



Museum Embezzlement Prevention



MuseOps Example: Cause & Effect Diagram

2018



Contents

- Context
 - Current Situation
 - Objectives and Approach
- Data Review
- Cause and Effect Diagram
- Paths Forward

Context

Current Situation

- The board of a marine museum with a \$4 million budget and 3 person staff believes that the museum director embezzled funds and misused museum property. Law enforcement is investigating.
- Because of the lack of clearly defined procedures and policies, the board and the museum director disagree about which situations constitute misconduct or crimes.
- While the justice system will ultimately decide which situations are crimes, the board must identify and describe the questionable situations and then put policies and procedures in place to avoid future transgressions.

Context

Objectives and Approach

- The transgressions have been identified and grouped into four categories:
 - Personal expenses expensed as work expenses
 - Personal property purchased with museum funds
 - Personal property repair work done by museum staff
 - Forgery of board member signatures
- The board will use a Cause and Effect Diagram to identify and detail the root, contributing, and possible causes for the transgressions.
- Museum policies and procedures will be revised accordingly.



Data Review

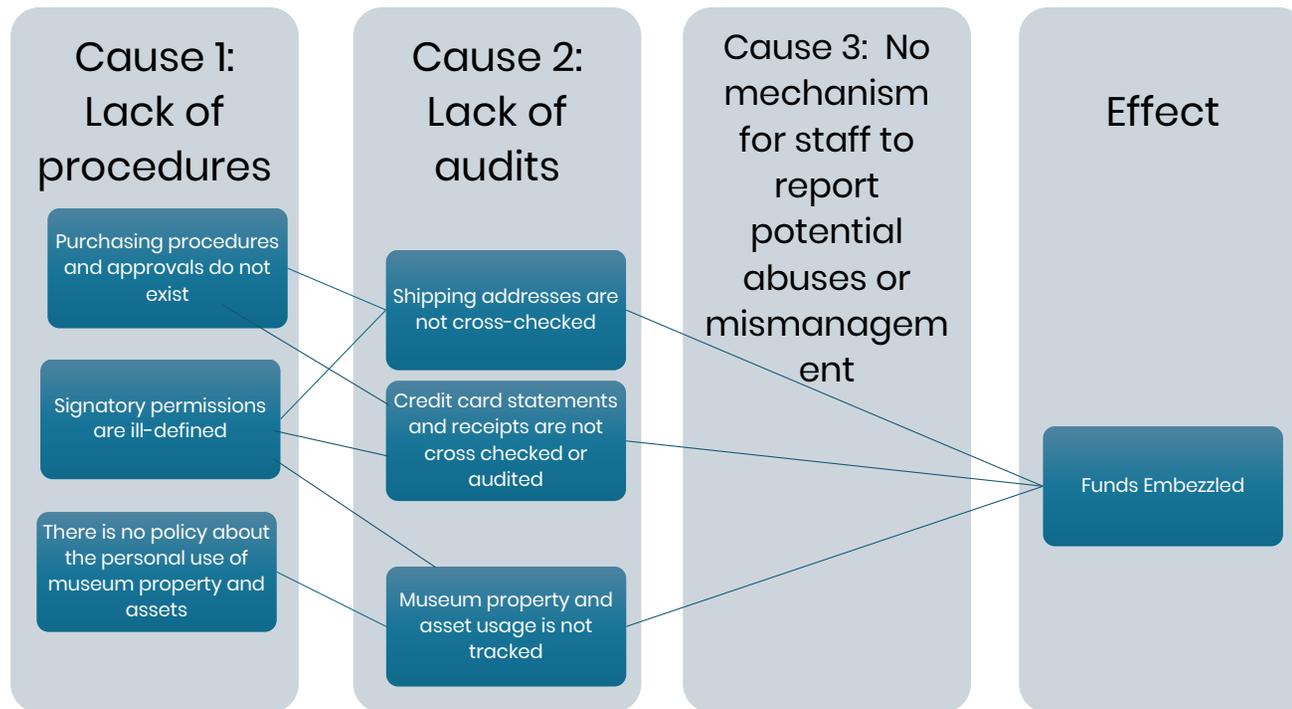
- Documents

- The museum's existing policy and procedures manual
- Other museum's policies and procedures for similar situations
- Best practices and recommendations from industry associations

- Interviews

- The board's lawyer
- Museum staff
- Involved law enforcement

Cause and Effect Diagram: Identifying loopholes that enable embezzlement





Paths Forward

- The board should consult with experts to develop new policies and procedures to avoid a recurrence of the current situation. Those policies and procedures should include:
 - Permissions
 - Audits
 - Reconciliations
 - Reporting
- However, training, enforcement, and oversight will be critical to the success of any new policies and procedures. Staff and board training are essential. A public relations campaign to restore institutional reputation is also required.
- The board should also consider recruiting new members to further underscore its commitment to change.