

# Consequences

- Researchers studied 174 cases of fraudulent financial reporting
  - Fraudulent “facts” vs “forecasts”
- Forecasts based on unreasonable accounting assumptions
  - Form 40% of fraud cases
  - Account for 44% of economic losses
- Total damages by fraudulent *facts*: US\$ 27 billion
- Total damages by fraudulent *forecasts*: US\$ 23 billion