



Business Crime Prevention

Bad Checks

A check is not cash, but an "IOU" or promise that cash will be paid upon presentation of the check at the writer's bank. A check is bad when it cannot be redeemed for cash.

Establish a firm check-cashing policy and post it where it can be easily read by customers and referred to by employees. This policy should specify your acceptance criteria concerning the following information:

- **Amount of Check** Limit the amount for which a check may be written or limit it to the amount of purchase; require management approval for any check written in excess of a set dollar amount.
- **Two-Party Checks** Two-party checks have a higher incidence of unreliability and can be more difficult to collect.
- **Local vs. Out-of-State Checks** Local check writers are easier to contact for collection.
- **Identification** The primary identification for collection purposes is a driver's license or special identification card issued by the state.
- **Other Limits** Specify any other limits so they will be clearly understood by customers and employees.
- **Returned Check Fee** Collect a returned check processing fee of up to \$25.00. All checks should accurately reflect the name, address (mailing & physical), driver's license or valid identification number, and home and work phone numbers of the check writer. If this information is not accurately recorded on the check, the employee should write it clearly on the check. The following items should also be considered when accepting a check:
 - Make sure name, picture (or description), and signature match the check writer's identification;
 - Written and numerical amounts agree;
 - Correct date (not postdated);
 - Any erasures, alterations, or abnormalities;
 - Low check number (new accounts can be less reliable);
 - Local vs. Out-of-state (use extra caution when accepting an out-of-state check).

Counterfeit Bills

The three basic types of counterfeit bills are:

1. Low denomination bills altered to appear higher (corners of large bills glued to small bills)
2. Photocopies of authentic bills , and
3. Printed counterfeit bills.

Inspect all bills, especially larger ones, for appropriate portraits.

- Compare them to known bills of the same denomination.
- Look for differences, not similarities.
- Counterfeits will be less detailed
- Have a flat appearance appear washed out
- Authentic bills are always printed on safety paper with fine red and blue hair-like fibers imbedded in them. Do not be fooled by colored lines printed on paper.

Credit Card Fraud

Many people use credit cards as their preferred method of payment. Unfortunately, the use of stolen or forged credit cards is also a popular tactic among crooks. You and your employees should follow the strict acceptance procedures set by each credit card company. Keep the following points in mind to further reduce your chances for loss.

- Keep a copy of credit card agreements on file so they can be easily retrieved.
- Post a procedural guide for credit card transactions next to the register.
- Install a telephone at the register; post authorization numbers nearby.
- If uneasy about a transaction, call the credit card company and ask their security personnel for advice before completing the transaction.
- Do not return the card until they instruct you to do so.
- Have employees initial credit transactions in the event of a discrepancy.
- Protect yourself and your customers by keeping credit card transactions confidential. Give charge slip carbons directly to the customer or have them destroyed immediately by personnel. Thieves can obtain names and numbers from the trash and use them for fraudulent mail or phone order scams.
- Charge-backs can occur if a cardholder disputes any charges, especially in mail or phone orders.

Special precautionary guidelines are available from each credit card company.

Employee Theft

Employee theft is an illegal act (i.e. stealing cash, goods, equipment, supplies, time, services, etc.) committed by a business employee against his employer. About 80 percent of all crime-related losses are due to employee theft. The following guidelines may reduce the risk of your business.

- Monitor cash register activities to ensure proper operation. Do not allow employees to handle any transactions or sales to themselves, close friends, or family.
- Monitor business activity and income patterns over time to see if income has dropped during any particular situation.
- Use a shopping service or a trusted outside person to pose as a customer to find weaknesses in your operation.
- Separate operations from accounting; double check all transactions.
- Keep an accurate inventory system and have it checked regularly by someone other than the person responsible for it.
- Keep accurate records on movements of cash and goods from the time they enter your business until they leave.
- Establish a very clear employee discount and fringe benefit policy.
- Limit access to valuables; use strict key control for access to business premises, store rooms, and display areas. Employees' personal belongings should be stored in a safe place with limited access, away from concealable merchandise.
- Search trash regularly to prevent goods from being carried out with it; flatten boxes to eliminate possible hiding places for merchandise.
- Limit the number of exits and monitor employees to make it difficult to carry merchandise out without your knowledge.
- Lock screens over outside openings through which goods can be passed.
- Have employees park away from the building to reduce access to personal vehicles where goods may be hidden.
- Sign all tools and equipment in and out.
- Reward employees who discover and report security problems.
- Deal with dishonesty swiftly, firmly, and visibly: rules mean little if not enforced!
- Install security cameras

Fraud and Con Games

Frauds and con games have been around for many years; they constantly change their tactics to deceive individuals who are attracted by what sounds like a good deal. Every year hundreds of Washingtonians are swindled out of their hard earned money by falling for the seemingly innocent ploys of these con artists.

Protect yourself and your money from con-artists by using common sense and by taking a few simple precautions while handling money or bank cards in public:

- Police and bank personnel should never ask you to take money out of your account or ask you to give them your secret ATM code. If they do, tell the bank manager or a police officer you know.
- Never allow anyone to watch while you use your ATM card or code.
- Do not be intimidated by a salesman or allow him to talk you into anything.
- If a deal or money-making plan cannot wait for you to check it out, pass it up.
- Read and understand any contract before you sign it.
- Verify door-to-door salesmen with law enforcement or the Better Business Bureau.
- Deal only with local businesses you know.
- Do not enter a contest or accept free gifts or prizes unless you clearly understand all of your obligations.
- Never pay for something you did not order or do not want. Simply refuse to accept delivery or make payment.
- Buy insurance from someone you know and trust, preferably someone who is local and has an excellent reputation. Buy only what you need and can afford.
- Never give credit card numbers over the telephone unless you initiate the action with a reputable company. In the wrong hands, your credit card number can be used fraudulently against you.

No one is immune to the schemes of the sophisticated con artist. Your best defense is to be suspicious of anyone offering you a "great" deal and to deal only with local businesses you know well. Always remember "If it sounds too good to be true, it probably is!"

Robbery Prevention

Robbery occurs less often than other business crimes, but the potential for loss, injury, and death is much greater from a single incident.

- Employees should be trained to protect themselves and the business by reporting any suspicious person or activity immediately, and by making notes for future reference.
- Security-related training should be on a need to know basis only.
- Caution employees against divulging security information to anyone who has not been cleared by you.
- Keep employees away from the register when not in use.
- They should stay busy keeping your business neat and clean.
- Every person who enters the store should be acknowledged and greeted in a friendly manner. The presence of alert, efficient, and capable employees will discourage a thief.
- Maximize visibility into and out of transaction areas by keeping windows clear, keep your business interior and exterior well-lit, and install security cameras at all exits
- Keep a small amount of cash on hand and use a drop safe (which cannot be opened by employees on duty) for large bills and excess cash. Place notice of this fact, along with a robbery awareness poster, where any would-be robber will see them.
- Make deposits at the bank often each day, and at different times. Carry deposits inconspicuously inside your clothing. Ask about a police escort
- Use a staggered method of opening and closing
- While one employee enters the premises and determines it is safe, a second monitors from a safe distance outside. When signaled, the second employee is let in by the first. A similar procedure should be used at closing.
- Control entry to your business at all times. Everyone, including delivery men and employees, should enter through a monitored entrance. Keep all other doors locked.
- Do not allow customers or non-employees inside after hours. Be especially wary of anyone seeking entry before opening or after closing. Beware of emergency calls or attempts to get you to your business outside of regular hours.
- Do not work alone. Leave a radio or television playing in a back room to give the impression that someone else is present.
- Put height markers on door trim to aid in descriptions.
- Make your address easily visible to emergency units.
- Ask local law enforcement what actions you should take as they respond to your location for a robbery in progress.
- **If You Are Robbed -- REMEMBER** Do not resist! Obey the robber's instructions! Observe the suspect for later description. Call local law enforcement as soon as possible.