



BY JOSEPH S. EASTERN, M.D.

MANAGING YOUR DERMATOLOGY PRACTICE

Safeguarding Against Embezzlers

As the economy continues to founder, fraud and economic crime are on the rise, according to many law enforcement officials around the country.

Tight money increases embezzlement temptations, so this is an excellent time to review your bookkeeping procedures and remove any obvious opportunities for theft by your employees.

People who investigate embezzlement crimes for a living say that most cases are uncovered by accident. Finding it is usually relatively easy, because most embezzlers are not particularly skillful nor very good at covering their tracks, but many cases go undetected, sometimes for years, because no one is looking.

The experience of a friend of mine was all too typical: His bookkeeper wrote sizable checks to herself, entering them in the ledger as payments to vendors commonly used by his practice. Since she also balanced the checkbook, she got away with it for many months.

Detecting fraud is an inexact science. There is no textbook approach that one can follow, but a few simple measures will uncover or prevent a large percentage of dishonest behavior:

► **Hire honest employees.** It is amazing how few doctors check applicants' references. Find out if the applicants are really as good as they look on paper. For a few dollars, you can screen prospective employees on public information Web sites to see if they have criminal records or if they have been sued or are suing others.

► **Minimize opportunities for dishonesty.** Theft and embezzlement are the products of motivation and opportunity. It is hard to control motivation, but there are ways to minimize opportunities for dishonesty. No one person should be in charge of the entire bookkeeping process. The person who enters charges should be different from the one who enters payments. The employee who writes the checks should not balance the checkbook, and so on. Internal audits should be done on a regular basis, and all employees should know that.

► **Reconcile receipts and cash daily.** The most common form of embezzlement is simply taking cash out of the till. In a typical scenario, a patient pays a \$15 copay in cash but the receptionist records the payment as \$5 and pockets the rest. Make sure a receipt is generated, and that someone other than the person accepting cash reconciles the receipts and the cash daily.

► **Insist on separate accounting duties.** Another common scam is false invoices: You think you are paying for supplies and services, but the money is going to an employee. One employee should enter invoices into the system, another should issue the check, and a third should match invoices to goods and services received.

► **Verify expense reports.** False expense reports are another common form of

fraud. When an employee asks for reimbursement of expenses, make sure they are real.

► **Safeguard your computer.** Computers have made embezzlement easier and more tempting. Data are usually concentrated in one place, accounts can be accessed from remote workstations or off-premises servers, and a paper trail is often eliminated. Your computer vendor

should be aware of this, and should have safeguards built into your system.

► **Look for red flags.** Do you have an employee who refuses to take vacations, because someone else will have to look at the books? Does someone insist on approving or entering expenses that are another employee's responsibility?

► **Consider bonding your employees.** The mere knowledge that your staff

is bonded will scare away most applicants with a history of dishonesty, and you will be assured of some measure of recovery should the above safeguards fail. ■

DR. EASTERN practices dermatology and dermatologic surgery in Belleville, N.J. To respond to this column, write Dr. Eastern at our editorial offices or e-mail him at sknews@elsevier.com.

The Only FDA-Approved Branded Oral Therapy for Rosacea*1

Rosacea is
INFLAMMATORY.

Oracea[®] is
ANTI-INFLAMMATORY.
NOT ANTIMICROBIAL.™

ORACEA HAS NO BRANDED OR GENERIC BIOEQUIVALENT*

GALDERMA
Committed to the future
of dermatology

*Oracea is indicated for the treatment of only inflammatory lesions (papules and pustules) of rosacea in adult patients.

†Please see the full prescribing information.

Reference: 1. IMS Health, National Disease and Therapeutic Index, Custom Report, 5/17/07.

Unorthodoxycycline and "Anti-inflammatory. Not antimicrobial." are trademarks, and Oracea and Galderma are registered trademarks, of Galderma Laboratories, L.P.

© 2008 Galderma Laboratories, L.P. ORA-268 08/08

Once-daily 40 mg Capsules

ORACEA[®]

(doxycycline, USP) 30 mg immediate release & 10 mg delayed release beads

THE UNORTHODOXYCYCLINE.™

For more information, visit www.oracea.com.

Safety Considerations

In clinical trials, the most common adverse events reported were gastrointestinal upsets, nasopharyngitis/pain and nasal congestion/sinusitis. Oracea should not be used to treat microbial infections, and should be used only as indicated. This drug is contraindicated in people who have shown hypersensitivity to any of the tetracyclines, and, like other tetracycline drugs, may cause fetal harm when administered to a pregnant woman. Oracea should not be used during pregnancy, by nursing mothers or during tooth development (up to age of 8 years). Although photosensitivity was not

observed in clinical trials, Oracea patients should minimize or avoid exposure to natural or artificial sunlight. All contraindications, warnings and precautions associated with tetracyclines must be considered before prescribing Oracea. The safety of Oracea treatment beyond 9 months has not been established.

Please see the brief summary of full prescribing information on adjacent page.