

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Conducting Online Investigations

Section One
How to conduct an online investigation

- Know your merchandise and the factors that affect pricing
- Locating merchandise listings outliers and the sellers using available tools
- Review the seller's business plan calculate the profitability of the seller

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Conducting Online Investigations

Section One
How to conduct an online investigation

- Know your merchandise and the factors that affect pricing
- Locating merchandise listings outliers and the sellers using available tools
- Review the seller's business plan calculate the profitability of the seller

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Conducting Online Investigations

Section Two
Case Study/Briefs/Reviews

- Rite Aid Summary of cases and partnership with eBay's PROACT
- Case Study involving our Loss Prevention employee
- Case Study of a dishonest distribution employee selling high risk product

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 1: Know Your Merchandise and the Factors That Affect Pricing

- An investigator armed with this knowledge may calculate pricing thresholds to highlight outliers in price and volume.
- Understand your merchandise and the landed cost to focus on implausible listings and sellers.
- Identify your high-shrink items at a description and SKU level.
- Work with your shortage control team to focus on merchandise loss minus paper shrink issues.
- Know where your high-loss stores are located, and what merchandise contributes the most to overall loss.
- Know your clearance, BOGO, and loss leaders with understanding of the pricing cycle.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 1: Know Your Merchandise and the Factors That Affect Pricing

- Partner with merchandise buyers and planners to be notified of new hot products and the launch dates.
- Be aware of new and grand reopening store product giveaways and door busters.
- Partner with your marketing department to obtain launch dates of coupons, loyalty and award programs, and the implications of the benefits on product pricing for members.
- Partner with your inventory and shortage control team to understand the product life cycle from purchase order through the clearance process to jobbers.
- Many retailers are using eBay as another way to reach their customer. Check to see if your company is an eBay seller.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 2: Locating Merchandise Listings Outliers

Now that you have a clear understanding of your high-shrink merchandise and true cost, you are ready to locate listing outliers. There are several tools that can help accomplish this.

The eBay Advance Search
ebay.com/sch/ebayadvsearch/?rt=nc
 Located on the eBay site, it searches current and recently completed listings by merchandise description category type, price range, zip code, and user ID. You can review feedback history for items sold and the selling prices.

ebay Advanced Search

Advanced Search [Sign in to see your favorite searches. Learn more.](#)

Find Items

Enter keywords or item number (All words, any order)

Exclude words from your search

See general search tips or using advanced search options

By item number

Enter item number

Search including

☐ Title and description
☐ Completed listings
☐ Sold listings

Price

☐ Show items priced from \$ to \$

Buying formats

☐ Auction
☐ Buy It Now
☐ Classified Ads

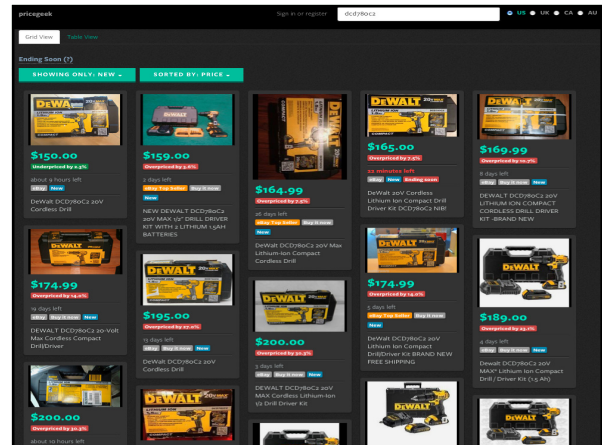
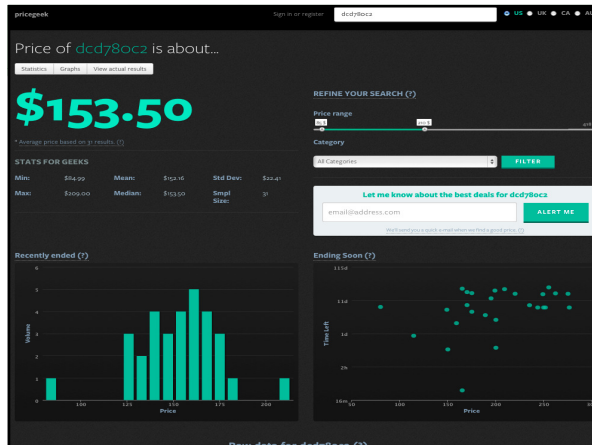
Condition

☐ New
☐ Used

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
 SAN DIEGO CONVENTION CENTER

Step 2: Locating Merchandise Listings Outliers

<http://www.thepricegeek.com> This free site provides searches by product for any currently listed items that sell for over \$75. The reporting returns the current average list pricing and recently ended auctions with averages of price and listing duration. The outliers of current listings are plotted on a scatter graph. The graph is interactive and allows the user to click on the outlier then directs you to the listing on eBay.



NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
 SAN DIEGO CONVENTION CENTER

Step 2: Locating Merchandise Listings Outliers

Terapeak.com

A subscription-based search tool provides the investigator searches of completed listings by product, seller ID, and category going back one year. It has a reporting feature that provides the top sellers of specific merchandise and the ability to create basic exceptions reporting that is emailed to you on a daily, weekly, or monthly basis. Terapeak provides free training videos to walk the subscriber through each function of tool.



TERAPEAK

Product Research Competitor Research Category Research Hot Research Saved Searches Value Track Title Builder

Search ID: dcd780c2 Date Range: 2013-02-21 - 2013-05-21 eBay.com Go

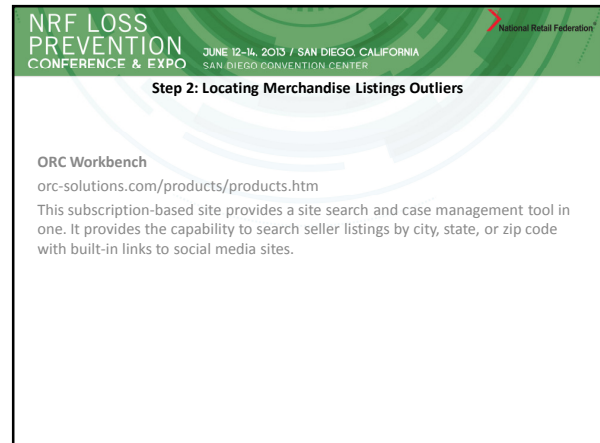
eBay.com (13) All Categories Enter Category ID:

Show Product Filters Item Condition X Seller ID X Clear Filters Pin Panel Apply Filter

View [Icons] Actions [Icon] Product Listing

Avg Price: \$176.59	Avg. Shipping: \$6.18	Start Price: n/a	Listings: 13	Sell-Through: 100.00%
------------------------	--------------------------	---------------------	-----------------	--------------------------

Item Title	Sold	Format	Start Price	End Price	Bids	End Date
NEW DEWALT DCD78BC2 20V MAX Cordless Lithium-Ion 3-1/2 Drill Driver Kit	Yes		\$179.98	\$179.98	1	2013-04-26
NEW DEWALT DCD78BC2 20V MAX Cordless Lithium-Ion 3-1/2 Drill Driver Kit	Yes		\$179.98	\$179.98	1	2013-04-28
NEW DEWALT DCD78BC2 20V MAX Cordless Lithium-Ion 3-1/2 Drill Driver Kit	Yes		\$179.98	\$179.98	1	2013-04-30
NEW DEWALT DCD78BC2 20V MAX Cordless Lithium-Ion 3-1/2 Drill Driver Kit	Yes		\$179.98	\$179.98	1	2013-04-30
NEW DEWALT DCD78BC2 20V MAX Cordless Lithium-Ion 3-1/2 Drill Driver Kit	Yes		\$179.98	\$179.98	1	2013-04-30



NRF LOSS PREVENTION CONFERENCE & EXPO

JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

National Retail Federation

Step 2: Locating Merchandise Listings Outliers

ORC Workbench

orc-solutions.com/products/products.htm

This subscription-based site provides a site search and case management tool in one. It provides the capability to search seller listings by city, state, or zip code with built-in links to social media sites.

[illegible]

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 2: Locating Merchandise Listings Outliers

ad hunt'r

Can be used for Amazon, Craigslist and eBay

This free classified search tool provides the capability to search many sites by selection such as: Amazon and All of Craigslist. To use the tool: follow this link <http://www.adhunter.com/>

- Select the site you wish to search
- Enter a product description
- The tool redirects you to the site and all the current listings matching your description

ad hunt'r
classifieds search

Search

All of Craigslist

- All of Craigslist
- West Region
- Midwest Region
- Northeast Region
- South Region
- Canada Only
- Kijiji Canada
- Backpage
- eBayclassifieds
- Oodle
- Gumtree
- eBay
- Amazon

Contact · Disclaimer · ©2013 Ad Hunt'r · power

amazon

Search: **de Walt drill**

Showing 1 - 16 of 5,786 Results

DEWALT DCD70K-2 18-Volt Drill/Driver Kit by DEWALT
\$149.00 **\$99.00** (new)
Click to see how to save and get it by Wednesday, May 29.
More Buying Choices: \$99.00 new (23 offers) \$80.27 used (12 offers)

DEWALT DCD760K 18-Volt 1/2-Inch Cordless Compact Lithium-Ion Drill/Driver Kit by DEWALT
\$149.00 **\$204.99** (new)
Click to see how to save and get it by Wednesday, May 29.
More Buying Choices: \$110.00 new (43 offers) \$149.95 used (5 offers)

DEWALT Bare-Tool DCD950B 1/2-Inch 18-Volt XRPHammerDrill/Driver Kit by DEWALT
\$149.00 **\$107.89** (new)
Click to see how to save and get it by Wednesday, May 29.
More Buying Choices: \$107.89 used & new (27 offers)

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 2: Locating Merchandise Listings Outliers(continued)

Craigslist is a classified ads website divided into several sections. Sellers may list new and used merchandise for sale as well as housing, items wanted, services, and discussion forums.

Using the craigslist search tool for your merchandise on the site

- Select the region you wish to search
- Enter in a product description into the search bar
- The current listings matching your search are returned
- Many of the listings returned include a phone number to contact the seller. This information may be used to identify the seller.

To notify someone at craigslist of concerns use the link <http://craigslist.org/feedback> and complete the form which is sent to customer service. Be specific regarding your concerns. You may also email directly at abuse@craigslist.org

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Step 3: Review the Seller's Business Plan

Now that you have identified a seller that is potentially involved in criminal activity, calculate the profitability of the seller. Try using this free Amazon pricing and profit calculator: ecommercebytes.com/cab/tools/calcs/Amazon_fee_calculator

Cost of Goods—Using your cost of an item and knowledge of lowest markdown price, BOGO history, and coupons available, calculate the lowest price.

Cost to List—Using the Amazon fee calculator, determine the approximate fees.

Cost to Ship—Determine the approximate shipping cost by carrier minus the shipping charged by the seller.

Sales Volume—Evaluate the sales volume and price of the merchandise to determine if the pricing is realistic and sustainable.

Profitability—Determine the profitability by using the following formula: (Listing Price) – (Cost to List + Cost to Ship + Lowest Cost to Acquire Merchandise) = Profit/Loss. If your calculation returns a loss on substantial volume, you may have a criminal seller or an employee discount abuse issue. If the business plan returns a loss greater than your employee discount rate, you may have located a criminal seller.

Amazon Fee Calculator - Beta

Section 1: Enter Data

Category: Consumer Electronics Shipping Method: Domestic Standard

Item Price: \$

Cost to Acquire: \$

Shipping Weight (lbs.):

Amazon Commission: \$

Closing Fee: \$ 0.45

Per-transaction fee: \$ 0.99

Total Amazon Fees: \$

Actual Shipping Cost: \$ 4.49

Amazon Shipping Credit: \$ 4.49

Total Profit: \$

Section 2: Breakdown of Fees

Pro Merchant Subscription

Per-transaction Fee: \$ 0.99

Amazon Commission Rate: 8.00 %

Closing Fee: \$ 0.45 + \$ 0.05 per lb.

Shipping Credit: \$ 4.49 + \$ 0.50 per lb.

Section 3: Profit Calculator

To receive this amount (after fees): \$

Your item's price would have to be: \$

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Review of Online Investigations

We reviewed:

- Know your merchandise and the factors that affect pricing
- Locating merchandise listings outliers and the sellers using available tools
- Review the seller's business plan calculate the profitability of the seller

Next

- We apply our information and review case studies working with Rite Aid.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Case Studies

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Case Study 1

An employee tip was received regarding internal theft occurring in the Los Angeles area. The employee identified one main subject and a possible accomplice. The informant stated that the main subject, (Loss Prevention Agent) was facilitating theft in a few stores in his assigned area. The informant stated that she believed the subject was selling the items through the use of eBay.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER


Case Study 1

EBay's PROACT team was contacted for assistance. Through diligent research, PROACT was able to identify an eBay seller id that was registered to the main subject's wife. The items that were listed by this seller were consistent with merchandise carried at retail locations.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Case Study 1

A seller history report was provided. Through research of actual retail price and selling price, it was established that items were being sold at 35% of retail value.



Seller Login	High Bidder Login	Sale Start	Sale End	Title
ebaygins	pramagad	10/4/2010 0:13	10/13/2010 0:13	mederma skin care 10 piece lot
ebaygins	jcm_preference	9/9/2010 14:16	9/12/2010 14:16	mederma skin care 11 piece lot
ebaygins	vidor	8/11/2010 0:04	8/18/2010 0:04	mederma SKIN CARE 4 piece lot
ebaygins	hustlerimg04	8/11/2010 0:01	8/18/2010 0:01	mederma cream 3 piece lot
ebaygins	newsopoleis	8/11/2010 0:00	8/18/2010 0:00	ALPHA AMINO PROTYPTYPE 236 by muscletech
ebaygins	newsopoleis	8/10/2010 23:58	8/17/2010 23:58	MPO 3PCKA HSP by muscletech
ebaygins	accesent	8/10/2010 19:54	8/17/2010 19:54	

	Qty	Price	Currency	Item Number	Qty	Retail
1	66.98	U.S. dollar	220678875392	10	19.99	
1	101.00	U.S. dollar	220683215450	11	19.99	
1	97.00	U.S. dollar	220683215448	4	19.99	
1	11.50	U.S. dollar	220683215445	9	19.99	
1	28.89	U.S. dollar	220683215445	1	69.99	
1	28.89	U.S. dollar	220683215445	1	69.99	
1	12.11	U.S. dollar	220683215445	1	19.99	

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA
SAN DIEGO CONVENTION CENTER

Case Study 1

It was also discovered that the subject was selling security equipment that he would have access to in his role within loss prevention.

SensorMatic Speeddome Ultra Camera	1	0.00	U.S. dollar
CheckPoint DV 1000 Diagnostic Verifier hard to find	1	0.00	U.S. dollar
CheckPoint DV 1000 Diagnostic Verifier hard to find	1	0.00	U.S. dollar

NHF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

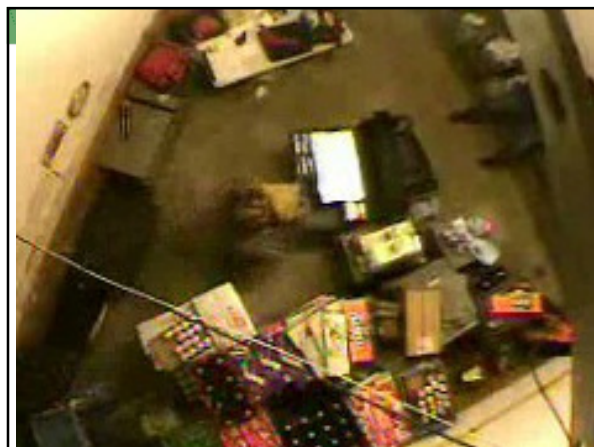
Case Study 1

Based upon the information, covert cameras were installed to monitor store locations. Upon video review, the two subjects were immediately observed committing thefts. The subjects would select product from the sales floor and enter the stockroom. The subjects were observed wrapping some of the product in aluminum foil to defeat the EAS alarm system at the door.

NHF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 1

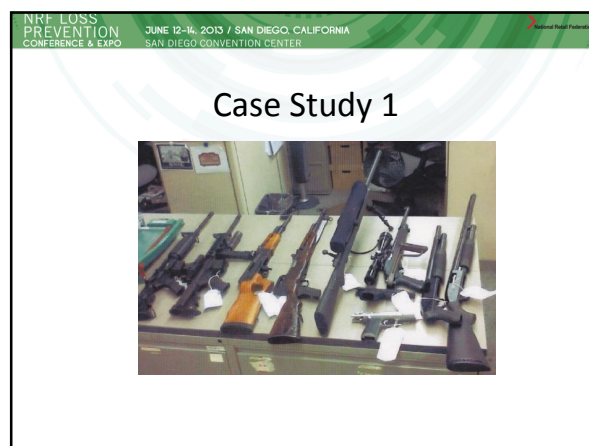
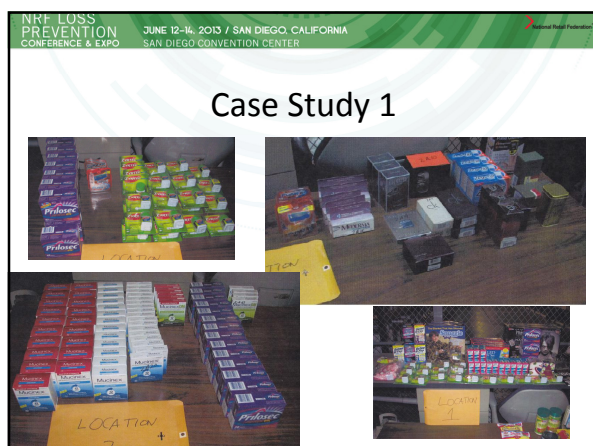
The subjects would pack the items into a security equipment tote and exit the store.



NHF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 1

After completing a thorough investigation, the Los Angeles District Attorney Bureau of Investigation, Organized/Major Crimes Unit was contacted. The investigators agreed to move forward with prosecution. Both subjects were arrested and multiple search warrants were executed.



Case Study 1

Through the documentation that PROACT was able to provide during this investigation and the prosecution of these individuals, it was determined that this theft was occurring for over 12 months. Court ordered restitution was obtained and was substantiated through the support offered by eBay.

Case Study 2

Organized Retail Crime Investigations was contacted regarding an ongoing theft issue at a Distribution Center. It was explained that numerous empty packages had been discovered over the course of six months. The packages seemed to be discovered in various areas of the location. Though the packages varied in type, a product that seemed to be discovered frequently were Gillette Fusion Razor packages.

Case Study 2

Based upon the frequency of theft, possible online resale was researched. A review of eBay postings was conducted by utilizing the computer software "ORC Workbench" (this software allows the user to search eBay sellers and postings geographically and also offers some historical sales data specific to individual eBay sellers). Based upon the information initially received, a search was conducted for eBay sellers that had current items for sale, containing the word "Gillette" in the item description. A further search criteria option allowed the search to be limited to sellers within a (25) mile radius of the Distribution Center location.

Case Study 2

The result of this search yielded a posting by a seller name of "62fxxxxxu". The seller was listing "Fusion" razor cartridges that were pictured, not in the manufacture packaging. These items that were pictured were consistent with the empty packages that were being discovered at the DC location. This seller was also listing "RoC Retinol Correxion Eye Cream". This item would also be stored and distributed through the same DC location.

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 2

Photos from seller posting:



NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 2

A request was submitted to eBay's "PROACT" team to identify the identity of the seller listing the items. It was revealed that the seller ID had been registered to:

Paolo XXXXX
645 W. Ave J

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 2

Upon receiving the information of the seller identity, an internal query was conducted on the name. An employee match was identified at the DC location.

Associate Information				
Operations Center	Division	Region	District	Store
Distribution Centers	00000	00000	00000	00000
Associate	Associate ID	Hire Date	Millennium	Infimum
PAOLO	1108305	2/17/2003	04048	035

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 2


Further research conducted by the PROACT team identified another seller id associated to the same address. The seller id "laxxxxxst" was registered to:

Lisa Lxxxxx
645 W. Ave J

NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Case Study 2

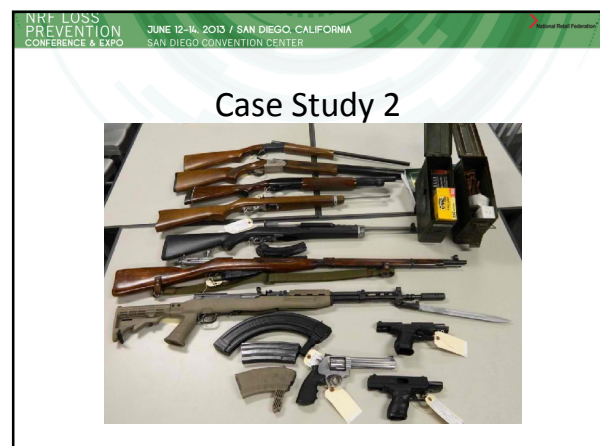
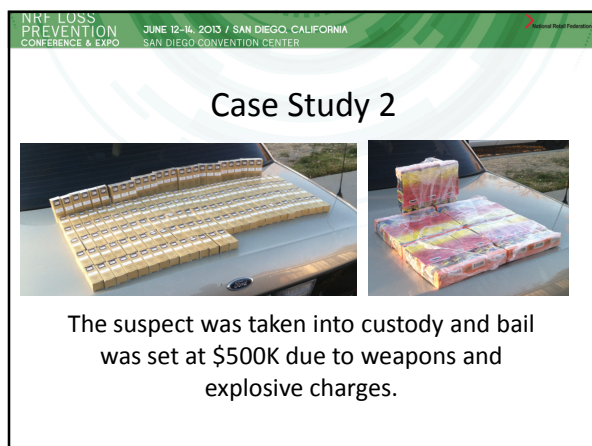
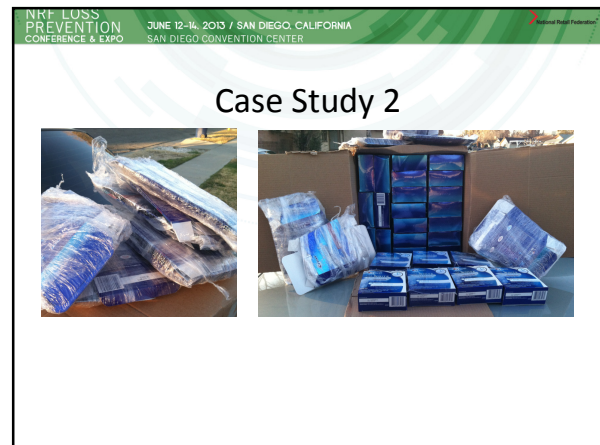
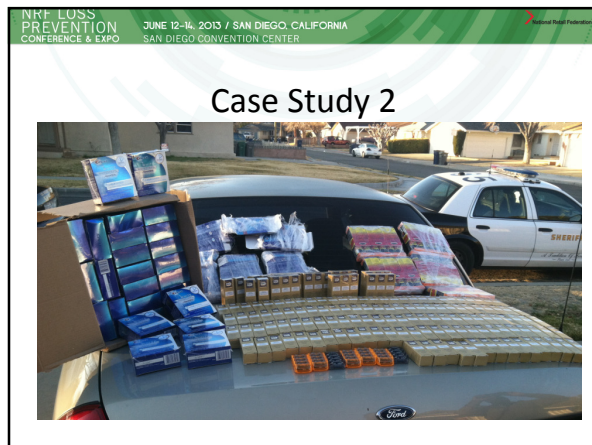
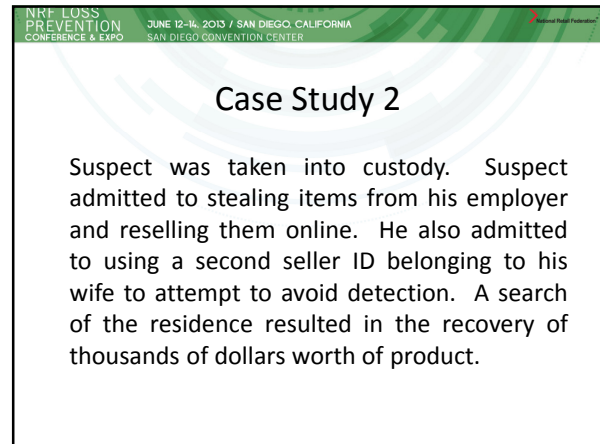
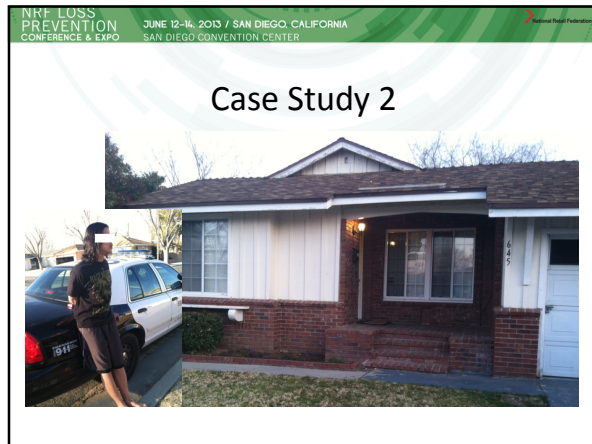
Listings associated to eBay seller id "laxxxxxst" contained listings similar to that of "62fxxxxxu". In addition, this seller was also posting Crest Whitestrips.



NRF LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER


Case Study 2

Local law enforcement were contacted. A thorough detailed investigative report was supplied to law enforcement. A property crimes detective prepared warrants for the case.



NPL LOSS PREVENTION CONFERENCE & EXPO JUNE 12-14, 2013 / SAN DIEGO, CALIFORNIA SAN DIEGO CONVENTION CENTER

Questions?

Dave DiSilva 
dadisilva@ebay.com

Jason Gonzales Rite Aid
jfgonzales@riteaid.com

Our presentation will be posted on our LinkedIn site
[eBay Partners with Loss Prevention](#)