When Was the Last Time You Asked, WHAT IF?

By Jen Boss

Preventing millions in losses at your casino

On average, employees steal nine dollars a day from their company, which equates to $3,285 a year per employee. For a property of 1,000 employees, the loss is $3,285,000 USD annually.

How does a company avoid such a loss? All areas are susceptible to theft. Theft of merchandise, theft of funds, theft of time, theft of equipment … the list goes on. There is no one answer to prevent theft by employees; however, there are several ways to detect and even deter such actions.

Questions to ask yourself about your property …

When was the last time you looked to see what access your employees had on the Point of Sale (POS) terminal?

What if an employee could combine transactions without a manager override? What if an employee left a comp open for hours just to continue to add to the comp (fill the comp) and pocket the cash that should've been tendered? What if …

Fraud Analyst Frank noticed that a nightclub server, Jill, had the ability to combine transactions. Jill would combine cash tender checks into a comp check to use unused amounts from previous guests and pocket the cash.

When was the last time you reviewed the use of a manager's card on your property?

What if the manager allowed the employees to use the manager's card? What if the employees obtained an illegal copy of the manager's card? What if the manager was using the card for ill-gotten gains? What if the manager didn't double check why overrides are needed before swiping the card? What if the manager's card isn't password-protected? What if the password never expires? What if …

Fraud Investigator Victor reviewed manager overrides in the café on-property and noticed that quite frequently the manager's card was being used seven days a week and on all shifts. Research revealed that Alan, the manager, had misplaced his card about six months prior and had been issued a replacement. His original card was found by a server and then shared with other servers for personal gain by performing voids on cash checks.

When was the last time you verified refunds for an outlet?

What if employees failed to sign out of the POS when leaving their station? What if no one verified to ensure refunds were carried out properly? What if …

Fraud Analyst Sara noticed the spa at her property had several refunds over the course of a few months. Sara was perplexed about why a spa would have such an excessive amount of refunds. It appeared that one of the desk clerks, Brian, was performing most of them. Upon closer inspection, Brian had failed to log off the terminal and Sara was able to determine that Tim, the Spa Manager, was using the terminal while Brian was away to refund transactions to his personal debit card. Tim had been performing the transactions over the course of approximately 18 months and had taken over $83K.

When was the last time you performed an unannounced mid-shift audit of a cash drawer in one of your outlets?

What if an employee was tracking cash that they intended to take? What if an employee was keeping personal items in their cash drawer? What if …

Fraud Investigator Julio performed a mid-shift audit on Isabella, a bartender, which verified that she was charging the normal price for cash tendered drinks, but ringing in items of much less value, causing her drawer to be over by a significant amount.

When was the last time you checked the electronic journals to verify when discounts were being applied?

What if an employee charges a guest the full amount and then applies a discount to the check? What if the discount is warranted? What if the employee is earning rewards for the discount (players club)? What if …

Fraud Analyst Ralph pulled electronic journals (EJs) for Bartender Chad, who showed excessive discounts. The EJs verified a pattern of discounts being added to the check after it was printed and within seconds of being tendered to cash. Chad was pocketing the difference after applying a 30% discount to cash tendered checks.

When was the last time you did inventory in your outlet?

What if no inventory record exists? What if no one checks it regularly? What if third party employees are granted unrestricted access? What if product par doesn't match items sold? What if …

Gift Shop Manager Erica noticed that she was having to reorder cigarettes at an alarming rate. When Fraud Investigator Taylor asked for the inventory records, Erica confessed *that the vendor dropped off cartons of cigarettes in the storeroom without being checked or inventoried at any time.*

You have to inspect what you expect! Know that employees, even the most accomplished, may steal from you, and that you have to have ways to detect such theft and also ways to deter it! What methods do you have in place? How often are the detection methods actually utilized?

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