimum. Do they always work? No, you can never be sure about what employees are up to and what drives them. Pressure from bosses drives these employees to dive into immoral activities.

Employee frauds can be of various types. The gravity depends on the nature of the crimes committed. Financial institutions are more prone to having employees' committing crimes such as stealing money and giving the company a big blow. A company's lax internal control can also drive employees to steal. If an employee knows that they will not get caught, no matter what they do, they will be attracted towards taking such actions.

A company, which has a proper fool-proof audit technique, a stealer would get caught for sure. A company lacking such a system is prone to having more cheating and stealing employees. Another reason why an employee might steal could be an unsatisfied personal life. This reason depends totally on the psychological state of the employee.

This is a very common white-collar crime that the world suffers from. The employer-employee relationship is a direct one based on trust and leadership. Employees usually imitate their bosses and if they have noticed their bosses stealing or lying or cheating, they will too. The seniors are responsible for creating an environment that is comfortable and honest for both the employees and the company.

Article online:

<https://www.uspa24.com/bericht-12493/employee-fraud-why-do-they-cheat-lie-and-steal.html>

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