

Stop Embezzlement and Security Breaches

Here is a quick list of things you can do to prevent embezzlement or security breaches at your office:



- 1. No One Person in Charge of Accounting.** It's easy to steal if nobody is watching. Have multiple bookkeepers in charge of A/R and A/P. If this is impossible, require them to take vacation time, so they can't cover their tracks. Keep all check signing authority to yourself (and NO signature stamp!).
- 2. Use Outside Controls.** Outside controls will severely deter theft. Hire a CPA to perform annual audits. Consider security cameras to monitor after-hour access and front desk behavior (tell them it's for office safety).
- 3. Exercise Your Own Control.** Review and match up your bank statements, A/R and A/P monthly, and daily deposits every day. Periodically ask for printouts of A/R or A/P reports. Have all bank statements and credit card statements mailed to your home address. Check receipts and payments on random days and times in front of staff, to let them know you are watching and know how your own system works. Get an explanation for every patient adjustment or refund, and any checks or credit card charges you don't recognize.
- 4. Limit Computer Access.** Unsupervised access creates temptation. Require a unique password for each staffer who accesses the computer, with a new password required after an idle period. Turn the computer off on weekends, and install a BIOS password that prevents the computer from being turned on until you arrive on Monday AM. Block front USB ports to prevent a flash drive from copying your files. If you are willing to tell your staffers you are doing it, install a trojan horse (a keystroke recorder) that tracks the keystrokes of the staffer with password access (secret installation is fraught with legal and loyalty dangers). Change ALL passwords when an employee is terminated.
- 5. Watch Staff/Vendor Interaction.** Kickbacks are hard to discover, since the accounting aspect is clean. Suggest changing high-volume vendors periodically to observe the bookkeeper's reaction. Get periodic quotes from the vendors to see if the numbers make sense to you, and match up with what you are paying.
- 6. Protect Patient Contact Information.** Patients are the lifeblood of your practice. Prevent anyone other than the doctor from accessing the entire patient list. A departing staffer could easily decimate the practice by (illegally) transferring that information to a new employer.