

February 2002

## ProSource Wholesale Floorcovering has open house Ohio Valley NARI will visit ProSource's expanded facility for dinner and networking

ProSource Wholesale Floorcovering would like to invite everyone to their open house on February 14, 2002. Food and drinks will be catered by The Olive Garden and networking opportunities will be limitless. Two of the major additions to ProSource's 6,400 square foot expansion are American Olean Ceramic Tile and Lauzon Distinctive Hardwood.

American Olean Ceramic Tile selection is a place where you'll discover a wide variety of tiles which we believe reflect the ultimate in style and sophistication. Tiles that will help you do more than just create, they'll help you realize the infinite possibilities that abound when you design with American Olean.

Lauzon Distinctive Hardwood Flooring is a world wide supplier of premium quality hardwood flooring. Lauzon was founded in 1985, and was initially a two man sawmill operation. Lauzon is now one of North America's leading manufacturers of 3/4" solid prefinished and 3/4" solid unfinished premium quality

hardwood strip flooring. Lauzon state of the art technology, versatility, and experience benefit your customers delivering the very best in hardwood strip flooring products.

A sales rep from Lauzon and American Olean will be attending the open house to give a brief product demonstration and conduct a question and answer period.

ProSource staff and Ohio Valley NARI look forward to seeing you on February 14, 2002. For those worried about not spending Valentine's Day with that special someone, Ohio Valley NARI promises a productive evening. Think ahead and make those romantic reservations for the weekend.

RSVP today by calling OVNARI at 800.498.NARI.

### Chapter to sponsor safety program

Wayne Haddix with Total Safety is sending the chapter information about a safety program for the chapter's members.

This one-year program would include a minimum of twelve (12) members and cost approximately \$1,000 per member company.

This full-year safety program would be OSHA compliant and would help Ohio Valley NARI chapter members become more aware of potential safety violations and help ensure that the safest remodeling professionals in the Ohio Valley area are NARI members.

Watch future issues of *The Renovator* for more information about fees, inclusions and benefits.

### Call to RSVP

Where: ProSource Wholesale  
Floorcovering  
11489 Enterprise Drive

When: February 14, 2002 at 6:30 p.m.

RSVP: Ohio Valley NARI at (800) 498-NARI

Cost: Hosted by ProSource  
Wholesale Floorcoverings

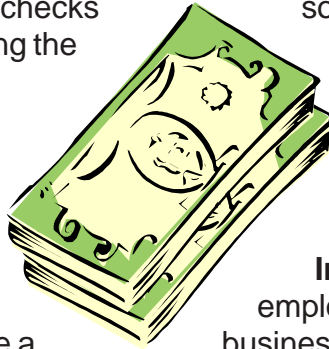


# Sensible precautions to prevent employee fraud

Is your company easy prey for employee fraud? Small - to midsized businesses are especially vulnerable because they tend to place more trust in employees who have access to company assets, and they generally have fewer financial and security controls in place. The most commonly targeted assets are cash, tangible assets, intellectual property, and time.

## Cash

Funds are often stolen through forgery, check manipulation, or purchasing fraud. For instance, a bookkeeper may insert checks made out to himself or herself among the legitimate checks presented for signature. Or, an employee could place business with an outside company in which he or she has a financial interest, or favor a particular vendor in exchange for regular gratuities or kickbacks. In one scam, an employee may create a fictitious company and embezzle funds by submitting phony invoices.



## Tangible Assets

Equipment, inventories, office furniture, and supplies are valuable commodities. All are susceptible to theft through inadequate inventory control systems or weak security.

## Intellectual Property

Intangible assets, such as customer lists and pricing policies, are also critical for a company's success. The theft of confidential material, including computerized data, can occur when companies fail to establish and enforce appropriate safeguards.

## Time

Time theft occurs when employees simply waste time on the job. Another example is when employees improperly punch their time cards, thereby overstating their hours on the

job. A less obvious situation involves time lost due to fraudulent workers compensation claims.

## Tips for Prevention

To minimize your company's chances of falling victim to fraud, consider the following low-cost tactics:

**Conduct thorough background checks on prospective employees.** Verify all resume information and request an explanation for any unaccounted time. To protect against false references, don't rely solely on the resume for the telephone numbers of previous employers.

**Create a code of ethical conduct.** Defining acceptable standards of behavior can be an effective deterrent in preventing employee fraud.

**Institute financial controls.** Require employees to disclose all employment and business relationships. Separate financial functions such as writing and signing checks, and recording receivables and making deposits. To prevent employees from concealing malfeasance for extended periods, require short-term rotations or periodic vacations for those who handle cash. Conduct annual, independent audits, including reviews of outside vendors to ensure they exist and that the company is paying market rates for goods and services. These controls should apply to everyone, including family members and long-term employees.

**Establish security systems to protect tangible assets and intellectual property.** Show employees that the building and grounds are monitored. Let them know that the inventory of equipment, products, and supplies is routinely audited. Change computer passwords monthly and limit dial-up access from the outside.

**Create a safe channel for employees to report suspected fraud.** Set up a toll-free

telephone number, post office box, or locked suggestion box to allow employees to report misconduct anonymously.

Employee fraud can be costly for your business. Even the most trusted employees may be subject to temptation and lapses in judgment. One of your best defenses is to establish practices and procedures that prevent employees from having the opportunity to commit fraud in the first place.

## Evaluating workplace hazards

The National Institute for Occupational Safety and Health (NIOSH) performs Health Hazard Evaluations (HHEs) in response to concerns expressed by employees, employee representatives, or employers. HHEs are initiated for the purpose of determining the potential for hazardous workplace exposure to chemical or biological contaminants. To obtain more information on both employer and employee rights related to hazardous contaminant exposure and HHE investigations, visit the HHE homepage at [www.cdc.gov/niosh/hhepage.html](http://www.cdc.gov/niosh/hhepage.html).

## Search and discovery operation

Hiring and training new employees can be costly and challenging for employers. To help minimize human resource related expenses,

you may want to begin the process by verifying credentials of job candidates. Valuable sources of publicly-available information include: state Departments of Motor Vehicles, local Clerks of Court, local Registrars of Voters, and applicable College Registrar's Offices.

## Ohio Safety Congress & Expo

The National Association of the Remodeling Industry (NARI) and the Frank Gates Service Company encourages you to mark your calendar and attend the 72nd Annual Ohio Safety Congress & Expo at the Cleveland Convention Center, March 26-28, 2002.

The Ohio Safety Congress & Expo offers current workplace safety information in more than 150 educational sessions and 250 state of the art exhibits. The Congress provides attendees with the necessary tools to increase safety in the workplace, keep the workforce healthy and reduce workers' compensation costs.

There is no cost to attend, but registration is required. For an official program and registration information, call 1-800-OHIOBWC, press 22 and then 3, or, visit the BWC website at [www.ohiobwc.com](http://www.ohiobwc.com).

## Ohio members and chapters to meet with National reps

A meeting with all Ohio members and representatives of the national organization will take place on Friday, March 1, 2002 in Independence, Ohio. The all-day meeting was initiated in order to enhance communications with members in the state and address issues of concern.

The event will start at 9:00 a.m. and wrap up around 3:30 or 4:00 p.m. and will take place at the Embassy Suites on Rockside Woods Boulevard. More more information or to register (the cost is free), contact the Ohio Valley NARI office at 800.498.NARI.



**Coming Events**

**March 14, 2002 - 6:30 p.m.**  
Cincinnati Marriott North at Union Centre  
David Luppenberger  
*Business Organization*

## Nice people

Tired of clients who can find non-existent flaws in the finest workmanship, or who reject every solution you offer to resolve a legitimate problem, or who find excuse after excuse to delay or withhold payment? So was Paul Eldrenkamp, Byggmeister Associates, Inc., Newton, Massachusetts. That's why he decided to focus his business on a unique niche market.

Writing in the December issue of *The Journal of Light Construction*, Paul, a member of NARI Eastern Massachusetts, reported that after 18 years in the remodeling business he has concluded that his niche is "simply put, nice people."

"Working for nice people," he wrote, "virtually eliminates bad debt, boosts crew morale, reduces callbacks, and improves referrals."

Of course, the first step toward working this market niche is telling the princes from the frogs. Paul has some suggestions on this score. They start with discarding the attitude that you have to have every job, and include such often-neglected precautions as taking time to get acquainted with prospective customers before you submit a proposal.

In the Ohio Valley area, we have about 1.2 million prospects to choose from. Remodelers who want to work for nice people can certainly find some, if they take the time to look. For



## THE NARI RENOVATOR

A Publication of the Ohio Valley Chapter of the National Association of the Remodeling Industry

The Ohio Valley NARI newsletter, *The NARI Renovator*, is produced by Ohio Valley NARI as a service and benefit to its membership. The organization's office is located at 136 South Keowee Street, Dayton, Ohio 45402; (800) 498-NARI or fax (937) 222-5794.

### Ohio Valley NARI Board of Directors

President-Don Patten, CR, Don Patten Remodeling

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more of Paul's tips read the entire article in the December JLC. JLC is one of the three or four magazines that are "must reads" for builders and remodelers. If you are not a subscriber go to [www.jlconline.com](http://www.jlconline.com) or call 800-375-5981. No, we're not getting a kick-back from Hanely-wood!

### FOR SALE

Hewlett Packard 700, Fax/copier, uses plain paper, programmable, three extra ink cartridges included and a reink kit. Originally bought in 1995 for \$550. Hardly used in the last two years. Will sell for \$100 and also have two HP 51645A ink cartridges for \$5 each. For more information contact Steve at 513.984.6568.



## Ohio Valley NARI

*Serving the Cincinnati Metropolitan Area*

136 South Keowee Street • Dayton, Ohio 45402

800.498.NARI

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