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Media release

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Contact	Marina Mello, PwC Tel: 1-441-299-7184/1-441-505-3127 e-mail: marina.mello@bm.pwc.com
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PwC's Anthony Conte to discuss cybersecurity at annual RCA Symposium in Bermuda

Hamilton, Bermuda – PwC Bermuda is pleased to announce that **Anthony Conte, asset and wealth management regulatory leader at PwC US,** will be speaking at the Regulatory Compliance Association's (RCA) Regulation, Operations and Compliance Symposium on **Monday, April 18.**

Mr Conte will take part in the panel, *Essential cybersecurity for investment advisors: Seeing yourself as a hacker does*. Prior to PwC, Anthony spent nine years as chief compliance officer with Deutsche Bank, and eight years as branch chief at the US SEC.

Hundreds of alternative investment executives at the top 200 firms will gather at the RCA Symposium Monday through April 19 at the Fairmont Southampton to discuss the compliance, operations and risk challenges for 2016.

Scott Watson-Brown, PwC Bermuda asset management leader, said: "This is the second year the Symposium is being held in Bermuda and PwC is pleased to again be a sponsor of this important gathering of CCOs from the leading 100 hedge funds and private equity firms.

"While many companies have developed formal risk assessments and control frameworks, regular monitoring, testing and adaptation needs to occur to ensure relevance to the risk and threats to an organisation."

He added, "Action on economic crime is not the responsibility of one person or team, it must be embedded within an organisation's culture."

According to PwC's new Global Economic Crime Survey, more than one in three organisations (36%) experienced economic crime in the last two years, with cybercrime affecting almost a third of them (32%), the highest ever level in the biennial survey. Yet, most companies are still not adequately prepared for – or even understand the risks faced: Only 37% of organisations have a cyber-incident response plan.

The PwC Global Economic Crime Survey 2016 entitled *Adjusting the lens on economic crime: Preparation brings opportunity back into focus,* interviewed over 6000 participants in 115 countries. Despite the marginal decline in economic crime reported overall, the financial cost of each fraud is on the rise. 14% of respondents experienced losses of more than $1m in the last two years.

Among the highlights in PwC's Global Economic Crime Survey:

- **Most common economic crimes globally**: Asset misappropriation (64%), cybercrime (32%), and bribery and corruption (24%).
- **Highest increases**: 68% of French and 55% of UK respondents reported economic crimes in the past 24 months, up 25% when compared to 2014. 61% of Zambian respondents reported economic crime, up 31% over 2014.
- **Industry sector impacts**: Global Financial Services institutions reported the most economic crimes over the two year period, followed by government and state owned enterprises, and retail and consumer industries. Aerospace & Defence was the biggest riser in the period at 9%.
- **Cybercrime**: Incidents reported were up 8% to 32% and over half (53%) of global respondents perceived an increased risk of cyber threats over the last 24 months. 34% believe it is likely that their organisations will experience cybercrime in the next 24 months. Despite big financial losses reported linked to cybercrime, respondents reported the greatest impact to their organisations coming from damage to their reputation and legal, investment and enforcement costs.
- **Response to cybercrime:** Only 37% of global respondents reported having a fully operational incident response plan in place. Almost a third have no plan at all, with 14% of respondents not even intending to implement one. 45% of respondents do not believe that their local law enforcement agencies have the required skills and resources to combat cybercrime.
- **Risk & finance**: More than a quarter of global financial services firms have not conducted risk assessments for anti-money laundering or the combatting of the financing of terrorism (AML/CFT). A third of respondents cited data quality in relation to client information as being a significant challenge in relation to their AML/CFT systems. One in five financial services organisations have experienced enforcement actions by a regulator.
- **Bribery**: Over half (54%) of respondents say that top management would rather allow a business transaction to fail than have to use bribery. 13% had been asked to pay a bribe in the last two years and another 15% believe they lost an opportunity to a competitor that may have paid a bribe.
- **The fraudster profile**: Nearly half the serious incidents of economic crimes were carried out by perpetrators employed by the affected organisation. Internal fraudsters are most likely to be male graduates, with three-five years of service, aged between 31 and40 years old, and serving a middle/senior management function.
- **Drivers of crime**: Seven out of ten organisations believe that opportunity is the main driver of economic crime committed by internal parties.
- **Overall rates:** The overall rate of economic crime reported has fallen for the first year since the financial crisis, but only marginally – to 36% from 37% in 2014. Regionally, lower levels of economic crime are reported in North America (37% vs 41%), Eastern Europe (33% vs 39%), Asia Pacific (30% vs 32%) and Latin America (28% vs 35%). It rose in Africa (57% vs 50%), Western Europe (40% vs 35%) and the Middle East (25% vs 21%).
- **What's next?** 20% of respondents believe their organisations are likely to experience the leading economic crimes - asset misappropriation, cybercrime or bribery and corruption in within 24 months. Within two years, six of the G20 (UK, USA, Italy, France, Canada and Australia) expect cybercrime to be the largest economic crime threat to their organisation.

Notes

1. **About the survey**. PwC's Global Economic Crime Survey was conducted through an online survey of 6337 respondents in 115 countries. 45% of the respondents are board level, 30% are heads of department/business units. 59% of all respondents were from multinational organisations, 37% from publically listed companies. Respondents came from all sectors – including financial services (24%), consumer (14%), technology (7%), industrial (35%) and professional services (6%). The survey was conducted between July 2015 and February 2016.

About PwC

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