

Case Study I: Background Investigations

A client was considering hiring a new director for their medical clinic because of the increase in business they had experienced in the recent past. Their own research led them to a seemingly well-qualified candidate. The application process and personal interviews had progressed to the point where the clinic was almost ready to make an offer. Fortunately, they decided at the last minute that they should at least conduct a basic background investigation despite the phenomenal resume they had been presented. Our investigators were able to uncover the applicant's rather interesting past. It appears that he had previously been hired by a state mental hospital as their administrator however after several months (and some rather unfortunate happenings) the staff questioned his capabilities and credentials. He was discharged shortly after when it was learned that he was not a physician and had no medical education. (The facility later admitted that they had never looked past the first page of his resume when they hired him.) Our investigation was able to determine that he had been convicted of fraud in two different states for deceptive practices regarding his employment and age. He has spent at least forty (40) days incarcerated in two states and was also sued by one previous employer for the compensation he received while serving as the hospital administrator. He had made fraudulent claims on multiple state applications and attempted to implement state funded programs without proper authorization from the state administration. Without our detailed search capabilities, our client could have made a rather costly mistake. **RESULT: the client terminated contact with the prospect. They were spared possible lawsuits and embarrassment and now have a qualified director in place.**

CASE STUDY NO. 2 – THEFT IN THE WORKPLACE

DESCRIPTION¹

Wendy, a junior administrative officer, has recently joined the University in the Tibetan Studies Department.

She is having a discussion with a fellow worker and direct supervisor, Sharon, over a coffee at the local coffee house on campus. Discussions turn to the recent BBQ at Steven's place, a fellow staff member in that Department. Sharon indicates to Wendy that Steven does some work for a local child minding centre out of office hours.

Back at the workplace while working back late, Wendy notices on a couple of occasions Steven taking stationery items from the cupboard then placing them in his briefcase. On separate evenings, she observes him taking a three drawer filing cabinet and an older model (surplus) computer from the office. She does not say anything to Steve (or anyone else) at the time.

Wendy is stressed about the situation, so she raises the matter with Sharon who is dismissive and warns that if she pursues it, she could damage the friendships that she is making in the Department.

Wendy decides to take the matter one step further to John, Sharon's manager. John washes his hands of the matter, saying that he trusts his staff and makes them responsible for their actions. John then confides in Wendy that Steve is a recent widower left with two small children who is also dealing with a personal serious illness. Any action taken against him by the University could adversely affect him physically, mentally and emotionally.

Wendy is obviously unhappy with this outcome, and is left with a moral dilemma.

WHAT ARE THE RISK ISSUES, AND WHAT MEASURES COULD HAVE BEEN/SHOULD BE TAKEN TO PREVENT, MINIMISE OR MANAGE THEM?

Risk Issues:

1. Major breach of the University's [Code of Conduct](#).
2. Indicators of a poor workplace culture, where people are discouraged or prevented from addressing, pursuing or disclosing fraudulent or inappropriate behaviour.
3. Staff may be encouraged to conduct themselves inappropriately if they see that this is the norm in the workplace and are never held to account for their behaviour.

¹ Adapted from the ATO's "Play it Again Sam" or "Judge for Yourself" Presenters' Guides.

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4. Financial losses from stealing/asset misappropriation in the workplace – possible criminal charges.
5. Staff frustration, anger, helplessness leading to physical, mental or emotional problems (Occupational, Health and Safety issues).
6. Loss of confidence in managers and supervisors.
7. Poor management of staff leading to IR issues.
8. Adverse reputation effect should the outcome be reported in the press.

Measures:

1. Where staff are having personal problems that may be affecting their work performance, listen to them and provide guidance. You may also recommend that they seek advice from the University's Counselling Services.
2. Manage staff in accordance with [Human Resources](#) policies and procedures. Seek advice from Human Resources if necessary.
3. If you are uncomfortable with the situation, seek clarification of your concerns but be aware of the limits to which you should investigate the matter personally. If necessary, seek advice from or make a report to the [Professional Standards and Conduct Unit](#) or a higher level manager where there is suspicion of workplace misconduct.
4. In relation to reporting possible misconduct or improper conduct, there are other options available to you:
 - Contact the Corruption and Crime Commission or another external oversight or regulatory body direct (e.g. the OAG or the Ombudsman); or
 - Make a protected disclosure under the *Public Interest Disclosure Act 2003 (WA)*, via the University's Public Interest Disclosure (PID) Officer – refer to the [Curtin PID](#) website for more information.
5. Always act within the law – The University is a public authority operating within a state public sector legal and accountability framework and you have a responsibility to perform your duties professionally, both as a public officer and in accordance with expected internal standards of behaviour – again refer to the [Code of Conduct](#).

Case study 3: Workplace Injury

Faced with a continuing problem with employees feigning workplace injuries, a local company requested we conduct a surveillance of an employee that claimed a serious back injury and could not perform his daily duties. Our surveillance lasted 36 continual hours because of the location and inability to move around in the area. During this time, he was observed unloading a large toolbox and apartment sized refrigerator from his vehicle into a back-yard shop. Later he was observed loading several duffel bags into the vehicle. Continuing into the afternoon, he was seen leaving the house on his motorcycle and driving around the dirt roads near his house until nightfall. The employee was surprised the next day when representatives of his employer arrived at his house, retrieved the keys to his company vehicle and fired him on the spot. Result: another fraudster learns a lesson.

Case study 4:

When two employees failed to show for work, business owners became concerned. Checking the offices, they found that the desks had obviously been cleaned out and personal effects removed. Suspicious, they checked the office computers and found that the accounting and invoicing system had been altered and many documents were missing. Our examination of the computer systems established the dates the files were accessed and deleted, coinciding with the last night the employees 'worked late'. Faced with civil suit, the former employees admitted to stealing invoices, client lists, order history and other proprietary data with the intent of opening their own business and approaching the existing clients. **Result: disaster avoided, and reputation saved.**