

# THRIVE SAFELY

## Watch out for fraud!

by Richard V. Lyschik, DDS, FAGD, CFE

Observing how thousands of practices operate across the country, we have noticed some very clear trends that are becoming more obvious with every month that passes. We have found there to be two distinct groups in dentistry. There are those who are thriving in practice, and there are those who are trying to survive in practice. Thriving practices have written policies and procedures in place; training, testing and performance reviews; and a responsible and accountable team spirit. **Fraud has no home in a thriving practice!**

Dentists used to make lots of money just showing up at the office – they did not need to know how to run their business. They let others handle the practice details. Times have changed. Some will also say, “People have changed too!” Dentists are now fully exposed to the exact same challenges that every entrepreneur has to deal with in a growing business, and the fraud that accompanies every business. A thriving dental practice is 51% business, and 49% technical.

**The cost of fraud is staggering.** The median loss from a single dental practice employee fraud case is \$150,000. The largest we discovered in Texas was more than \$715,000. The statistics are astounding! The concealment methods we have found most prevalent in a dental practice are:

- Altering physical documents: 48%
- Creating fraudulent transactions in accounting: 42%
- Altering transactions in the accounting system: 34%
- Altering electronic documents or files: 31%
- Destroying physical documents: 30%
- Creating fraudulent electronic documents or files: 29%
- Creating fraudulent journal entries: 27%



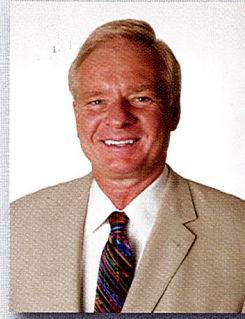
Fraud is now so common that its occurrence is no longer remarkable, only its scale. A 2017 *EY* study shows relaxed attitudes towards unethical behavior and a tendency to treat fraudulent activity as acceptable norms in the workforce – particularly among younger generations. The study further reveals that 73% of respondents from younger generations justify unethical actions! But let’s not pick on a particular generation. We shouldn’t judge individuals based on their generation, but on their merits. But the statistics speak for themselves. The potential for unethical behavior in our dental profession is on the rise.

It is time to add anti-fraud training to your practice. The least expensive way to find out your practice’s vulnerability is to have a Fraud Prevention Check-up. Most practices score very poorly because they don’t have the appropriate anti-fraud and HR controls in place. It’s like finding out you have seriously high blood pressure. It may be bad news, but not finding out can be a lot worse!

## WATCH FOR BEHAVIORAL RED FLAGS

- Living beyond means: 45.8%
- Financial difficulties: 30.0%
- Unusually close association with patient or vendor: 20.1%
- Control issues / Unwilling to share duties: 15.3%
- Divorce / Family problems: 13.4%
- Suspiciousness / Defensiveness: 12.3%
- Addiction problems: 10.0%
- Inadequate pay complaints: 9.0%
- Refusal to take vacations: 7.8%

Whether you want to reap the rewards of many more years as a young “go-getter” enjoying the practice of dentistry and the financial rewards it provides, or are seeking the right transition strategy to maximize your retirement income, the time has come to combine a Fraud Prevention Check-up along with a pre-transition planning consultation. Anti-fraud training, along with a review of your office procedures manual, compliance and HR policies, assures immediate peak practice performance, and when you decide to transition, a top dollar practice valuation. **Doctor, when you take advantage of us – no one takes advantage of you!**



Dr. Richard Lyschik's practice transition, staff training and doctor coaching services are customized for the single dentist, as well as the multi-practice owner and entrepreneur. His Dental Office Network Team has helped thousands of dentists acquire, expand, merge, and build from the ground up. Retiring, disabled, “burned out”, and relocating dentists have sold their practices with dignity and for top dollar.

The Dental Office Network Team has broken numerous national sales records – just ask any major lender!

The Practice Rescue Department additionally offers expertise with fraud detection, policy, and compliance issues, and has resurrected practices in demise. Our Practice Rescue experts have lectured across the country on healthcare fraud to sold-out crowds. To discuss your practice's future pathways, its income security, and your ultimate transition plans, or if you need expertise with a current critical practice related emergency, work only with a Premier Transition Specialist; a seasoned dentist who “speaks your language.”

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# Needing Your Disability Benefits?



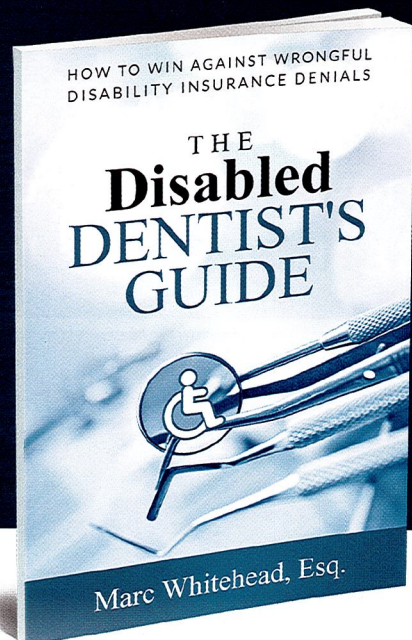
*We can help.*

Marc Whitehead has helped dentists apply for, appeal and win their disability benefits for over 25 years.

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