

Waitstaff Millionaires

By Derk Boss

Read before you decide that this isn't happening at your casino

The waiter placed the bill on the table and asked the nice, older couple if they needed anything else. They said no, they were fine, thank you. The waiter thanked them for coming and left. The man picked up the bill and made sure it was correct. It was. He placed the receipt and cash to pay for their meals, including the waiter's tip, inside the waiter's wallet, and they gathered their things and left the restaurant.

The waiter, seeing them go, returned to the table and picked up the wallet. He walked over to the register located at the waiter's station, looked around, opened up the wallet, removed the cash and placed it directly into his pocket. He then opened the ticket in the system and comped it off by using the service recovery/dispute key that was to be used only when authorized by a manager in order to resolve a customer complaint or other issue. The waiter knew that he could keep the cash, because as far as the system was concerned, no payment was required due to the comp.

In this manner, the waiter, and almost all the waiters in this particular venue, stole cash daily in order to increase their tips. And they did, since most of the daily cash sales were being skimmed off before they hit the register. The restaurant was losing thousands, had been for at least a year, and no one knew it.

The above is a true story. At this property, a special key had been installed on the register in order to provide the waiters with a way to resolve customer complaints and beefs. They were to obtain permission from their manager before they did so, but over a period of time, no one bothered. I don't think it would surprise anyone that the wait staff quickly figured out how to take advantage of this situation for their benefit, and that they went to work quickly.

Everyone who worked in the restaurant knew about the service recovery/dispute key and made use of it. The only people who didn't know: the Restaurant Manager, the Director of Food and Beverage, and the accounting/audit departments responsible for reviewing the paperwork.

It took an audit by a proactive surveillance department to detect the theft; otherwise, it would probably still be going on today.

Can't happen at your property? I beg to differ. I say it, or something like it, is probably going on in one of your venues as you read this article. Why do you think some progressive properties have, or are developing, their own Fraud Units? It is because of the amount and frequency of theft and fraud that's occurring at their property. It is because of the enormous cost that we all suffer from internal theft and fraud (7% of gross revenue, as estimated by the Association of Certified Fraud Examiners).

Not everyone can afford to field a fully staffed Fraud Unit. But I can tell you that you already have your very own Fraud Unit. It's called the Surveillance Department.

Your Surveillance Department can detect the restaurant fraud we discussed, just as they did at that property. They just have to be released to do so.

How can this be done? After all, most casinos don't really know what surveillance does or can do; how do we turn our surveillance team into one that consistently detects the activity that is costing us thousands of dollars every day?

Here are three things you can do to get you on the right track ...

1. Provide your surveillance team with the data and information they need to detect ongoing scams in all areas. A lot of surveillance rooms are unable to gather the information and reports they need to operate, for no apparent reason. Change this. The restaurant scam we discussed was brought to light by a surveillance audit that located the use of the service recovery/dispute key. Review of the register reports located the constant and unauthorized use of the key.

2. Provide the surveillance team with the training they need in order to understand the data and information received from each department. Once they know what to look for, red flags and other indicators of illicit activity are easily spotted. One of the red flags noted in the restaurant case was a tremendous reduction in cash sales. This was because the wait staff stole most of the cash checks and only properly rang up credit card sales.

3. Request that surveillance audit each department (and I do mean all) on a routine basis. They may need some training in order to do so, but once they get started, they will detect the criminal activity occurring. It was an audit that detected the restaurant theft. We didn't know it was occurring when we went in, and also didn't know anything about service recovery/dispute keys, but we learned fast. Your team will too.

Allowing your surveillance team to operate as they need to will help you add thousands of dollars back to the bottom line that you didn't even know you were missing.

The restaurant we discussed? It returned to profitability after the key was removed and certain people were terminated. It is still in business today and is doing well, thank you.