

CASH SKIMMING

What are the red flags?



Cash skimming, or simply skimming, is the removal of cash before it is deposited and logged. Skimming is a difficult scheme to detect because the cash from sales or other receivables is stolen before its receipt is recorded in the financial system. Therefore, other means must be used to detect the missing cash. If you suspect possible skimming or other misconduct, look for several red flags or a pattern of red flags, rather than just one, before drawing firm conclusions.



"NO SALE" OR "OTHER" TRANSACTIONS

Verify any instances of an employee ringing a "no sale" or other non-cash transaction on a point-of-sale or similar device, as this can be used to mask the theft (pocketing) of cash sales.

TRANSACTIONS AT ODD HOURS OR WHEN ONLY ONE EMPLOYEE IS PRESENT

Investigate any suspicions you may have of transactions made during nonbusiness hours that may not have been recorded. Cash transactions that occur when only one employee is present increase the risk of cash skimming.



ALTERED OR MISSING RECEIPTS

Be on alert for altered receipts, false receipts, and discarded or "lost" receipts. Altered receipts may intentionally misstate amounts. Discarded or supposedly lost receipts may indicate that an employee is attempting to hide stolen cash payments.

INCORRECT PAYMENT RECORDS

Pay close attention to transactions and all places where payment from a customer is recorded, in case the amount received is recorded as less than the actual amount received.



TIPS FOR PREVENTING CASH-SKIMMING SCHEMES

- Install visible video security cameras in all areas where employees handle cash.
- Require dual custody in cash operations and payment intake operations.
- Have a supervisor review transactions daily to ensure they are properly recorded as to amount, date of occurrence, and ledger account.
- Routinely search for frequent or unusual voided transactions, discounts, or cancellations.
- Avoid cash transactions, if possible.

Visit www.sfgov.org/whistleblower to see how to file a report.

