



DBIC QUARTERLY

HELPING YOU KEEP YOUR DENTAL PRACTICE SAFE

SUMMER 2015

Avoid being an embezzlement statistic

How can you tell if one of your dental team members is embezzling? One of the most challenging parts about spotting an embezzler in your dental practice is basing your assessment on job performance. Embezzlers are typically high performers who show up early and stay late. They rarely, if ever, take vacation, and it's common to see them working through lunch. Embezzlers often accept more and more responsibility, doing whatever they can to incorporate front office duties in their job description.

When an embezzler earns your trust, he or she has you right where they want you. They know you often don't pay attention to reports from your practice software, and you don't review statements and payroll reports. You may even openly confess that you have no interest in the business side of dentistry — you just want to treat patients.

Dentists are especially vulnerable to embezzlement. According to David Harris, an expert on dental practice embezzlement, dentists have a 60 percent probability of being embezzled during their careers, with an average embezzlement of approximately \$100,000.

If you want to minimize the likelihood of experiencing embezzlement, you need to think like an embezzler. Embezzlers want control and autonomy. They do not want anyone looking over their shoulder, and they hate being away from their job, because someone may discover their scheme. Once you understand how an embezzler thinks, you can take steps to look less attractive to anyone who contemplates stealing from you.

1. The first step is to establish a routine of reviewing key end-of-day reports. Make sure your beginning accounts receivable balance matches the ending accounts receivable balance from the prior day's reports. If it does not match, you need to clearly understand the reasons for the discrepancy.
2. Review your collections report and make sure the totals tie to your deposit slips for cash, checks, credit cards and EFT transactions. Compare your beginning-of-the-day schedule to the production report — did the team post all production correctly? Were any patients omitted from the report? Also, look very carefully at your adjustments, deleted transactions and deleted appointments, and ask questions about any that are unclear.
3. You should also check your lab bills, credit card statements, etc., monthly. Personally review and sign all checks, making sure you recognize the vendors.
4. The next way to protect your dental practice is very straightforward: require the team to take lunch and breaks away from their desk or work area, and mandate that everyone take their allotted time for vacation.
5. Have a comprehensive employee handbook.
6. Finally, insist that your team is cross-trained, especially with tasks involving the collecting and posting of money. Cross-training is also good insurance for times when team members are out sick.

Identifying and preventing employee embezzlement is up to you. With a little additional effort, you can make your practice even stronger, and in doing so, you will also make yourself less attractive to an embezzler.

This article was contributed by Jess Bogumil, CPA and principal at Fluence. If you have questions about employee embezzlement or accounting services, please contact Jess directly at jbogumil@fluenceportland.com or 503-245-0766. For more information, visit www.fluenceportland.com.

RISK MANAGEMENT TIP

Prescription Drug Tampering

- Spell out the quantity and strength of medications in numerals and letters. Avoid using numbers that can be altered.
- Do not leave the refill space blank or fail to circle the appropriate number of refills on a prescription.
- For prescriptions or samples given in the office, record the name of the medication, the dosage strength, the number of pills dispensed and the dosing frequency in the patient's chart.
- Never sign blank prescriptions in advance.
- Keep the number of prescription pads used to a minimum and the extra pads in a locked area. Never leave them in an operatory or on a desk.
- Use tamper-resistant prescription pads that expose the word "VOID" when prescriptions are photocopied.
- Quickly respond to pharmacists' telephone inquiries.



Closed Claim Review

Dental practices that have experienced embezzlement are not uncommon. Statistics suggest that three out of five dentists will become a victim of embezzlement at some time during their career.

The same story pops up again and again. A dentist became suspicious about the cash payments his office was taking in. The receptionist was responsible for accepting payments and completing the deposit slip for the dentist to make the daily bank deposit. The dentist was lulled into a false sense of security, because he was the one making the deposit. It was only later that

he realized the receptionist was posting a lesser amount and making larger insurance adjustments to balance out patients' accounts. The total amount embezzled exceeded \$36,000. The ex-employee served 19 months in jail.

If you have any concerns or suspicions about employee theft, you should have your records audited by your accountant. Any evidence of embezzlement should be turned over to the local authorities and DBIC immediately.

Please contact our Claims Department at 800-452-0504 if you have any questions.

Review Before You Renew

Renewal time is an excellent opportunity to review your policies and make any changes. We understand your practice is busy, and taking time to notify us sometimes takes a backseat. However, it is important to take a few minutes to confirm your coverage is accurate and avoid a potential gap.

Our goal is to ensure your coverage is up-to-date and provide you with all the discounts you qualify for, saving you time and money in the long run.

Whether online, by phone or in person, we are happy to review your policy with you so that you and your practice are protected.

If you have any questions or would like to update your policy, please call us at 800-452-0504 or email dbicquestions@dbicins.com.



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DBIC QUARTERLY REPORT

HELPING YOU KEEP
YOUR DENTAL
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An Oregon company formed by dentists for dentists

DBIC provides personal service from our underwriters, claims specialists and risk managers, as well as risk management programs created specifically for dental practices.

We're the leading insurer of dentists in Oregon and are endorsed by the Oregon Dental Association (ODA).

We offer:

- ✓ Professional Liability
- ✓ Businessowners
- ✓ General Liability
- ✓ Earthquake/Flood*
- ✓ Cyber Security*
- ✓ Workers Compensation*
- ✓ Employment Practices Liability*
- ✓ Life*
- ✓ Disability*
- ✓ Medical*

**Coverages brokered through DBC*