

# **IAAPA** Attractions **EXPO**

## *Employee Theft: The Intersection of Opportunity & Motive*

Wednesday, November 15, 2006  
4:30 PM to 5:45 PM  
Room # B404



## Loss Prevention - Employee Presentation

### Introduction

- Will discuss an unpleasant topic... employee theft. Will be very honest.
- Some may not apply to you, but will give you something to think about

### Statistics

- Most theft losses are due to employees (50%) & guests (25%)
- Employee Theft = \$14.6 Billion per year in US
- Causes lower profit, higher prices & lower salaries
- Illustration: For every shirt stolen, you have to sell 5 to get even (\$10 retail price, \$5 whsle, \$3 overhead, \$2 profit)

### Scenarios

#### *What would you do if...*

- One of your best friends comes to your register & asks you not to ring up something
- A co-worker steals in front of you
- A co-worker steals in front of you & offers some (mdse, food, tickets, etc) to you
- One of your supervisors asks you to turn your head to a theft
- Guest leaves exact change & walks off without waiting for a receipt

#### *You will face some or all of these situations... you will be tempted*

- Temptation often comes at a weak point (late on car payment, etc)
- If you're using drugs, your will power is lower & your \$ need is higher

*The time to decide what you will do is now... not in the heat of the moment!*

## So What Do You Do?

### Your Options

1. Do nothing (shows approval... you share guilt with thief)
  2. Say "No"..
    - Tell them to sop/ put it back
    - "No, I could lose my job for that"
  3. Tell supervisor or manager
  4. Call the Employee Hotline
- Do you tell your supervisor?
    - Nobody wants to be a snitch
    - You may not think it's any of your business
    - You don't want to get a friend in trouble
  - But you need to do the right thing, you can't just do nothing
  - Would a real *friend* steal in front of you or include you in the theft
    - Why would they steal in front of you or offer to share the goodies?
      - *TO MAKE YOU A PART OF THEIR THEFT*
      - A true friend would NOT put you in this position
      - They try to justify their behavior by sucking you into it
      - If they get caught, they will turn on you in a minute
      - They have no respect for you if they steal in front of you
      - Why would you jeopardize your job & future by protecting them

### **Consequences**

- Many people who steal are good people who have made poor choices & have gotten in over their head
- Theft is habit forming, like drugs, it gets a little easier each time you steal
- But... **Theft is wrong in any form** (cash, food, supplies, rides, tokens, etc)

## **AND... There are consequences**

- What does it cost you?
  - Your integrity & self respect
  - Your reputation
  - Your job
  - Your freedom (if arrested)
  - Future potential (other jobs you may want: you don't know what you may want to do later)
- **COMPANY POLICY:** If you steal you will be terminated & probably prosecuted

**IT'S NOT WORTH IT IN THE LONG RUN**

### ***What if you fall to the temptation or you've already done it...***

- It's never too late to do the right thing... take responsibility
- Tell your supervisor or manager
- Agree to make restitution payments
- You will probably lose your job, but you will regain your integrity

## **PREVENTION**

- Loss Prevention industry has developed many tools to prevent employee & guest theft: POS, Cameras, tags, audits, etc.
- **But... the best loss prevention tool is YOU... don't put up with it. Be an example for others.**

## **CONCLUSION**

- Loss Prevention is everyone's job... not just mine
- Look for ways to prevent losses... tell us about them
- I look forward to having you on the Loss Prevention team.

## EMPLOYEE THEFT: THE INTERSECTION OF OPPORTUNITY & MOTIVE

### Employee theft IS a problem

- Statistics
  - Retail: 2005 = 1.6% of sales in inventory shrinkage (\$37B)
  - Retail - Well organized LP & accurate measurement, so other areas are probably higher
  - So, how big is the problem for us? Probably well over 2% of sales
- Uniqueness of Theme Parks & FEC's
  - Combination of Retail, F&B, Attractions, Arcades, Admissions, etc
  - Each area has it's own form of shrinkage
  - Hard to measure our losses (unlike Retail)
- Employers too often unconsciously encourage employee theft
  - We deny that theft is taking place & drop our guard
  - We allow opportunity & motive to cross paths
  - What percentage of employees steal?
    - A few will always steal & a few will never steal
    - The majority are situational, depending on opportunity & motive

### We Can Make a Difference

- Opportunity + Motive = Theft
- Don't let them intersect
- **LOSS PREVENTION** is primarily: Reducing Opportunity & Reducing Motive
- Prevention is much more effective than apprehension

## Opportunity

### Types of Opportunities

- Lack of physical & procedural controls
- Lack of accountability & consequences
- Weak & uninvolved management

### Reducing Opportunity

- Physical security of assets (*must come first*)
- Strong controls: Procedures, management, consequences
- Measurement of loss will point you to the source
- CCTV, Audits, Employee Hotline, Backgrounds...

## Motive

### Types of Motives

- Poor morale & lack of appreciation
- Personal issues (financial, health, relationships, addictions)
- Peer pressure
- Poor management
- Low pay or reduction in hours

### Reducing Motive

- Some we have control over, some we don't
- Fair & consistent management
- Aggressive investigation of losses
- Restitution or prosecution
- Incentives for good performance
- Loss Prevention awareness (reduce peer pressure)

## An “Open Conversation” with employees about theft

### Conclusion

- As managers, we can have a major effect on employee theft
- We must not provide an opportunity to an employee with a motive to steal
- Recognize motives and take measures to reduce them
- Reduce the opportunities for employees to steal
- Prevention is much more effective than apprehension
- Give your employees a reason not to steal