



CLAIMS SCENARIOS:

Inventory? What inventory?

<i>Coverage</i>	<i>Crime</i>
Claim	Theft of inventory
Company	Privately Held
Number of Employees	520
Annual Revenue	\$12 million

DESCRIPTION OF EVENT

A manager of a wholesale paper products distributor colluded with a fellow employees in the warehouse to manipulate inventory and defraud the company. The pair stole from the company by diverting raw material before it became inventory, and by selling rolls of paper and other unfinished products. An anonymous tip regarding the theft resulted in the company hiring a private investigator. The private investigator uncovered the scheme and determined that it had been taking place for nearly two years.

RESOLUTION

The total loss to the distributor exceeded \$220,000 and the cost of the private investigator was \$12,000.

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