



## A VL real life claim example

# Fidelity/ Crime

## Theft of Fuel

The Insured is a commercial cleaning company. Its contracts covered a wide geographical area. One of its employees, who did out of town work, was supplied with a company vehicle and a fuel card.

When the Insured received its end of month fuel bill it discovered that this employee had run up more than \$11,000 worth of diesel. When the employee was questioned, he initially claimed that the card had been stolen and used by "persons unknown". The Insured was able to establish through CCTV footage from several service stations that it was its employee who had been misusing the fuel card.

The matter was reported to the police. At which point the employee disappeared. The police found that he had been buying the fuel and on-selling it to relatives and friends.

The thief was duly arrested and charged with 12 offences including theft as a servant and sale of dangerous goods without a licence. He was convicted and VL paid the cost of the fuel to the Insured. Reparation is being made in the sum of \$65.00 per week.

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## Theft of Recycled Goods

The Insured is a major fruit and vegetable wholesaler. Most of its product is sold in various forms of plastic bins and trays which are essentially a single use item. It actively encourages recycling and successfully recovers a very large proportion of the used bins and trays which it believed it was selling to a recycling company.

The Insured's employee who managed the recycling, successfully persuaded the recycler that he was an independent "go-between" and that the recycled plastic had been purchased by him from the Insured. He was thereby siphoning off the value of the product into his own account and electronically crediting the Insured's account for enough of the money to satisfy expectations.

The scam was operating for about three years and was discovered when the management of the recycling firm changed. The new owners decided that they could probably benefit by cutting out the middle man and approached the Insured with a view to gaining better terms by buying direct.

The loss was determined and the claim settled.

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## Theft of Rent Money

The Insured is a property management company in the lower end of the residential market. It looks after hundreds of properties.

One of its employees, had the task of “doing the rounds” weekly or fortnightly, and collecting rents in cash from about 110 tenants. Receipts for the money collected were made by entry into a tenant’s rent book. The monies were then recorded by the employee directly into the Insured’s computerised banking system and she produced a bulk itemised “receipt” for the funds from the computer system.

There were always tenants who failed to pay for one or two weeks but without getting into serious arrears. The employee committed the theft by pocketing one or two weekly rentals and recording “no pay” against various tenants. She maintained a rolling system where the shortfall in the money never appeared against the same tenants and the level of “no pays’ was always within acceptable levels.

When the employee was on leave and the collection round disrupted, a tenant called in to the office to pay her rent. It turned out she was in the office records as two weeks overdue although her rent book showed her as up to date.

A full audit was conducted and it was established that \$37,000 had been stolen over a period of 11 months.

When confronted, the employee owned up and immediately paid back \$11,000.

VL settled. A police prosecution followed and the employee was convicted. Reparation was ordered at \$300 per month.

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