

Private Company Loss Scenarios from Chubb



Undetected Thief

COVERAGE SECTION	Crime
Cause of action	Employee Theft (Returned Merchandise)
Type of organization	Retail Business
Number of employees	More than 20
Annual revenue	More than \$2 million

DESCRIPTION OF EVENT

A local retailer had a “no questions asked” return policy, whereby customers could return unwanted or faulty merchandise without a sales receipt. The policy was popular among customers and helped the store gain considerable word-of-mouth advertising. The retailer’s bookkeeper, a longtime employee, took advantage of the policy by systematically altering the books to show “dummy” returns and paying herself cash, always being careful not to exceed actual returns by more than three to five percent. When the bookkeeper died unexpectedly, the fraud was discovered by the new bookkeeper.

RESOLUTION

The trusted bookkeeper managed to skim more than \$100,000 from the store over eight years.



Chubb Group of Insurance Companies
Warren, NJ 07059
www.chubb.com

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

Golsan Scruggs
7320 SW Hunziker Street, Suite 320, Portland OR 97223
Phone: (503)244-0297 , Fax: (503)244-0298
Email: info@golsanscruggs.com