Airline Fraud Survey 2006

A report looking at fraud in the airline industry

How to plug the gaps
## Contents

- Foreword .......................... 1
- Key findings ........................ 2
- Executive summary ................. 3
- A global view ........................ 4
- The participants .................... 5
- How much does fraud cost the industry? ........................... 6
- Credit cards – the biggest risk of all ....................... 7
- Technology innovation – the good and the bad ....................... 8
- Threats from within .................. 9
- Location, location, location ............... 9
- Danger signs ......................... 10
- Where the buck stops ................. 11
- The three essential steps .............. 12
- Conclusion .......................... 13
- Methodology ........................ 14
- Acknowledgments .................... 14
- About Deloitte ....................... 15
- About the IAAIA ..................... 15
Airlines around the world are operating in a volatile, complex and ever changing environment. The risk of fraud is at the forefront of airline leaders and internal auditors’ agendas. The impact of fraud, whether perpetrated internally or externally is significant not only to the bottom line, but also to the operation and the reputation of the airline.

The current heightened risks warrant a more focused approach to identify, prioritise and mitigate fraud risks. With the recent changes in global legislative requirements, the responsibility of management to identify fraud risks and implement anti-fraud programmes has never been more critical.

IAAIA commissioned a survey to:

• understand fraud risks and how these are impacting the airline business around the world;

• capture the root causes which have been spotted by internal auditors and the trends of fraud since the last survey we undertook in 2000; and

• identify changes and schemes which internal auditors have found to help reduce or mitigate these risks.

These survey results will help airlines to appreciate the fraud risks faced by the industry, so that we can promote a more secure and sound business environment.

I would like to take this opportunity to thank Deloitte for coordinating this project on behalf of IAAIA and providing a valuable insight into risk areas.

I would also like to thank all airline participants for actively contributing to this exercise.

Raza Abdulla
Chairman, IAAIA
### Key findings

<table>
<thead>
<tr>
<th>Fraud related loss has increased five-fold since 2000</th>
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<tbody>
<tr>
<td>Estimated total annual loss through fraud in the airline industry is US$600 million</td>
</tr>
<tr>
<td>In 2006, each airline suffered an average loss of US$3 million</td>
</tr>
<tr>
<td>Credit card fraud alone costs airlines US$1 million a year</td>
</tr>
<tr>
<td>External fraud is a much bigger threat, in terms of volume and cost</td>
</tr>
<tr>
<td>Over a third of airlines discover fraud ‘by accident’</td>
</tr>
<tr>
<td>79% of participants had experienced fraud in the last 12 months</td>
</tr>
<tr>
<td>Low cost carriers are the hardest hit</td>
</tr>
<tr>
<td>Around 60% of airlines have no anti-fraud programmes in place, do not perform frequent risk assessments and do not track or record fraud</td>
</tr>
<tr>
<td>60% of airlines rely on Internal Audit to detect and handle fraud, yet airlines have smaller Internal Audit teams than other industries</td>
</tr>
<tr>
<td>90% of participants expect fraud to increase – or remain the same – in 2007</td>
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</table>
Executive summary

Since the last in-depth study of fraud in the airline industry six years ago, the sector has experienced massive change and upheaval. Costs, competition, security risks and regulatory requirements have all multiplied.

The number of international passengers a year has passed record highs of 752 million, (according to IATA estimates) and new airlines and more low cost carriers are competing to meet the demand.

Meanwhile, advanced technology is enabling airlines to market their products in innovative ways, and it’s imperative to keep up. With this increased level of change and competitiveness, it is no wonder then that opportunities for fraud continue to be prevalent.

When the International Association of Airline Internal Auditors (IAAIA) asked Deloitte to look again at the risks fraud poses to airlines, we expected the problems to have grown since our last survey.

What we didn’t expect was a five-fold increase, and that airlines would be losing an average of at least US$3 million in fraud a year. Credit card crime alone is costing each airline around US$1 million a year, as technology and web-based fraud escalates.

While this figure may not be large enough to keep airline executives awake at night, the consequences could. Company culture, employee performance, third party relationships and customer service can all be contaminated by unchecked fraud and harm the overall financial performance of the company. In some cases with margins already thin, the incidence of fraud could be the difference between making a profit or a loss.
A global view

The airlines we surveyed comprised network carriers, low cost carriers and charter firms across the world, and 90% of them say they think fraud will increase in 2007 – or at least stay the same. Surprisingly, more than 60% of them have no anti-fraud programmes in place, and over a third only discovered fraud by accident.

While the majority of airlines rely on Internal Audit to detect and manage fraud risk, the airline sector on the whole tends to have much smaller audit teams than other industries. The size of the team may therefore no longer match its responsibilities with regard to fraud prevention, detection and investigation.

Deloitte and the IAAIA undertook this survey for several reasons. We wanted to understand the risks of fraud, discover their causes and identify key steps that need to be taken to minimise them. We also wanted to share our findings with the airline industry as a whole, which is the reason we are publishing this report.

Here, airline executives can discover the survey findings in detail and benchmark their organisations against other airlines. They can also understand how their companies can implement a more secure and controlled business environment.

Who participated?
Airlines from across the 5 continents

Network carriers 76%
Low cost carriers 17%
Charter carriers 7%
The participants

The questions in the survey built on those included in the 2000 project, which had been undertaken by the IAAIA, working with the International Air Transport Association (IATA).

Personal invitations were sent out to heads of Internal Audit or, in the case of smaller airlines, to Directors of Finance. Of those who responded, 76% were network carriers, 17% were low cost carriers and 7% were charter companies.

Participants covered the five continents, and comprised 44% from Europe, 17% from the Americas, 12% Asia, 10% Pacific, 10% Middle East and 7% Africa.

The number of employees in each airline averaged around 13,700, with 24% having fewer than 2,000 staff, 26% between 2,000 and 5,000 and 21% having more than 20,000. The average number of aircraft was 127, with 49% of participants having a fleet of fewer than 50.

Considerable growth in the sector since our last survey was illustrated by the fact that in 2000, the average participant had fewer than 10,000 staff and the average gross revenue was US$1.9 billion. This figure had grown to US$4.4 billion in 2006.

Responses have been summarised on an aggregate, collective no-name basis, assuring complete confidentiality at all times.
How much does fraud cost the industry?

The impact of fraud goes a lot further than just the figures on the balance sheet and profit and loss statement, but it’s worth looking at the baseline costs in detail before going any further.

The level of reported fraud-related loss per airline has increased five-fold in just over five years. Even though some of this may be due to better detection capabilities, it still makes for dramatic headlines. 79% of survey participants told us that they had experienced fraud in the last 12 months, with an average 446 cases per airline.

External fraud is more of a problem than internal cases, both in terms of volume and impact. The average number of external cases was 413, which cost airlines an average of US$2.9 million; whereas internal fraud averaged 33 cases per airline and cost around US$400,000.

The biggest losses come from credit card fraud, which we will look at in more detail later. This is hitting an airline’s bottom line by an average of US$1 million a year.

Many who participated were surprised at the extent of fraud, which is now costing the industry around US$600 million a year. There is no doubt, according to our respondents, where the fault lies. They told us that internal and external IT systems are not robust enough to keep up with fraudsters, who use evolving technologies to continually by-pass controls.

When we asked internal auditors how fraud was reported, over a third of participants said cases were often uncovered by accident. A range of other mechanisms were cited by airlines, such as special checks within revenue accounting, internal control procedures and anonymous whistle-blowing hotlines, but a surprisingly large number of cases are still undetected by a company’s internal controls on a timely basis.

Given that around 60% of airlines have no anti-fraud programmes in place, do not perform frequent fraud risk assessment and do not track or record fraud; the actual amount of fraud throughout the industry could well be a lot higher than our survey suggests.

Whatever the actual figures currently are, 90% of participants expect fraud to either increase or stay the same in the year ahead.

With fierce competition among airlines putting pressure on profit margins, it would make business sense to take immediate steps to plug the gaps.

Putting aside the more complex issues of corporate governance and regulatory controls, at the most basic level, airlines that ignore these losses through fraud are pouring away their profits.

“Technology has done so much to help airlines cut their operating costs through customer self-service and online bookings,” says Jean-Pierre Garitte, sponsor of the survey and Partner at Deloitte. “It also gives travellers easier access to information and can be used to enhance closer customer relationships.

“However, if new technology is not properly implemented and robust enough to deal with the risk of fraud, airlines are losing control of their online business. The problems are exacerbated by the extended enterprise, whereby travel agencies and other third parties IT systems interface with the airline’s own system.”

How much does fraud cost you?

<table>
<thead>
<tr>
<th>Have you experienced fraud during the last 12 months?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of cases</strong></td>
<td><strong>US$ M impact</strong></td>
<td></td>
</tr>
<tr>
<td>Average per airline</td>
<td>2000</td>
<td>446</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>3.3</td>
<td></td>
</tr>
</tbody>
</table>

On average:
- Fraud related loss per airline has increased 5 fold since 2000
- Every airline has suffered an average of loss of US$ 3M

Estimated loss across the industry is US$ 600M

External versus internal fraud

<table>
<thead>
<tr>
<th>External versus internal fraud</th>
<th>Number of cases</th>
<th>US$ M impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average per airline</td>
<td>Internal</td>
<td>External</td>
</tr>
<tr>
<td>N/A</td>
<td>0.4</td>
<td>2.9</td>
</tr>
</tbody>
</table>

External fraud is by far greater than internal fraud in volume and impact
Credit cards – the biggest risk of all

The opportunities for fraud are extensive, from counterfeit or stolen tickets, to cargo theft, false baggage claims, frequent flyer abuse and bouncing cheques. The main culprits though are tariff abuse, cross-border ticketing, technology and web-based transactions, and credit card fraud.

The big hitters here in terms of cost are clearly credit card fraud and technology-related crime.

More than a third of participants have been hit by credit card fraud, which accounts for around 60% of all external fraud-related losses. With airlines suffering an average loss of US$1 million in this way, we estimate that the overall cost to the industry every year is US$100 million.

Airlines based in Europe and the Americas appear to suffer the most losses, which seems logical, given the percentage of the population in these regions who are comfortable with buying goods and services online.

It is worth pointing out that low cost carriers are suffering the most. Their average losses from this type of fraud amounted to more than US$1.1 million, compared with an average of US$880,000 for the network airlines.

If we dig deeper into credit card misuse, we can see that this type of fraud can also be an internal issue. For instance, 20% of participants have experienced internal abuse of passengers' personal details, and 7% of internal auditors said that employees had stolen the identities of the airline's passengers.

New Payment Card Industry (PCI) standards were introduced in June 2006 to protect customers from credit card abuse, but 24% of internal auditors said they were not aware of the changes and the implications for their business. Of those who are aware, 21% are already compliant with the new standards, 66% are taking action to become so, and – worryingly – 13% have no plans in progress.

The PCI data security standards were developed following a run of incidents where large organisations – including some of the world's leading banks – admitted that customers' records had been stolen or were missing. These changes apply to any organisation with a sizeable on-line sales presence, which would include all airlines.

And as airlines seek to encourage more and more passengers to book online rather than via the phone or in person, they will need to ensure their websites meet data security standards.
Technology innovation – the good and the bad

Losses due to credit cards were highlighted in our 2000 survey, when this type of fraud sat below tariff abuse and ticket theft as the main threats.

However, in 2006, credit card fraud tops the table, followed by technology and web-based transactions and third party providers. Obviously, far more business is conducted online today, than it was six years ago, when e-commerce was still gathering momentum.

Back in 2000, 44% of internal auditors thought that adopting new technology was putting their airlines at risk. This figure is now 67% and everyone questioned said that the fact that technology enabled abusers to bypass current control mechanisms is a key driver of fraud.

Enabling customers to buy products online and to interact with service providers via the Internet clearly has huge commercial advantages and most companies welcome the gains in productivity and marketing reach enabled by web-based technologies. However, unless the IT infrastructure that underpins e-commerce is sound, the risks can diminish some of the rewards.

Looking at third party fraud and the most frequent perpetrators, the number one culprits are in-flight service providers who account for 86%. Ground handlers are responsible for 13%, while ‘others’ – which include travel agents and advertising agencies – make up 1%.

Eight types of fraud were on the table, and the most common were billing for services not rendered (75%), double billing (14%) and incorrect pricing (14%). Internal auditors also mentioned theft of airline goods and the use of credit cards that had been declined.

Taking all the external risks into account, the low cost carriers are still under the biggest attack. The average number of fraud cases for the low cost companies was over 1,000, compared with around 300 for the network carriers.

The fact that charter airlines suffer much lower levels of fraud confirms the impact of an organisation’s business model on the degree of risk.

The exposure to internal risk follows a similar pattern. Low cost carriers are hardest hit by fraud, network carriers are next in line, and charter airlines – who have few direct sales dealings with the mass market – have the least to worry about.

Third party fraud – What are the common schemes and who are the perpetrators?

<table>
<thead>
<tr>
<th>Types of frauds perpetrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 types of fraud were considered. Below are the top 3.</td>
</tr>
<tr>
<td>Other types of fraud reported included theft of airline goods/services and the use of declined credit cards.</td>
</tr>
</tbody>
</table>

- Billing for services not rendered 75%
- Double billing 14%
- Incorrect pricing 11%

<table>
<thead>
<tr>
<th>Perpetrators of fraud</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 different outsourcing/service providers were considered. Below are the top 3.</td>
</tr>
<tr>
<td>In-flight service providers excludes caterers, but includes entertainment, duty free, etc.</td>
</tr>
</tbody>
</table>

- In-flight service providers 86%
- Other 1%
- Ground handlers 13%

Ground handlers 13%
Other 1%
Threats from within

Six years ago, the three most common internal fraud schemes were expense account fraud, cargo theft and ticket theft. The last two were also the most costly. Payroll theft was also an expensive and frequent occurrence.

Our latest survey shows that cargo theft is still a common problem, but inventory theft and frequent flyer abuse have become more pervasive. This latter abuse is of real concern, because although it is often suspected and eats away at revenue, it is harder to prove.

The other top two spoilers are diversion of revenue, where fake sales receipts are created or money is diverted into another account – switching capital into maintenance funds for instance – and employees’ misuse of passengers’ personal details.

Airline staff now have easier access to personal and financial details of passengers – their credit card numbers, addresses, and three digit security codes are all provided during telephone bookings and when using the airline’s website. This presents more opportunities for crime, particularly within organisations where there is no anti-fraud programme in place.

### Internal fraud schemes – summary comparison with 2000

<table>
<thead>
<tr>
<th>In 2000, the 3 most common internal fraud schemes were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cargo theft</td>
</tr>
<tr>
<td>• Ticket theft</td>
</tr>
<tr>
<td>• Expense account fraud</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In 2006, the 3 most costly internal fraud schemes were:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payroll theft</td>
</tr>
<tr>
<td>• Cargo theft</td>
</tr>
<tr>
<td>• Ticket theft</td>
</tr>
</tbody>
</table>

### Location, location, location

Does location matter, when it comes to fraud? If we look at the average number of cases of external fraud there are big differences if the home base of the airline is taken into consideration. As mentioned earlier, the average number of external fraud cases for each airline in our survey was 413.

However, airlines based in Asia suffered an average of 760 cases a year and European airlines were hit by around 681 cases. The average figure for all airlines is brought down by the fact that airlines operating from other regions suffered far fewer cases.

For instance, 54 in America and 53 in the Pacific region. Due to limited input data for the Middle East and Africa, the results may not be indicative of the regions.

There is less disparity when we look at internal fraud. The average worldwide figure is 33 cases a year, and airlines in Asia, Africa and the Pacific are broadly in line with this. The number of cases was higher in the Americas – at 63 – and the Middle East, but as there were several instances affecting just one Middle East airline, the figure is probably not reflective of the region as a whole.

### Where is exposure to fraud higher?

#### Average number of external fraud cases per airline

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Pacific</th>
<th>Asia</th>
<th>Middle East</th>
<th>Africa</th>
<th>Americas</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>413</td>
<td>53</td>
<td>760</td>
<td>3</td>
<td>0</td>
<td>54</td>
<td>681</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
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<th>Americas</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>33</td>
<td>44</td>
<td>30</td>
<td>35</td>
<td>80</td>
<td>63</td>
<td>11</td>
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</tbody>
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Where is exposure to fraud higher?

### Where is exposure to fraud higher?

#### Average number of internal fraud cases per airline

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<td>30</td>
<td>35</td>
<td>80</td>
<td>63</td>
<td>11</td>
</tr>
</tbody>
</table>

Location, location, location
Danger signs

No matter where in the world airlines are located, the internal auditors share the view that fraud is on the increase. 41% of participants expect it to rise in 2007, 49% expect it will remain steady and only 10% think there will be a reduction.

The reasons given for this expected increase in crime should give any airline executive plenty to think about, especially as prompt action by business leaders could remove some of the risks.

For example, the lack of resources allocated to fraud control is a danger sign highlighted by everyone who participated in our survey. Any reduction of staff in critical areas would exacerbate the problems.

There was also complete agreement that today’s technology is enabling people to bypass the organisation’s current controls.

Many internal auditors agreed that new products were not being regulated, which raises wider concerns about compliance and corporate governance. Economic pressure, complex fare structures and expanded flight networks were given as other reasons, although some disagreed that they were root causes.

“Unfortunately, two of the most frequently flagged reasons for the growth in fraud are out of the control of airlines,” says Jean-Pierre Garitte. “Organised crime and the weakening of shared values across society are at the top of the list, but airlines are powerless to control these two factors.”

“The world’s politicians and law enforcers have a tough job keeping a lid on organised crime, and there is little a business can do to influence the way society is changing. We have to accept that committing fraud is not a big deal to some people.”

“What airlines can do, however, is look at the way they assess and manage fraud and ensure that they plug the gaps that are making them vulnerable.”
Where the buck stops

Currently, 72% of the airlines that participated in the survey have no fraud policy. When we asked how they managed fraud, we found that 65% have no anti-fraud programme, 63% have no whistle-blowing mechanism that would allow staff to report fraud, 61% have no formal system to track fraud and 56% do not even perform a fraud risk assessment.

Of the 44% of airlines that do assess the risk of fraud regularly, 39% carry out assessments annually. When performing this annual check, only 22% of internal auditors feel they have a good representation across management, business units and locations to support their activities. And when fraud is detected, only 21% follow stringent procedures that are consistent across the enterprise.

Clearly, the current assessment programmes are not comprehensive enough. Nor are the anti-fraud programmes that should detect, report and track fraud. The conclusion here is that airlines, in general, are making the fraud detection and response responsibility even more difficult than it already is.

Six years ago, we asked who was responsible for the prevention, detection and investigation of fraud. In 2006, the picture remains the same, with Internal Audit, Security, Accounting and Revenue Accounting responsible for prevention; with Revenue Billing, Internal Audit, Security and Line Management responsible for detection. Internal Audit and Security still oversee any investigations.

At least 60% of airlines rely on Internal Audit to prevent, detect and investigate fraud, and yet the ratio of staff compared to the size of the responsibilities they carry can appear unbalanced when we compare it with other industries.

If we look at the size of Internal Audit departments across the business landscape, airlines are among the smallest, according to the Institute of Internal Auditors’ Global Auditing Information Network.

No airline has an Internal Audit department of 51 or more, yet 10% of the transport industry does. Only 17% of airlines have a staff of 11-25, compared with 50% within the transport industry as a whole.

64% of airlines make do with an Internal Audit department of between one and ten people, compared with 20% of companies across the transport industry as a whole.

While every department manager would probably say that their problems could be solved if only they could take on more people, the level of staffing within Internal Audit, and the inclusion of IT Security specialists within the larger ‘fraud team’ are certainly questions worthy of debate.

“Critically, IT Security is not even in the picture,” points out Jean-Pierre Garitte. “But with technology opening up airlines to more risks, there is a pressing business case for bringing the IT function into the team.”

Fraud identification – How did you discover the frauds?

14 potential mechanisms that airlines rely on to discover fraud were considered in the survey and here are the most common:

- Up to 31% discover the frauds by “accident”
- Combined 45% of respondents are informed by external parties
- Nearly 50% rely on internal assurance processes such as internal audit and internal control procedures
The three essential steps

With consensus that the level of fraud is probably going to grow, or at least stay the same, we asked participants what they intended to do to tackle the problem.

Most planned to improve internal controls and encourage a stronger focus from senior management. The introduction of hotlines and whistle blowing processes, along with an Ethics Policy and a more open culture, were put forward; and there was agreement that HR practices, such as reference checks on new employees, should become more substantial.

However, given that credit card fraud, web-based transactions and the ability for technology to bypass an organisation’s controls pose the biggest threats, we would question whether these steps – useful though they are – are enough.

Having studied the survey comments in depth, and building on Deloitte’s broad knowledge of the airline industry and security as a whole, we have defined three critical steps airlines need to take to fight back against fraud.

First, involve IT security

- With credit card and Internet payment fraud escalating, IT security is on the front line.

- Internal controls must adapt to keep up with new technologies. The pace of technological innovation, while generally good for customer-focused businesses, has to be matched by robust controls across the enterprise IT systems.

- Compliance with the new PCI standards is vital. Customers will need to be reassured that this is in place, and IT Security will need to facilitate it.

Second, implement an anti-fraud programme

- Fraud risks must be assessed regularly, in the same way that any successful company will assess all the risks that could impact its profits and sustainability. Fraud risks need to be linked to controls, so management can be assured the right barriers are in place.

- Define a fraud policy and ensure all employees understand it, and their role in making it happen.

- Involve all relevant stakeholders – third party suppliers for instance, and increase the focus from senior management.

Third, improve your detective capability

- Expand the Internal Audit team to ensure it has the capabilities and resources to match the risks. Ensure the team is fully trained in fraud and that its scope and reach encompasses every aspect of the business.

- Put in place a whistle-blowing, speak-up mechanism, so that anyone who suspects fraud knows where to go to report it.

- Create a central repository so that cases of fraud are recorded and monitored and can be escalated if necessary.
Conclusion

Most businesses would agree that fraud, whether internal or external, hits not only the bottom line, it also raises issues of good corporate governance.

Following the accounting scandals of recent years changes in global legislative requirements such as Sarbanes-Oxley in the US, J-SOX in Japan, LSF in France, and others, have set out clear responsibilities for quality of management. The need to identify fraud risks, and to implement anti-fraud programmes has therefore never been more important.

Aside from regulatory compliance, there is the subsequent impact on a company’s culture if fraud goes undetected and the perpetrators are able to get away with it.

As we said at the start of this report, the fact that the average airline is losing US$3 million a year to fraud – US$1 million to credit card fraud – may not be a large enough number to worry the world’s major airlines, but the knock-on effect on employee behaviour could be.

Staff who work within an organisation where fraud occurs regularly and goes unchecked are less likely to adhere to high professional standards, not only in accounting processes, but also in levels of customer service.

There is also an airline’s reputation to be considered. Many airlines are pushing their customers onto their websites to make reservations and to manage their bookings, usually with the incentive that online bookings are cheaper for the customer.

However, the willingness of customers to buy online and to trust an airline with their credit cards and personal details will evaporate if airlines don’t act swiftly to ensure their sites comply with new data security standards. An airline’s IT systems must be robust enough to deal with fraudulent practices.

Deloitte and the IAAIA would like to thank all those who participated in this survey. The information has enabled us to compile an interesting and intriguing picture of fraud within the industry today.

Most importantly, the findings have highlighted what needs to be done, so that airlines can ensure they have a secure business environment in the future.
Methodology

- The list of questions for the 2006 survey built on the 2000 list, which had been compiled by the IAAIA and the IATA.
- Confidential personal invitations were sent to the heads of Internal Audit of all the major airlines. For smaller companies, we sent the invitation to Finance Directors.
- Invitations were sent to almost 180 airlines worldwide, of which 42 participated in the survey, representing around 60% of IAAIA’s member airlines.
- Responses were summarised on an aggregate, collective, no-name basis.
- Confidentiality has been maintained at all times.
- Feedback to selected participants was given via telephone, ahead of a presentation of overall findings.
- A presentation covering these findings in detail took place at the 15th Annual IAAIA conference in Goa, India, in November 2006.

Acknowledgments

We would like to thank the following people who provided us with their comments and insights:

- Raza Abdulla IAAIA, Emirates Airlines
- Sean Gaven IAAIA, American Airlines
- Sharon Grant IAAIA, Continental Airlines
- Rania Bejjani Deloitte
- Philippa Graves Deloitte
- Graham Pickett Deloitte
- Lisa Su Deloitte

We would also like to thank all those airlines who contributed to this survey. They will not be named to ensure confidentiality.
About Deloitte

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About the IAAIA

The International Association of Airline Internal Auditors (IAAIA) began in 1991 with several airlines gathering in London to exchange information on challenges and best practices experienced within their Internal Audit departments. As of 2006, the organization has grown to over 70 member airlines and continues to meet annually all across the world to network, exchange ideas and solutions.

The objectives of the IAAIA include:

• developing and maintaining the standards and procedures of the practice of Internal Audit in the airline industry;
• promoting the study of and research into the Internal Audit management and practice in the industry; and
• promoting the profession of Internal Audit in general and to the airline industry in particular.
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