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

11/13/2007
4:30pm
Room S330EF
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