



Where Communications Professionals
Go to Know

Fraud Control • Revenue Assurance • Risk Management

GLOBAL TELECOM FRAUD INCREASES BY 0.21% FROM 2011, STILL NEAR 5-YEAR LOW

COMMUNICATIONS FRAUD CONTROL ASSOCIATION (CFCA) ANNOUNCES RESULTS OF WORLDWIDE TELECOM FRAUD SURVEY

Roseland, NJ (CFCA) October 10, 2013 – The CFCA today announced the results of a comprehensive worldwide communications industry fraud loss survey. Experts estimate 2013 fraud losses at \$46.3 billion (USD), up 15% from 2011. As a percent of global telecom revenues¹, fraud losses are approximately 2.09%—a 0.21% increase from 2011. The main reason for the relative increase in fraud is due to more fraudulent activity targeting the wireless industry.

Highlights of the survey results include:

- Operators with 1-10 million subscribers reported more fraud incidents than any other group.
- The top five countries where fraud terminates are: Latvia, Gambia, Somalia, Sierra Leone, and Guinea.
- 92 % of operators surveyed said fraud losses had increased or stayed the same within their own companies—a 3% increase from 2011.
- The top five methods for committing fraud were:
 - \$5.22 Billion (USD) – Subscription Fraud
 - \$4.42 Billion (USD) – PBX Hacking
 - \$3.62 Billion (USD) – Account Take Over/ID Theft
 - \$3.62 Billion (USD) – VoIP Hacking
 - \$3.35 Billion (USD) – Dealer Fraud
- The top five types of fraud reported by operators were:
 - \$6.11 Billion (USD) – Roaming Fraud
 - \$5.32 Billion (USD) – Wholesale Fraud
 - \$4.73 Billion (USD) – Premium Rate Service
 - \$3.55 Billion (USD) – Cable or Satellite
 - \$2.96 Billion (USD) – Hardware Reselling

To obtain more detailed information on the results of the 2013 CFCA Global Fraud Loss Survey, please visit: www.cfca.org/fraudlosssurvey/

“The results of this survey confirm that telecom fraud 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.”

¹ Source: The Insight Research Corporation – <http://www.insight-corp.com/reports/review13.asp> (Estimate for 2013)

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 13th 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.

Contact For Additional Information, Membership and Global/Regional Chapters

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