

## **KPMG REPORT SAYS FRAUD IS AT RECORD LEVELS**

More than £1.1bn of fraud came to UK courts in 2008 according to KPMG Forensic's Fraud Barometer – the highest level recorded since 1995 and the second highest in the twenty-one year history of the survey.

Fraud by professional gangs remained at the extremely high levels seen in previous years (£800m in 2008), but there was a marked increase in fraud by individuals. Taken together, company managers, employees and customers were tried for some £300m of fraud last year, three times the value seen in 2007.

KPMG warns that the worst is yet to come: the bulk of the fraud committed since the credit crunch began in August 2007 will most likely not yet have come into the public courts. The Fraud Barometer's records show that in the last recession of the early nineties the full peak of fraud in the courts was not reached until 1995.

The key findings from the KPMG report are as follows:

- Over £1.1bn of fraud comes to court – second highest level in 21 years
- Full impact of credit crunch on fraud is yet to be seen
- Rising company insolvencies heighten fraud alert
- Fraud by managers, employees and customers trebles
- But Government losses to VAT 'carousel' fraud significantly down