Fraud Management & Lessons from a Corporate Crisis

lineal

THE URGENCY OF FRAUD RISK MITIGATION

Fraud is a growing strategic threat. According to the ACFE, global losses exceed 5% of annual revenue—over $4.7 trillion. In Brazil, the R$20 billion accounting scandal at Americanas exposed serious governance failures, emphasizing the need for stronger internal controls and proactive prevention.

UNDERSTANDING CORPORATE FRAUD

Fraud involves intentional deception for personal gain—ranging from accounting manipulation to bribery. ACFE reports show 84% of fraudsters exhibit warning signs like:

- Living beyond their means
- Personal financial issues
- Inappropriate vendor relationships

These patterns support a strategy of ongoing behavioral monitoring and red flag detection.

KEY LESSONS FROM A MAJOR CORPORATE CRISIS

- Governance Gaps: Internal controls failed despite external audits.
- Data Manipulation: Liabilities were hidden through accounting tricks.
- Executive Centralization: Role consolidation enabled long-term concealment.

Frauds lasting over two years cause losses 3x higher than shorter schemes.

STRATEGIES FOR FRAUD PREVENTION

1. Behavioral Monitoring

Use AI to flag anomalies like lifestyle shifts or suspicious transactions.

Example tools: Predictive analytics, ERP-integrated monitoring.

2. Strong Governance

Policies like job rotation and surprise audits reduce risk.

ACFE: Internal audits cut losses by 50%.

3**. Culture & Training**

Trained organizations detect fraud in 9 months vs. 24 months without training.

4. Equal Accountability

77% of non-executives are fired for fraud, compared to 53% of executives.

Enforcing equal penalties strengthens ethics.

EMERGING TRENDS & RISKS

Cyberfraud

Up 40% in 10 years. Tactics include phishing and forgery.

Solutions: Blockchain, MFA, encryption.

Ethical Monitoring

Analyze internal networks to prevent collusion.

Digital ethics programs are critical.

Data-Driven Governance

Real-time insights from big data and predictive analytics drive proactive decisions.

Modernizing Fraud Management

Our fraud solutions redefine how data is integrated, analyzed, leveraged—faster, smarter, precisely. Lineal offers:

ONE PLATFORM. COMPLETE INSIGHT

Lineal empowers organizations to detect and prevent fraud by integrating structured data (transactions, logs) and unstructured data (emails, messages, contracts) into one seamless platform.

DATA IN ACTION

- Track suspicious payments
- Correlate them with related messages and approvals
- Visualize behavior patterns and access logs in real time

HOW AMPLIFY™ WORKS

1. Smart Collection
- Forensically gather data from devices, databases, and apps—preserving chain of custody.

2. Advanced Processing
- Clean and index millions of records rapidly. Amplify links financial entries with messages or contracts automatically.

3. Dynamic Review
- Review at scale with AI-driven search, visual communication mapping, and secure collaboration.

4. Actionable Insights
- Generate reports that highlight key connections and support immediate decision-making.

REAL WORLD RESULTS

A client analyzed 15 million records in 10 days. Amplify exposed a collusion network and led to swift recovery and control improvements.

Another client traced 10 million records in two weeks, linking payments to internal messages—enabling asset recovery and new safeguards.

WHY LINEAL?

- Unified structured + unstructured data
- AI-driven detection and alerts
- Collaborative, secure review workflows

With Lineal, fraud detection becomes faster, smarter, and more strategic.

THE FUTURE OF FRAUD PREVENTION

Fraud evolves. So does Lineal. With our technology and expertise, companies gain not just protection —but a new standard for governance and trust.