INTERNAL THEFT PREVENTION

Internal theft tends to grow with the company if effective steps are not taken as early as possible. Many companies that experience theft problems must go beyond typical physical security measures and implement management controls that encourage employee morale and demonstrate a philosophy that management considers theft a serious problem and will pursue all reasonable means to keep it under control. The recommendations below should help to prevent the loss of items through internal theft, but are not intended to list all solutions the company may apply. Some may be considered controversial and do not specifically apply to every environment. The company should choose those solutions that match the seriousness of the problem.

❑ Establish access control policies and install access control equipment. This includes strict control of who is allowed to enter the building after hours. Restrict access to the manufacturing or assembly area to only those employees with a valid need for access to that area. As much as possible, compartmentalize other work areas and similarly restrict access. Install access control devices such as card readers that generate a record of who entered the building or area.

❑ Restrict access and egress to and from the building to the fewest doors possible. Install panic alarms on doors designed as emergency exits only.

❑ Install metal detection portals and require employees to pass through when they leave a high value work area.

❑ Be alert to employees living beyond their means.

❑ Initiate a policy that employees are subject to random inspections of their purses, briefcases, lunch boxes, etc.

❑ Do not allow employees to bring any personal items, including lunch boxes and purses into or through the work area.

❑ Provide employees with pocketless smocks.

❑ Purchase a trash compactor and /or enclose the dumpster within a locked fence.

❑ Consider drug testing prospective applicants and temporary employees. Begin a program of random testing for current employees if theft problems persist. Internal theft is most often the result of drug dependence.

❑ Be alert to and discourage employee gambling on company property. Add gambling recovery programs to your Employee Assistance Plan.

❑ Introduce undercover investigators into the workforce.

❑ Install tape recorded covert surveillance cameras in addition to overt cameras that view all building exits.

❑ Adopt a Corporate policy and communicate to employees Management's position that theft is not tolerated.

❑ Ensure supervisory and management staff enforce all controls.

❑ Consider offering employee discounts for finished product.

❑ Design work stations and the production floor in a manner that does not create blind areas where employees are not visible or where they could easily secrete valuable items.

❑ Don't allow employees the opportunity to pass property out windows, doors, etc.

❑ Maintain accountability and separation of authority in the Shipping and Receiving departments. Institute procedures designed to detect the shipment of product to unauthorized addresses.

❑ Pull only enough material from storage to satisfy the day's or shift's production schedule.

❑ Institute a strong inventory control system with cradle to grave documentation. Conduct cycle counts and surprise counts often. Investigate and resolve discrepancies often.

❑ Encourage employees to report suspicious activity. Set up a private voice mail extension for employees to report suspicious activity anonymously.

❑ Ship product as soon as possible. Do not let it accumulate in the shipping area.

❑ Do not allow employees to park near shipping or receiving doors, or near entrances close to the manufacturing / assembly area.

❑ Conduct pre-employment background checks on all employees. The exclusion of prospective employees (temporary and permanent) with criminal histories will help to reduce theft losses. Employers are increasingly utilizing these investigations to avoid negligent hiring claims.

❑ Remove only a statistical sample for Incoming QA and immediately transfer received inventory to a secure, limited access storage room or enclosed cage. This room or cage should be located away from the building perimeter. Store high value items in a safe.