



business & money

BY LONNIE HARDY

Who Embezzled My Cheese?

A recent cartoon depicts a physician office manager nervously explaining to the doctors: "Well, I tried to pass the buck to Jill, but she embezzled it!" Worth a laugh for sure, but, in real life, employee theft is never funny. In fact, it's the ultimate level of disloyalty. Initially, most employers react with disbelief, then disappointment, then anger and usually embarrassment that they trusted someone who so deceptively stole from them. As for the guilty employee, it can mean the end of a promising career, public humiliation, prosecution and possibly a jail sentence.

People resort to embezzlement for a variety of reasons that follow familiar themes such as greed, debt overload, gambling addiction, substance abuse, and, sometimes, just to "get even with the boss." You can't profile an embezzler by

their appearance; she might look like your sweet, old aunt as easily as some shady, shifty character.

Studies indicate that over one-third of employees admit to stealing something of value from their employer at least once during the past three years; and, for every publicized case you hear about, there are many, many cases that go unreported. This is because many employers fear that taking their case through the legal process will cost them significant time and/or negative publicity. Consequently, the guilty employee is simply dismissed only to go on to the next job(s) and perhaps serially repeat his offenses.

Accountants have developed very effective techniques that all businesses should use to not only help detect internal theft, but to help deter it in the first place. These policies and procedures are known as

"internal financial controls." Often, when an embezzlement is uncovered, circumstances indicate that the fraud likely would have been prevented had such controls been in place. And maybe, just maybe, such controls might have even discouraged some troubled, tempted soul from choosing crime as a solution to his problems.

But, don't be misled -- financial controls are not foolproof. In fact, they're kind of like the locks on most doors; ultimately, they only keep the honest people out. So, a thief in your midst that decides to nibble on the company "cheese" will likely get by with it for at least a little while. But, sooner or later, he will spring the trap that he has set for himself, and his world will come crashing down on him.

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