



CA-Queen's Centre for Governance

Technical Report

Qiu Chen MSc.
Doctoral candidate

Steven Salterio Ph.D. FCA
PricewaterhouseCoopers/Tom O'Neil Faculty Fellow in Accounting
Professor of Business
Director, CA-Queen's Centre for Governance

October 22, 2008

Fraud in Canadian Nonprofit Organizations As Seen Through the Eyes of the Canadian Newspapers 1998-2008

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**Fraud in Canadian Nonprofit Organizations
As Seen Through the Eyes of the Canadian Newspapers 1998-2008**

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Featuring an introduction by Pamela Murphy PhD CPA, Assistant Professor at Queen's School of Business and researcher in financial reporting fraud.

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Fraud in Canadian Nonprofit Organizations

As Seen Through the Eyes of the Canadian Newspapers 1998-2008

Introduction and Overview

Organizational fraud (fraud committed in the course of one's employment) poses a significant threat around the world. In a recent worldwide survey, PricewaterhouseCoopers found that nearly one out of two companies has been victim to a fraud in the last two years (PricewaterhouseCoopers 2007). Much attention has been given to fraud within for-profit organizations, especially public companies (the Sarbanes-Oxley Act of 2002 in the United States is an example). However, fraud poses an equally significant threat to nonprofit organizations. This research study explores fraud within Canada's nonprofit organizations. The purpose of my introduction is to situate this study in the broader fraud literature so as to better understand what it can and cannot tell the reader.

The study finds that the median loss from fraud within Canadian NFPs is \$27,244, significantly smaller than the median loss of \$100,000 for nonprofits in the United States (Greenlee et al. 2007).¹ However, the median fraud loss represents about 5% of annual revenues, quite close to the ACFE estimate of 7% of annual revenues for all U.S. organizations (ACFE 2008). Smaller NFPs – those employing fewer than 50 people and / or having annual revenues of less than \$100,000 – experience the most number of fraud cases and the highest losses relative to their annual revenue. Fraud losses for the smallest NFPs – those with annual revenues less than \$100,000 – are a median (mean) of 72% (119%) of annual revenue. NFPs located in the largest cities (population greater than one million) experience close to half of all reported frauds and experience a relatively higher median loss of \$38,000.

Fraud detection is different between Canadian NFPs and other organizations, with tips

¹ For comparative purposes, \$100,000 is the median loss in US dollars in 2004; this study in Canadian dollars, occurred over a 10 year timeframe.

being the most productive method both worldwide (PwC 2007) and in US non-profit organizations (Greenlee et al. 2007). Unfortunately, the single greatest means of detection within Canadian NFPs is by accident, followed by the audit function, both external and internal.

This study also finds that fraud perpetrators within a Canadian NFP have a slightly different face along one dimension: gender. The typical perpetrator is a woman 46% of the time and a man 54% of the time, significantly different than the 85% male perpetrators in fraud worldwide (PricewaterhouseCoopers 2007), but closer to the 60% male in U.S. frauds (ACFE 2008). This difference might reflect a greater percentage of women employed by NFPs than other organizations. The remaining statistics on fraud perpetrators are in line with other countries. Perpetrators' ages are mostly in their 30s, 40s, or 50s. This finding differs only slightly from fraud worldwide which is dominated by those in their 30s (PricewaterhouseCoopers 2007) and in the U.S. where it is dominated by those in their 40s (ACFE 2008). In line with other fraud literature, this study finds that top management (board members, CEO and other managers) are the perpetrators in the greatest percent of cases, 37%, followed by the CFO / financial staff and hired fundraisers at 28% each. The ACFE (2008) reports that half of all fraud cases involve the accounting department or upper management.

Comparing Canadian NFP fraud statistics to data elsewhere, fraud losses appear to be lower, in absolute terms, for Canadian NFPs than the U.S. or worldwide. However, such results could be misleading for three reasons. First, much fraud goes unreported (ACFE 2008) and this study is based on reports from media outlets only while comparable reports in the U.S. and worldwide are based on anonymous surveys of members of the Association of Certified Fraud Examiners. Second, NFPs may be especially reluctant to release information about fraud because of the negative impact on fundraising (Greenlee et al. 2007) hence only cases serious enough to warrant criminal charges will come to the attention of the media. More than 80% of companies experiencing fraud worldwide indicated that the fraud damaged their business (PwC 2007). One might reasonably expect the damage to be even greater for an NFP when supporters question the efficacy of

their contributions if the organization cannot safeguard them before being spent. Finally, the media in this study did not report many final outcomes of fraud (52% of cases reported in the media are charges only) while comparable data reports completed fraud cases.

Some may find the concept of fraud within NFPs unthinkable. How could someone cheat or steal from an organization dedicated to helping others? This study provides evidence that fraud does not discriminate. Smaller Canadian NFPs appear especially vulnerable. These organizations in particular might consider the following: 1) develop stronger oversight, especially where standard internal controls such as segregation of duties are difficult to implement, 2) institute a whistle-blowing or tip hotline, 3) ensure the organization maintains an ethical culture in which top management and the board not only “talk the talk”, but “walk the walk.” Armed with increased awareness of the risk of fraud, we can analyze the causes in greater depth and develop new and better methods for detecting and deterring fraud.

Pamela R. Murphy

Kingston

October 31, 2008

Fraud in Canadian Nonprofit Organizations

As Seen Through the Eyes of the Canadian Newspapers 1998-2008

The Report

Canada has one of the largest and most vibrant nonprofit and voluntary sectors in the world, which accounts for 6.8 percent of the nation's gross domestic product (GDP) and employs 12 percent of Canada's economically active population.² With the significant role nonprofit organizations play in Canadian life and the increasing demand for accountability in nonprofit organizations, more attention is drawn to nonprofit organizational fraud. Media coverage on fraud in nonprofit organizations is news that catches the public's eyes and can lead to a reduction in trust in those organizations over time.³ This study searches for newspaper reports about frauds committed on Canadian nonprofit organizations published in Canadian national and leading regional newspapers between 1998 and 2008. The goal of the research is to better understand the nature of frauds, the nonprofit organizations defrauded and the characteristics of perpetrators with the hopes of alerting the not for profit community of common trends discovered.

The rest of this paper is organized as follows. First we describe our search process. Then we discuss our findings: the cost of fraud, types, detection, characteristics of the defrauded NFPs and the perpetrators. We conclude with our observations and a call for more attention to fraud within this important segment of Canada's economy.

Not for Profit Organization Fraud in Canada's Newspapers

We searched newspaper articles in the "Canadian Newsstand" database, which includes the *Globe and Mail* and *National Post*, leading regional newspapers (e.g. *Calgary Herald*, *Edmonton Journal*, and *Vancouver Province*) and the largest Canadian daily newspaper,

² Hall, Barr, Easwaramoorthy, Sokolowski and Salamon, 2005 cite data from Statistic Canada and Imagine Canada's work in this area.

³ See Fremont-Smith and Kosaras 2003.

the *Toronto Star*. We used a combination of keywords defining the nature of the organization, such as “nonprofit”, with words related to fraud, such as “theft” (see the Appendix for the full list of search terms). We screened all news articles in the initial search (i.e. 6645 news articles in total most of which turned out to be irrelevant to our study but we wanted cast a broad net initially) and included only those fraud cases committed by nonprofit organizations’ employees (e.g. managers and executives) or legitimate associates (e.g. hired fundraisers, volunteers and board members).⁴ We located 114 unique fraud cases in total, which occurred during the period 1986 and 2006.

Nature of Frauds in Canadian Nonprofit Organizations

The Cost of Fraud to the Nonprofit Organization

The total dollar loss to NFP organizations as reported in 100 out of 114 cases and ranges from \$474 to \$2,300,000. The mean (median) loss for these cases is \$119,821 (\$27,244).⁵ The mean is much larger than the median (the difference between the mean and the median is \$92,577), meaning that the typical fraud is a small dollar amount with a few very large frauds that increase the overall average. As Figure 1 shows, 59% of the NPOs were defrauded of less than \$50,000, with 43% of fraud cases clustered between \$10,000 and \$49,999. However, loss as a percentage of annual revenue ranges from near 0% to over 350%. This percentage is only a rough picture of the severity of fraud as matching fraud loss to a particular year’s revenue figure was difficult, both for the fraud and the revenue amount in the year.⁶

⁴ We did not keep frauds committed on third parties by non-existent charitable organizations or charitable organizations that did not carry out charitable work, frauds committed by taxpayers in collusion with charitable organizations to inflate income tax receipt values and defraud the government, nor did we include frauds where people represented they were collecting funds on behalf of a legitimate not for profit organization when there was no connection between the person and the organization and all reasonable attempts had been made to ensure that legitimate representatives were clearly specified.

⁵ Median loss means exactly half of the losses were higher than that amount and half were lower.

⁶ The annual revenue we used to calculate this percentage is the latest year revenue that we found either in the CRA

The Type of Fraud

For 82 fraud cases we found enough information to classify them into the three fraud categories used by the Association of Certified Fraud Examiners (ACFE 2008) that provide one of the most comprehensive reports on fraud in the private sector. 96% (76) of NFP fraud involved asset misappropriation, the theft of cash by various means, such as fraudulent invoicing, payroll fraud, and skimming revenues. Only one case involved corruption, where a person uses his or her influence in a business transaction to obtain an unauthorized benefit contrary to that person's duty to his or her employer, such as accepting or paying a bribe and engaging in a business transaction where there is an undisclosed conflict of interest. Two cases involved fraudulent financial statements in which a person falsified the organization's statements to make the organization appear more financially stable than it was.

Detection of Fraud

Among the 114 fraud cases, only 22 report how the fraud is detected. 8 cases (36%) are detected by accident (e.g. a donor requested for a receipt for the embezzled donation), 6 cases (27%) by internal audit, 4 cases (18%) by external audit, 1 case (4%) by external tip (e.g. bank) and 3 cases (14%) by other internal controls (e.g. board member). Please see Figure 2.

Characteristics of the Defrauded NFP Organizations

Types of Organizations

Among the 114 defrauded nonprofit organizations, 44 organizations are registered charities that can be found in the Canada Revenue Agency (CRA) charities database (i.e.

database for charities or in the organization's website. The reason we used the latest year's revenue is that it is difficult to find the revenue number in the early years as the CRA only provides the tax filings data after 2000. Organizations' websites usually only upload the financial data back to two prior years.

they can give out tax receipts). The other 70 organizations are voluntary organizations that fall into a variety of categories (see Table 1). The categories of welfare organizations and service clubs and fraternal societies are the two types of NFP organizations that are victimized most by fraud, each accounting for nearly 23% of our sample.

Size of the Defrauded Organization

Number of Employees

We employ the nonprofit organization's tax filings on the CRA website and the organization's own website to obtain the number of permanent, full-time, compensated employees and part-time or part-year employees. We use the sum of full-time and part-time employees as one measure of size. Number of employees is important as one of the key principles of fraud prevention is segregation of duties. Segregation of duties is facilitated by a larger staff where it is more likely the organization will have sufficient management and administration employees to effectively segregate asset custody from transaction authorization from recording of transactions (the BIG 3 of segregation of duties). We could only locate 28 organizations disclosing employee information. Within these 28 organizations, 42.86% (12 organizations) have less than 10 paid employees. The organizations with less than 10 employees and the organizations with more than 10 employees have mean fraud loss \$62,413 and \$184,173 respectively, but these mean losses are not significantly different.⁷ Please see the Figure 3, 4 and 5 for more detailed analyses.

Annual Revenues

Similarly from the CRA website and NFP organizations' websites, we found the latest

⁷ $p < 0.14$ two tailed test. We use the term statistically significant to mean a highly likely to be meaningful difference at probability of 0.05 or 1 time out of 20. We use the term marginally significantly to mean a probability of 0.10 or 1 time in 10. Our Figures are available in a format that also includes relevant statistical tables upon request.

annual revenue for 46 out of the 114 organizations. The mean (median) annual revenue is \$18,307,276 (\$632, 252) and the difference between the mean and median shows a few large NFP organizations were defrauded with many smaller ones being the typical focus of fraud. We examine revenue because larger size (more revenue) organization suggests greater resources to spend on fraud prevention and detection. We find that smaller organizations tend to have smaller absolute dollar fraud losses versus larger organizations (see Figure 6). These mean fraud losses are not significantly different from each other.⁸ In terms of fraud loss as a percentage of annual revenue, the small organizations tend to have larger percentage of revenue losses, and the larger organizations have smaller percentage losses. These differences in mean percentages are statistically significantly different demonstrating the relatively higher impact of the fraud loss on smaller organizations despite the smaller absolute number of dollars involved.⁹ See Figure 7 for impact.

Community Size of the Defrauded NFP Organization

We identify the location of each defrauded NFP organization from the news article and then obtain the metropolitan population as a measure of community size where the defrauded NFP organization is located.¹⁰ The argument advanced is that in smaller towns and rural areas, people know each other better and are less likely to commit fraud as the social sanctions would be too great. 107 organizations have location information in the news articles, of which 42.99% lie in larger urban centers that have a population larger than 1 million. The mean (median) community size is 1,033,246 (892,712). We find that fraud is concentrated in the larger urban centers. For example, given the well know fact

⁸ p<0.11 two tailed test.

⁹ p<0.02 two tailed test.

¹⁰ We used 2006 Statistics Canada definitions of census metropolitan area for our population number <http://www12.statcan.ca/english/census06/release/index.cfm> assessed September 2, 2008 .

(confirmed again in Census 2006 by Statistics Canada see footnote 9) that 80% of Canadian live in urban areas (defined as population greater than 50,000) and 20% in rural areas yet less than 8% of the reported fraud in our sample took place in communities with less than 100,000 in population.¹¹ However, the defrauded NFP organizations located in the larger centers with a population more than 1 million lost the most (mean fraud loss was \$186,791), followed by organizations in the smallest communities with a population less than 100,000 people (mean fraud loss was \$171,515). However, the mean fraud losses for organizations across all five community sizes are not significantly different. See Figure 9. Hence, while less fraud occurs in small towns and rural areas, when it does occur it is just as costly to the NFP organization as if it occurred in a larger center.

Characteristics of the Fraud Perpetrator

Collusion

110 of 114 fraud cases in this study have information about perpetrators in the news articles. 118 perpetrators committed these 110 frauds, of which 8 (7.27%) frauds are committed by collusion of 2 or more perpetrators and the remaining 102 (92.73%) frauds are committed by one perpetrator. This supports the story that fraud is more likely to be committed by a single individual and hence the need to segregate duties to make it difficult for one individual to defraud an organization on their own. The mean (median) fraud loss of \$119,190 (\$75,000) for the collusion cases are higher, but not significantly higher, than the mean (median) fraud loss \$116,734 (\$27,244) for frauds committed by one perpetrator. Please see Figure 10.

Perpetrator's Position in NFP Organization

¹¹ This could be biased by our choice of Canadian Newsstand as a search source but we found no additional articles when we searched the one database that concentrates on regional papers in Ontario and Quebec (Newsscan.com).

114 perpetrators have position related information disclosed in the news articles. We classify perpetrator positions into 5 categories: hired fundraiser, board members, CFO or financial staff, CEO or other managers, and other employees. The most frequently reported perpetrators are CEO or other managers (29.82%), followed closely by CFO or financial staff (28.07%), and hired fundraisers (28.07%). Fraud cases committed by CEO or other managers have the highest mean losses \$176,082, followed by CFO or financial staff (\$127,347), and other employees (\$110,304) with hired fundraisers (\$60,927) and board members (\$42,500) at lower absolute levels. These mean fraud loss amounts, however, are not significantly different across the five categories. Please see Figure 11.

Perpetrator's Criminal Background

Among the 118 perpetrators, criminal history is noted only 12 times in all the articles and in 11 cases, there is a prior criminal conviction reported. We cannot tell if silence in the other 106 cases reflects lack of criminal record or just lack of reporting. We suspect, consistent with anecdotal evidence and the media's incentive to report the fact that the person charged had a criminal record (causal review of crime reporting leads one to conclude that is a standard part of media reports on criminal proceedings), that silence implies lack of criminal record suggesting that most NFP fraud is committed by those without a criminal record. Greenlee et al. (2007) report that most frauds within nonprofit U.S. organizations are perpetrated by someone without a criminal record.

Perpetrator's Length Associated with NFP Organization

13 cases disclose how long perpetrators worked with the defrauded NFP organizations. The period ranges from 1 year to 20 years. The mean period of time is 15 years (median 12 years and 7 months). While this is a small sub-sample where we have actual data, it is

consistent with U.S. evidence that NFP fraud is often committed by long time trustworthy staff and others at the highest levels in the organization (Greenlee et al. 2007).

Gender of Perpetrator

As figure 12 reports, 62 perpetrators (53.91%) are male, and the remaining 53 perpetrators (46.09%) are female. This finding is in contrast to other fraud literature that reports males as the significantly dominant fraud perpetrator (PricewaterhouseCoopers 2007, ACFE 2008). The fraud cases committed by male perpetrators have the higher mean (\$119,366.03) and lower median (\$16,500) losses than those committed by female perpetrators (mean \$108,778.17 and median \$40,000), but these are not significantly different between genders.

Age of Perpetrator

Figure 13 reports that in 89 cases the perpetrator age is given, ranging from 25 to 71 years old with a mean and median of 48. The three age ranges with the highest frequency of reported fraud are 50-59 years old (28.09%), followed by 40-49 years old (26.97%) and 30-39 years old (25.84%). These numbers are consistent with the long time trusted person profile committing the fraud discussed with age data above. However, when fraud is committed by perpetrators younger than 30 years old, the mean loss was \$868,667, which is highly statistically significantly larger than the mean losses in other age groups.¹² Hence, while older persons are more likely to commit fraud, due potentially to their better assess and fewer controls in place over their activities, when younger people commit fraud, they tend to do so in a big way.

Case report date

¹² $p < 0.0001$. Highly statistically significantly mean very unlikely due to sampling error.

The news articles that reported the fraud story did so at varying times in the 111 cases where we can tie the report to a date occurrence. In all cases the perpetrators were charged with crimes related to the frauds.¹³ At the time of the most recent press mention in our sample in 52 cases (46.85%) the perpetrators were convicted of a fraud related offense, in 58 cases (52.25%) the report is at the time charges were laid and in only 1 case was the person charged acquitted. There was no significant difference between high level management or board members (46.67%) and lower level employees (52.22%) being charged and convicted of fraud. We could find no record of the trial outcomes for 58 cases with no resolution reported as at July 15, 2008 when our data collection ended despite many of the stories dating back several years. Please see Figure 14.

Sentencing

Of the 52 cases where the perpetrators were convicted of a fraud related offences, jail time was the most common sentence, occurring in 36 (69.23%) of the cases with average jail time sentenced to of 32 months (ranging from 3 months to 90 months). The second most common sentence was probation that was meted out in 14 (26.92%) cases although in 5 (9.62%) of the cases probation was in addition to jail time. The third most common sentence was house arrest at 7 (13.46%) of the cases with 2 cases this being in addition to jail time. Finally, 4 perpetrators received conditional sentences involving no jail time, 1 received a suspended sentence and another received a \$1000 fine.

Summary

So what does this study tell us about the nature of NFP organizational fraud in Canada?

We summarize what we learned from each of the three perspectives.

¹³ This might explain the press publication and hence bias our results. The news reported charge was most commonly “theft over \$X” or “fraud over \$X” with the rarer charge being “falsification of books and records”.

The Fraud Itself

Frauds at NFP organizations tend to be small in absolute dollar amounts with a few very large frauds generally committed at larger NFP organizations. However, while small in dollar amounts, frauds can represent a huge portion of smaller NFP organization's annual revenues, with the median fraud loss representing over 70% of NFP organizations' revenues for those organizations with less than \$100,000 in revenues. The fraud is most likely to be detected by some form of internal control (e.g. internal audit) or by accident with external audit contributing some discoveries (we do not know how many of our organizations were audited so the audit contribution could be much higher as a percentage of organizations audited).

The Defrauded NFP Organization

Perhaps not surprisingly, fraud was more likely to occur in large urban centers than in smaller centers. For example, almost 82% of the reported frauds were committed in census metropolitan areas of 200,000 or more which only represents 60% of Canada's population per the 2006 Census. Nonetheless, both the largest and smallest centers reported similar dollar averages in amount of reported fraud losses. With limited data, we observed that size of the organization (either measured by number of employees or by amount of financial resources as measured in revenue) did not seem to reduce the frequency of fraud, given credence to the story that good internal control does not depend solely on organization size but on attitude towards control. Organizations with strong internal controls and having annual external audits tended to discover frauds themselves, while other organizations found the fraud by accident or by tips, neither of which can be solely relied on as a means of consistent fraud detection.

The Fraud Perpetrator

The most frequently reported fraud perpetrators held senior management position such as CEO, CFO or other managerial and financial positions in the NFP organization, work for more than 10 years, and are between 30 and 50 years old. While more senior people might be more able and motivated to commit fraud, when younger people commit fraud, the amounts tend to be much larger. The majority of fraud cases are committed by one perpetrator rather than by collusion of two or more perpetrators. The ability on one person to steal significant to the organization sums of money reveals an ongoing weakness in internal controls and an emphasis on ‘trust’ in the organizations rather than ‘trust but verify’ a much safer approach. Assuming the lack of criminal background as reported in news articles implies a clean criminal record, then the vast majority of perpetrators do not have a criminal record. The number of male and female perpetrators is roughly the same as is the mean amount of fraud loss by genders. Finally, if a fraud perpetrator is charged and convicted of a crime, unlike the general societal picture of the white collar criminal walking away with a “slap on the wrist”, it is likely that at least some jail time will be served.

Conclusion

This study collected news reports of frauds in Canadian nonprofit organizations that were committed by those associated with the organization, be it a staff member up to the level of CEO, a board member, or a hired contractor such as a fundraiser. Combining the information in newspaper articles with that available to the public in the CRA charity database and the organization’s website, we investigate frauds in Canadian nonprofit organizations from three perspectives: the fraud itself, the organization defrauded and

perpetrator. This study is the first Canadian study to attempt to document the scope, the severity, and other characteristics of Canadian nonprofit frauds from publicly available sources. Although the newspaper articles can have a selection bias (i.e. they may only report on frauds where criminal charges are laid), we believe this is the first step to learn more about Canadian nonprofit frauds.

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Appendix

The full list of search terms used to search news articles in the database “Canadian Newsstand”.

The words defining the nature of organizations:

Nonprofit, Non-profit, Not for profit, Charity, Charitable, Volunteer, Volunteering, Volunteerism, Fundraise, Fundraising, Fundraiser, Club, Association, Culture, Cultural, Religious, Religion, Church.

The words related to frauds:

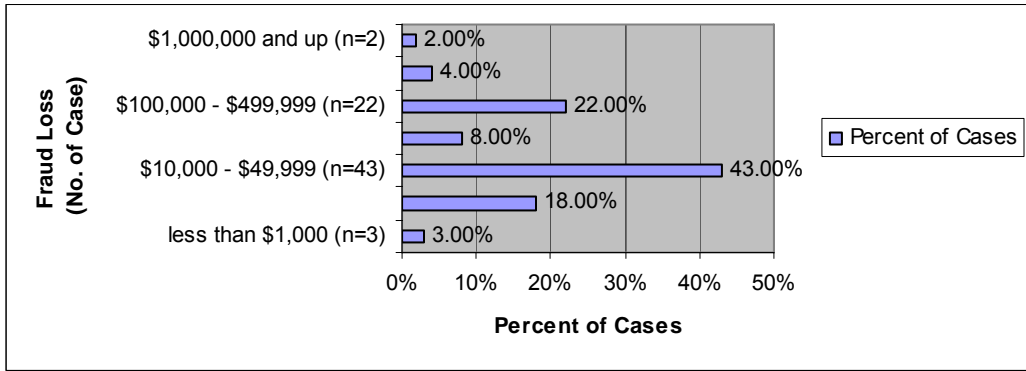
Fraud, Fraudulent, Theft, Crime, Criminal, Scam, Steal, Stolen, Stole, Extortion, Extort, Dishonest, Dishonesty, Forge, Forgery, Bamboozle, Bamboozlement

We also used wild card search terms for the following. The “*” indicated every possible set of letters is tried at the end of the word.

Organization: Chari*, Volunt*, Fundrais*, Cultur*

Fraud: Fraud*, Crim*, Stole*, Extort*, Dishonest*, Forge*, Bamboozle*

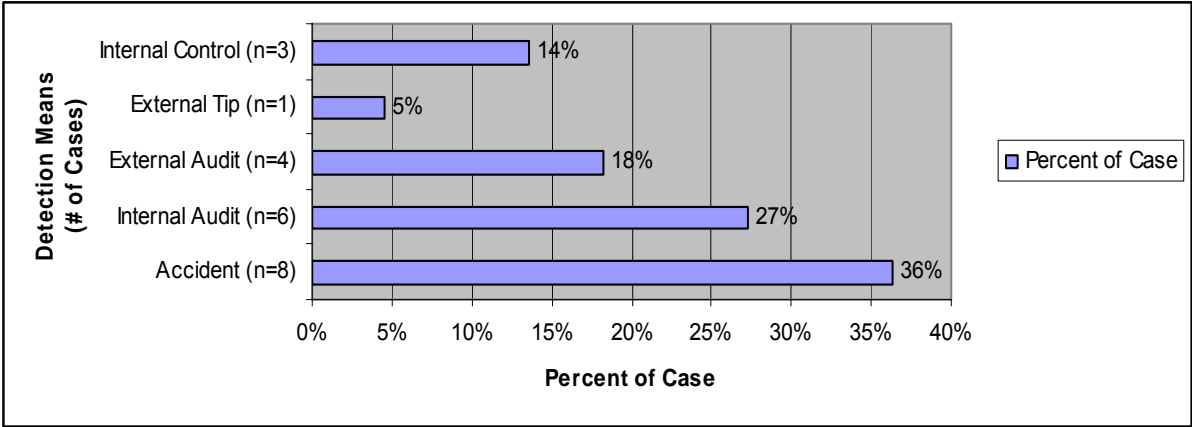
Figure 1: Distribution of Dollar Loss



Note: Percentage is calculated based on the 100 fraud cases that have fraud dollar amount data.

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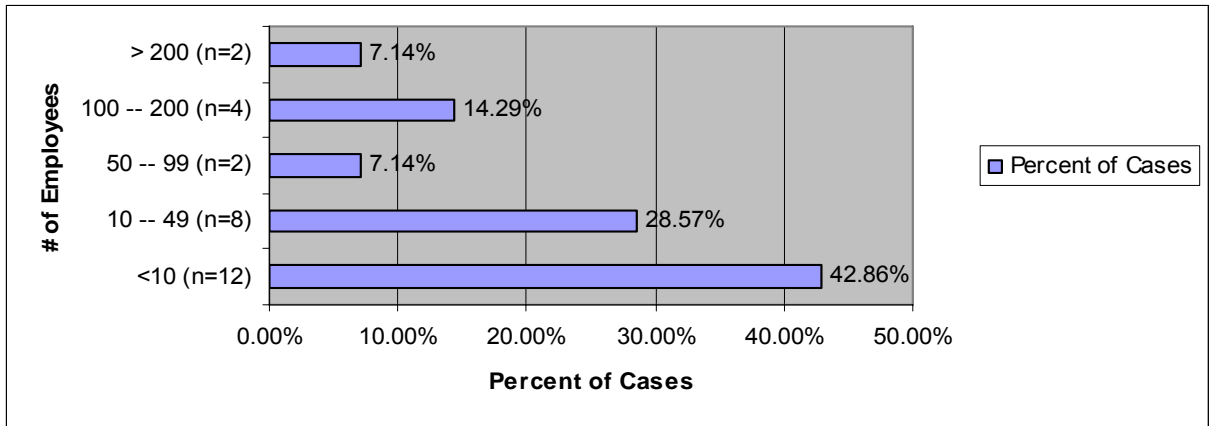
Figure 2: How NFP Organization Fraud was Detected



Note: The percentage is calculated based on the 22 fraud cases that we have detection information.

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Figure 3: Frequency of NFP Organization Fraud Based on Size Number of Employees

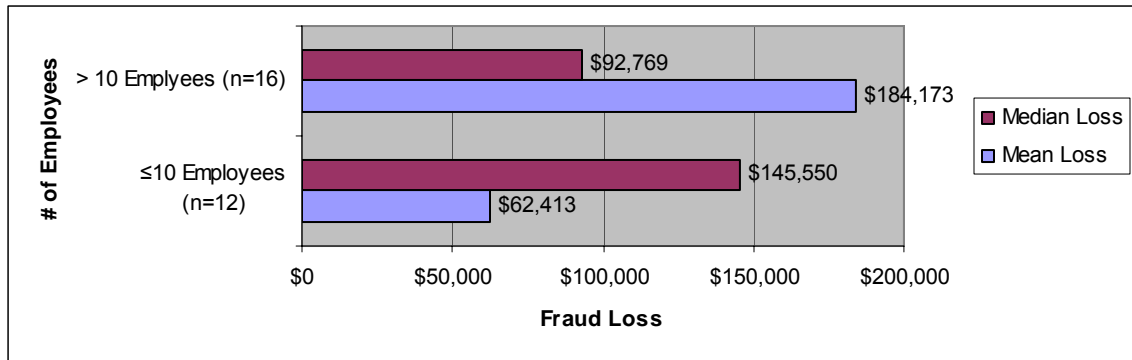


Note: The percentage calculation is based on the 28 organizations that have information of employee size.

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Figure 4: Fraud Loss Amount by Defrauded NFP Organization Size

Number of Employees

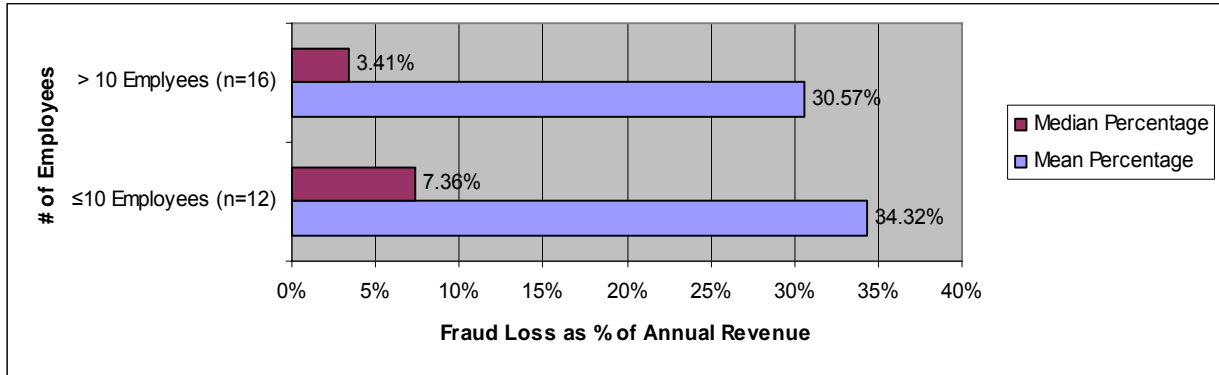


Note: The mean loss and the median loss are calculated based on the 28 organizations that have information of employee size.

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Figure 5: Fraud Loss Relative Amount by Defrauded NFP Organization Size

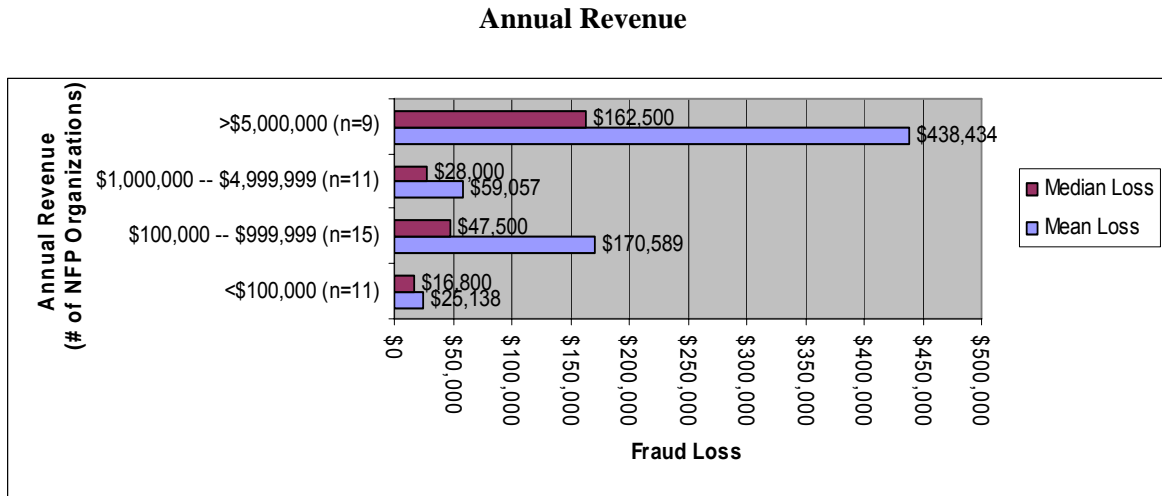
Number of Employee



Note: The mean and the median percentages are calculated based on the 28 organizations that have information of employee size.

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Figure 6: Fraud Loss Amount by Defrauded NFP Organization Size

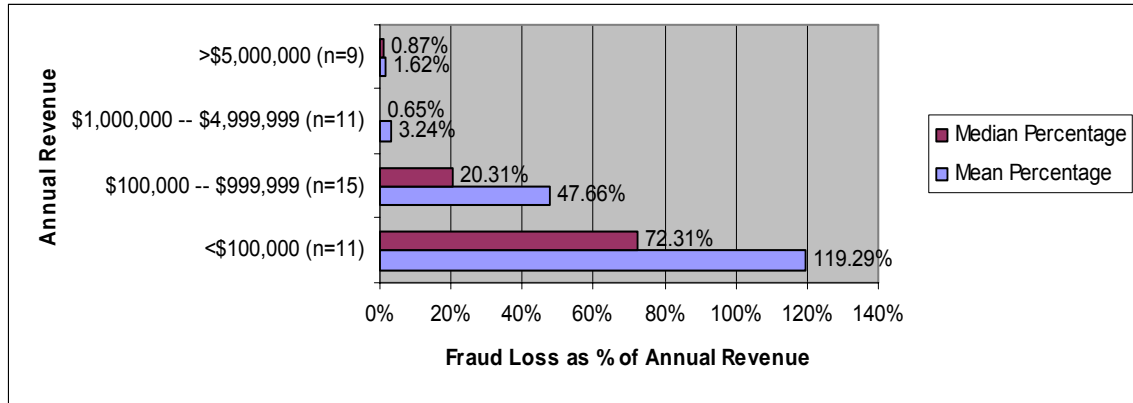


Note: Mean and median losses are calculated based on the 46 organizations that have annual revenue data.

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Figure 7: Fraud Loss Relative Amount Defrauded NFP Organization Size

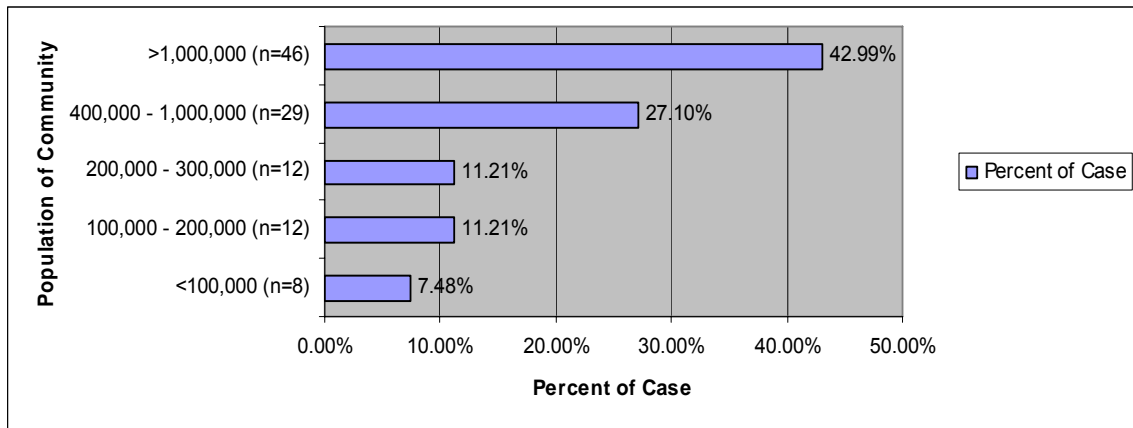
Annual Revenue



Note: The mean and the median percentages are calculated based on the 46 organizations that have information of annual revenue.

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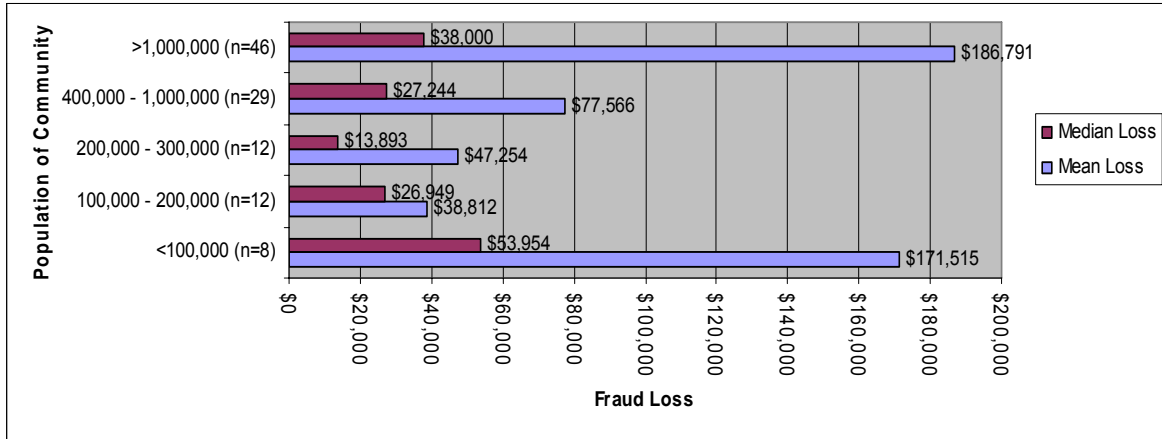
Figure 8: Frequency of Fraud Reported by Size of Community where Defrauded NFP Organization is Located



Note: Percentage calculation is based on the 107 organizations that have community information.

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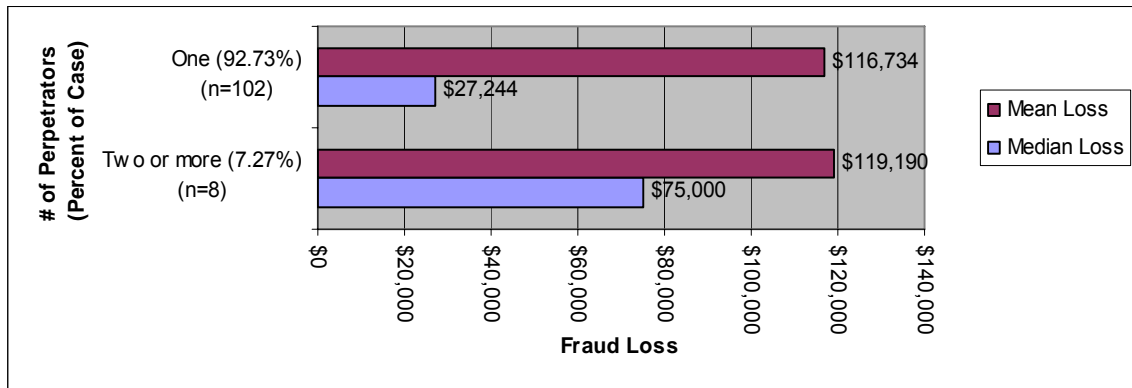
Figure 9: Fraud Loss Size Reported by Size of Community where Defrauded NFP Organization is Located



Note: Mean and median losses are calculated based on the 107 organizations that have population data.

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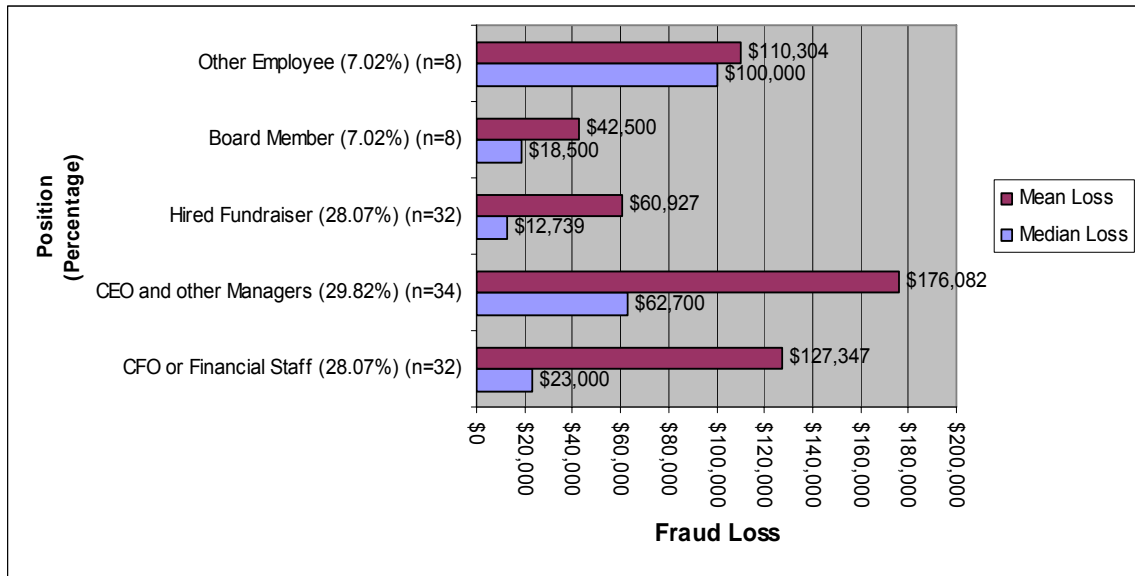
Figure 10: Effect of Collusion on Fraud Amount in Defrauded NFP Organizations



Note: Percentage is calculated based on the 110 cases that have perpetrator information. The median and the mean loss are obtained based on fraud cases that disclose the fraud amount.

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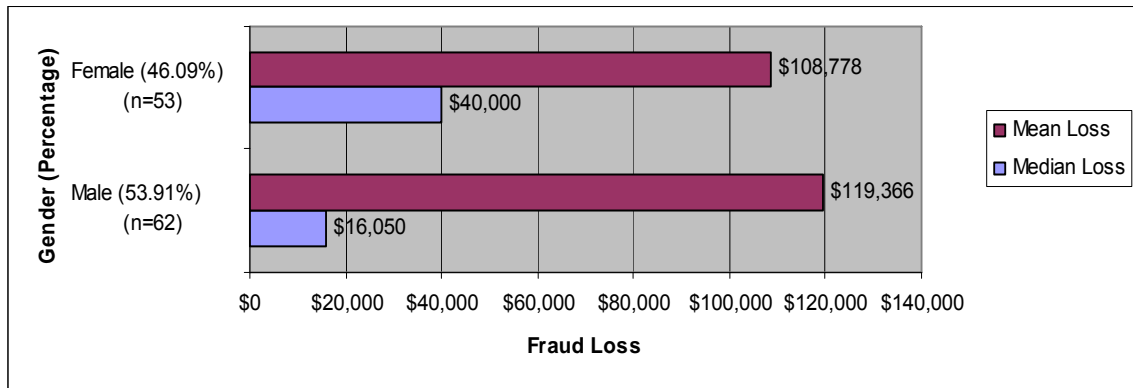
Figure 11: Perpetrator Position and NFP Organization Fraud Loss Amount



Note: Percentage is calculated based on the 114 cases that have perpetrator position information. The median and the mean loss are obtained based on fraud cases that disclose the fraud amount.

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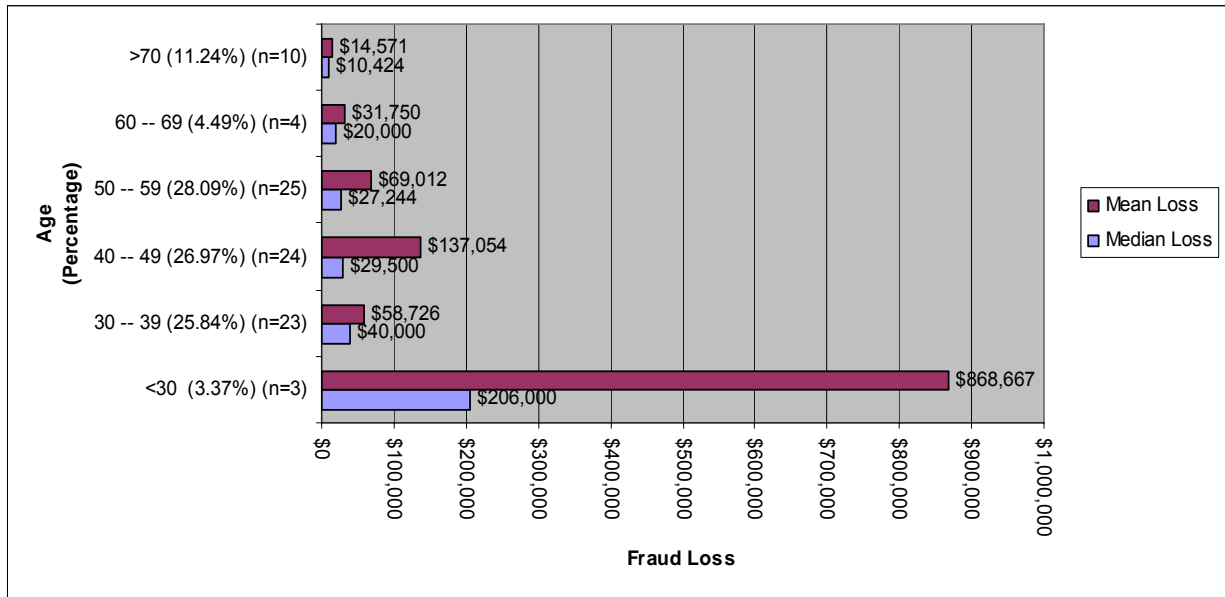
Figure 12: Perpetrator Gender and NFP Organization Fraud Loss Amount



Note: percentage is calculated based on the 115 perpetrators who have gender information in newspaper articles. The median and the mean losses are calculated based on the fraud cases that disclose the dollar loss.

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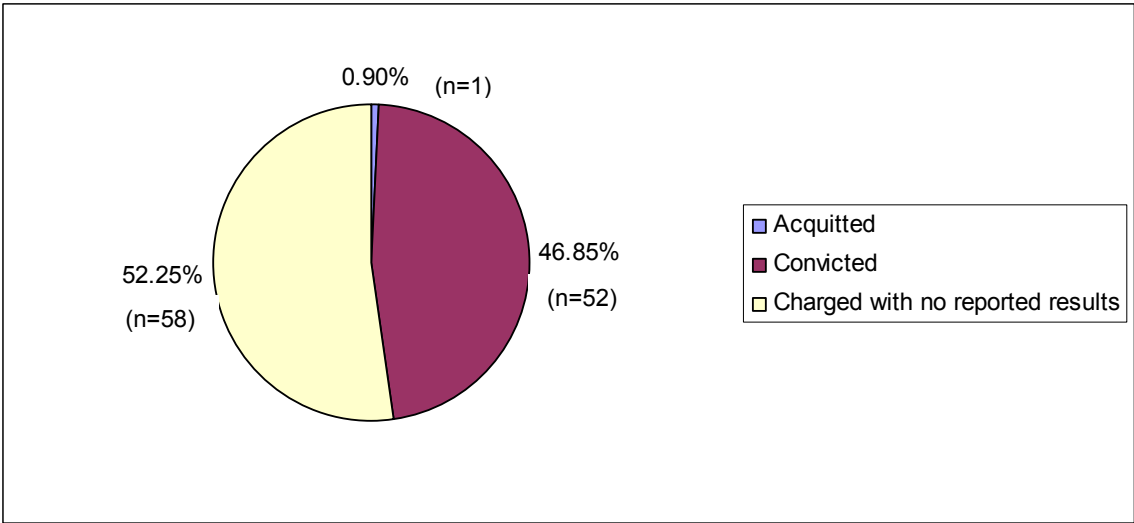
Figure 13: Perpetrator Age and NFP Organization Fraud Loss Amount



Note: Percentage is calculated based on the 89 perpetrators who have age information. The median and the mean loss are obtained based on the fraud cases with dollar loss information available.

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Figure 14: Stage of Media Reports about NFP Organizations Perpetrator



Note: The percentage is calculated based on 111 news accounts.

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Table 1: Defrauded NFO Organization Classifications*

Types	Cases	%
Organizations Providing Care Other than Treatment (Welfare) Charitable Trusts	3	2.63%
Welfare Organizations	26	22.81%
Services Other Than Hospitals (Health) Charitable Corporations	7	6.14%
Health Organizations	2	1.75%
Teaching Institutions or Institutions of Learning	5	4.39%
Support of Schools and Education	6	5.26%
Cultural Activities and Promotion of the Arts	2	1.75%
Education Organizations, (not elsewhere classified)	3	2.63%
Other Denominations' Congregations or Parishes	1	0.88%
Preservation of Sites, Beauty and Historical	3	2.63%
Recreation, Playgrounds and Vacation Camps	7	6.14%
Community Organizations	8	7.02%
Service Clubs and Fraternal Societies' Charitable	26	22.81%
Others	6	5.26%
Total	114	100.00%

*Following the typology employed by Canadian Revenue Agency for charitable and voluntary organizations. See the CRA category codes for charities at <http://www.cra-arc.gc.ca/ebci/haip/srch/sec/SrchHelpRender-e?formHelpLink=/jsp/SrchViewHelpPageSearchTips#catcd> accessed on September 3, 2008.

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