

CRIME

PwC: Fraud hikes all across the board

Economic crime in Thailand is on the rise, with more local companies facing fraud charges than ever before, says PwC's latest "Global Economic Crime Survey".

The top five types of fraud in Thailand — long considered a medium- to high-risk country for economic crime — include asset misappropriation (71%), procurement fraud (43%), bribery and corruption (39%), cybercrime (18%), and accounting fraud (18%).

PwC conducted the survey of 5,128 business and non-profit sector leaders, and 37% of Thai respondents identified themselves as fraud victims.

The report revealed 89% of fraud cases in Thailand stemmed from within organisations compared with 61% in Asia-Pacific and 56% globally.

Vorapong Sutanont, a partner with PwC Forensics Advisory, said the report showed

an increase in fraud across the board for the second straight year.

"Businesses need to be proactive in preventing fraud — simply waiting for whistleblowers to come forward or fraudsters to slip up is not effective fraud protection," he said.

Procurement fraud is a serious problem in Thailand, the second most common type of fraud globally.

To stop this type of fraud, Mr Vorapong suggested companies in Thailand tighten their criteria for selecting vendors and issuing contracts in addition to performing background checks and due diligence on prospective vendors.

Thais expect financial damage from bribery and corruption at a higher rate than global respondents, with 48% expecting losses versus 32% globally. The losses are mainly from the direct costs of paying

bribes rather than prosecution costs.

Lack of knowledge about money laundering and antitrust laws in Thailand is also seen as a major impediment to fighting bribery and corruption.

Thais' awareness of cybercrime is only 39%, lower than Asia-Pacific at 45% but still an improvement from last year, when only 27% of Thais were aware of cybercrime.

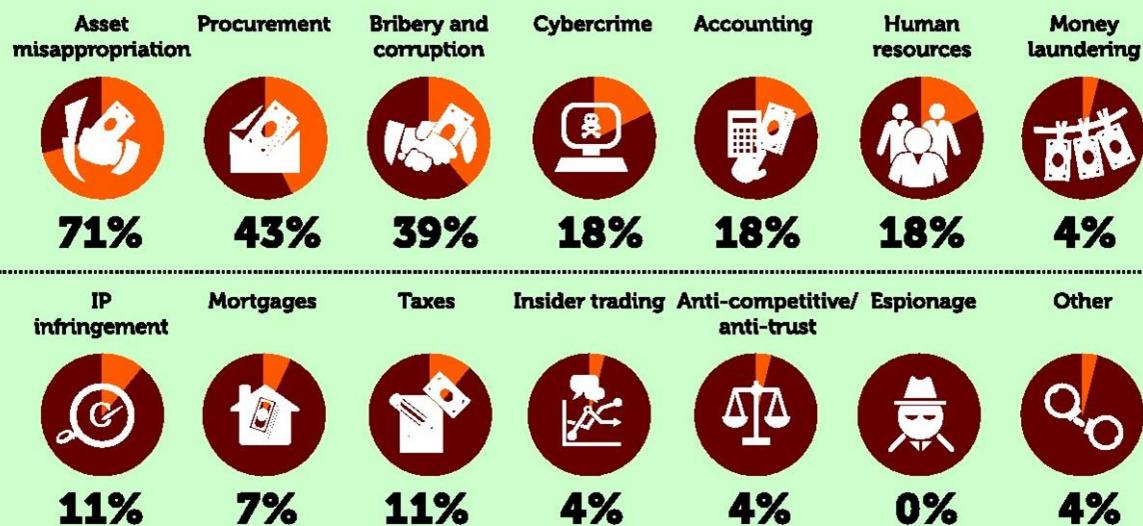
As more companies outsource their email and data storage functions to cloud servers, external hacking risks have risen.

Based on their estimates, at least 20% of Thai respondents have suffered financial damages of less than 1.6 million baht.

At least one respondent reported damages of more than 3.2 billion baht.

Thai respondents dismissed rationalisation — the belief the act can be justified — as motivation to commit fraud, opting for opportunity at 76% and incentive at 24%.

FRAUD TYPES

Thailand

Source: PwC Thailand

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