

Firm consults businesses in fraud prevention

By Annette Chavez
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With white-collar crimes on the rise nationwide, more and more businesses are looking into ways of preventing internal theft and fraud before it costs them or their clients billions of dollars.

The Glendale-based financial firm of Wiseman and Burke, Inc. is an example of a business that takes the threat of white-collar crime very seriously.

"White-collar crime costs more than street crime does," said Robert LaRose, vice president of the Business Fraud Division.

Last year the company, at 206 S. Brand Blvd., created a Business Fraud Division, which provides expert fraud detection and auditing services for businesses.

"We started noticing that some

clients were getting ripped off with internal fraud," LaRose said.

The National White Collar Crime Center in Richmond, Va. recently accepted LaRose's division of Wiseman and Burke as an affiliate.

The center gives members access to databases, training and consultations with fraud specialists.

With the support of the crime center, LaRose said his company's fraud division is able to assist clients with recognizing internal fraud problems before they occur.

LaRose said he believes white collar crimes can be attributed to both employee greed and company cut-backs.

Especially when employees begin to feel like they're not a valued part of the company.

"A lot of it has to do with the trend of downsizing corporate America," he

explained. "With staff being reduced, there tends to be less loyalty to the company and more of an attitude of looking out for oneself."

Personal problems such as debt, gambling or drug addiction could also be underlying motivations behind internal fraud, LaRose said.

LaRose said white-collar crimes often can be avoided if companies take the time to do thorough background checks before hiring new employees.

Currently the division has been consulting with the County of Los Angeles.

Last month a Glendale man was arrested for allegedly embezzling more than \$2 million from the Los Angeles County Museum of Natural History.

Authorities believe Marcus Arthur Rodriguez, former deputy director of the museum, and two other employees

embezzled the money between July 1988 and May 1994.

LaRose said the county is looking into ways of not only preventing employee embezzlement, but also is evaluating how financial discrepancies can be detected early on.

Some theft and embezzlement indicators for businesses, according to Wiseman and Burke, Inc. include:

- Employees who year after year fail or refuse to take vacations.
- Employees or personnel who inexplicably manifest lavish lifestyles above their obvious financial means.
- Key applicants who refuse to submit to a reasonable background check.
- Shortages or overages in the cash

driver.

- Missing or altered documents.
- No inventory taken or long periods between counts. Constant inventory errors.

To find out more about the Business Fraud Division of Wiseman and Burke, Inc., call 247-1007.