

From a Private Investigator's Perspective: Conducting Dishonest Employee Interviews

by Eric Echols, CFI

Time and again, companies are faced with one of the biggest decisions they will have to make—one that can impact the company negatively if not handled correctly. The wrong move can affect company reputation, employee morale, and in some situations even company sales. The decision I'm talking about is this:

How to Handle Dishonest Employees

It's easy to say, "Just fire them." However, the reality is that you'd better be sure they are dishonest before you even talk to them. Have you dotted all your i's and crossed your t's before you accuse them? Here are just a few questions to ask about the situation:

- Did someone just tell you they were dishonest?
- When and how should you talk to them?
- What if the person is coming back from a Workers Compensation Claim?
- What if the person is a female who is pregnant? (Pregnant women should not be interviewed for theft due to the possibility of a miscarriage.)
- Would you talk to a female alone if you are a male?
- If you use a witness when you talk to an employee, will the witness be a male or female?
- What if the person is 16 years old and has a work permit?
- What if the person is a male between the ages of 18 and 21? Do you use a witness and, if so, will it be a male or female, or does it even matter?

By now you are saying, "WOW! These are things that we, as a company, never even thought about." Or, if you have thought about them, you are thinking, "Are we making the right decisions? Have we made the right decisions in the past?"

In this article, I will share what I consider the fundamental DO (doing your homework), how to prepare for an interview, and a valuable DON'T list for how not to handle dishonest employees or those you suspect of being dishonest.

In my 17 years of experience conducting Dishonest Employee Interviews and Investigations, I have developed some key principles. The first is "DO Your Homework." This means answering certain questions as soon as you suspect loss/theft.

1. DO Your Homework

Research All Personnel Information

- Run a background check, looking for criminal activity, civil suits, property liens, etc.
- Review all employee files and get all personnel data (i.e., dependents, schools, activities, past work history, salary increases, promotions, demotions, references, etc.)

- Conduct Fact-Finding Interviews: Cover the policies and procedures, and find answers to these questions:
 - What was the loss?
 - How long has the loss been occurring, and how much was the total loss?
 - How was the loss identified?
 - Who identified the loss?
 - Why is the person being suspected?
 - Who else could have committed the theft?

Note: The first person interviewed will be the one who alerted you about the loss; keep in mind that this person could be involved in the loss.

- Research the operating system, including the registers. Find out how the loss could have occurred and what other losses could occur due to gaps in the systems.

Know How the Loss Occurred

Under “DO your homework,” you must know what happened. For example, if a person you are interviewing is suspected of cash theft from the register, you need to be aware of how that theft could have occurred. Cash loss/theft could happen in the following ways:

- Taking the cash out the register during cash sales.
- Doing a no-sale function to open the register and take cash.
- Taking the cash out of the register or Register Bag as the person opens the register at the beginning of the shift.
- Taking the cash at the end of the shift when closing the register.

As you can see, there are variations for this example as well as for every other example. Write them down and know which could and could not have happened. You need to identify how the loss happened and possible modes of theft.

Identify the Act of Dishonesty

The way you identify the loss/theft must be believable to the person you are interviewing. It must make the interviewee think, “Did someone see me? Could they have me on tape? Did someone tell on me? Did they catch me?” Placing doubt in the mind of the interviewee is very important. To continue with our example, if the employee is suspected of cash theft from the register, ways to identify the loss/theft include:

- Tracking cash shortages for employees working on the register and plotting out each employee to the shortage.
- Using Exception Reports to identify registers conducting no-sales and compare the no-sale on the register to the CCTV.
- Conducting till audits during the day to identify and pinpoint cash shortages.
- Conducting integrity shops on registers, using dedicated surveillance on the CCTV, or using covert cameras in select areas.

Doing your homework adds credibility to your investigation. It lets suspected employees know that you investigated everything about them. It sends unspoken messages that you know their

personnel information, you know how losses occur, and you know what losses they were involved in while on company time.

2. Prepare for the Interview

Once you have done your homework and conducted any fact-finding interviews, you should pretty well know who the prime suspect is. It's time to interview that person, with the objective of obtaining an admission.

How do you get ready for a confrontation? How do you prepare for sitting down a person you hardly know to accuse him or her of theft? What about a person you have known for years? In all cases, ensure that you have followed the first principle of "DO Your Homework." This will put your mind at ease and make you much more confident to handle the situation. To further increase your confidence in preparing for the interview, you should know where the interview is going to take place and how to set up the interview room.

Interview Room Setup

It has been my best practice to use an office away from the eyes and ears of other employees. Sit in a chair across from the interviewee, with his or her back toward the door. This shows you are informal enough to sit on the same level but formal enough to conduct the interview in a closed office. It also lets the interviewee know that you are not blocking the exit; he or she can get up and leave. If you are using a witness, that person should sit next to and slightly behind the interviewee. The witness is now out of line of sight of the interviewee so that the interviewee focuses on you. When there is a desk or a table in the interview room, again place the interviewee near the door, and you sit behind the desk or on the opposite side of the table. This setup immediately sends a message that the Interviewer is in control and the interviewee is in trouble. (It's like when you were in school and called to the principal's office.)

The Introduction

This is where it all begins, with the initial verbal contact between the Interviewer and the Interviewee. As in a boxing match, you're in one corner and your opponent is in the other. When you both approach the center of the ring, you are eye to eye, and the next thing you hear is the bell signaling that it's time to come out fighting. You both dance and throw jabs, hooks, overhand rights, and upper cuts. As an Interviewer, the first thing you must do is take control. Throw the first jab by controlling the introduction.

"My name is _____, and I'm an Investigator for _____. Please have a seat," pointing at the chair you want them to sit in. "I'm going to talk to you about some issues, but before I begin, I want to go over some information that was gathered during an investigation to make sure everything is still the same."

Now you are in control and can cover all the personnel data that was gathered when doing your homework. This lets the interviewee know you investigated and that the company must have a reason for such an investigation. Questions and doubts are going through the mind of the interviewee. At this point, you may get interrupted by the interviewee; remember that you are in control, and shut down all interruptions.

Getting to the Point

Immediately following the introduction, discuss how the losses occurred and were identified, relating this information directly to the interviewee and the way in which the interviewee was involved.

When preparing for this part of the interview, get ready for denials, both verbal and non-verbal. Verbal denials will include, “I did not do it! I would never do that because _____!” (You fill in the blank) Or, “Show me what you are talking about.” Non-verbal denials are those facial expressions you made as child or your children make when asked, “Who ate all the cookies?” or “Who spilled the milk on the counter and did not clean it up?” You know, the eyes get big and the wrinkles appear on the forehead and the shoulders shrug. The head shakes from side to side while you are talking. Denials are the cornerstone of arguments from anyone who has done something he or she should not have done. In all interviews, the interviewee is thinking, “When will be the best time to deny this? How can I best deny this?” As the Interviewer, be prepared to handle verbal and non-verbal denials.

- For verbal denials, there should not be a pause between the denial and the counter-denial. If an interviewee states, “I did not do it,” your immediate reply should be, “You would not be in front of me if that were the case.” If the interviewee says, “I would never do that because I am an honest person,” then your immediate reply should be, “That’s why I’m here talking to you, because you are an honest person who made a serious mistake.”
- Non-verbal denials, in some cases, come before the verbal denials, and if interviewer does not immediately address them, the verbal denials gain strength. When getting a non-verbal denial, stop and say, “Don’t look at me like you do not know why I’m here,” or “Why are you making faces as if you don’t know what is going on?” You get the idea.

NEVER let a denial stand; you **MUST** be prepared to combat the denial before beginning the interview. Doing proper homework and doing a proper introduction will prepare you for most denials.

Bottom line: There are many facets of conducting interviews with dishonest employees. Even though I touched on my principles, remember that every interviewer’s style is different and every interview proceeds differently because people are all different.

That being said, there are some actions to avoid consistently. As promised, here is the DON’T list.

3. Things NOT to Do

When you suspect an employee of dishonesty, **DO NOT**

- talk to other employees about the situation.
- immediately bring the employee into the office and confront him or her about your suspicions.
- document (write up) the employee.

- terminate the employee for other reasons.

HERE'S WHY

- The suspicion may not be true. (You may defame the employee's character.)
- If the situation is not handled in a professional manner, it will become confrontational.
- You may send the message that you don't know about the dishonesty and build the employee's comfort level.
- It may open the door for lawsuits, EEOC Claims, and unemployment compensation.

When you observe an employee conducting acts of dishonest, ***DO NOT***

- tell anyone except those who need to know.
- immediately arrest the employee.
- immediately confront the employee.

HERE'S WHY

- The employee may walk off or quit.
- The opportunity to identify other employee involvement is gone.
- You may eliminate the opportunity to identify other instances of theft.

Remember the **four main reasons** why you do not immediately confront dishonest employees:

- It takes away the element of surprise.
- You eliminate the possibility of discovering that employee's additional thefts.
- You can not identify other employees' direct or indirect involvement.
- It reduces the opportunity to prevent future dishonest activity (it may get you an admission of the one theft that just occurred, but anyone else involved will be free to continue such activity).

If your company finds itself in the position of having to confront dishonest employees, I highly recommend using trained professionals to help you do your homework and conduct the interviews. Professionals in this arena have been trained to conduct effective investigations and interviews using legally acceptable methods. Look for credentials such as training by a top firm like Wicklander-Zulawski & Associates, Inc., or John E. Reid & Associates, Inc. A Professional Investigator can make sure that you are fully prepared and avoid the pitfalls that can damage your company or cost you a great deal of money. It's an investment well worth making.

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