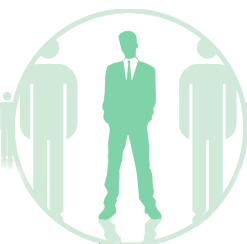


# How To Spot A FRAUDSTER



## ! Likes working alone

Employees that steal from firms more or less have set *modus operandi* that requires falsifying documentation, forging signatures etc. In order to successfully do so and keep their actions under wraps, they find working alone more suitable.

## ! Rarely takes annual or medical leave

An employee who is embezzling from you may need to make a continuous effort to conceal their misdeeds therefore they find it necessary to always be present at work to constantly monitor and cover a complicated paper trail.

## ! Works long after the end of work day

Most employees who are stealing from their employers choose to stay on well after most of the staff have left. They use this time to further solidify their fabricated paper trail.

## ! Makes 'odd' excuses when asked about discrepancy

Odd, flimsy and interchanging excuses are offered every time you have a question pertaining to the movement of your accounts. Never accept these excuses. Demand for better and more detailed answers when you question your staff and make the effort to call for the files/bank statements to ensure the reasons provided are genuine.

## ! Marked personality changes

There are two ways an employee who is stealing from you, can exhibit a change in personality. The first is where you see a drastic up-change in lifestyle such as purchasing new and expensive clothing, cars and electronic gadgets. The second type tend to develop a more introverted personality as they face stress-inducing problems. They steal and embezzle money primarily to finance a burden, ie, a husband's gambling addiction.

## Recommended Actions When Embezzlement is Uncovered.

You have just discovered an employee retaining cash paid by your clients. Or you've realised that an account's clerk has been forging your signature on the cheques that you have left in their care. You realise too, that this may just be the tip of the iceberg of a financial disaster that could be ruinous to your firm.

### What you should do:

- 1 Suspend the employee for a specific period. This would allow you to conduct an investigation without the perpetrator hindering the investigation.
- 2 Lodge a police report and notify the matter to the Scheme's Broker.
- 3 If necessary arrange to appoint an auditor to investigate the potential exposure of the Firm.
- 4 The investigation would require a review of open and closed files.
- 5 If the loss relates to forged cheques, it would be necessary to write to the Bank for copies of all cheques for the loss period.
- 6 Among others, identify the payees the cheques are addressed to against your clientele / suppliers – you may discover that payments were made to parties associated to the perpetrator.
- 7 Reconcile fixed deposit receipts.
- 8 Reconcile the office and client's bank accounts – identify the loss to the specific accounts.
- 9 Loss of cash received from Clients may require the reconciliation of a number of documents:
  - a. Receipt Books.
  - b. Open / Closed files and vouchers for payments made towards the matter.
  - c. Bank deposit slips against the receipts issued.
  - d. Transfer of funds between the client's and office accounts.
  - e. Fixed Deposit receipts.

The above recommendations whilst not exhaustive, are in an ideal situation and where the documents are available to reconcile the extent of your exposure. However, there are instances where the paper trail is destroyed by the perpetrator and in these situations it may be necessary to engage your Clients on a without prejudice basis to determine the extent of the loss.