

For Retailers, Holidays Present Higher Risk for Employee Theft

*Oversight recommends technology-based continuous monitoring
to reduce loss from theft, fraud and accidental error*

ATLANTA – December 1, 2009 – While the holidays can mean a sharp increase in retail sales, it can also lead to an uptake in employee theft and fraud, according to [Oversight Systems](#), the leader in continuous transaction monitoring. During the “season to be jolly,” employees may face greater temptation to engage in illegal practices, and even small-dollar-amount transgressions can add up to big losses for retail stores.

Employee theft is an increasing issue at any time of year, with the latest National Retail Security Survey from the [National Retail Federation](#) indicating that the majority of retail shrinkage in 2008 was due to employee theft – \$15.9 billion worth – representing almost half of all losses, or 44 percent. The survey also found that 14 percent of those cases involved collusion with outsiders.

During the holidays, employee theft can spike, since personnel have even greater access to cash, confidential customer data, gift cards and merchandise.

“For all retailers, the holidays are characterized by a higher number of transactions, larger inventories and a greater number of temporary workers,” said Patrick Taylor, president and CEO for Oversight. “Due to the sheer volume of customer transactions and shipments in and out of facilities, it is virtually impossible to monitor employee conduct through eyes and ears alone. Continuous monitoring software can efficiently provide visibility into transactional data to help pinpoint improper activities.”

Many retailers have a high volume of transactions at a small dollar amount – but even small losses through theft can add up significantly over time, said Taylor. “We liken this to ‘death by a thousand paper cuts,’ in that retailers might not feel each loss or error individually, but collectively they can translate to millions.”

Due to the increase in business at the holidays, retailers are also at greater risk for even unintentional errors by employees. These can include accounts payable issues such as incorrect or double payments to vendors.

Oversight monitoring software enhances controls and eliminates the opportunity for fraud, waste and abuse, saving companies millions of dollars in process improvements.

About Oversight Systems

Oversight Systems, the leader in continuous controls monitoring for transactions, improves the accuracy and efficiency of key financial processes for some of the world’s largest companies and government organizations producing gains in overall financial performance. Oversight’s software drives cost savings, reduces risk and strengthens policy compliance for CFOs, controllers, business process owners and auditors by increasing transparency and visibility into their financial processes. More information is located at www.oversightsystems.com.

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