COMMUNICATIONS FRAUD CONTROL ASSOCIATION
# ANNOUNCES RESULTS OF 2019 GLOBAL TELECOM FRAUD SURVEY

GLOBAL TELECOM SURVEY SHEDS NEW LIGHT ON THE STATUS OF FRAUD WITHIN THE INDUSTRY

Bedminster, NJ (CFCA) November 21, 2019 - CFCA today reports several interesting findings from their recently released fraud survey. Since 2000, the Communications Fraud Control Association has been conducting worldwide, comprehensive fraud loss surveys of the communications industry. After collecting and tabulating the results, CFCA provides this information in its entirety to its members.

 "I've spearheaded this survey for CFCA since 2008 and am extremely grateful to all the respondents," explained Jacob Howell, CCSP, CFCA Executive Secretary and Director of Innovation at TEOCO. "Their responses often unearth key factors that have contributed to the current global fraud scene while providing information that shapes the fraud policies of tomorrow."

There's no question that fraud continues to be a lucrative criminal business. However, this survey is designed to gather information that goes beyond the simple numbers of fraud incidents and fraud losses. By delving deeper into the data and including a global range of respondents (in terms of geographic location, company size, and service line), CFCA gives carriers an unparalleled ability to analyze the situation in ways not possible by examining the same points across only one carrier, one continent, or one segment of the communications industry.

Comparison to Previous Years
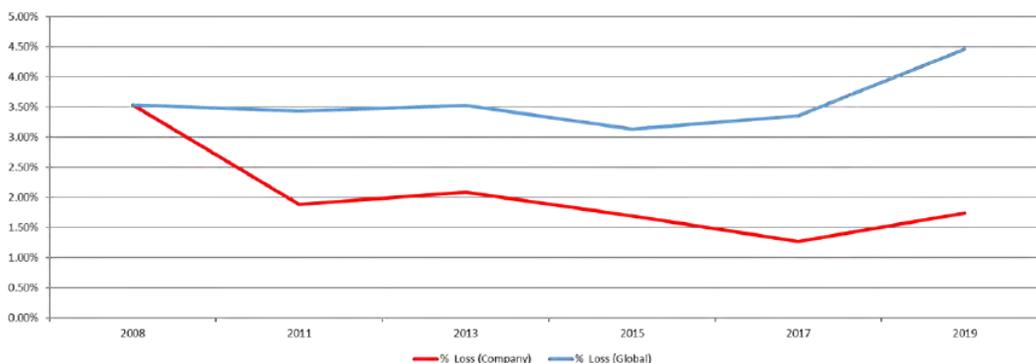
	2008	2011*	2013	2015	2017	2019	% Var
Estimated Global Fraud Loss	$60.1 Billion (USD)	$40.1 Billion (USD)	$46.3 Billion (USD)	$38.1 Billion (USD)	$29.2 Billion (USD)	$28.3 Billion (USD)	-3.3%
% Loss*	3.54%	1.88%	2.09%	1.69%	1.27%	1.74%	+37.1%

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By comparing the current survey's results to previous years, historical trends and stark anomalies quickly become apparent. Below are some of the more notable highlights from the 2019 Survey.

- Compared to 2017, fraud losses as a percent of global telecom revenues grew 37% to $28.3 Billion USD, or 1.74% of total revenues.
- 45% of fraud departments are less than 7 years old, while 26% have existed for 20+ years.
- 81% of respondents reported having more than 10 years of telecom experience and more than half of them have been in fraud management for less than 7 years.
- Although "Lack of perceived interest or understanding by law enforcement" continues to be the leading reason for not reporting cases to law enforcement, 10% reported they stopped reporting due to lack of success on previous cases.
- A little more than half of all departments update and their fraud management control rules and thresholds once a quarter and more than a third reported that they only adjust them on an ad-hoc, as needed basis.
- The Top 5 Fraud Methods carriers reported were: Subscription Fraud (Application), Payment Fraud, PBX Hacking, IP PBX Hacking and Wangiri (Call Back Schemes)
- The Top 5 Fraud Types reported were: International Revenue Share Fraud, Arbitrage, Interconnect Bypass (e.g.: SIM Box), Domestic Premium Rate Service (in country) and Traffic Pumping (includes domestic revenue share schemes)
- The Top 5 Emerging Fraud Methods reported were: Payment Fraud, IP PBX Fraud, Abuse of network device, or configuration weaknesses, and IOT Fraud.

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.

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 additional information please contact us at fraud@cfca.org or visit our website at www.cfca.org.

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