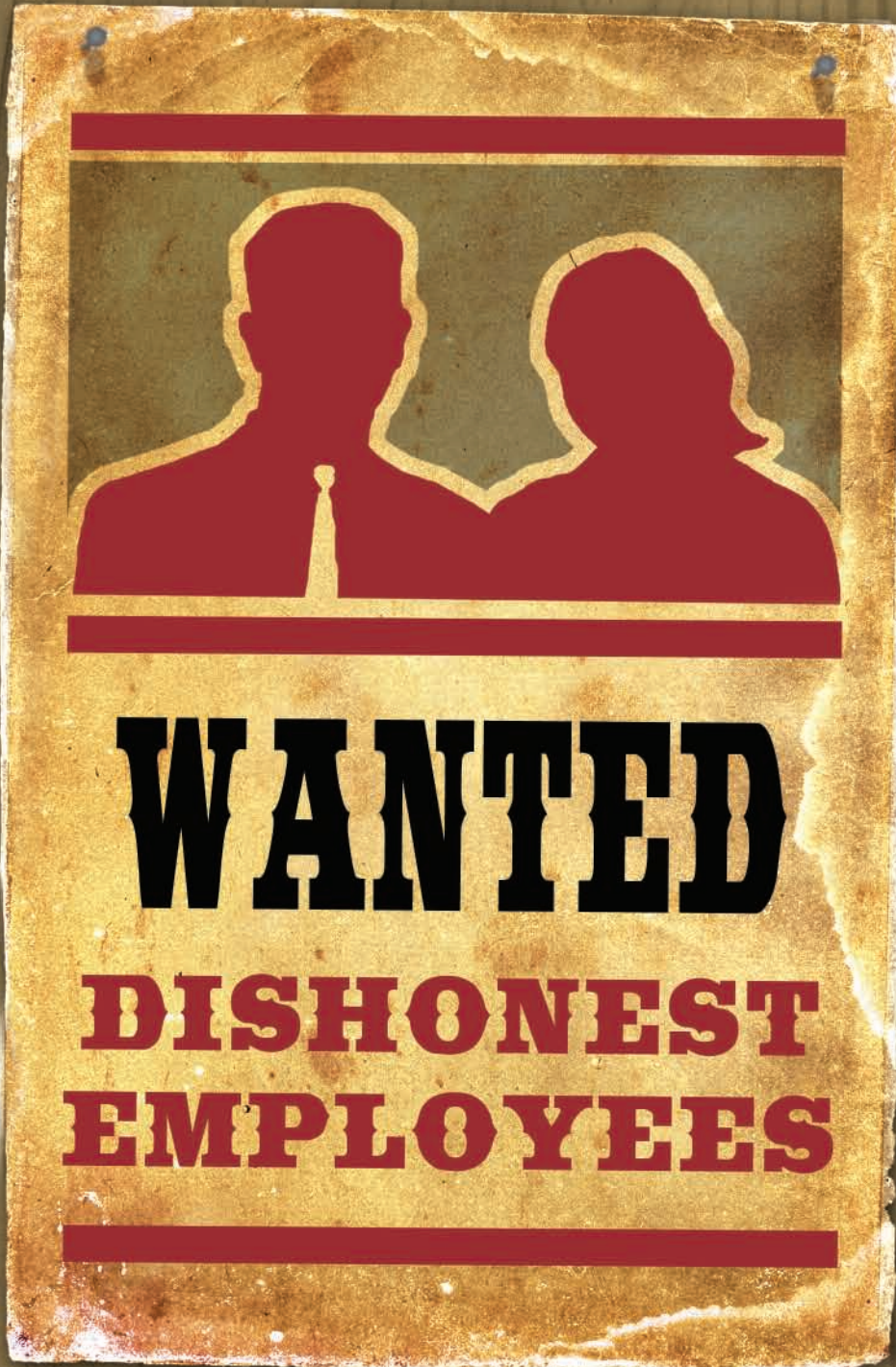


Loss Control

INSIGHTS FOR CONTRACTORS



Throughout his three years in the accounting department for a contractor, Sean Davis had been a model employee. Sean insisted on handling any problems or discrepancies personally, and made it clear that the buck stopped with him.

In fact, many bucks did stop with him — followed him home and neatly deposited themselves into his bank account. In three short years, Sean managed to use his authority to bilk the contractor of nearly \$100,000. If janitorial workers had not discovered a suspicious amount of discarded receipts, the theft would have continued undetected.

Is your organization immune to these types of losses? *Read on ...*

» **FREE OSHA POSTERS**
 Advertisements suggesting that OSHA workplace posters must be purchased from private companies may be misleading. Official OSHA posters are available at no cost on the publications page of osha.gov or by calling 202-693-1888.

» **OSHA OFFERS NEW TOOLS FOR SPANISH TRAINERS**
The Spanish Outreach Trainers Lists and References for Spanish Trainers are new web-based resources for Spanish-speaking trainers and students. Learn more about these tools at osha.gov.

» **VENTILATION STANDARDS**
 Two industry consensus standards on ventilation have been revised — *Fundamentals Governing the Design and Operation of Local Exhaust Ventilation Systems* and *Recirculation of Air from Industrial Process Exhaust Systems*. The revised standards are

available through the American Industrial Hygiene Association at aiha.org and the American National Standards Institute at ansi.org

COMMON-SENSE MEASURES PREVENT EMPLOYEE THEFT

Specialists say the cost of employee theft and embezzlement adds up to billions of dollars annually. According to the Association of Certified Fraud Examiners, organizations lose 6 percent of their revenues to dishonesty from within. Security experts estimate that as many as 30 percent of all employees do steal, and that another 60 percent will steal if given sufficient motive and opportunity. With dramatic figures like these, taking steps to eliminate theft and graft within a firm are sure to yield returns. The Small Business Administration offers the following tips to reduce employee theft.

KEEP A CLOSER EYE

Watch for the tell-tale signs of internal theft. One subtle but noticeable indication of dishonest employees may be an unexplained rise in their living standards. Pay close attention to management-level personnel who insist on handling routine clerical tasks themselves. And be on guard for clients complaining about overcharging or inconsistencies in shipping and billing practices.

FIND PEOPLE YOU CAN TRUST

Some employees have theft in mind from the start. You can weed out some of these people by performing thorough background checks on all new hire prospects, particularly for sensitive positions involving the flow of money.

MAKE IT HARD TO STEAL

Even though delegation of tasks is unavoidable, try to have a management-level supervisor oversee inventory and bookkeeping. If this is not possible, consider dividing these tasks among several staff members so no single employee has too much authority. Occasional inspections or audits of inventory and bookkeeping help in preventing fraud and theft. It is possible to install physical obstacles to theft, such as alarm systems and secured, restricted areas. However, be aware that such obvious measures can have a negative effect on morale.

DETERMINE CLEAR POLICIES

To reinforce these other measures, a company should distribute clear, written policies on ethical behavior to be signed by each employee — including the owner.

WORK TOGETHER WITH EMPLOYEES

Workers will be less likely to steal if you create an environment in which they think there is a good chance of being caught. Training and “employee awareness” programs can inform workers about stealing problems and keep them on the lookout for theft of any kind. To make a security program such as this effective, it is crucial employees know they can turn over incriminating information on anyone in the firm without fearing job loss or other repercussions.

PROVIDE ALTERNATIVES TO STEALING

The most troubling cases of employee theft occur when workers are in desperate financial straits. Let employees know in advance that they can come to management for assistance rather than resorting to theft. Employee substance abuse is intimately linked with financial problems and theft. If your firm does not already have a procedure for screening workers for drugs or alcohol, it may benefit from one.

SET AN EXAMPLE

Employees need to know that one uniform ethical standard applies to everyone in the firm. Executives and managers should be positive role models for workers.

The Fraud Triangle

According to loss control experts, employee theft usually occurs when three key elements exist.

Opportunity — Even the most honest employee can be tempted to steal when he/she sees there are vulnerabilities in your system.

Pressure — Drug or alcohol dependency, gambling problems, divorce, serious illness and other economic pressures can lead to employee theft.

Attitude — Some employees may think that the company owes them something and they have a right to take it.

10 SAFE HIRING TOOLS

Almost 10 percent of job applicants have criminal convictions and up to one-third of resumes contain serious falsehoods or omissions. To promote safe hiring, Lester Rosen, president of Employment Screening Resources*, a national background screening firm, suggests the following 10 evaluation tools.

- 1 Have each job applicant sign a consent form for a background check, including a check for criminal records, past employment and education.
- 2 Employment applications should ask about criminal records in the broadest possible terms allowed by law, and should not be limited to felonies.
- 3 Advise applicants that the firm will perform a criminal background and reference check as a standard business practice. Ask whether the applicant has any concerns to share.
- 4 Applicants should be asked during an interview what they think a former employer will say about them.
- 5 Applications must clearly state that any false or misleading statements or material omissions are grounds to terminate the hiring process or employment, regardless of when it is discovered.
- 6 If employment begins before a background check is completed, state in writing that employment is contingent upon a satisfactory background report.
- 7 Verify past employment. This is probably the single most important tool for an employer.
- 8 Obtain a listing of all addresses for the past 10 years. This is also needed for a criminal search.
- 9 Include future screenings in the consent language in case a future investigation is needed for a criminal search.
- 10 Check for criminal records. You may consider convictions or cases currently pending, but not arrests. Also, certain cases may not legally be used for employment decisions.

* For additional information about Employment Screening Resources, visit ESRcheck.com.



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All signs are 8.5" X 11" and available laminated or on coated paper unless otherwise noted. Laminated signs are recommended for harsher environments. Custom signs are available upon request.

Count on EMC to help keep your workplace safe with free safety signs. For more information, visit the Loss Control pages of emcinsurance.com.

Forging Receipts

Salespeople can charge a customer one sum, ring up a receipt for less, and pocket the difference.

Hiding Receipts

When bookkeeping is sloppy and little supervision exists, employees can keep cash and receipts without raising an eyebrow.

Pocketing Loose Change

Small sums of money, such as fees or petty cash, may not be missed at all.

Pilfering Merchandise

Goods your firm purchases may never even make it to the shelves.

Overbilling Expenses

Managers with expense accounts may submit receipts twice and be reimbursed twice, or inflate actual expenses incurred.

Fictitious Payroll

Occasionally, personnel managers will authorize salary for fictitious workers, then keep it for themselves.

Purchasing Fraud

Employees sometimes declare themselves suppliers of nonexistent goods, and subsequently reimburse themselves handsomely.

Keep Drywall Installers Safe From Everyday Injuries



When asked what they believe is their greatest risk of physical stress, drywall installers answer lifting, carrying and holding drywall. A recent National Institute of Occupational Safety and Health (NIOSH) study confirmed this, citing that the two main causes of injuries to drywall installers are overexertion and falls.

Overexertion reported by drywall installers may be responsible for a high proportion of costs for medical care, impairment and pay-loss days.

Installing drywall can create a number of safety risks, including falls, overexertion and muscle strains — particularly in the back. NIOSH recommends the following precautions when installing drywall.

- Know the weight of the drywall sheet before starting the job and plan accordingly. Sheets of drywall can weigh between 55 to 120 pounds, so it is important to ensure you have adequate workers to handle the job.
- To minimize the need for transport, have the drywall sheets delivered directly to the place where they will be installed. If transport is necessary, use forklifts, dollies or hand trucks to move the sheets.
- If possible, do not install drywall by hand. Have a drywall lift or drywall jacks available, especially for working with heavier sheets and ceilings.
- Be sure that all workers are familiar with proper installation and lifting techniques. Each worker should be wearing PVC-dot group gloves to make it easier to lift and hold drywall sheets.
- When hanging vertical pieces, raise the sheet, shift grips to opposite sides of the sheet and then rotate into a vertical position to secure to the wall.
- Use two workers to lift larger, heavier sheets and lift only one sheet at a time.
- Be sure workers take adequate breaks to avoid overexertion, and rotate each worker's task throughout the project.

Everyday Work. Everyday Injuries.

The following case reports demonstrate how easily and quickly injuries can happen as part of a drywall installer's everyday work.

- While stepping up to his drywall bench lifting a 12-foot long, 120-pound drywall sheet, a carpenter slipped and fell forward, twisting and straining his knee.
- A drywall installer developed tendonitis after lifting and carrying twelve 10-foot sections of drywall up 20 steps.
- A carpenter dislocated his shoulder after lifting and hanging multiple 16-foot-long, 125-pound drywall sheets on a ceiling.

LADDER SAFETY

Each year, about 50 construction workers are killed as a result of falls from ladders. Many of these falls can be prevented by proper planning, correct ladder selection, good work procedures and ladder maintenance. OSHA recommends the following tips for safe use of portable ladders.

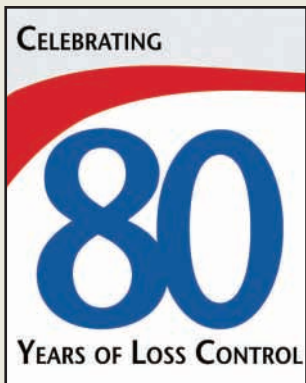
- Read all instructions and warning labels and inspect the ladder before every use.
- When placing the ladder, look overhead to make sure there are no electrical hazards.
- Make sure the ladder is placed on stable, level ground.
- Do not move a ladder while a person or equipment is on it.
- Be sure all locks are engaged.
- Always maintain three-point contact when climbing a ladder (two hands and a foot; two feet and a hand).
- Be sure to barricade a ladder if it is being placed in an area where it can be displaced by other work activity.
- Do not use the top rung of the ladder as a step unless the ladder has been specifically designed for that purpose.
- Always be aware of the ladder's load rating and do not exceed this, also considering the weight of any equipment.

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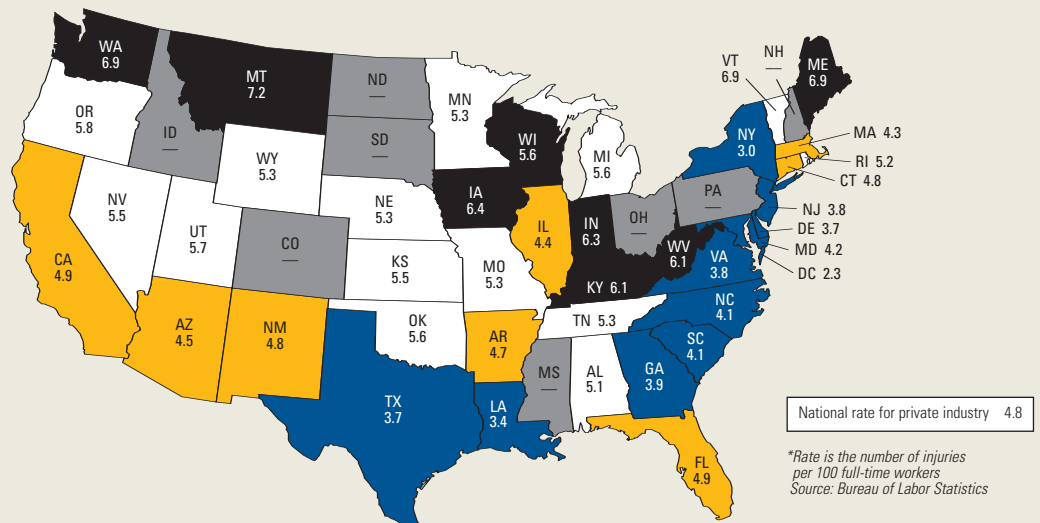
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How Safe Is Your State For Workers?

How well are employers in your state controlling the incidence of workplace injuries? According to the Bureau of Labor Statistics, the best indicator of a state's performance compared to other states is its injury rate. Check the map below to see how your state ranks. For more detailed information about your state, consult with your state's Department of Labor.

Rate* of total recordable injuries, by state, 2004



*Rate is the number of injuries per 100 full-time workers
Source: Bureau of Labor Statistics

Higher than 5.9 4.3 to 5.0 Data not available
5.1 to 5.9 Lower than 4.3

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