



Employee Theft: A Serious Problem



The greatest threat to your company may come from within. For instance, by the time she was caught, a local Hawaii employee had allegedly stolen nearly seven million dollars from her employer over the course of 10 years. For 30 years, this employee had served as the senior accountant at a local nonprofit organization that assists children and adults with intellectual and developmental disabilities. Further investigation by authorities showed that her thefts amounted to about \$50,000 a month and, sadly, affected the organization's ability to serve its mission. In a statement to the local news, the organization's leadership said they were completely shocked.

Unfortunately, incidents like this are not so uncommon. Employee theft is happening daily across the country and costs US businesses billions of dollars each year. Here's a quick look at the numbers:

- Employee theft is responsible for \$50 billion in losses nationwide every year (Statistic Brain)
- The average loss to a US business in 2016 was \$1.13 million (Hiscox Inc.)
- 55% of cases occurred at companies with fewer than 100 employees (Hiscox Inc.)

- 85% of cases were perpetrated by someone at the manager level or above (Hiscox Inc.)
- 70% of cases lasted more than a year (Hiscox Inc.)

Beyond the financial impact, employee theft can cost a company its reputation. This means lost customers, prospective customers, and business partners. So what can organizations do to protect themselves?

First, review your company's internal policies and procedures to make sure they are written correctly and distributed to all employees. Foster a workplace culture of accountability, and make sure that checks and balances are in place to prevent crimes of opportunity.

Second, always be on the lookout to detect fraud early in order to minimize losses. Is an employee acting suspicious? Any sudden changes in their spending habits?

Finally, mitigate the impact on your bottom line by properly insuring your business. The chances of recovering the full amount of embezzled funds—even after a conviction of the perpetrator—are slim to none. Having insurance to cover these losses will help keep your business up and running.

We strongly encourage you to review your existing insurance program. Employee

theft is often not covered by standard business owners' policies. However, crime and fidelity coverage protect against losses not only due to employee theft but also forgery, computer fraud, theft (including employee theft of client property) and vandalism of property. Call us at 808-628-5320 or log onto atlasinsurance.com and let us help you find a solution to best protect your business. +



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