

IAAPA Attractions **EXPO**

Employee Theft – You suspect theft... now what? (The how to's for conducting effective investigations and interviews)

11/13/2007

4:30pm

Room #S330EF



IAAPA

Employee Theft

"Internal Investigations by Managers"

Employee Theft **IS** a Problem

Retail Shrinkage (2006)

- 1.6% of sales
- \$41.6 Billion
- 47% due to Employee Theft

What is Our "Shrink" Rate?

- Probably much higher than Retail
 - High risk employee age group
 - Access to cash
 - Limited measurement of loss
- 2% = \$20,000 per million
- 5% = \$50,000 per million

Loss Prevention Makes a Difference

- Reduce Opportunity
 - Controls
 - Accountability
 - Management
- Reduce Motive
 - Morale
 - Peer Pressure
 - Aggressive Investigations

You Suspect Theft... What Now?

- How do you deal with Team Members who are suspected of wrongdoing?

Do you...

- Jump in the middle of it?
- Call Loss Prevention?
- Call HR?
- Call the Police?

We want to give you...

- Tools to use in employee investigations
- Confidence that you are handling them correctly
- Steps to follow in internal investigations
- Resources to help you through the process
- Pointers on employee interviews
- Assistance with documenting your investigation

Types of Internal Investigations You May Encounter

- Theft: Cash, Property, Giveaways
- Workplace Violence
- Drugs & Alcohol
- Harassment
- Other

The same basic steps apply
to most types of incidents

Steps to Follow

- Gather information
- Evaluate
- Take a Partner
- Choose Course of Action
- Interview (if necessary)
- Document

Gather Information

- Witnesses
- Documentation
- POS
- Security Cameras
- Personnel File
- Other

Evaluate Information

- Seriousness of Incident
- Credibility & Motives of Witnesses
- Accuracy of Information
- Strength of Evidence
- Team Member's History

Take A Partner

Don't feel like you have to handle the situation alone. You have many resources...

- Senior Management
- Security/Loss Prevention?
- Human Resources
- Risk Management
- Legal

Determine Course of Action

- Formal Investigation by Manager
- Formal Investigation by other Department
- Informal Handling by Manager
- No Further Action Necessary

If "Formal Investigation by Mgr." an employee interview may be necessary

Employee Interviews

- Purpose of an Investigative Interview
 - To gather the facts
 - To find out what happened
 - Not necessarily to "Get a Confession"
 - Don't make it a "Personal" thing

Not our intention to make you a "Police Interrogator"... but to help you cover what is important & avoid mistakes.

Before the Interview

- Who should be present
- Where it should take place
- Room Set-up
- Safety Considerations
- Avoid appearance of detention
- Carefully review all the evidence
- Plan the Interview Format

Format of Interview

- Initial Conversation & Explanation
- Setting a Foundation
- Patiently Cover the Bases
- Getting to the Point
- Keep Your Eye on the Ball
- Keep Your Eye on the Clock
- What if they deny wrongdoing?
- What if they admits wrongdoing?

Things to Avoid in an Interview

- Lack of Preparation
- Lack of Respect
- Becoming Impatient or Angry
- Excessive Bluffing
- Allowing TM to "take over" the Interview
- Making Promises or Threats
- Going on unnecessary tangents
- Taking too long

*****Do not discuss polygraph tests*****

Completing the Interview

- Written Statements *(See next slide)*
- Call your Partner
- Restitution Agreement?
- Prosecution?
- Investigatory Suspension?
- Back to Work?

Written Statements

- At conclusion of interview, ask employee to complete a written statement
- Explain the topics that need to be covered, but do not tell them what to write
- Read completed statement to make sure all relevant areas have been addressed. If they have not, ask employee to do so.
- Make sure the statement is signed, dated & and witnessed

Documenting the Investigation

- Detailed documentation is one of the most important elements of an investigation
- Basics of writing an investigative report

Not necessary to be "Shakespeare", but we will cover a few important points

Types of Incidents Requiring Documentation

- Employee Investigations
- Criminal offenses
- Serious security incidents
- Use of force by an employee
- Other incidents with potential liability, media attention, etc.

"When in doubt, fill it out"

Report Writing Basics

- Use the "First Person" & "Plain English"

Avoid: *"This Manager proceeded to the office to communicate with Joe."*

Use: *"I went to the office to talk with Joe."*

Avoid: *"The undersigned received a Code 20-4 from an LTM regarding Vector 3"*

Use: *"A lifeguard called me on my radio concerning an injured Guest at the Splash Pool."*

- Write in Chronological Order when possible
- State facts clearly & concisely
 - Who, What, Where, When, Why, How...
- Proofread your entire report carefully
 - If possible, have another manager also proof it

Do not write opinions or assumptions

Avoid: *"Joe resented my question and then lied to me."*

Use: *"Joe told me my question was unfair and told me he didn't take the money."*

- ### Report Format
- Heading
 - Initial Information
 - Investigation
 - Interview Summary
 - Additional Information
 - Conclusion

In Conclusion...

- Theft is a problem
- Loss Prevention is more effective than apprehension
- When internal theft occurs, investigate it aggressively
- It has been our intention to provide some practical tools for handling internal investigations & interviews
- Evaluation Forms
