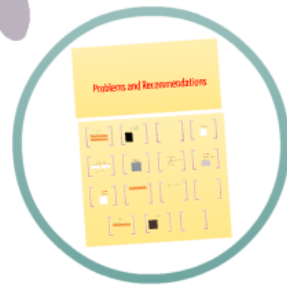
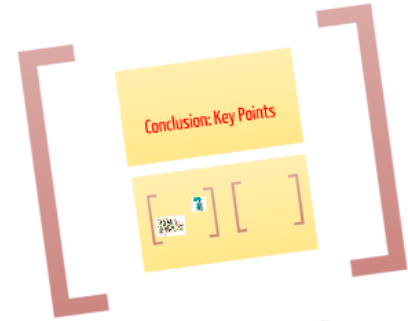


SunShine FaSHion: Fraud, Theft and Misbehaviour among Employees

Thecasesolutions.com



Sunshine Fashion: Fraud, Theft and Misbehaviour among Employees



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Sunshine Fash

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ACC3602 Management Control & System

Chiang Teck Chuan, Ong Baoyun,
Zhang Jia & Zhang Wenou

Thecasesolutions.com

What is Cashmere?



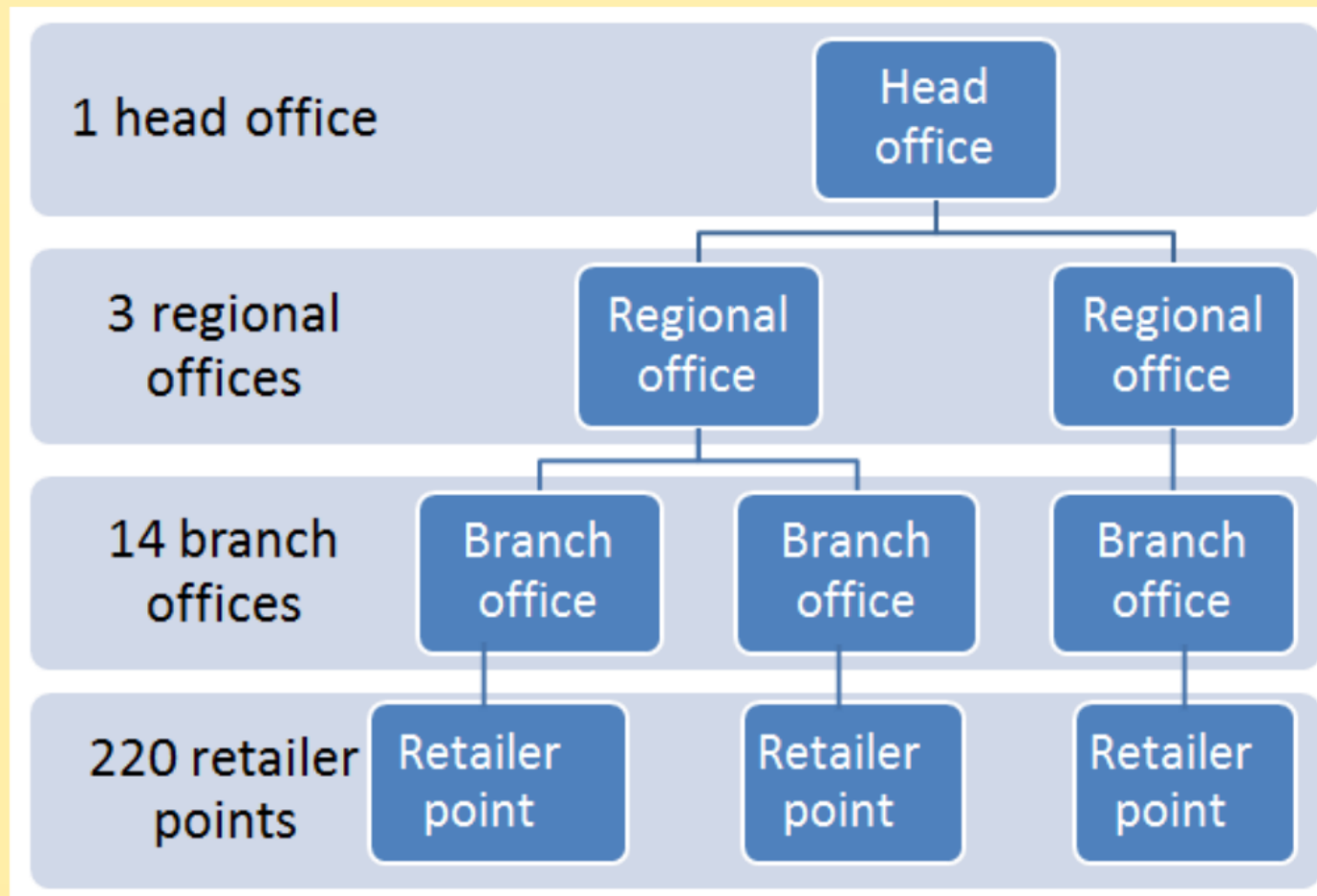
SunShine FaShion

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- Shenzhen based OEM export manufacturer and retailer of cashmere sweaters.
- Has 1 head office, 3 regional offices ,14 branch offices and 220 retail points across China.
- Has more than 1,000 employees.
- Has a turnover of RMB 150 million but
Fraudulent behavior had cost 5% of the revenue!!!!

Company Structure

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Problem #1.

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- Branch managers postponed the start date of the promotional period without informing the head office so they could sell sweaters at the original price and pocket the difference.



Problem #2.

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Branch managers reported a higher discount rate to the head office than what was actually the case and pocket the difference.



Problem #3.

Salesman changed the barcode, altered the price upwards and pocket the difference.

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1 2 3 4 5 6 7 8 9 0 9 8 7 6 5 4 3 2 1

Price: \$ 49



9 8 7 6 5 4 3 2 1 0 1 2 3 4 5 6 7 8 9

Price: \$ 179