



---

## *Internal Theft in the Hospitality Industry*

---

- Employee theft is an ancient and universal problem for the hospitality industry. Through time, a vast body of useful knowledge evolved as to how to combat this common problem. That knowledge was expressed through techniques and a method proven to reduce losses to employee theft.

---

## *Internal Theft in the Hospitality Industry*

---

- Loss can be significantly reduced by
- Recognizing the threat of internal theft
- The opportunity for a hotel employee to steal from the hotel is virtually limitless.

---

## *Internal Theft in the Hospitality Industry*

---

- Understanding what motivates an employee to steal
- Those common factors are the individual financial need
- The ability to rationalize the theft of corporate property
- The perception of a risk free opportunity to steal

---

## *Internal Theft in the Hospitality Industry*

---

- Implementation of internal control policies that create risk of detection in the theft of corporate property
- Such policies may include
  - The proper authorization for the removal of corporate property from the premises
  - Routine health and welfare search of employee lockers
  - Designated employee parking/entrance

---

# *Internal Theft in the Hospitality Industry*

---

- **Recognizing the indicators of internal theft**
- **The following are a few frequently overlooked indicators of theft**
  - **Any discrepancy involving a bank deposit**
  - **Absence of competitive bidding**
  - **Excessive write offs or adjustments**

---

## *Internal Theft in the Hospitality Industry*

---

- Investigating allegations of employee theft
- Prosecution verses Restitution

---

## *Internal Theft in the Hospitality Industry*

---

- Providing the honest employees with a mechanism to “confidentially” report employee theft is an effective and often overlooked method of reducing loss to employee theft
- This mechanism empowers employees with some mechanism through which they can “confidentially” report to senior management what they suspect to be misconduct of their employees

---

## *Internal Theft in the Hospitality Industry*

---

- One of the most effective ways of preventing losses to internal theft is to identify high risk applicants through a pre-employment background investigation
- A pre-employment background investigation refers to verification of an applicant's education, previous employment, credit history, driving history, and criminal history

---

Thank you.

---