



Keep Watch Over Employees Who Might Embezzle

Publication

9.23.08

Why do employees embezzle? It can be caused by financial problems or an expensive drug habit. Sometimes, employees are drawn into embezzlement. The employer might take out a short-term loan planning to pay it back right away, but he gets in deeper and deeper. Other times, it's just plain greed.

Employers can take several paths to reduce the risk of being victimized by an embezzler. First, a credit check can be justified for the employee who will have access to the company's money and the opportunity to steal it. Next, perform criminal background checks. When conducting credit or criminal background checks, be sure your company is in compliance with the Fair Credit Reporting Act.

Much of the money lost to businesses might have been saved had business owners made the prevention of embezzlement one of their top priorities. By establishing internal controls and letting employees know that you are vigilantly looking out for embezzlement, you can deter many of your employees from attempting to steal in the first place.

This article appeared in the September 23, 2008 issue of *Construction Business Owner*.