

Source: Durango Herald Business Focus February 2004 –Press Release: TAKE HOME PAY  
How Video Security in Restaurants impacts business Interview with William Eckard Sr.  
Owner of Dalaney’s Restaurant and Founder of Accolade Technologies LLC. that develops  
Software Solutions for the Restaurant Industry that integrate IP Video Security and POS

# THE DURANGO HERALD

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**By Tom Sluis**  
Herald Staff Writer

If there were a television show called “America’s Stupidest Criminals,” former Dalaney’s restaurant owner Bill Eckard says he may have a video of the winner. An employee broke in to the restaurant one night and stole some cash. A security camera caught her in the act.

Word leaked out the next day she was a suspect, so she came back to the restaurant to talk to police. A camera recorded her return. There was a tell-tale clue she had committed the crime, Eckard said.

“She was wearing the exact same clothes as she wore night before. You could put the two pictures side and side and see it was the same person.” he said.

The lack of circumspection in that one incident aside, Employees stole about \$10,000 in cash – and often, alcohol – from the restaurant during the 16 months Eckard owned Dalaney’s. Nationwide, businesses lost \$31.3 billion from employee theft, shoplifting, vendor fraud and administrative errors, according to the University of Florida’s 2002 National Retail Security Survey.

Whether it is in a restaurant or retail business, larceny simply ends up costing the consumer in higher prices, said Richard Hollinger, sociology professor and director of the Center for Studies in Criminology and Law at the University of Florida.

“I’ve seen estimates of \$440 per family” just for retail losses, said Hollinger, who oversees the annual report on inventory “shrinkage,” a polite way of describing employee theft, shoplifting, vendor fraud and administrative errors.

## Crimes/Solutions

### Pilfering

Make sure only one person has access to petty cash and office supplies.

Check petty cash on a regular basis (daily or weekly).

Sign off on every order.

Create a written employee theft policy. Communicate it clearly and regularly.

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In addition to higher consumer costs, shrinking inventories can kill a business, said Chris Hunter, owner of Cornerstone Business Solutions in Farmington.

Theft losses vary from 1.3 percent of sales for a well-managed department store to about 7 percent for a loosely controlled operation, according to the Small Business Administration.

“That can be half or more of the entire profit margin of a retail store,” Hunter said. “Even an elephant can die of mosquito bites.”

Business owners seeking to protect their inventories from shrinking can use the same methods, whether the business is a restaurant or retailer, said Hunter.

“I can think of several (Farmington) businesses ... where smart bookkeepers were shuffling money into their personal accounts. That happens all too often if you do not have well-thought-out financial controls,” he said.

These controls can include the simple task of checking employee references, but the most effective deterrent to employee theft is a security camera, Hunter said.

“If you look at a bank, there are as many or more cameras focused on the till as there are on the customers at the counters.”

While a high-tech security camera is key to stopping theft, business owners can also cut their losses by example, Hunter said.

“If I’m the business owner and my employees see me walking out the door with some office equipment that they know is going for home use, what kind of example does that set?”

” He said. “Or, if I’m a business owner and I walk out with a case of pens for my high school senior’s use at school, if I’m an employee I sit back and say, ‘Oh gee, I can do that too.’”

Eckard had insurance to cover theft, but never collected because of a high deductible.

“If you lose an article, such as someone hauling a big-screen television, that’s more covered, but insurance companies generally have a limit on what they are willing to pay for cash losses,

## Crimes/Solutions

### Time theft

Have direct supervisors sign time sheets.

If budget allows, monitor Internet and e-mail traffic.

Create and communicate policy on what employees can and can’t do during work hours.

### Till tapping

Watch for coins, match sticks or bits of paper with markings on them around the cash register area. A thief uses them to help remember the amount of extra money in the register that is to be pocketed later.

### Shoplifting

The most effective deterrents are video surveillance and electronic tags, especially when used together. They cost a lot, but can still save money in the long run.

Other options include well-designed display space to keep an eye on customers, or security guards.

” Eckard said business owners also need to put some of the burden of theft-prevention – or at least mistakes at the cash register – on the employees.

Although mis-rings will happen and the wrong change will inevitably be handed out, cashiers need to take responsibility for the cash drawers, he said.

“The more people in the drawers, the more susceptible it is to mistakes,” he said. Eckard swears by the cameras he installed. Between the months of February 2002 until June 2003 he employed more than 200 people. There was no way he could keep track of everyone, he said.

“The best theft prevention is having people watched. You can’t be everywhere.”

## Crimes/Solutions

### Burglary and robbery

Start with good locks, safes and alarm systems. Put signs in storefront windows that these measures are in place.

Never display valuables in shop windows overnight.

Mark equipment with identification numbers. Keep records of the numbers off-premise.

Install “No cash kept on premises” signs in windows to deter criminals looking for a quick fix. Ask local police for suggestions.

Source: Cornerstone Business Solutions

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