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## AND EMBEZZLEMENT IN THE DENTAL OFFICE-PART 2

*You are not immune*

In the last issue of LVI Visions I listed examples of only a few of the ways a team member can commit fraud or embezzle, let us discuss ways to prevent this from ever happening in your office.

# *Pearls for Fraud Prevention*

## **NEVER BLINDLY TRUST YOUR EMPLOYEES**

Trust must be earned and even so, you must show them that you are aware of everything and there is a verification and reconciliation process that occurs.

## **ALWAYS PERFORM A BACKGROUND CHECK**

This is a minimal cost and can save you a lot of aggravation in the future. Contact previous employers for references.

## **BANK DEPOSITS**

Reconcile the deposits on the deposit slip with the end of day report. Make sure all credits to ledgers are in fact on the deposit slip.

Have two people review the deposit slip and both should sign or initial it.

## **CREDIT CARD CHARGES AND ACCOUNTS**

Review the credit card statements for unusual activity and charges.

Review the credit card banking statements with transaction numbers and ask about any credits and review on ledger to make sure it is a legitimate credit to a patient account.

Verify that purchases for the office were in fact received.

Make sure payments to credit card companies have been posted. Remember, you can write a check to MasterCard and someone can use that check to pay their own MasterCard bill.

## **GUARD CHECKS**

Make sure the checks are in chronological order and on the bank statements make sure a check number out of sequence was not used.

Routinely flip through the checks to make sure a check at the back of the checkbook is not missing.

## **REVIEW SUPPLY AND MATERIAL ORDERS**

Check the supply bill and ask to see the order sheet and some random items. Often the supply bills do not itemize what was ordered. It is just a balance amount and order numbers.

Ask for the packing slip of each order and keep in a folder. Open the boxes randomly yourself.

## **REMOTE SERVER ACCESS**

Make sure server access is securely monitored and restricted.

Never allow anyone to delete or modify anything from your systems without your knowledge and consent.

## **DENTAL SOFTWARE AUDIT TRAIL**

The audit trail will show all entries and deletions under every team member's login credentials.

Routinely review the audit trail in your dental software and make sure the team knows you do this. It is better to prevent embezzlement than having to catch someone doing it.

Hire a professional with your software system such as a trainer to routinely review the audit trail report.

## **AUTOMATE PAYROLL AND RETIREMENT ACCOUNTS**

Make sure the payroll is automated with a payroll company that offers direct deposit so checks do not have to be written. It is a minimal cost and they handle all the necessary tax withholdings.

Retirement account contributions should also be automated and withdrawn automatically by your payroll service provider.

## **SOFTWARE PRIVILEGES**

Many dentists do not spend enough time or thought into what privileges certain members are allowed in the dental software. There is a lot of sensitive information that does not need to be divulged regarding practice numbers etc. There are certain tasks or modules that should only be accessible to the dentist. By limiting and restricting certain tasks on the computer, the doctor limits the chances of fraud and embezzlement. Some of the restrictions that should be applied and delegated to only the doctor are as follows:

- No deletion of claims
- No printing of prescriptions
- No deletion of prescriptions
- No deletion or editing of payments
- No editing of insurance payments
- No deletion of insurance payments
- No access to practice analysis and financial information
- No ability to edit or delete passwords
- No ability to edit fees
- No ability to edit or add dental codes

Every individual doctor must decide what permissions he or she is comfortable with and not all employees have to be the same. You may assign certain things to one person and not to another. Although it is sometimes inconvenient to be called to the front to put in your password to perform a certain task, it is far less traumatic and devastating than being a victim of embezzlement and fraud.

I would like to make one point clear; that is, the majority of the team members are honest and the intention of this article is not to have you assume your team members are committing fraud. Instead, the purpose of this article is to make you aware that it could in fact happen and has probably happened to you at one point in your career. The longer you have been in practice, the more likely it has happened. One needs to be aware of what is happening in his or her office at all times. It is not enough to say you are too busy practicing what you love, as overseeing your practice is a necessary part of the job. You should trust but you must verify all the other aspects of the practice. You must work on your practice as much as you work in your practice.



**nosefacts**

**The floor of the nasal cavity is also the roof of the mouth.**