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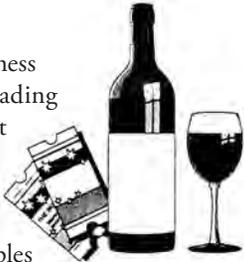
## Computer fraud

Many smaller companies are turning to computers for checkout, billing, inventory records and payrolls. The technology may be new, but the crimes are the same— theft, larceny, embezzlement, fraud. Here are some tips to help protect your business from computer crooks:

- Make sure your computer is programmed to reveal unauthorized use or program alterations.
- Separate computer programmer and operator functions.
- Minimize after-hours access to and use of the computer.
- Make sure programs contain a statement of ownership.
- Monitor and log all inputs and outputs.

## Bribery & kickbacks

The employee who lets a business secret slip for a price ... the loading supervisor who ignores a short order for a little fee ... the contracting officer who'll speed things up for a small present ... These are all examples of bribery. It may not seem like a big problem at first. After all, who cares if somebody does a little favor for a business associate? But these little favors can mean big trouble. Watch out for these warning signs:



- Purchasing agents use one supplier despite a company policy of rotating suppliers.
- Employees frequently associate with vendors or suppliers.
- Employees receive free tickets for sports events, shows, etc.
- Reputable businesses refuse to submit bids.
- One person has responsibility for issuing and approving bids.

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To fight the problem, institute strong policies against accepting gifts, make sure employees require competitive bids, and rotate purchasing agents and suppliers.

## Good business practices and good management will help avoid many of these problems.

### Tighten your hiring practices

Require job applicants to fill out a detailed application form. Then use it—contact all references and former employers.

### Separate functions

The bookkeeper should never handle cash. The person who makes purchases should not be the person who pays the bills. Your accounting system should enforce accountability through a series of checks and balances. Each function should serve as a check on all the transactions that went before. Have an independent company audit your books every year.

### Set a good personal example

The boss who takes merchandise and office supplies without paying encourages employees to do the same.

### Keep employee morale high

Employees who are treated fairly and generously are far less likely to “rip off” their boss. So get to know your employees better. Ask for their opinions or suggestions and seriously consider them. Involve your employees in effective crime prevention practices. Consider starting a profit-sharing program. Make sure your salary rates are competitive—an underpaid employee may feel that stealing from you merely “makes up the difference.”

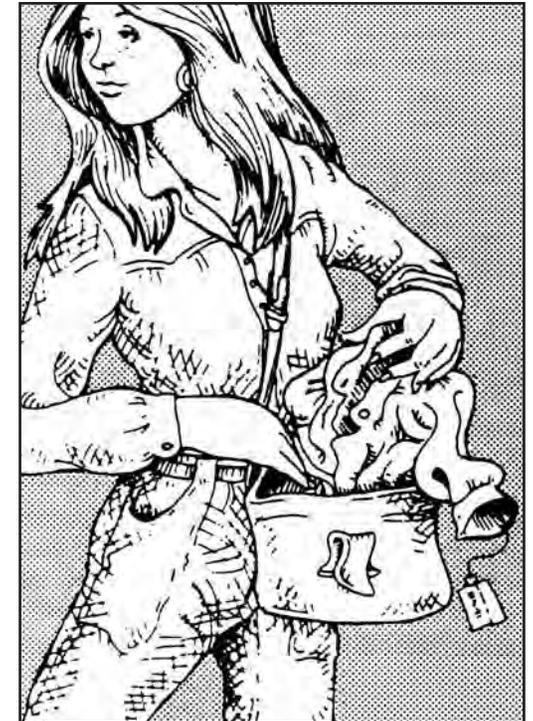
For more information on crime prevention, contact:  
Concord Police Department  
(925) 671-3220



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# Shoplifting & Internal Theft Prevention



**Concord Police Department**

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## Put a stop to shoplifting!

Shoplifters assume they won't get caught. So your strategy is to prove them wrong. The following tips require forethought and ingenuity, but cost little.

- Alert employees may be your best defense. Have them greet customers when they enter the store. Teach them to be attentive in a helping way. Make sure that all your employees are familiar with shoplifting laws in your state and establish procedures for them to follow if they suspect shoplifting.
- Make sure you can see everything that goes on in your store. Keep counters low, no more than waist-high. Mount mirrors in corners so there are no blind spots.
- Make it hard to leave your store without paying. Place expensive items in the center of the store away from exits. Arrange counters and display tables so there's no direct route to the exit. Some stores put turnstiles at entrances so the only way to get out is through the checkout counter.
- Arrange your displays so that missing items are easily noticed. Place small items in neat rows or clearly defined patterns. If you must, fasten expensive merchandise and attach alarms. Reverse alternate hangers of hanging garments to prevent "grab and runs."
- Announce and observe a policy to prosecute shoplifters. The threat of being caught, questioned by police, put on trial and maybe even put in jail, may be enough to run most shoplifters away. If someone ignores your warning, follow through. An empty threat is meaningless.

## Common shoplifting methods

- Bulky clothing-coats, pants, maternity outfits-are often used to hide merchandise.
- Packages, bags, knapsacks, and purses are good hiding places. Sometimes they have false bottoms.
- Special props include hollowed out books, fake casts, umbrellas, secret pockets, belts or hooks under coats.
- Folded newspapers or magazines are used to hide small and/or flat items.

## What to watch for

- Be aware of customer's hands-and their pockets, purses, handkerchiefs.
- Notice open packages, purses, shopping bags, knapsacks.
- Watch for customers who are nervous, have wandering eyes, are loitering or lingering in hidden areas.
- Watch groups of people-especially if one attempts to keep you distracted.

## Employees are not exempt

Some experts believe that businesses lose more to employee theft than to burglary, robbery and shoplifting combined. Examine your management practices. Make your employees feel that they've got a stake in your business. Then they won't be tempted to steal it away!

## Embezzlement & pilferage

Sometimes employees only take a few items, like office supplies. Or they use company equipment, like cars or copying machines, for personal purposes. But embezzlement and pilferage can get a lot bigger. Cashiers may use "short ring ups"-ringing up a lower price on the sales register to cover money they've taken from the till. Or they may overcharge



customers and pocket the difference or undercharge other employees and friends.

Embezzlement can go from simple overloading of expense accounts, to payments made to non-existent suppliers, to complicated juggling of the company books.

## Watch out for these signals:

- Records are rewritten so they'll look "neater."
- Inventory shortages are increasing in size or frequency.
- Employees refuse vacations or promotions.
- Business patterns change when a certain employee is absent.
- Customers complain about errors in monthly statements.
- Collections decline.
- Employees seem sensitive to routine questions about procedures.

## Maintain strict inventory control

You'd be surprised at how many ways dishonest employees can cheat their employers.

- A cashier in a grocery store "accidentally" damages boxes and cans so she can buy them at reduced prices.
- A maintenance worker stashes office supplies like calculators and typewriters in trash bins.
- A stock clerk saves discarded customer receipts and uses them to show that stolen goods were "paid for."

Your best defense is frequent and thorough inventory control. Limit employees' access to stock and inventory records. Check trash bins and nooks and crannies now and then. Conduct periodic, unexpected inventory checks so dishonest employees know they run the risk of being caught by surprise.