Wisconsin Crime Prevention Practitioners Association

Tips to Prevent Employee Theft

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Stop by your store without warning. Make periodic (yet randomly timed) unannounced visits to each and every retail location.

Spot-check inventory/drawer. During unannounced visits, announce: "I'm just double-checking inventory numbers and doing a register check." Pick a few products and check physical inventory against inventory sheets/POS inventory figures. If possible, run a cash drawer reconciliation. Announce: "I'll be back again soon to run through this again." This lets employees know management is keeping its eye on the ball.

Have an inventory-tracking system. Use a POS system that tracks inventory automatically or, at a minimum, use paper-based inventory-tracking sheets to send a signal to employees that inventory is indeed being monitored.

Check the z-tape. Check those z-tape numbers. If yesterday's z-tape was number 24 and today's is 27, what happened to 25 and 26?

Train employees. Provide all employees with training on theft-prevention, both shoplifting and employee theft. Discuss the ways the company is prepared to detect either.

Encourage anonymous tips. Publish a phone number employees can call to leave an anonymous message if they suspect a co-worker of stealing product or cash. If employees are aware their co-workers are watching and could report them, they will be less inclined to get sticky fingers.

Watch for employees with calculators and receipt books. Many retailers say that a sure sign of a problem is an employee who has a calculator next to the cash drawer, or a separate receipt book tucked into a drawer or pocket.

Check deposits. Don't just check if the deposit numbers match the sales figures. Also check that deposits are being made routinely and when expected (particularly easy to do through online banking). If deposits are typically made every day and then suddenly they are being made every-other day, find out why.

Check cash-to-credit purchase ratios. If the typical purchase ratio is 30 percent cash to 70 percent credit, and then suddenly the ratio is 10 to 90, it's time to ask a few questions.

Watch the "no-sales." Many retail owners know that the leading indicator of theft is a single piece of data on your x-tape: the "no sale" number. If a typical day's no-sale tally is four, but every time a particular employee works the tally is 10, there may be a problem.

Courtesy: International Council of Shopping Centers - Specialty Retail Report