



## Red Flags of Fraud

Recognizing behavioral red flags is one of the most effective methods of detecting fraud within an organization. In its 2024 report on occupational fraud, the Association of Certified Fraud Examiners highlights that individuals involved in fraud frequently display warning signs when carrying out their schemes. By staying alert to these red flags, employees can play a crucial role in the fight against fraud.

The Association of Certified Fraud Examiners lists the following as the most common behavioral red flags of fraud:

### **Living beyond one's means**

- Individuals engaging in fraudulent activity may show signs of living a lifestyle that doesn't align with their known income sources.

### **Unusually close relationship with a vendor, donor, grantor, or other stakeholder**

- An unusually close relationship may suggest collusion or a potential conflict of interest.

### **Unwillingness to share duties**

- Exhibiting control issues related to a process may indicate an individual is attempting to limit oversight or conceal unethical actions.

### **Financial difficulties**

- Personal financial hardships can motivate individuals to commit fraud to alleviate their financial stress.

### **Irritable, suspicious, or defensive behavior**

- Individuals committing fraud may react negatively when questioned or feel threatened when subject to scrutiny.

### **“Wheeler-dealer” attitude**

- Individuals who show a willingness to use dishonest or unfair business practices may be more likely to commit fraud for personal gain.

### **Where can I find more information?**


 [USF Regulation 5.001](#): Fraud Prevention and Financial Detection

 USF Office of Internal Audit website: <https://www.usf.edu/audit/>

### **How can I report potential fraud or abuse?**

 Notify your supervisor.

 Contact the USF Office of Internal Audit at (813) 974-2705.

 Report activities anonymously through the [EthicsPoint](#) hotline at (866) 974-8411.