

Lauth Investigations International strongly believes the employees you hire can make your company a success...or a failure.

When our clients hire us they expect results, which is why Lauth Investigations International hires investigators with a wide array of experience. When our clientele gives us an investigation to conduct, we will first look at the type of investigation, the type of expertise needed to close the case, and with no less than 20 years experience with that specific field, our investigator will pursue the case.

The investigator will examine, review, track and interact, always professional, and tactful, persisting and accomplishing until the case is closed.



Lauth surveillance uncovers massive employee theft attempt at Pepsi.

Corporate Fast Facts

Nearly three out of four substance abusers hold jobs; which can raise costs and reduce profits.

A substance abuser is 3.6 times more likely to be involved in on-the-job accidents, and 33% less productive.

There is a direct correlation between drug abuse and employee theft.

Nearly every business experiences some degree of employee theft.

Studies estimate employee theft and dishonesty costs US businesses between \$60 and \$120 billion per year – that's over a billion dollars a week!

Embezzlement losses exceed \$4 billion every year.

Employee theft occurs 15 times more often than external theft.

A majority of the time, employees know or suspect that employee theft is present, but will not report it because the "anti-snitch" attitude prevails over company loyalty.

Opportunity, not the need, to steal is the primary cause of employee theft.

Employee theft is often committed in response to favoritism, unreasonable discipline, inconsistency, and other acts of poor or abusive supervision.

Corporate Investigations (What we can do for you):

Undercover Operations
Drug Detection & Misuse
Workers Compensation
Identify Productivity Loss
Schedule & Payroll Tampering
Anonymous Tip Programs
Slandorous Employee and Competitor
Internal Theft & Embezzlement
Supervision of Termination
Secret Commissions & Kickbacks
Electronic Crimes & Defamation
Pre-Employment Screening

Our Valued Clients:



Additional Clients:

Schuster's Block Inc.
Auto Owners Insurance
Attorney Stanley Khan
Indiana Insurance
Franklin Township Fire Dept.

Corporate Risk Watch

Spring 2006

The aim and scope of our publication encompasses all angles of emerging security risks in the corporate sector. We, at Lauth Investigations International, will endeavor to live up to our aptly titled newsletter to aid your department in identifying unusual employee behavior before mere intentions turn into perilous consequences. With the ever-emerging threat and evolving sophistication of corporate criminals, we agreed that the time is now for us to give you knowledge and suggestions. We hope that our newsletter will improve your department's ability to anticipate potential risks, identify them, and prevent detrimental losses. I invite you to use this newsletter as a tool so perpetrators will not catch you off guard. Should your department need further assistance, the experienced staff of Lauth Investigations International is available to keep you advised.

Preventing Employee Theft

Employee theft and fraud directly causes 35% of all business failures. Rough estimates of that cost total twice the amount lost annually in the nation's burglaries, car thefts, and bank robberies combined. According to a 2004 report issued by the Association of Certified Fraud Examiners, the typical business loses about 6% of its annual profits to fraud. Often, an employee's perception of inadequate pay, overwork, favoritism, or management's unwillingness to listen, can be the rationale for otherwise law-abiding people to stoop so low.

Most business owners have a difficult time detecting fraud until it is too late. Professionals advise employers to obtain background checks on new hires. The cost of a background check is minimal compared to what can be lost. If something does not seem right, contact a professional investigation firm that specializes in corporate fraud.

Some red flags that business owners and managers should look for:

- Excessive use of alcohol or drugs
- An abrupt change in employee lifestyle
- Close relationship with suppliers or customers
- Taking long lunch breaks
- Frequently arriving or leaving late
- Borrowing money from other employees



Mr. Pickle in a Pickle

Your HR Department just received a fax from Mr. Leonard F. Pickell, Jr. The resume tells you that Mr. Pickell is a certified public accountant, was the former president of the prestigious James Beard Foundation, and has owned and managed a successful restaurant in Manhattan for several years. He seems well suited for the job. But, with a search of his background by an experienced pre-employment background examiner, he or she finds that Mr. Pickell was indicted for embezzling \$50,000 from the James Beard Foundation and has never obtained a CPA license.

This is not an exaggeration. Mr. Pickell is, indeed, being held in Monmouth County Jail after forging expense receipts to cover his credit card debt. Steps your department can take to avoid a potential disaster besides a background check are: signing up for bank services that provide daily details on checks, hiring an experienced auditor and making one person responsible for receiving money and another for recording deposits.

Pre-Employment Screening

LAUTH INVESTIGATIONS strongly believes the employees you hire can make your company a success or a failure. How it helps...

Have confidence that your employees are the most qualified candidates...not just the ones who interviewed best.

Avoids costly employee turnover.

Reduces loss of productivity, rehiring, retraining and administrative costs.

Discover misrepresentations of qualifications like education, employment, experience, or certifications.

Discover if candidates are concealing criminal conduct, a poor driving record, substance abuse, or a poor credit history.

Frees your Human Resources staff from the time consuming task of background screening.

Comprehensive reference checking is an investment that will return many dividends.

Increases company profitability!

Reduces the risk of negligent hiring suits. Lauth Investigations reports maintain a third-party objectivity.

Lauth Investigations' screening process complies with applicable federal laws governing the pre-employment process. Refer to the Federal Trade Commission's Fair Credit Reporting Act for additional information.

Note: Studies have shown that more than 20% of applicants falsify information on their application or resume.

Note: 11% of criminal history searches recently conducted by Lauth Investigations involved some type of arrest information. Unfortunately, in today's society, workplace violence is becoming more prevalent each year. Workplace violence costs employers an estimated \$4.2 billion per year!



Lauth Investigations International investigators bring twenty-two years of investigative experience to your case. Whatever your needs may be, Lauth Investigations can provide the aggressive, persistent and professional attention that brings results. Our firm has tactfully pursued corporate fraud investigations for many high-profile corporations as well as local, small business entrepreneurs. In addition, we feature pre-employment screens for your human resource department that receives personal attention with all information verified by three different sources.

We are staffed with licensed and bonded investigators. Our approach to your case is always discreet. You can rest assured that any investigator handling your case is qualified and credentialed. The investigator will always examine, review, track and communicate, with professionalism and tact, perservering until the case is closed.

At Lauth Investigations International, we understand the corporate environment. The slightest allegations of misconduct can be damaging. Our investigators can provide you with an objective, third party perspective always conducive to your best corporate interests. Don't settle for anything less.

SERVICES

Internal Theft Investigation

Identify Productivity Loss

Workers Compensation

Schedule/Payroll Tampering

Surveillance

Drug Detection & Misuse

Undercover Operations

Anonymous Tip Programs

Patent & Trademark Infringement

Product Tampering

Corporate Services

Asset Searching & Analysis

Problem:

The number of lawsuits filed each year is staggering. These lawsuits involve various corporations and their employees. The baggage these companies and individuals carry with them can affect future business partnership and employment respectively.

Solutions:

Employee Embezzlement and Schemes: Lauth Investigations International will investigate the assets to determine the amount of involvement that an employee may have in an ongoing corporate embezzlement investigation with the company. *(Fax or Tx Request, \$595)*

Business Merger, Acquisition or Potential Business Relationship: Lauth Investigations International will conduct a company profile and comprehensive asset analysis of the prospective company or potential business. *(Fax or Tx Request, \$950)*

Judgment Debtors and Bankrupts: Lauth Investigations International will offer assistance to bankers in their restructuring departments, litigator, and bankruptcy attorneys in need of conducting searches for concealed or undisclosed assets. *(Tx for Request and Cost Assessment, \$70 per hour)*

Background History and Pre-Employment Screening

Problem:

New employees can put your profitability and reputation at risk.

Solutions:

Executive Background Investigations: Lauth Investigations International will conduct comprehensive background histories of prospective high-ranking executives by determining financial stability, education, character investigation, work ethic, personal ethic, and criminal history in a chronological format. Any additional background history may be suited to fit the needs of the employer. *(Tx Request, \$1950)*

Pre-Employment Screening: Lauth Investigations International will evaluate a potential employee's background, offering three search levels and covering a myriad of personal information. These searches will divulge an employee's potential for sexual harassment suits, workplace violence, internal theft or embezzlement, drug or alcohol related problems, divulgence of trade secrets, and their capacity to safeguard confidentiality. *(Tx Request Form)*

Sexual Harassment and Workplace Issues

Problem:

Internal corporate investigations of sexual harassment claims can pose more problems than they solve and can often appear biased in a court of law.

Solution:

The changing trend of the corporate world creates delicate and complicated issues for relationships within the workplace environment. Each employee is deserved a fair and objective hearing. Lauth Investigations International' carefully approached interviews and background histories will assist you in determining an equitable settlement to resolve these sensitive issues. *(Tx Request, \$70 per hour, 70¢ per mile)*

Worker's Compensation

Problem:

On-the-job injuries are difficult to verify. Many worker's compensation claims cost employers through loss of productivity as well as thousands of dollars in corporate assets.

Solution:

Lauth Investigations International will promptly conduct mobile and ground video surveillance activities to verify the veracity of a worker's compensation claim in order to alleviate the compensation from employer to insurer. Lauth Investigations International will utilize diverse movements to obtain the most intricate and revealing video, diligently searching for inconsistencies in the medical records or statements from claimant or witness for prospective usage in court or mitigation hearings. A thorough search will be conducted into records displaying prior disciplinary action, false claims, malingering and other alarming indicators of potentially fraudulent claim. *(Tx Request at \$70 per hour, 70¢ per mile)*

Crisis Management Investigations

Problem:

Existing problems may not be immediately detected. Many of these problems are not identified until they become irreparable and loss of defrauded funds, employee morale and long-time customers cannot be recouped.

Solutions:

Divulgence of Trade Secrets, Corporate Intelligence and Equipment: Lauth Investigations International will detect the origin of the confidentiality violation, information stolen, the depth of disclosure that has occurred, and immediately attempt to recover the loss of data. *(Tx for Request and Cost Assessment, \$70 per hour)*

Improper Billing and Contract Fraud: Lauth Investigations International will determine if your company's vendors are improperly billing, violating contractual agreements, and/or threatening overall issues of reliability and cost efficiency. With the rise in the use of subcontractors, this investigation is widely utilized. *(Tx for Request and Cost Assessment, \$70 per hour)*

Drug Detection and Misuse: Lauth Investigations International will use undercover operatives and/or surveillance equipment, will observe and attempt to detect the logistical origin of the drug distribution, create intelligence among anonymous employee sources, determine the capacity of the distribution among employees, and if necessary, testify at termination hearings. *(Tx for Request and Cost Assessment, \$70 per hour)*

Employee Fabrication of Sales or Contracts with Clientele: Lauth Investigations International will determine if any agent or employee of the company has committed this unethical practice to devoid the company of any liability and loss of clientele. *(Tx for Request and Cost Assessment, \$70 per hour)*

Slandorous Employees and Competitors: Lauth Investigations International will surreptitiously discover if a former or current employee may be threatening the company with persistent "garbage talk", thereby threatening the stature of the company name and their employees. Such remarks may be uttered lightly and may not be taken seriously, but they can dramatically reduce employee morale and potentially devastate a valuable relationship with a competitor. *(Tx for Request and Cost Assessment, \$70 per hour)*