EMPLOYEE THEFT
FRAUD INFORMATION FOR COMMERCIAL BANKING CLIENTS

Employee Theft - What is this?

Employee theft occurs when an employee steals from the company that they work for. Unfortunately statistics show that employee theft cases have been increasing annually. It doesn't matter if the employee is tenured or brand new to the company, employee theft can still occur.

Listed below are examples of the methods and types of persons that perpetrate this type of fraud.

Methods of Theft

- ◆ Payroll theft – Paying themselves twice
- ◆ Employees left unsupervised for theft of goods and material
- ◆ Stealing receivables
- ◆ Altering bank statements and accounting records
- ◆ Stealing checks or selling private company information

Who are Thieves?

- ◆ Any employee

Making a good employment decision is just as important as making a good business decision. But the decision to hire an employee doesn't stop there. Employers can assist with avoiding most employee thefts by focusing on a few simple steps to protect your business.

Protecting Your Business

- ◆ Implement dual control processes for banking or financial matters
- ◆ Hire an outside accountant to review your financial records
- ◆ Restrict access to banking and financial records
- ◆ Prescreen employees
- ◆ Treat employees well
- ◆ Adopt a code of ethics program
- ◆ Install a surveillance system for monitoring
- ◆ Allow employees to report suspicious activity anonymously

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Protecting Your Business (Continued)

- ◆ Implement and monitor procedures
- ◆ Inquire with your bank for additional products such as Direct Deposit, Positive Pay and Lock Box services
- ◆ Inquire with your insurance provider regarding coverage for this type of crime
- ◆ Immediately contact your bank for any discrepancies on your account

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