

The logo features the acronym 'PTA' in a bold, blue, sans-serif font with a registered trademark symbol. Below it is the tagline 'everychild. one voice.' in a blue, italicized serif font, also with a registered trademark symbol. The text is centered within a white circle that is partially framed by dark blue corners at the top and bottom.

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# PREVENTING THEFT IN YOUR PTA

***Betsy Landers***  
***PTA National Secretary-Treasurer***



# Workshop Objectives

- Define the terms: “theft, fraud, and embezzlement”
- Recognize the warning signs of theft, fraud, and embezzlement.
- 10 Tips for fraud prevention.
- What to do if you suspect theft.

# Theft in the PTA



**PTA President  
Masquerades as  
Identity Thief**

**Woman Gets Probation,  
Jail in PTA Theft  
\$38,000.00**

**Sentenced for Theft of  
PTA Funds  
\$160,000.00**

**Cops: Ex-PTA Treasurer  
stole...  
\$10,000.00**

**PTA President Charged in  
Theft of Book Fair Money  
\$900**

*Daily Record, NJ (2007) ABC News (KMBC) Kansas City, KN (2007)  
CBS News (WTVF) Nashville, TN (2007)  
North County Gazette, NY (2006) Whittier Daily News, CA (2007)*

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# Defining Theft, Fraud, and Embezzlement

## THEFT

***Theft:*** “The action or crime of stealing”

**Source:** [AskOxford.com](http://AskOxford.com)

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# Defining Theft, Fraud, and Embezzlement

## FRAUD

***Fraud:*** “Wrongful or criminal deception intended to result in financial or personal gain”

**Source:** [AskOxford.com](http://AskOxford.com)

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# Defining Theft, Fraud, and Embezzlement

## Embezzlement

***Embezzlement:*** “...Steal or misappropriate (money placed in one’s trust or under one’s control).”

Source: [AskOxford.com](http://AskOxford.com)

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# Defining Theft, Fraud, and Embezzlement

**For our purposes, we will use the terms  
theft, fraud, and embezzlement  
interchangeably**



# Defining Theft, Fraud, and Embezzlement

**Stealing isn't the only way PTA is cheated of  
money...**

## Withholding

**is another method of depriving PTA of needed  
funds at the local, state, and national levels.**

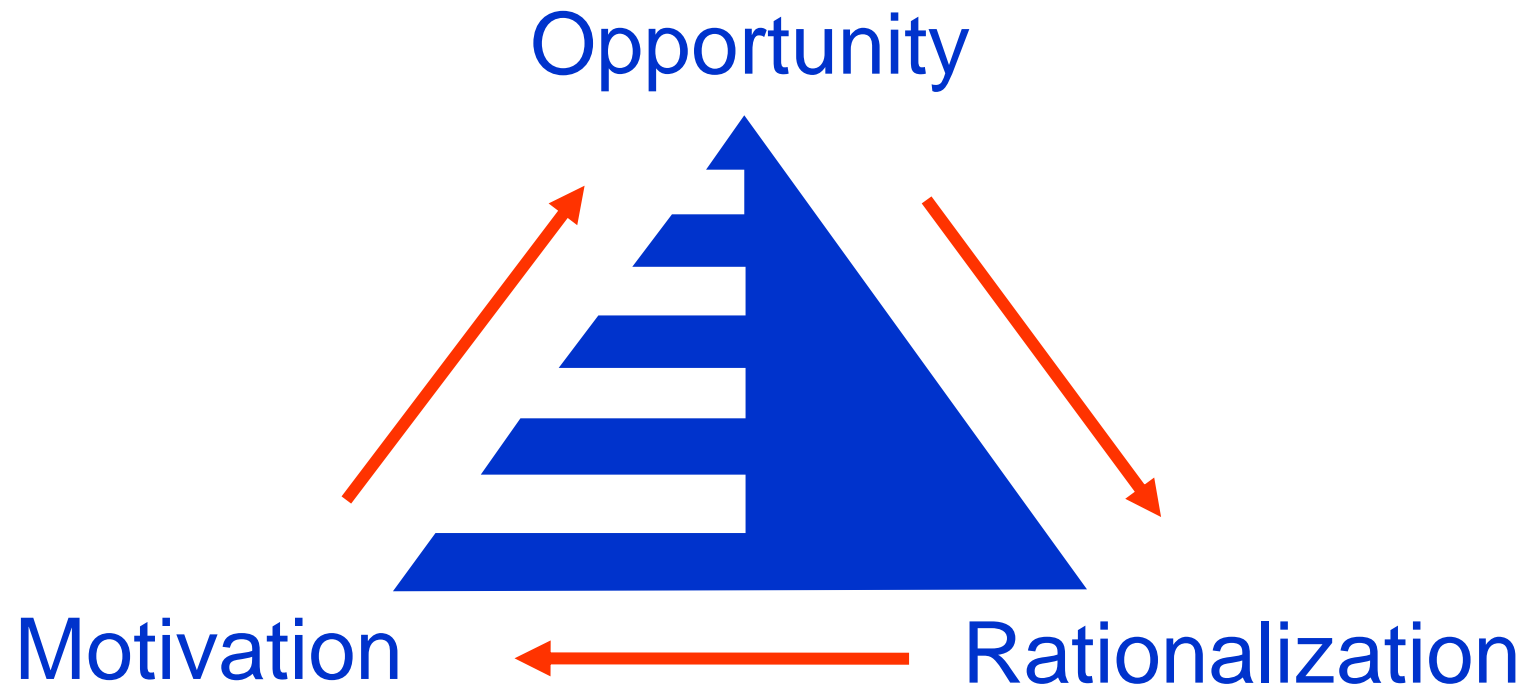
# The Impact of Fraud

- *MOST OF ALL THEFT HURTS  
PTA's CAUSE FOR CHILDREN*



- Damaged reputation and relationships
- Loss of members and outreach
- Loss of advocacy at the local, state, and national PTA
- Loss of grants

# The Fraud Triangle



Developed by: @PTA

# Warning Signs of Theft

- Delayed reports
- Cash receipts
- Many corrections to the ledgers
- Lifestyle changes
- Missing money on Friday, replaced Monday

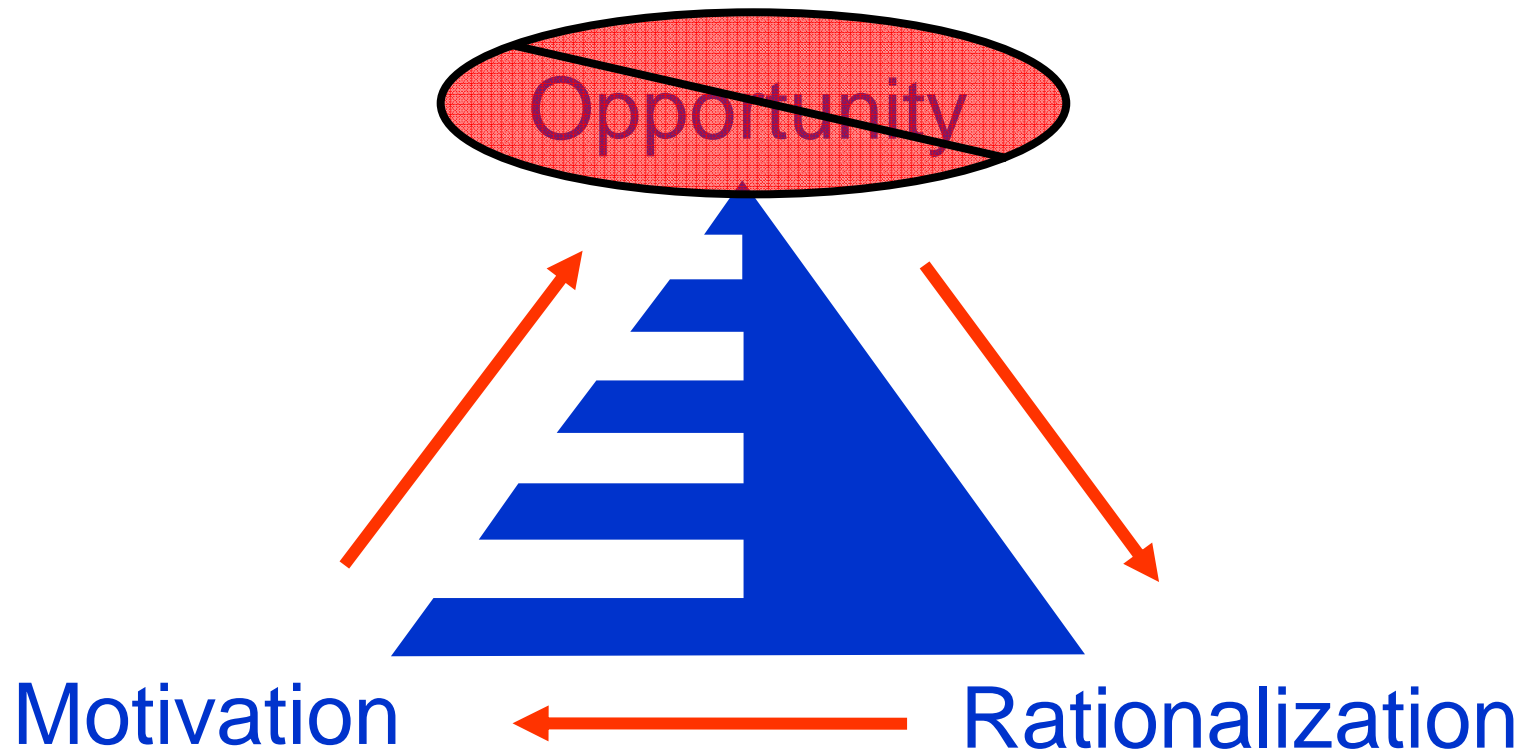


# Warning Signs of Theft

- Signatories are related
- Checks made out to “Cash”
- Large checks, pre-signed checks, or bouncing checks
- Not following internal controls
- Avoid/delay annual audit



# The Fraud Triangle



# Tips to Prevent Theft

- Annual audits
- 2 signatories (not the secretary)
- Monthly reviews of activity
- Verify cash logs, provide receipts and bank deposit slips
- Make bank deposits immediately
- Have two people count cash



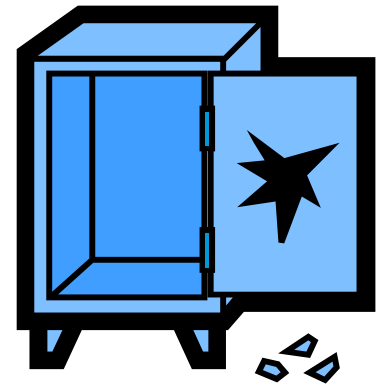
# Tips to Prevent Theft

- Review accounts payable and vendors
- Secure the checks, don't pre-sign checks, look for missing checks or checks made out to cash.
- Track all bills and use original invoices
- Ask for proof of tax payments



# Common Reasons Why Theft Is Not Reported

- Negative publicity
- Concern for safety if the offender makes threats
- Legal action by the offender
- To avoid embarrassing the offender and/or the offender's children/family.





# The Downside of Not Reporting/Prosecuting

- Sets precedent for additional thefts.
- Creates an environment that encourages theft.
- Loss of credibility and respect for your PTA among members, the community, partners, and donors.
- Voids bonding insurance policy (if not prosecuted)



# What to do if you suspect Theft

- **DO NOT** make accusations! (libel, slander)
- Determine suspect's access to other PTA resources
- Gather facts, documents, and interviews.
- Identify all accounts involved and consider freezing or closing them.
- Contact the authorities.
- Contact the insurance company.



# A Brief FAQ on Insurance

# Insurance

## What does a fidelity bond policy cover?

- Protects the cash of the PTA unit against theft, fraud, and embezzlement

## Who should be covered under this policy?

- Anyone in your PTA who has access to or handles money (e.g., Treasurer, President, Fundraising Chair)

# Insurance

## How else should a PTA handle its fidelity bond policy?

- Inform the insurer of any changes (people) during the year and cover the position, not the person. See if a “blanket” policy would be a better value.



# Questions and Answers



Thank you for attending  
this “Preventing Theft in  
Your PTA” Workshop!

Please fill out an evaluation  
before you leave!

(800) 307 - 4PTA (4782)  
[www.pta.org](http://www.pta.org)

***Betsy Landers***  
***[blanders@pta.org](mailto:blanders@pta.org)***  
***(901) 361-0933***

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