

Private Company Loss Scenarios from Chubb



Inventory? What Inventory?

COVERAGE SECTION	Crime
Cause of action	Employee Theft (Inventory)
Type of organization	Paper Products Distributor
Number of employees	More than 500
Annual revenue	More than \$10 million

DESCRIPTION OF EVENT

A manager of a wholesale paper products distributor colluded with a fellow employee in the warehouse to manipulate inventory and defraud the company. The pair stole from the company by diverting raw material before it became inventory and by selling rolls of paper and other finished products. An anonymous tip regarding the theft resulted in the company hiring a private investigator. The private investigator uncovered the scheme and determined that it had been taking place for nearly two years.

RESOLUTION

The total loss to the distributor exceeded \$1.5 million.



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

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