



Shoreline Police BUSINESS WATCH

Eastside and Westside Shoreline Police Neighborhood Centers
Partnership for Crime Prevention in the Business Community

Internal Theft Prevention Issue

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Partnership for Crime
Prevention in the
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INTERNAL THEFT

*Reprinted in part from Washington State Crime Prevention Association
Crimes Against Businesses Handbook*

Several studies estimate internal theft and dishonesty costs U.S. businesses between \$60 billion to \$120 billion a year, not including the billions spent on protecting against theft. In fact, 30% of all small business failures are due to internal theft. 75% of internal theft goes undetected (www.corporatecombat.com).

The variety of ways in which an employee can steal from a company is limited only by the imagination. Some of the more common methods include pilferage of merchandise, supplies or cash, non-registered sales, lapping, check-kiting, payroll fraud, expense account fraud, creation of phony suppliers and various forms of business sabotage.

There are some very effective measures you can take to prevent internal theft, but the most important step is for you—the employer—to set a good example. Don't go out to lunch, taking twenty dollars from the till on the way. Don't borrow tools from work to use at home. Inspire honesty with your employees by following your own company's policy and setting a good personal example.

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PREVENTIVE MEASURES:

Preventive Measures: *Employee Hiring*

- Thoroughly investigate the background of prospective employees. Check personal and credit references.
- Diplomatically inform new employees of your company's internal theft policy, what constitutes "internal theft" and provide this information to each new employee in writing.
- Number and log all keys before issuing them to new employees.
- Ensure that employees who are hired to handle accounting and funds are adequately bonded.
- Whenever possible, never give the sole responsibility for the company's accounting to one person.

Preventive Measures: *Employee Relations*

- Encourage a spirit of team work. Provide timely and consistent examples of honesty, fairness, and accountability.
- Promptly address employee concerns or problems. If an employee seems upset, take the time to ask why.
- Remove temptation and opportunity:
 - Don't leave the keys in company vehicles.
 - Organize merchandise in a neat and orderly fashion so that it will be easy to identify if an item is missing.
 - Don't leave cash or company checks lying around.
 - Clearly label equipment, tools and supplies with the company's name.
 - Don't leave a supply of signed blank checks when you go on vacation or to a conference.
- Spot-check accounting records. Personally approve credit memos, bad-debt write-offs, unusual discounts, and other documentation for sales returns and allowances.
- Conduct "exit interviews" with employees who are leaving. Significant information may be revealed regarding various kinds of internal theft at the point when an employee is leaving the company.

VANDALISM

Vandalism, including arson, graffiti, and other forms of property damage and defacement, are not only crimes against individual merchants, but also crimes against the neighborhood.

Vandalism that goes unrepaired detracts from the appearance of the neighborhood, not just the building vandalized. It also sends a message that this kind of behavior and perhaps other criminal behavior, is tolerated.

Community efforts are often an effective way to deal with vandalism. Your local Chamber of Commerce or Merchants Association are excellent focal points for developing an anti-vandalism strategy for the community. Send the message that vandalism and graffiti are not normal in your community and will not be tolerated.

Together we do make a difference!

PROTECT YOUR PREMISES

- **Paint over or remove graffiti immediately. The more graffiti that appears in an area, the more will be written there.**
- **Repair vandalism damage immediately.**
- **Make sure that property owners of vacant buildings keep them in good repair and properly secured.**
- **Keep the neighborhood clean.**
- **Discourage loitering in service areas or on streets.**
- **Make sure every business has a visible sign on, or in its location.**
- **Develop a Neighborhood Business Watch system. Report vandalism activity to the police. Do not ignore activity when your business is not directly involved; sooner or later it might be.**

IMPORTANT TELEPHONE NUMBERS

In an Emergency, CALL 911



Police Non-Emergency (206) 296-3311

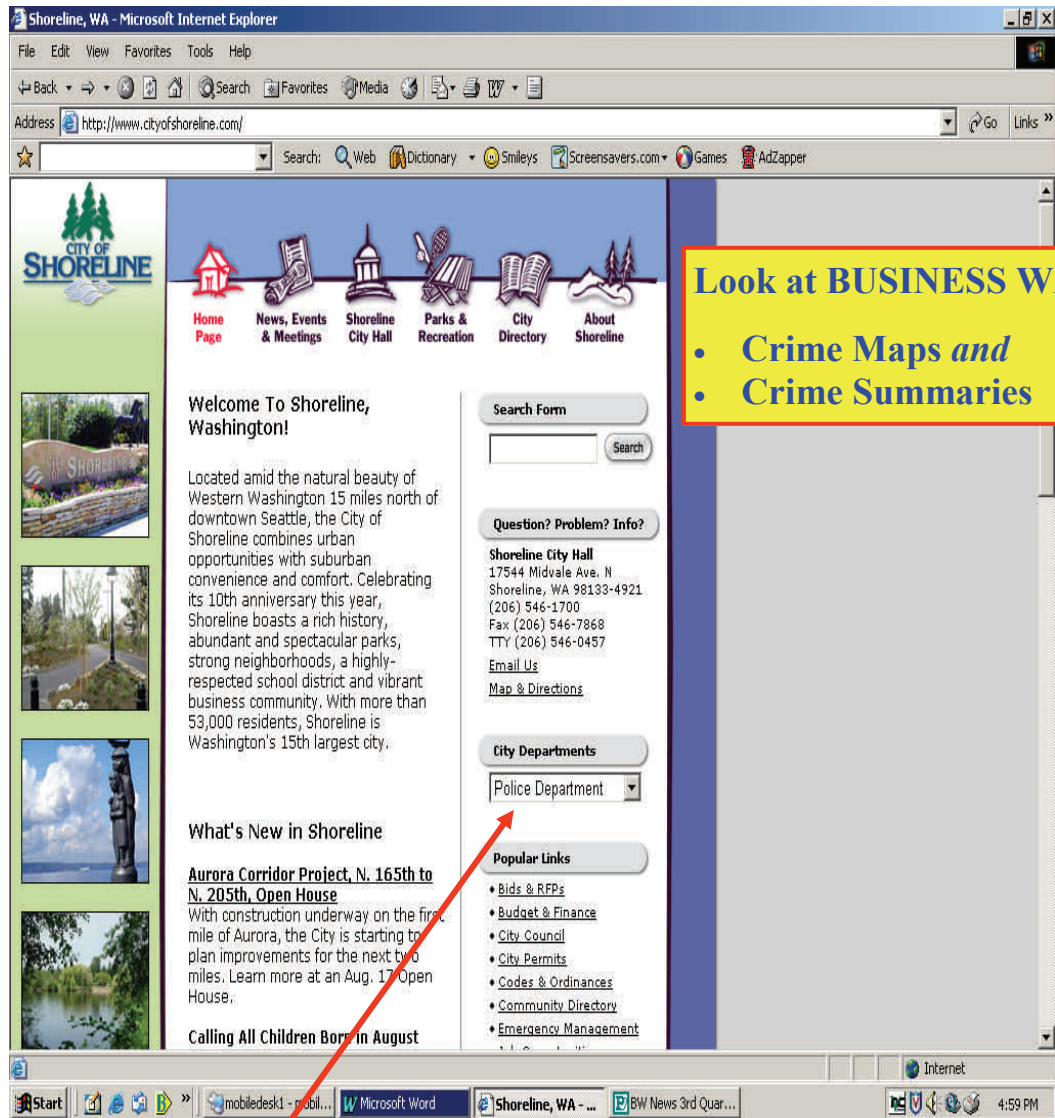
Shoreline Police Precinct 1206 N 185 St (206) 546-6730

Police West Side Neighborhood Center 624 NW Richmond Beach Rd (206) 546-3636

Police East Side Neighborhood Center 521 NE 165 St (206) 363-8424

WE'RE ON THE WEB!

BUSINESS WATCH NEWS is on the city website www.cityofshoreline.com along with other Crime Prevention Information:



Look at BUSINESS WATCH

- Crime Maps and
- Crime Summaries

Scroll down to Police Department to open Police home page