

# Private Company Loss Scenarios from Chubb



## The Tax Man Stealeth

<b>COVERAGE SECTION</b>	<b>Crime</b>
Cause of action	Employee Theft (Phantom Vendor)
Type of organization	Construction Company
Number of employees	More than 350
Annual revenue	More than \$300 million

### DESCRIPTION OF EVENT

A construction/renovation company's former tax manager was responsible for making payments to federal, state, and local tax authorities, and he had check-signing responsibility for, as well as access to, the company's payroll checking account. During his employment, the employee set up a fictitious firm that allegedly provided tax services to the company. The loss wasn't discovered until after the employee had left the company and was caught doing the same thing to his next employer, at which time he admitted that he had established the phantom company for the sole purpose of stealing from his employer.

### RESOLUTION

A thorough investigation determined that the tax manager had taken nearly \$600,000.



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

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