

ZERO IN YOUR ACCOUNT ...

The first time I realized something was wrong was when a bank employee phoned to tell me she couldn't cash the cheque I had written. She informed me that there was no money in our account. It must be my fault, I thought. I must have written it on the wrong account. No, she said, there is no money in the other account, either.

Employee Theft:

Internal theft: the 10-10-80 rule suggests that:

- 10% of your employees will never steal,
- 10% will steal at any opportunity, and
- 80% can go either way, waiting to see how serious you are about theft and weighing the risks.

~ Peel Regional Police ~

I was speaking with a friend at a business function and somehow the discussion got around to employee theft. She had been a member of her children's school PTA for a few years. It was time to buy equipment for the school ball team; she had ordered the equipment, paying for by cheque. When the bank called, she was shocked to learn that there was no money. After all, the PTA treasurer had provided up-dates at each meeting along with a copy of monthly bank statements. How could this be?

Ultimately, the PTA executive learned that the treasurer had been printing monthly statements, then carefully changing the amounts shown to represent deposits and the expected totals. When confronted the treasurer admitted to the theft. She was tearful - but that didn't replace the needed funds. What to do?

To 'keep things quiet' no report was given to the police. They booted the treasurer off the committee. The executives wanted to preserve the association's reputation and avoid a trial. Also, everyone (had) liked the woman and wanted to protect her family from the embarrassment and ordeal of a trial. In hindsight, my friend admitted, they should have reported the theft to police.

Reporting the theft would have made the theft a matter of public record. By failing to report it, they learned that privacy legislation prevented them from telling anyone else about the theft.

My friend couldn't even tell her husband. He was on the executive of a non-profit sports league. The PTA treasurer was also treasurer of his group. She felt all she could do was warn her husband to keep close watch over the finances.

PREVENTING EMPLOYEE/VOLUNTEER THEFT

Employees and volunteers have many similar characteristics. The main difference is that one is compensated for their work while the other is not.

Loss prevention is always the preferred action. It saves everyone time, money and woe. To begin with, don't take it for granted that anyone is honest. No matter how nice or reliable anyone is, most people will steal if the conditions are right. (See box and left.)

When either an employee or volunteer is put into a position of trust, checking references and getting a Criminal Records Check are two pro-active steps you can take. One they are on board, Peel Regional Police (Ontario) recommends the following steps:

- communicate the direct and indirect costs of employee theft to all staff (be sure to include the costs to the business, the workplace and the employee),
- stress that your business is built on trust - which is balanced by being trustworthy,
- educate staff on recognition and response to employee theft,
- encourage reporting of suspicious circumstances or persons to someone prepared to deal with it,
- implement proper procedures and policies, and ensure compliance.

DEALING WITH DISHONESTY

Do not overlook the loss, or treat the thief differently than you would a stranger. When someone has broken the trust you have in them, you want to be sure to avoid inadvertently demonstrating that it is unimportant, or that you will treat them gently because you know them. Make it clear that while a loss of funds is a significant issue, taking advantage of your trust is equally offensive. Failure to report the crime will only:

- create the perception that they 'got away with it',
- encourage theft by others, and
- allow them to apply for other positions where they may repeat their actions.

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