Dear <SUPERVISOR NAME>,

The ripple effects of COVID-19 will undoubtedly have a significant impact on our business. As we adjust to changes in our operations, processes and controls, it is critical that we stay focused on protecting our organization against fraud. **Because it’s not a question of *if* we will see more fraud, but *when* and *how much* we will see in the months and years to come**.

History shows that fraudsters exploit calamity. We saw it happen in the aftermath of the 2008 financial crisis, and all signs indicate it will happen again. According to a recent study of anti-fraud professionals, businesses are already seeing a steep rise in scams related to COVID-19.

In addition to fraudsters taking advantage of this pandemic in the short term, we can expect several long-lasting implications from the related economic downturn. There are a number of reasons fraud proliferates during recessions and times of economic instability, **creating what the Association of Certified Fraud Examiners calls “a perfect storm for fraud.”**

The Fraud Triangle, a commonly used anti-fraud framework, states that three factors generally must be present for a person to begin committing occupational fraud — pressure, opportunity and rationalization. In times of economic crisis, personal financial pressures of employees tend to rise, creating an incentive for them to steal from their organizations. Opportunity to commit fraud may also increase as many companies scale back staffing or relax controls.

The 2020 *Report to the Nations* shows that **the typical organization loses 5% of its revenue to fraud and abuse, with an average loss of $1.5 million for a single fraud case.** Organizations that fail to invest in internal controls have significantly higher fraud losses and take longer to detect frauds than those that have targeted anti-fraud measures in place. And more than half of all occupational frauds occur as a result of an internal control deficiency. For more detail, please refer to the attached sheet.

As we navigate the new business environment in the wake of COVID-19, I can confidently say that removing components of our anti-fraud programs will likely cost us more money than it saves. **Now is the time for us to bolster our anti-fraud controls and ensure we have the tools, training and staffing we need to weather this inevitable storm.** I am happy to help lead the charge in this effort.

Sincerely,

<YOUR NAME>