

# Theft by Employees: What to Look For..What to Do!

\$5.00

Profits lost due to employee theft make up the largest percentage of shrink (approximately 75%). This "tip sheet" will help you address the most common situations related to theft by employees. For more comprehensive information and free copies of training materials, see the information at the end of this publication.

## What to Look For:

There are many signs that an employee may be stealing. Here are a few key ones:

- The cash drawer is left open between transactions.
- Calculator or tallies are kept beside register/POS.
- Money is kept on the cash register ledge or in the 50¢ slot.
- The register indice window is blocked.
- There are an excessive number of "no sale" rings.
- There are an excessive number of voids and over-rings.
- Safe tubes come out empty.
- Change is not counted aloud to customers.
- There are extra "X" or "Z" readings.
- An excessive number of scratched lottery tickets are in the trash.
- The sales counter is unorganized and cluttered.
- Straightening of the store is done in a haphazard way.
- Boxes are not broken down in the trash bin.
- There are empty or partially filled containers of product.
- There is an excessive amount of damaged product or unexplained waste in the food service area.
- There is an excessive amount of money in the register.
- The gasoline area is not closely monitored.
- Off-duty employees and friends of employees loiter in the store.
- Unauthorized people are allowed behind the counter.
- Employee behaviors and needs indicate:
  - the employee is unhappy with management or with the company.
  - the employee has a great financial need.
  - the employee has a negative attitude.
  - the employee is inattentive and/or reads on the job.

TIP SHEET!

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### Quantum Services

Quantum Services, headquartered in Columbus, Ohio, has performed more than 1,500,000 c-store audits since the firm was founded -- and serves the c-store industry *exclusively*. Quantum's audits and inventories are backed by in-depth knowledge about store level operations to help operators and store managers rapidly improve profits and performance.

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## What You Can Do:

Here are a few procedures store managers can use to help control employee-related shrink, and to help keep store profits high:

- Make unannounced cash audits and night visits.
- Monitor the number of "no sale" and "low sale" rings.
- Review detail tapes and/or videotapes on a regular basis.
- Conduct shift analysis, looking for sales trends.
- Perform sales trend analysis of key categories.
- Monitor sales by shift by day percentages.
- Restrict access to safe change tubes.
- Track the average customer purchase amount and look for excessively large purchases.
- Make sure instant lottery tickets are controlled the same as cash.
- Require a customer signature and phone number on all voids and over-ring receipts.
- Focus on running a clean, well-organized store.
- Encourage the "team" concept in training and in meetings.
- Provide shrink reduction training for all employees.
- Use surveillance cameras, BUT ONLY if you review the tapes.
- Maintain strict security on credit card transactions and receipts.
- Develop and enforce policy on the maximum cash allowed in the register drawer.
- Conduct shift counts on cigarettes and lottery tickets.
- Have a supervisor periodically close out the day's business.
- Have up-to-the-minute retail accounting.
- Provide clear guidelines to banks about deposits.
- Conduct spot audits weekly (or even daily if there's a problem) for categories such as beer, liquor, soft drinks, and deli.
- Place effective controls on cash equivalents: checks, money orders, phone cards, etc.
- Set clear policies and procedures regarding how you will deal with dishonest employees.

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