

## Internal Workplace Threats Problems are Real; Assistance Available

By Brian Bauer

*(Editor's Note: The second part of this two-part series will focus on tools and resources available to help companies deal with workplace issues).*

According to a recent report by the U.S. Department of Commerce, 87% of admitted drug users are employed and one out of three businesses will go bankrupt due to employee theft.

*87 percent ... on the job*

*One of out three businesses ... out of luck.*

And that's just the tip of the proverbial iceberg when it comes to a company managing its employees. In response, an increasing number of businesses – large and small – are utilizing corporate investigation firms as a resource for heading off problems in the workplace, including issues from pre-employment checks, narcotics use and theft to violence and fraud.

As assets are concerned, people are often described as “a double-edged sword.” A most valuable resource to be sure; however, a certain percentage of them can also be your biggest headache. It's an issue that is staggering for two reasons. First, the rate at which these types of problems occur is higher than you might think. Second, the problems that do occur – statistics show – often lead to an increase in medical claims, absenteeism, product defects, insurance costs, theft and/or losses in productivity. Worse, it can expose a business to even greater liabilities, diminish its ability to recover from losses, as well as damage valued relationships with clients or customers. Perhaps, worst of all, it can drive down employee morale.

### How big is the problem?

According to a survey, conducted by a leading personnel firm, 79% of workers admitted “they have or would consider stealing” from their employer. In the same study, just 21% of those surveyed said they would “never steal,” 13% said they “will steal” from the company and 66% indicated they “will steal if they see others get away with it.”

The problem could be described as equally concerning in the world of retailing. In a 1998 survey, more than 42% of a retailer's annual shrinkage losses were due to theft. Think about that the next time you're concerned about the markup on that hot, little cocktail dress or fabulous set of golf clubs.

### Realistic expectations

In considering the services of an investigative firm, it's important to recognize what you should expect in terms of its ability to work a case. Until recently, many people associated this type of service with that of a “private eye” – someone akin to the 1970s TV character Jim Rockford, or a retired police officer whose knack for following a lead makes for a nice, part-time job.

By contrast, a full-service investigative firm is comprised of

a staff of full-time and part-time investigators, many who have built impressive track records as distinguished members of the law enforcement community. The investigators are often backed by additional staff, which has proprietary access to national and international databases, which often reveal substantial information on an employee. It is information that is not readily available from local or state law enforcement agencies, which typically charge just a few dollars for this type of service.



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In terms of clientele, the list includes both multinational, global corporations, as well as smaller, family-owned or closely held businesses. In addition, corporate investigative firms are being hired, more and more, by respected law firms, who are beginning these types of services as an affordable benefit to their clients, and by various local, state and federal law enforcement agencies for help in solving larger, more complex cases (*i.e.* fraud, embezzlement, narcotics, criminal activity).

This is due, in large part, to the fact that corporate investigative firms possess the ability to conduct systematic, efficient internal interviews, obtain verbal and written admission statements and secure immediate restitution for their corporate clients. To avoid problems in the future, an investigative firm can help with good terminations or prosecution of employees. In doing so, having a team of experienced investigators can help in more accurately measuring the full scope of the existing liability in a company, and the opportunity to offer a plan of action going forward so the same issues will not happen again. It also helps in overcoming the often-mistaken notion that the problem exists only at “other” companies.

Once a firm has had an ample opportunity to assist a client, a company is often well positioned to better utilize its existing security resources and proactively conduct security audits, as well as check for potential sabotage or terrorism threats. They also can receive counsel on developing theft deterrent policies, pre-employment screenings/background checks, advice on the proper application/usage of an employee handbook and, finally, reinforce the fact that “theft is generated by having a desire and rationalization,” or a lack of controls.

### Producing results

In one case, employees at a large production facility were stealing CDs in mass quantities and selling them on the Internet. A firm was hired and then administered extensive background investigations of several suspects. In this way, it gave the employer a chance to review the evidence before interrogating employees. In the end, the process proved effective in identifying employees who

*Continued on page 62*

## Watch Out

*Continued from page 54*

were stealing from the company and in collecting restitution. It also permitted the employer to update its deterrents and policies, as well as assure its customers that the integrity of its facility was safely intact.

To be sure, many of the problems faced by employers aren't likely to go away completely. But knowing that there is a resource out there, such as a corporate investigations firm, will help in minimizing future problems ... something that's liable to improve almost anyone's bottom line.

### INFORMATION LINK

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