



How to Confront Employee Theft



Employee theft accounts for 43 per cent of lost revenue for US businesses. For some, it can mean the difference between a thriving business and bankruptcy.

Theft is a serious threat to your organization, but before you accuse an employee of stealing, make sure you have indisputable proof and that it's well-documented.

Here are the six things you need to do when you have reasonable grounds to suspect employee theft.



Conduct an Investigation

Conduct a timely, comprehensive investigation. To do this, you'll need to compile documentation, audit computer files and financial records, conduct investigation interviews, collect evidence and maintain a chain of custody to prove the evidence wasn't tampered with. Document all steps - preferably using case management software - and create a comprehensive investigation summary report that outlines your conclusions.



Terminate the Employee

Ensure the method you use to document the termination follows your company policy and check to see if there are any issues that should also be addressed, such as contracts, collective bargaining agreements, union representatives that need to be notified, etc.

In a union setting, an employee has the right to have a union representative or coworker present during any interview that the employee expects could result in discipline.





Notify the Police

Check your insurance policy to see if you have coverage for employee theft. You will need a police report in order to make an insurance claim.

You may also wish to press charges if the theft is sufficiently egregious. Keep in mind that terminating an employee without making a police report leaves the next employer of that person vulnerable to employee theft. This employee may have been red from his or her previous position for the same reason, but with no record of the misconduct the person's next employer is at risk.



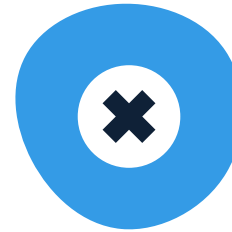
Be Safe

If the employee wishes to leave the premises before you have a chance to finalize the termination and notify the police, ensure someone contacts the police immediately. It's a good idea to escort the employee off the premises to ensure he or she doesn't tamper with company property or disrupt the workplace on the way out. If you are concerned for the safety of your employees or yourself, consider hiring a security firm to help escort the employee out.



Settle Up with the Employee

Don't deduct anything from the employee's paycheck, no matter how tempting this can be. There may be state laws that prohibit this practice. Leave restitution to the courts.



Maintain Confidentiality

Avoid discussing the employee's specific situation with other employees or with people outside the company. However, it's a good idea to inform employees that an employee was terminated for theft in order to reinforce your company's anti-theft/anti-fraud program.

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