The Fraud Triangle model, developed by famed criminologist Donald R. Cressey, is useful in understanding the circumstances and rationale behind occupational fraud. How can the damaging acts of an employee be explained?

### Opportunites stem from...
- Weak internal controls
- Poor security
- Unchecked management access
- Low likelihood of detection
- Lack of policy enforcement
- Uncontrolled vendor relationships

### Common pressures that lead to fraud:
- Financial difficulties
- Living beyond means
- Control issues, unwillingness to share duties
- Divorce/family problems
- Wheeler-dealer attitude
- Unusually close association with vendors

### Common rationalizations:
- “I was only borrowing the money.”
- “I was entitled to the money.”
- “I had to steal to provide for my family.”
- “I was underpaid; my employer cheated me.”
- “My employer is dishonest and deserved to be fleeced.”

### Ways to combat fraud
- Form internal audit programs
- Establish a code of conduct
- Conduct pre-employment screening
- Perform management reviews
- Screen suppliers and third parties
- Watch for “red flag” fraud indicators

Learn more about fraud risk protection. Visit www.lowersriskgroup.com