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## EMBEZZLEMENT CLAIM EXAMPLES

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### Claim Involving a House Director

The House Director purchased personal items on the Chapter's account. The Chapter became aware of unusual purchases such as gift cards and began to investigate further. During the investigation, the Chapter discovered that when they would issue a check to Costco, the House Director would purchase gift cards for her personal use instead of food for the Chapter. The insurance carrier paid \$7,326.90.

### Claims Involving the House Corporation

- The House Corporation Treasurer embezzled approximately \$37,000. The majority of the funds were taken by the Treasurer writing checks for cash. The embezzlement was discovered when the new House Corporation Board took over and realized that payroll withholding tax had not been paid, which led to an audit. At the time the money was embezzled, the checks did not require two signatures.
- The House Corporation Treasurer embezzled money from the House Corporation funds. The House Corporation Treasurer wrote checks for cash and for personal items. The checks only required one signature. The claim was discovered when a new House Corporation Treasurer took over. The insurance carrier made a payment of \$146,859.
- The House Corporation Treasurer wrote checks to pay for the remodeling of her house. Only one signature was required on the checks. The loss was discovered by another member of the House Corporation during an annual review. The insurance carrier made a payment of \$16,856.96.
- The House Corporation Treasurer issued checks to herself and made ATM withdrawals using the House Corporation's bank card for personal purchases. The loss was gradually discovered when the Treasurer became difficult to reach, checks started bouncing and bills started to go unpaid. At the time, the House Corporation only required one signature to be on checks. The insurance carrier paid \$33,143.
- A House Corporation President stole hundreds of thousands of dollars over a seven year period. The House Corporation President would use House Corporation funds to pay several of her personal credit cards every month. Most of the payments were coded under food, house supplies, and repairs. The House Corporation President was the only board member. Therefore, no one else was reviewing payments issued out of the House Corporation's account. The loss was discovered when another volunteer assumed the role of the House Corporation President. The volunteer immediately questioned payments issued to credit card companies as the House Corporation did not have a credit card in their name. The insurance carrier paid the policy limit of \$500,000.