

SAVE YOUR WORKPLACE FROM EMBEZZLEMENT: THE ART OF DENTAL MARKETING

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Abstract

This article is designed to educate you regarding legal issue like ‘embezzlement’ which is commonly termed as fraud. One cannot afford to assume that his work place is free from embezzlement. The primary motivate of this article is to make aware about embezzlement occurring in clinics, types of embezzlement, various ways of occurring it and to provide the guidance on how to prevent it from occurring.

Key Words: Embezzlement, check employee, extravagant, vacations, credit check, liability insurance policy, reconciliation sheet.

INTRODUCTION

Over one third of dental practitioners get targeted and experience fraud or embezzlement as one of the most dangerous risk for their practiced of which only few of them are aware of the means to prevent it. Embezzlement defined by The Federal Bureau of Investigation (FBI) is as, “the unlawful misappropriation or misapplication by an offender to his/her own use or purpose of money, property, or some other thing of value entrusted to his/her care, custody, or control.”¹ The society plays an important role in an individual’s decision to embezzle by factors like social pull, the social push, the psychopathological element that might make the person to do embezzlement.¹

What traits does the embezzler exhibit?

- Person is extremely well liked by everyone including staff and patients.
- Family member - the employee is frequently invited to family events.
- Person is very hard-working, skilful and expert at his job
- Person is always willing to work extra hour by taking work home.
- Usually don’t take vacations or sick day.
- Overly defensive when inquired about irregularities and has a good excuse for imbalances.
- High standard living styles.²

Techniques of Embezzlement

I. Confidence Game-Payments promised and not carried out

- Installment
- Purchases against Promise
- Trusted with Money

II. Falsification of Signatures or Amount on receipts

- Savings Accounts & Notes
- Vague Checks

- Stamps used again
- Confidence Game

III. Embezzlement of Trusted Money Control is avoided or covered up by loans, payments might be delayed.³

Various Ways Embezzlement Can Occur

1. Adjustments to Balance Due- adjustments that are made to write-off the balance that is due which allows the embezzler to take cash or cheque payments. When embezzler is taking cheque chances are that he has fraudulently opened an account in the doctor’s name at a bank and is depositing the cheques into that account.
2. If an embezzler adjusts off a balance due that was charged to an insurance company, this is considered insurance fraud and your license is at risk.
3. Credit card refunds- front desk personnel or assistants accepts refunds on their own credit cards, this is equivalent to printing money.
4. Alteration in check- embezzlers have been known to white out the doctor’s name on a cheque and insert their own name and then do a photo deposit.
5. Stealing out of pay-roll- managers who handle pay-roll can pay themselves a bonus or extra weeks of vacation.
6. Paying their personal bills- when an employee is paying your practice bills then he may also be paying his personal bills using your credit card.
7. Over ordering supplies- assistants order extra handpieces and sell them. Also, assistants purposely return the extra supplies, watch for the refund check and deposit it into a fraudulent account they have set up in the doctor’s name.⁴

Signs of Embezzlement Behaviour in an Employee

- ❖ May have addiction, habit or adverse financial issues.
- ❖ Never takes a leave, vacation or sick day. He always stays in the office especially when no one else is there to manipulate accounts during this period.

- ❖ Seems dedicated regarding duties, work space and computer.
- ❖ Never leaves the working area i.e. front desk and never lets anyone else check a patient out.
- ❖ Overly resistant to change.
- ❖ Uncomfortable when doctor asks questions regarding charges, collections and records.
- ❖ Don't want to change an old version of practice management software.
- ❖ Don't let patients talk to the doctor about accounts.

Policies and procedures in day-to-day operations

- Set the standard of honesty- Show that honesty is precious to you through your actions and set the standard of honesty by being honest because you cannot expect your staff to be honest if you are not at all honest.
- Educate employees - Employee should clearly be aware of that fraud will not be entertained and if gets caught then will have to face consequences.
- Treat employees well- When employee hold some kind of bitterness against you then you are at greater risk to occur fraud.
- A reporting program should be followed to tell you if any suspicious behaviour seen from other employees at the work place.
- Hotline- If your office is large enough chances are higher.
- Use a lock and key – lock up office resources such as blank cheques, bill receipts, prescription pads and accounting records.

Check Employees

“Protecting Your Dental Office from Fraud & Embezzlement” manual from ADA suggests to do background check which include education, ethics, credit check etc. employment history should be compared on a credit check is better exercise also any omissions or discrepancies should be thoroughly checked. You can also perform background check by any private detective. The credit check makes aware you regarding to the potential problems which may occur in money handling and finances. The liability insurance policy should cover money and securities as handled in the dental practice and a bond related to any retirement plans.

You must be educated enough about your management responsibilities and should be actively involved in office management and financial end of the business By handling your finance or cheque book on your own you can easily detect and also minimize the risk of fraudulent cheque.⁵

Stay in Touch with Patients and always keep an eye on employee

The simpler way to decrease risk of fraud is to listen to your patient. If you are continuously receiving similar type of complaint from different patients then you have to look into the matter and figure it out. You must be aware of which all things

are going on in the office and in the lives of office staff like if someone is facing financial issues very badly. Also check if any employee always carries a piece of paper or notebook along with him which is probably used for recording data required. Observe if there is any drastic change in lifestyle such as new vehicles, home renewing or extravagant vacations. All such actions are not a proof of guilt, but you must keep an eye on such things.⁵

Begin Today to Act

A very first thing is don't allow manual time cards. A time clock should be there on practice management software systems as an essential thing. An automated time clock minimizes risks which can occur during overstating hours worked and also helps to reduce numerical errors. It is mandatory that editing power must be restricted for employer. Always review the time sheets before processing payroll.⁵

Use Your Reports

Various practice management software which are available to dental community are SoftDent, PracticeWork, EagleSoft, Easy Dental, Mogo Dentrrix. Check reports that shows deleted appointments which also shows the date of the appointment and lets you know if that appointment has been put on the quick-fill list or is deleted from the system. You should know the practice management system so well and must be able to operate without the help of your front-desk staff.

Your own password should protect the different levels of access from adjustment to data entry. When allowed the front-desk personnel to edit freely then you must be observing all the adjustments and audit reports on a regular basis. You should verify your check register with the bank statement which can be obtained simply by downloading your statement from the Internet. Not only ensure all discrepancies but also each day there should be a separate deposit that should exactly match to the collection reconciliation sheet. The fees deposited and the total collections of the month should be comparable to your practice management system. The above mentioned software systems not only help to show daily total collection but also print out reports showing the grand total for the month.⁵

Prevention-

- ❖ Be up-to-date- Reconciling the bank statement every month can help you find any irregularities in transactions much early.
- ❖ Separate duties- Give employees separate financial duties so that will get to know who defrauding.
- ❖ Walk around- Your employee should know that you keep an eye on things.

What to Do with Embezzlers

After you detect any changes in payment systems and practice management review, you have to take action against the one whom you suspect. Majority people's tendency is to fire the employee but instead you must contact an attorney knowledgeable, financial helper or liability insurance agent

regarding occurred embezzlement or white-collar crime at your place. Make sure that you have collected enough evidences against embezzler to convict, before letting the individual go.⁵

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