



# The Myth of Prevention

By David Harris MBA, CMA, CD

As a private investigator specializing in investigating embezzlement against dentists, I understandably have lots of time invested in Google® searching for dental embezzlement articles. Much has been written on this topic (including by some “stars” of dental consulting) and yet I disagree with the central premise of most of the articles.

After that bold statement, I owe you some explanation. The articles I refer to have enticing titles like “How to Prevent Fraud in Your Dental Office,” and they outline some internal control measures designed to “prevent” fraud.

I have been investigating dental office fraud for over two decades, and I will confess that for the first 15 years of my career I also believed that fraud could be prevented if an office would just implement enough controls. We even considered offering some kind of “controls remediation” service.

## What I now know

My epiphany happened while discussing an interesting embezzlement with one of my senior investigators. We were investigating an office where the dentist, not realizing at the time that embezzlement was happening, had earlier changed some office procedures. By happenstance, one of these changes — requiring the dentist to approve all write-offs of patient balances — directly thwarted the thief’s primary methodology.

What do you think happened next? Did the embezzler stop stealing? Of course not! Our enterprising swindler quickly varied her methodology to steal in ways not involving write-offs. Looking at this ex post, the timeline was quite evident: the original fraud pattern followed by changes implemented by the dentist

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and responsive adaptation by the thief. When I saw this, I realized the futility of most of the controls advocated by these articles.

Thieves steal because they are driven by powerful forces. In my business we usually characterize motivation as “need or greed.” To a thief, control systems are merely speed bumps on the “stealing highway” — challenges to overcome to put YOUR money in THEIR pocket. While I have seen dumb thieves and crude frauds, most dental embezzling is sophisticated, and the thieves can adapt when necessary. Since there are many ways to steal from you, they have many possibilities.

## What you should know

So how should you stop them? Here’s another of my bold statements: quit wasting resources on control measures that provide no collateral benefit.

I’ll illustrate with two examples. I fully support reviewing your day-end sheet. Since it’s easy to construct a fraud that bypasses this daysheet, review won’t stop fraud, but it does catch sufficient ACCIDENTAL errors to justify the effort.

Contrastingly, one recommendation of many of these articles is to personally make bank deposits. I consider this a colossal waste of time. The same control happens by checking one line on your

bank statement against the daysheet, and as discussed, much theft bypasses the daysheet anyway.

Rather than implementing additional controls — at a cost of either money or your time — there is a simple and effective solution for detecting fraud. Our investigative work has shown that, notwithstanding the many possibilities for stealing from a dentist, the behavior of thieves is remarkably consistent; and that behavioral analysis is the quickest and most effective way of detecting fraud early.

We have used a behavioral assessment internally for years and have recently developed a version for dentists and their advisors. If you email us at [fraudnews@prosperident.com](mailto:fraudnews@prosperident.com), we’ll happily send you a copy. Also, if you ask nicely we’ll put you on our mailing list for future fraud newsletters.

In addition, I’m delighted to have been asked to speak at the PAGD Annual Meeting in Farmington on April 15. ■

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