

How To Deter Employee Fraud

Every successful family needs to be aware of the risks involved with hiring and managing residential staff. While households cannot run smoothly without them, it's important to remember that these individuals have direct access to a family's most-prized property and information.

To prevent problems before they happen, families should institute a robust vetting process for all new hires, as well as periodic check-ins for long-term employees. Even if a staff member has a clean background check at the time of hire, their circumstances can change over the course of their career. This possibility makes periodic checks necessary. Here are several tips to help you mitigate your risk.

- Depending on your local laws, conduct credit and background checks when employees are hired and at regular periods thereafter.
- Make sure all procedures and controls are applied regardless of how long an employee has been with your family.
- Cultivate a culture of honesty among staff. Train employees to be aware of anything that might seem suspicious, such as an employee who refuses to take a vacation.
- Set up a "Hot Line." Establish a reporting system for employees and train them on how to use it to report any problems, such as harassment on the job.
- Be watchful about who has access to personal information. Even junk mail containing "pre-approved" offers can contain data that makes it easy to commit fraud.
- Be mindful of employee relationships. Disgruntled employees are more likely to act out.

Chubb's experienced risk management professionals can work with you on setting up employment programs that guard against fraud. Contact us to learn more.

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