



An economic downturn often leads to instances of employee theft

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Unfortunately, an economic downturn usually results in increased instances of criminal activity in society. And hotels are certainly not immune from such escalation; rather, they become increased targets. Such economic conditions will typically introduce three groups which will include persons who may pose a threat to a hotel's assets. These are: the employees, the guests, and the intruders. Individuals from the latter group may resort to armed robbery, automobile theft, or theft by force while individuals from the other groups may employ more subtle and "downright sneaky" techniques.

Within each group there are members, with the exception of the intruders, who are impeccably honest. Unfortunately, other members are opportunists and will take advantage of loopholes in a hotel's security structure to accomplish a crime against hotel assets. Yet others plot to create the opportunities that will permit a theft. In this article, we shall deal with the employee aspect as it is one that we are most likely to be able to control without involvement of other agencies and expense of security systems or staffing.

With the introduction of electronic key card entry systems, hotels have significantly reduced room thefts. There has always been a tension between reality and those students of the room theft problem. They have remarkably provided statistics noting the percentage of room thefts created by the employee and those resulting from a theft by the guests. I would question the method used for determining what is taken by a guest as opposed to what has been taken by an employee.

Look for unusual changes

CHANGE is a key-word in today's planning for the future. Within the lodging industry, there is a different aspect of change that must be considered as a management tool. Carefully check all reports that are generated by the various departments to detect change that might alert you to more than a drop in occupancy and income.

A savvy computer operator was hired for reservations at a hotel with a high level of occupancy. The young man noted a significant percentage of reservations were direct and did not earn a commission. He established a "dummy corporation" to receive commissions and regularly changed a few direct reservations to his "agency." After a few months the general manager noted an increase in commissioned reservations and an internal problem was resolved.

The same review tactic should be used relative to food and beverage purchases and use.

If food used and covers served are incompatible, investigate. Occasionally employ "secret shoppers" to check the hotel's lounge, bar or other facility serving alcoholic beverages to keep a watchful eye out for over pouring of drinks, sales not rung up but the cash is pocketed by the server or bartender, serving of free drinks or food, or appearances of collusion between servers and bartenders.



Tighten F&B controls

Tighten control of food and beverage storage areas. If the hotel possesses CCTV capability, consider a hidden camera with infra-red capacity to operate in the dark. A food and beverage executive was caught under such a system. Employees are more prone to steal when they believe no one is watching. Locate employee parking a reasonable distance from the back entrances to the kitchen and storage facilities, so a quick trip does not permit removal of food or beverage to a nearby vehicle.

Install a hidden camera, again with infra-red capabilities, at the dumpster area. Many items are lost by the careful wrapping of stolen materials, including food or bottled beverages, to be recovered later on from the dumpster. This is called "dumpster diving", very similar to the technique employed by those involved in identity theft where they rifle through trash cans and dumpsters looking for personal identity and financial information. An effective method for

keeping these items from ever arriving at the dumpster is the rather unpleasant task of “raking garbage.” Under this program, all materials headed for the dumpster should pass across a table or other flat surface where suspicious articles may be raked to one side for inspection. Over the years, there have been amazing discoveries of bedding, blankets, towels, silverware, china, and, yes, even a full silver service, not to mention every possible food and beverage item imaginable.

To minimize and control possible collusion in the Purchasing office, have a review committee that includes personnel from Accounting, F&B and even the general manager to review purchases, quality of food as it relates to guest complaints, and spoilage. Put purchases out for bid at least semi-annually to avoid “deals” between purchasing and vendors that often result in kickbacks, gifts-in-kind, or other incentives never revealed by purchasing personnel to Management. Establish a policy that prohibits Purchasing and Receiving personnel from accepting any gifts from vendors. Train them to insist on a lower purchase price instead. Enforce a policy that accepting any gift or kickback from a vendor as immediate grounds for termination.

Monitor employee actions

Carefully watch “complimented” services. There should be a full and valid report covering such an action. Management must decide whether to empower employees to “comp” a service when dealing with an irate guest. Be sure it isn’t free food and beverage for a friend of the employee. Controlled empowerment can be a major plus for guest satisfaction; but it must be carefully monitored.

Implement unannounced inventory checks using accounting and/or security staff; never members of the department being inventoried. Review the practice of permitting employees to take salvage linens and towels for personal use. If this is to be continued, require a pass signed by the department head and subject employees to search by security at the employees’ entrance. Locker inspections can also be a form of control. But be careful! If the hotel provides the locker and the lock and the employment contract gives hotel Management inspection rights, you are safe. Otherwise, if the employee uses a personal lock, there is the potential for privacy rights violations. When in doubt, check with the hotel’s legal counsel.

Restrict email, copy machines and printers to BUSINESS, ONLY! In that same free services category, make sure employees are not getting free meals they are not entitled to at the employees’ cafeteria. Being a friend of the cafeteria manager does not authorize such meals. Also, friendship with laundry and dry cleaning supervisors does not warrant personal items to be serviced. Have employees with long-distance authorization certify that the calls were business-related only. Review the reports from time to time to be sure there are not repeat calls that appear excessive or that are made to locations where the hotel does not normally solicit business.

Front desk considerations

The front desk and various point-of-sale locations throughout the property may be subject to robberies. At the front desk a special use of CCTV has been helpful in preventing armed robberies. A camera mounted on the wall behind the front desk staff should also include a monitor which shows the individual approaching the desk. This recently proved quite effective when a gang was operating in New England; robberies dropped significantly as the perpetrator realized he was on camera.

Limit the value of the bank in the cash drawer and assign one employee per bank. Do not have multiple employees operating from the same bank. Consider installing a silent alarm which will be activated when a clip of money installed in the drawer is removed. Employees must be trained to obey the commands of robbers, yet the employees should be observant and try to get as many points of identification as possible during a robbery.

Forms are often available from the local police department or from the hotel’s insurer. With such a checklist at hand, the employee can immediately complete the form after notifying the police. The sooner this can be accomplished, the greater the accuracy. In a recent case, a front desk employee reported a “fake robbery,” taking the money he reported had been stolen. Some inconsistencies in his story led the police to charge the employee.

This by no means exhausts the tricks and violations that may occur. “Think out-of-the-box” and unfortunately, question even your closest associate if something is amiss in his responsibility and authority area. It is everyone’s job to protect the assets of the hotel. ✧

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