

Private Company Loss Scenarios from Chubb



Cooking the Books

COVERAGE SECTION	Crime
Cause of action	Employee Theft (Inventory)
Type of organization	Cookware Manufacturer
Number of employees	More than 400
Annual revenue	More than \$300 million

DESCRIPTION OF EVENT

Several cookware manufacturer distributors were relatives of the company's warehouse manager. They colluded with the warehouse manager to steal cookware out of normal warehouse shipments and sell it at discounted prices to restaurants in a three-state area, while doctoring inventory records to cover the theft. The scheme, which continued for several years, was finally brought to light by an audit and an undercover investigation.

RESOLUTION

The audit determined that nearly \$1 million worth of inventory had been stolen.



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Could this happen to your organization? Contact your trusted Chubb agent or broker.

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