

Don't Let Bartenders Rob You Blind

By Bob Johnson

Do bartenders steal? I've worked with some outstanding bartenders over the years, men and women who are honest, hard-working, team/family-oriented and loyal. I'd like to think all bartenders are like that, but according to some, I'm misguided.

Joe Motzi of Entrepreneur Consultants in New York wrote an article on the subject for Restaurant Hospitality magazine, in which he said: "The theft is incredible! In the past three years we ran across only one bartender who wasn't stealing from his employer. That's out of about 1,000 clients! Only one bartender went by the rules of the house!"

Employee Service Reports in Fort Myers, Florida, a surveillance service to restaurants and lounges since 1950, reports that more than 50 percent of bartenders surveyed are not recording sales. That's a polite word for stealing. After weeding out the undesirable employees, the theft problem goes away - at least until after the new hires are comfortable with taking advantage of management.



A Michigan bar owner I know fired her last nine bartenders for stealing - in just one year. The owner of the Au Main bar in New York City has filed a \$5 million lawsuit against 12 former bartenders and his chief financial officer for "working together (collusion) against the house, not recording drink sales and splitting the money amongst them for the past 8 years". The CFO changed the numbers in the books to cover up the missing inventory.

The temptation for a bartender to steal, and the ease of doing it, is scary. Receiving cash each time you sell a drink creates the temptation to keep the money (is anyone watching?). The drink sale is simply not rung up. The money for the drink goes straight into the cash register drawer by hitting "00" (No Sale), or they work out of an open drawer. They keep track of how much they are "over" by using a type of abacus system - 3 match sticks in a nearby empty glass equals \$30, or a black sneaker mark on the floor equals \$20 (3 black marks and they're up about \$60).

The bartender takes the "over" out of the cash register drawer before turning in their money. Selling a cup of coffee or a "virgin" daiquiri (non-alcoholic) increases the temptation for bartenders or servers to take that money, too. Most bars do not inventory non-alcoholic type drinks, and most do not require their bartenders/servers to issue a receipt for each sale.

Many who steal don't consider it stealing. They're so good at it and they've been doing it for so long it's just the way they do business. They have numerous excuses "at the ready" for any kind of confrontation with a customer or manager.

While taking from you, there's a good chance they're also cheating your customers. Your bar might feature "tooters", which are 24 shots of liquor served in a one-ounce tube. The bartender is supposed to sell them for a buck apiece, but decides to charge the customer \$2 - and pockets \$24 at the customer's expense. Of course, the house gets hurt when the customer discovers the scam.

The theft process starts when first hired. The bad bartender usually looks for areas where management is lax. They run little "spot tests" - seeing what will work and what won't. Once it's established what works it's full steam ahead.

Another type is the overt thief - one who steals openly, thinking no one, including the customer, realizes what he or she is doing. Professional spotters describe this type of bartender theft as "wide open". These people fear no one - customer or management.

This is reason enough to use professional surveillance companies, or spotters, routinely. Spotters are hired to watch for, and report, any act of theft by a bartender, waitress, manager, or any employee working on the premise.

However, there can be problems with spotters. Many don't understand a bartender's organization, motion, or actual transactions. Many are also "minimum wage plus expenses" employees of a local security company and have never tended a bar before. The best spotter is one who has bar experience and can detect a discrepancy in another bartender's work routines.

It takes a highly disciplined individual with a strong sense of high personal values to avoid the "natural" tendency of theft available to a bartender. Where do you find them? Hire through referrals and references whenever possible and remember, the best deterrent to bartender theft is the manager's watchful eye.

THE RECIPE FOR THEFT	
Four basic conditions that make up the environment for bartender theft:	
Opportunity	When bartenders see that little to no effort is being made to control the inventory, i.e., no weekly counting of liquor, beer, wine, no draft beer controls in place, no documentation for waste (waste sheets) and free drinks, allowing bartenders to "Z" their own register, allowing "free pour", wrong glassware, and more, then you have created the opportunity for theft. The fewer the controls, the greater the temptation to steal, and the easier it is to steal. Most owners/managers are fooled by sales. You think everything is just fine when you see big numbers coming in through the register, but it's not sales, it's the costs that ultimately determine the amount of profit. Would you rather make ten cents on the dollar, or forty cents on the dollar? Without controlling your costs, you're probably making the former.
Need or Greed	Drugs, gambling, excessive indebtedness, lavish lifestyle, kids needing college tuition, vacations, little display of self-discipline and basic values, few outside interests, constant partying, etc., creates a need for extra income. When hiring, it's best to call previous employers, do a background check that includes credit and criminal history, confirm previous jobs and conduct a thorough interview that includes testing before hiring. Do not rely on your "gut feeling" about a bartender applicant. Our industry has a lousy record of checking backgrounds before hiring.
Emotional Justification	If you are not a well-liked or well-respected manager, you may find that your theft problem is even bigger than you thought. The bar staff will steal to get back at you. They'll use "emotional justification" to rationalize the theft. For example, "I worked 2 hours extra the day before and covered a shift last week on my day off and he never said thank you."
Lack of Knowledge	If owners and managers have little or no knowledge of bartending, some bartenders will find it difficult to respond to their direction. You might be telling them what to do, and you might be their boss, but you don't know what you're talking about - or you can't explain it very well - because you lack the necessary experience and knowledge. When bartenders become aware that they are smarter at what they do than their managers and owners, they now have more control of the business. This is not a good position to be in. If the bar is a big part of your business and you're not up on bartending techniques, perhaps some bartender training will serve you well.