



## **GLOBAL TELECOM FRAUD DECREASES BY 18%, REACHES NEW LOW**

### **COMMUNICATIONS FRAUD CONTROL ASSOCIATION (CFCA) ANNOUNCES RESULTS OF GLOBAL TELECOM FRAUD SURVEY**

Roseland, NJ (CFCA) September 28, 2015 – The CFCA today announced the results of a comprehensive worldwide communications industry fraud loss survey. Experts estimate 2015 fraud losses at \$38.1 billion (USD), down 18% from 2013. As a percent of global telecom revenues<sup>1</sup>, fraud losses are approximately 1.69%—a 0.40% decrease from 2013. The main reason for the decrease is attributed to an increase in collaboration and coordination among carriers in identifying and stopping fraudulent activity following the CFCA’s survey in 2013.

Highlights from the survey include:

- More than 50% of all Fraud Management organizations are now located under Finance.
- More than 50% of all Fraud Management organizations outsource some of their job functions.
- 89% of operators surveyed said fraud losses had increased or stayed the same within their own companies—5% less than 2013.
- Many companies are now reporting far fewer cases to law enforcement.
- The top five countries where fraudulent calls terminate are: Cuba, Somalia, Bosnia & Herzegovina, Estonia, and Latvia.
- The top five methods for committing fraud are:
  - \$3.93 B (USD) – PBX Hacking
  - \$3.53 B (USD) – IP PBX Hacking
  - \$3.53 B (USD) – Subscription Fraud (Application)
  - \$3.14 B (USD) – Dealer Fraud
  - \$2.55 B (USD) – Subscription Fraud (Identity)
- The top five types of fraud are:
  - \$10.76 B (USD) – International Revenue Share Fraud (IRSF)
  - \$5.97 B (USD) – Interconnect Bypass (e.g. SIM Box)
  - \$3.77 B (USD) – Premium Rate Service
  - \$2.94 B (USD) – Arbitrage
  - \$2.84 B (USD) – Theft / Stolen Goods

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<sup>1</sup> Source: The Insight Research Corporation – <http://www.insight-corp.com/reports/review15.asp> (Estimate for 2015)

To obtain more detailed information on the results of the 2015 CFCA Global Fraud Loss Survey, please visit: [www.cfca.org/fraudlosssurvey/](http://www.cfca.org/fraudlosssurvey/)

“The results of this survey confirm that telecom fraud still remains a lucrative criminal business,” explained Jacob Howell, CCSP, CFCA Board Member and Director of Fraud Management Solutions for TEOCO Corporation. “The CFCA is committed to raising awareness of this worldwide problem and to providing a forum for education and information-sharing among communications service providers. It’s where communications professionals go to learn about these schemes and become effective at stopping them.”

### **About Communications Fraud**

Communications fraud is the use of telecommunications products or services with no intention of payment. Fraud negatively impacts everyone, including residential and commercial customers. Fraud losses increase communications carriers’ operating costs. Although many operators have increased measures to minimize fraud and reduce their losses, criminals continue to abuse communications networks and services. Communications operators tend to keep their actual loss figures and plans for corrective measures confidential. Because of the sensitive nature of this topic, CFCA used a confidential survey of operators from around the world. This is the CFCA’s 15<sup>th</sup> year conducting this survey.

### **About CFCA**

CFCA is a not-for-profit global educational association that is working to combat communications fraud. The mission of the CFCA is to be the premier international association for revenue assurance, loss prevention and fraud control through education and information. By promoting a close association among telecommunications fraud security personnel, CFCA serves as a forum and clearinghouse of information pertaining to the fraudulent use of communications services. For more information, visit CFCA at [www.CFCA.org](http://www.CFCA.org).

### **For Additional Information, Membership and Global/Regional Chapters please contact**

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