



## **FRAUD CRIME OVERVIEW**

**EMBEZZLEMENT:** Embezzlement is when your employee who is entrusted with your business property, takes and converts business property for their own use. Your employee's job description with a descriptive list of duties and responsibilities is essential to establish this crime. This loss can be money, product, or property.

**OBTAINING MONEY UNDER FALSE PRETENSE:** Obtaining Money Under False Pretense (OMUFP) is when a person uses a misleading story and/or documents in order to persuade the victim to turn over money or property.

**PROSECUTION:** These crimes are difficult to prevent and also difficult to prosecute. Below is a list of items the Yakima Police Department will need to be able deliver your case to the Yakima County Prosecuting Attorney's Office.

### Embezzlement

1. Employee application.
2. Statement of job description to include duties and responsibilities. (Be descriptive)
3. Statement of party discovering crime as to how, when and to whom reported to.
4. Statement outlining audit procedures and how the amount of loss was determined.

Items the YPD Detective may ask for depending on the circumstances: Any written agreements, contracts, estimates and receipts.

1. Copies of Checks/money orders (front and back).
2. Name, address, phone of bank representative or armored car employee who verified funds were not received. Statement from bank employee discovering loss.
3. Copy of bank statements showing deposits and/or debits for period under consideration.
4. Statement of party who witnessed or charged with making drop.
5. Copy of daily drawer report and register tapes.
6. Copy of Cash Drop report (mark missing drops).
7. Copy of drops with missing money, funds, checks or receipts.
8. Copy of Shift Sheet, Daily Sheet/Recap and Weekly Recap.
9. If possible, a clear photograph of suspect.

For Obtaining Money Under False Pretense we will also be asking for:

1. Postal Return-Receipt card and copy of 10 day demand letter or unopened 10-day demand letter with Return-Receipt card attached.

**CREDIT CARD FINANCIAL LOSS:** For a credit card issued to your employee we will need a copy of your corporate or business credit card use policy. This item is critical to the prosecution of an employee credit card use case. In the event your employee obtained a business credit card or ATM card without permission, we still need the Credit Card Policy of your business, but in addition you will need to report the loss or theft of your credit and ATM cards to the card issuers as quickly as possible. Many companies have toll-free numbers and 24 - hour service to deal with such

emergencies. It's a good idea to follow up your phone calls with a letter. Include your account number, when you noticed your card was missing, and the date you first reported the loss.

**PROTECTION:** Keep employee files at a safe location. Do not leave your employee documents unsecured on site, or accessible to anyone other than top management. Many times at small businesses the suspect employee will take their employee file so we have no identification for them other than a name. Dual control on money whenever counted, moved or taken for deposit. Do not let the same employee's always make out the deposit and deliver it to the bank or financial institution as a team. Switch employees often. If possible change employee duties at irregular intervals.

FOR OFF SITE PROPERTY: This would be for employees that have a work truck or off site work area.

1. When the truck is given to the employee inventory the truck and record the serial numbers of the equipment.
2. Conduct a spot inventory of equipment often but at irregular intervals.
3. Have your inventories be 'Surprise' inventories.
4. Keep track of consumable item, and have a system set up to account for Spillage or damaged items.
5. If your employee has purchasing ability from a store or product, limit the dollar amount to mitigate your loss in employee theft situations.
6. Audit and conduct physical inventories often. A computerized inventory is convenient for ordering when you are low on supplies, but only recent physical inventories can be used for prosecution.