

# **EMPLOYEE THEFT RISES, ADDING TO HARDSHIPS OF TOUGH TIMES**

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From layoffs to plummeting housing prices, a recession means bad news for small businesses, but not just for the reason you might think.

We are just ready for a big explosion in employee fraud; in fact, it has already begun. In 2005, PricewaterhouseCoopers reported employers lost \$1.7 million to fraud. Two years later, that number rose to \$2.4 million. And most of the time the thieves blame financial or family problems as the reason for their theft.

In these times, the pressure is to live, keep food on the table and keep the home from foreclosure.

There are some red flags for which employers should look:

- Employees who have unexplained changes in lifestyle, such as a flashy new car;
- Irritable, nervous behavior;
- Complaints from customers;
- Missing or incomplete documentation; and
- Employees who have had a family member laid off.

While these actions are not proof of theft, they are indicators that something could be wrong. And bosses should not assume that only new employees would steal. Eighty percent of workplace thieves are the ones that employers trust the most.

They often feel that they have been long-term employees and they're not being treated right or are worried that they will get laid off in future,

To protect yourself and your business, managers or owners should sign all checks themselves and look carefully at credit card and bank statements.

The employer has to set the tone at top and let employees know that they should conduct business in an honest manner and any theft is unacceptable and will be prosecuted.