



For immediate release

## **BUSINESSES URGED TO DO MORE AS 40% HIT BY FRAUD**

Businesses have been urged to become more interested in protecting themselves against fraud with a recent survey finding that an alarming 40% of Australian businesses were victims of fraud in 2009.<sup>1</sup>

The survey found a strong link between the recent global financial downturn and the increase in corporate fraud. Of the respondents, 62% sight staff reductions and a resulting lack of resources to manage internal controls, while 49% also attributed a shift in management focus toward survival of the business, as key factors creating more opportunities to commit fraud.

Despite the high levels of fraud reported only 31% of businesses undertook a risk assessment in 2009, leaving almost 70% unaware of their level of risk.

Speaking ahead of National Identity Fraud Awareness Week (NIDFAW), the Director of Public Affairs for Crime Stoppers Australia, Peter Price OAM, said the survey findings demonstrated that while corporate fraud was on the rise, businesses were still not taking business fraud seriously.

He warned that businesses should be extra vigilant in lead up to the end financial year.

"Many businesses are not aware of the full extent of fraud or the legal and ethical responsibilities they have to ensure not only business information is protected, but also confidential information relating to customers and staff."

"Businesses hold a wealth of confidential and commercially sensitive information which, if not managed properly, can leave them open to a number of types of corporate fraud including ID theft, IP infringement, industrial espionage and asset misappropriation, not to mention legal action for non compliance with the Privacy Act. Price cautioned businesses not to underestimate the serious nature of this issue." Price confirmed that Identity Theft is the fastest growing crime not only in Australia but worldwide.

Peter Campbell, National Marketing Manager for Fellowes Australia, a major partner of (NIDFAW), said that businesses needed to take a more proactive approach to tackling the problem.

"Many businesses are simply not aware of how much sensitive information they are currently disposing of," Mr. Campbell said.

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<sup>1</sup> The Global Economic Crime Study, Economic crime in a downturn, conducted by PriceWaterhouseCoopers, November 2009

"Implementing simple document security measures can dramatically decrease risk and minimise potentially devastating losses.

Mr. Campbell said the end of financial year was a particularly vulnerable time for many businesses due to the amount of sensitive documents being produced.

"Simple actions like shredding and secure document management take almost no time and can dramatically reduce the risk of fraud at this busy time of year," Mr. Campbell said.

Price agreed, saying many businesses were not disposing of confidential information correctly or in a manner that complied with the Privacy Act.

"A large number of businesses are simply leaving highly confidential documents in easily accessible places, such as company rubbish bins. These documents that contain information such as bank/credit card details, tax file numbers, client contracts and business planning documents provided fraudsters with a wealth of information. Taking measures such as shredding in the first instance any commercially sensitive documents and then throwing them away, is a simple yet highly effective step in preventing fraud."

## **FREE FRAUD AUDIT**

To help businesses understand their level of risk NIDFAW is offering businesses a free document security audit. The audit which can be completed via the NIDFAW website at [www.stopidtheft.com.au](http://www.stopidtheft.com.au) is totally confidential, free and takes around ten minutes to complete. The Free Audit is available until **30 July 2010**.

## **10 TIPS TO PROTECT YOUR BUSINESS AGAINST FRAUD**

- 1. Protect your organisation's important information.** Not disposing properly of bank and credit card details (both your own and that of your customers), invoicing, account numbers and business documents can open the door to ID theft and corporate espionage.
- 2. Reduce the risk of identity theft.** ID theft is the fastest growing crimes in the world. It's a common misconception that most ID fraud occurs electronically through online scams, when it has been shown that paper based fraud is more prevalent than online fraud.<sup>2</sup> Minimize the risk by shredding or otherwise destroying unwanted documents that contain sensitive financial or personal information before you dispose of them. Check bank statements carefully and request annual credit reports to monitor unexpected activity.
- 3. Protect intellectual property.** Don't allow valuable work to fall into the hands of competitors; information on new products, services and ideas are valuable assets to them. Shred documents that your organisation no longer has a use for.
- 4. Meet your legal requirements.** Compliance with the Privacy Act is mandatory for business with an annual turnover of \$3 million or over. Compliance is also required by any business that trades in personal information, has a commonwealth contract, or provides a health service. Shredding documents is an important step in ensuring your organisation meets your compliance obligations.<sup>3</sup>
- 5. Reduce the risk of industrial espionage.** This is a major threat for any business, particularly those that operate in information-based industries. Shred commercially sensitive documents and protect your valuable business information.

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<sup>2</sup> Identity Fraud Survey Report, Javelin Strategy & Research, 2008

<sup>3</sup> Privacy Act, Australian Government, Office of the Privacy Commissioner, 2010

**6. Protect employee's personal information.** Organisations are legally and ethically required to protect employees' personal details. Shred any documents that contain personal information such as background checks, resumes and pay slips when they are no longer required, before you place them in the bin.

**7. Provide your clients with a better service offering.** Increasing document protection standards for your clients including regular shredding of commercially sensitive documents is a strong selling point to new and existing clients.

**8. Meet your non-disclosure requirements.** Many businesses are asked by their clients to sign strict non-disclosure agreements. Regular shredding of commercially sensitive documents ensures you can meet the strictest of requirements with ease.

**9. Reduce cost and increase efficiency.** Storing non-essential documents is costly - reduce cost and same time by shredding these non-essential documents in-house.

**10. Conduct twice-yearly fraud risk assessments.** The free NIDFAW online document security audit is a great starting point to determining your current level of risk.

#### **ABOUT NATIONAL IDENTITY FRAUD AWARENESS WEEK**

National Identity Fraud Awareness Week is an international campaign that aims to educate consumers and businesses about the dangers of identity fraud/theft and the preventative steps that can be taken. It takes place annually around the globe in Europe, Asia, the United States, Australia and New Zealand.

Identity fraud occurs when thieves steal identifying details from victims by raiding their bins, by stealing their mail, through internet phishing scams or by convincing them to divulge personal details in person or over the phone. NIDFAW is a joint initiative of Fellowes, Crime Stoppers Australia, and partners: Veda Advantage, Symantec – makers of Norton Internet Security – and Australia Post - Post Office Boxes.

For more information on how to protect yourself from identity fraud, and how to cope if you are a victim of ID fraud, visit the official campaign website [www.stopIDtheft.com.au](http://www.stopIDtheft.com.au) or [www.crimestoppers.com.au](http://www.crimestoppers.com.au)

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