

ASSET PROTECTION

PEOPLE | PROPERTY | REPUTATION

March 10-13, 2013

Pointe Hilton Tapatio Cliff | Phoenix, AZ.



Exception Reporting for Success – A Loss Prevention Journey to Organizational Integration

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The Coffee Bean & Tea Leaf



The Road To The Coffee Bean



GUCCI



Z GALLERIE

The Coffee Bean & Tea Leaf

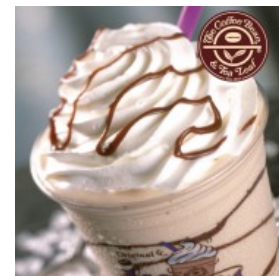
- 5th largest worldwide specialty coffee and tea retailer
- 2nd largest US specialty coffee chain
- Serving over 110 million customers annually
- Only viable exclusive/premium alternative to Starbucks in United States
- Brand success worldwide
- 804 stores – 8 states (becoming a national brand) and 20 countries (as of 8/2012)
 - Domestic Company Owned: **177**
 - International Company Owned: **89**
 - US Franchise: **112**
 - International Franchise: **426**
- \$450 million system wide sales, over 10,000 Team Members
- Largest footprint in Emerging Markets
- Regional Offices in Singapore and Malaysia to support franchise growth

Coffee Bean- A History of Innovation

Ice Blended® Drinks – invented the category in 1989

- **Chai Latte** – popularized in 1996
- **Tea Lattes** – invented the category (using espresso machine)
- **Fat Free/No Sugar Added** – since 1997
- **Swiss Water Decaf**
- **Use of pre-stored value cards**
- **CBTL™ Single Serve Beverage System** – 2010

An innovative system that allows consumers to enjoy their favorite The Coffee Bean & Tea Leaf® beverages in the comfort of their home, at the touch of a button



The Coffee Bean & Tea Leaf

Loss Prevention Department (reports to CFO)

- Head of Loss Prevention
 - Company owned stores
 - Train / Support US & global franchise partners
- Loss Prevention Manager (many roles)
 - Home Office LPM
 - Regional Stores LPM (all stores/all regions)
 - Safety Manager

Getting Started with Exceptions

- Define users and user levels
- Define groups, districts, regions
- Identify most useful reports for your business
- Exception report should be an actionable item
- Define distribution and response parameters to reports.
- Not just Loss Prevention; Operations, Human Resources, Training- create partnerships

Exception Reporting Overview

File Administration Incidents Tools Actions View Window Help

Voids Post Vds Refunds Emp. P. Credit/Debit Line Vds SVC Ovr/Sht Price Ovr Other Incs. Shrink Custom Multi-queries Reports Quick Query Help Close

Save New Insert Delete Delete All Item Run Report

Void Report Selection

Report: High Risk Voids
Criteria: Default
Sub Report: Default

Reports	Criteria	Define Criteria	Sub-Reports	Define Sub-Rpts.	Define Sort
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Incident Report Name

- High Risk Voids
- Voids Frequency by Date
- Voids Frequency Distribution
- Voids Over \$X Associate
- Voids Over \$X Register
- Voids Over Store Averages
- Voids Transaction Summary














Various Report Options- Post Voids

Post Void Report Selection


Report: Cash Voids Frequency by Date

Criteria: No Associated Criteria

Sub Report: Default

Reports	Criteria	Define Criteria
Incident Report Name		
	Applied Void Summary	
	Applied Voids with Repetitive Amounts	
	Cash Void Summary	
	Cash Voids Frequency by Date	
	Cash Voids Frequency Distribution	
	High Risk Post Voids	
	Peter report	
	Post Void by Item	
	Post Void by Manager Summary	
	Post Void Count by Associate	
	Post Void Transaction Detail	
	Post Void Transaction Summary	
	Post Voids by Other Associate	







Line Voids

 **Line Item Void Report Selection**

Report: Cancels Summary with Tender

Criteria: Default

Sub Report: Default

Reports	Criteria	Define Criteria
Incident Report Name		
 	Cancels Summary with Tender	
	Line Item Voids > Than X% of Total Items	
	Line Void Details	
	Line Void Summary	
	Line Void Transaction Summary	












Other Incident Types

Report Selection for Other Incident Types

Report: Generic Transaction Summary

Criteria: Default

Sub Report: *Default

Reports	Criteria	Define Criteria
Incident Report Name		
	Associates Manually Entering in a Scanning Store	
	Discount by Reason Code District	
	Discount Summary by Assoc	
	Discount Transaction Summary	
	Discounts by Date Company	
	Discounts by Reason Code Assoc	
	Discounts by Reason Code COMPANY	
	Discounts by Reason Code Store	
	Exchange Sale Summary	
	Generic Transaction Summary	
	High Discount Report	

Defining Sub-Reports

Report Selection for Other Incident Types

Report: Generic Transaction Summary

Criteria: Default

Sub Report: 50 cents

Reports	Criteria	Define Criteria	Sub-Reports	Define Sub-Rpts.
<p>Sub-Report Name</p> <p>*Default</p> <p>→ 50 cents</p> <p>Refill</p> <p>Sales = .65 before 8 am</p>				

Report Selection for Other Incident Types

Report: Generic Transaction Summary

Criteria: Default

Sub Report: 50 cents

Reports	Criteria	Define Criteria	Sub-Reports	Define Sub-Rpts.
<p>(Column Name Operator Value) And/Or</p> <p>→ [v] Completion code [v] = [v] 'sa' [v] AND [v]</p> <p> [v] Amount [v] = [v] .50 [v] [v]</p>				

Sub-Report Criteria

Report Selection for Other Incident Types

Report: Generic Transaction Summary

Criteria: Default

Sub Report: 50 cents

Reports	Criteria	Define Criteria
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Criteria Name: Default

Store Group: R02 District 134

Register Group: All Registers

Associate Group: All Associates

Report Period: Last week

Date From: 07/06/2012 **To:** 07/12/2012

Report Results

Transaction Detail: 50 cents

Transaction Detail: 50 cents

R02 District 134

All Registers

All Associates

7/6/2012 to 7/12/2012

Div.	Store	Location	Associate	Count	Amount
01	0055	#55 Wilshire & 9th, Santa	33555	1	\$0.50
			31330	1	\$0.50
			32887	1	\$0.50
Totals for Store:				3	\$1.50

07/13/2012

Page 4 of 5

Types of Gift Card / SVC Fraud

- Use of stolen or counterfeit credit card to purchase
- Gift card values reprogrammed to higher amount
- Stolen / fraudulent gift cards sold online (eBay, Kijiji, Craigslist, etc.)
- Blank American Express, MasterCard and Visa gift cards taken from shopping center kiosk and reprogrammed with stolen credit card numbers.
- Blank retail gift cards stolen and programmed with values or subject comes in with mag stripe scanner and scans numbers to use gift card after activated legitimately. They call 800# to determine when card is active.

Gift Card Fraud at The Bean “Ashley and The Hsu Gang”

- Example of In store and online gift card fraud
- Activate \$5.00 GC at store with cash tender
- Reload online with stolen credit cards
- Used free Wi-Fi at Coffee Bean to commit crimes
- Online purchases of high dollar retail coffees, teas, logo ceramics & mugs, Bodum French Presses, tea sets, and gift cards shipped to Westwood address
- Purchased food and beverage items in store
- Case value over \$20,000.00

Art “The Americano” & Armenian Power

- Use of counterfeit credit cards and counterfeit IDs to purchase gift cards and food items in store
- Credit cards were swiped or hand keyed if mag stripe was not working.
- Was a “regular”. Good tipper / befriended team members
- Sold approximately 50% of gift cards online or to other personal associates to fund other activities
- Break down other gift cards into smaller values for personal use and gifts (i.e. \$100 gift card becomes 5 \$20.00 gift cards)
- Case value over \$15,000.00

Getting Started- The Fraud Family

DVR Site-Front Door [12/29/2011 9:45:25 PM] [Motion]



DVR Site-POS [12/29/2011 9:55:52 PM] [Motion]



Love the “Quick Query”

- LP receives notification of a gift card fraud
- Use of Quick Query to drill down through various screens to track purchase history and usage of gift card / certificate
- With quick query you can also search type by credit/debit card number, merchandise credit, employee, etc.
- Establish pattern and usage of suspect

The screenshot shows a software window titled "Advanced Search". At the top, there is a dropdown menu set to "Gift Card/Certificate", followed by an empty text field, a dropdown set to "All", and another dropdown set to "Transactions". Below these are four columns: "Search Type", "Number", "Transaction", and "Results Type". Under "Search Type", there is a "Time Frame" dropdown set to "Last 4 Weeks". Under "Number", there are "Begin Date" and "End Date" fields, both set to dates in 2012 (03/14/2012 and 04/10/2012 respectively), with a "Rectangular Snip" button below them. Under "Transaction", there are radio buttons for "Store" and "Store Group", with "Store Group" selected and a dropdown set to "Company". At the bottom right of the form area are three buttons: "Search", "Stop Search", and "Cancel". The main body of the window is a large empty rectangular area with a scrollbar on the right.

Gift Card purchased with stolen credit card

- Notified of Chargeback
- Search credit card in Quick Query
- Locate transaction in dispute
- Double click to drill down to Transaction Snapshot

Advanced Search

Credit/Debit Number: '0000000000376782xxxx1001' All Transactions

Search Type: Number Transaction Results Type

Time Frame: Year To Date

Begin Date: 01/01/2012

End Date: 04/10/2012

Store:

Store Group: Company

Search Stop Search Cancel

Sale Date	Dv	Store	Register	Tran No	Tran Type	Amount
01/08/2012		185	2	83048	Sale	\$50.00
01/17/2012		62	2	54193	Sale	\$4.50
01/19/2012		177	2	33740	Sale	\$1.70
01/22/2012		19	1	55813	Sale	\$3.95
01/22/2012		19	2	87793	Sale	\$2.34
01/26/2012		19	1	56645	Sale	\$2.15
01/27/2012		60	2	69483	Sale	\$2.95
01/29/2012		83	2	72060	Sale	\$6.95
01/29/2012		83	2	72061	Sale	\$27.90
02/02/2012		19	1	58242	Sale	\$2.15
02/02/2012		53	1	79072	Sale	\$2.45
02/02/2012		115	1	48119	Sale	\$151.10
02/04/2012		52	1	60889	Sale	\$3.55

Transaction Snapshot Review

- In this screen you can see what items were purchased with the gift cards and also track gift card and credit card usage by right clicking on transaction.
- Begin to identify patterns of suspect; stores visited, stores where fraud is committed vs. stores where only food/beverage purchased, name given to cashier (xref to our order report)
- In this instance we have two gift cards to track and determine if there is any balance to recover or other subject information

Transaction Snapshot

Coffee Bean						Transaction Snapshot			
Div-Store:	01-00115					Associate No:	10349		
Date-Time:	2012-02-02-16:38					Reg-Tran:	0001-0048119		
Trans Type:	Sale					Transaction Amount:	\$151.10		
SKU	Scanned?	Void?	Dept	Class	Qty	Price	Discount	Ext Price	
005144 - IB-Caramel-RG	<input type="checkbox"/>	<input type="checkbox"/>	0	605	2	\$4.25	(\$8.50)	\$0.00	
090221 - Mod-With Whip	<input type="checkbox"/>	<input type="checkbox"/>	0	9999	2	\$0.00	\$0.00	\$0.00	
3000028 - Mini Chocolat	<input type="checkbox"/>	<input type="checkbox"/>	0	2505	1	\$1.10	\$0.00	\$1.10	
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$75.00	\$0.00	\$75.00	
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$75.00	\$0.00	\$75.00	
Tender Summary:									
Cash:	<input type="checkbox"/>	Check:	<input type="checkbox"/>	Cr/Db:	<input checked="" type="checkbox"/>	MCR:	<input type="checkbox"/>	OTdr:	<input type="checkbox"/>
Tender Type		Account Number				Scan	Amt		
Coffee Bean Card Issue		0000000006392440710280315				<input type="checkbox"/>	(\$75.00)		
Coffee Bean Card Issue		0000000006392440710280323				<input type="checkbox"/>	(\$75.00)		
American Express		0000000000376782xxxxx1001				<input type="checkbox"/>	\$151.10		
Discount Info:			Reason	Discount ID		Discount Amt	Discount Pct		
			02022	000000000		(\$8.50)	0.00%		

“A Marriage Made in Exception Heaven”

Exception Transaction Snapshot

Transaction Snapshot

Coffee Bean Transaction Snapshot

Div-Store: 01-00115 Associate No: 10349
 Date-Time: 2012-02-02-16:38 Reg-Tran: 0001-0048119
 Trans Type: Sale Transaction Amount: \$151.10

SKU	Scanned?	Void?	Dept	Class	Qty	Price	Discount	Ext Price
005144 - IB-Caramel-RG	<input type="checkbox"/>	<input type="checkbox"/>	0	605	2	\$4.25	(\$8.50)	\$0.00
090221 - Mod-With Whip	<input type="checkbox"/>	<input type="checkbox"/>	0	9999	2	\$0.00	\$0.00	\$0.00
3000028 - Mini Chocolat	<input type="checkbox"/>	<input type="checkbox"/>	0	2505	1	\$1.10	\$0.00	\$1.10
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$75.00	\$0.00	\$75.00
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$75.00	\$0.00	\$75.00


Tender Summary:

Cash: ☐ Check: ☐ Cr/Db: ☒ MCr: ☐ OTdr: ☐

Tender Type	Account Number	Scan	Amt
Coffee Bean Card Issue	0000000006392440710280315	<input type="checkbox"/>	(\$75.00)
Coffee Bean Card Issue	0000000006392440710280323	<input type="checkbox"/>	(\$75.00)
American Express	0000000000376782xxxx1001	<input type="checkbox"/>	\$151.10

Discount Info:	Reason	Discount ID	Discount Amt	Discount Pct
	02022	000000000	(\$8.50)	0.00%

Same Transaction in Coffee Bean Report

 **CBTL Order Report Detail**

BACK

Store	Order #	Order Date/Time	Customer	EmpID	Cashier
115	148119	2/2/2012 4:38:55 PM	CARLOS	10349	Jeanette M. Panthen

Plu	Item	Acct	Qt	Price	Disc ID	Disc Amt	Tax
5144	IB-Caramel-RG		2	\$8.50	0	\$0.00	\$0.00
90221	Mod-With Whip (Monitor)		2	\$0.00	0	\$0.00	\$0.00
9998	\$25 CBC = Free Beverage		2	\$0.00	2022	\$8.50	\$0.00
3000028	Mini Chocolate Chunk Muffin		1	\$1.10	0	\$0.00	\$0.00
90605	Coffee Bean Card	6392440710280315	1	\$75.00	0	\$0.00	\$0.00
90605	Coffee Bean Card	6392440710280323	1	\$75.00	0	\$0.00	\$0.00
Amount Totals :				\$159.60		\$8.50	\$0.00

Pay Type	Description	Amount	Acct Num	Customer Name	Swipe
203	American Express	\$151.10	376782LXX XX 1001		False
Total Payment		\$151.10			

ts Tools Actions View Window Help

Emp. P. Credit/Debit Line Vds SVC Ovr/Sht Price Ovr Other incs Shrink Custom Multi-queries Reports Quick Query Help Close

rior page Next page Last page Search HR Profile Print AutoMIND Store Profile

SVC Detail: 0000000006392440710280315

SVC Detail
All Dates

Account: 0000000006392440710280315

Div.	Store	Location	Code	Type	Date	Reg.	Tran.	Associate	Scan?	GC Amt	Time
01	0115	#115 Devonshire & Reseda,	Coffee Bean Card Issue	Sale	02/02/2012	00001	048119	10349	<input type="checkbox"/>	(\$75.00)	16:38
Account Total:										(\$75.00)	

SVC Detail: 0000000006392440710280323

SVC Detail
All Dates

Account: 0000000006392440710280323

Div.	Store	Location	Code	Type	Date	Reg.	Tran.	Associate	Scan?	GC Amt	Time
01	0115	#115 Devonshire & Reseda,	Coffee Bean Card Issue	Sale	02/02/2012	00001	048119	10349	<input type="checkbox"/>	(\$75.00)	16:38
Account Total:										(\$75.00)	

Both gift cards had not yet been used and full value recovered.

1.90 Rev

99%

Credit Card Search From Transaction Snapshot

Credit/Debit Purchase/Refund Detail: 0000000000376782xxxxx1001

Credit/Debit Purchase/Refund Detail

All Dates

Account: 0000000000376782xxxxx1001

Div.	Date	Store	Location	First Name	Last Name	Type	Reg.	Tran.	Associate	Scan?	Amount	Time
01	12/07/2011	0177	#177 Ventura And Woodley,			Sale	00001	014834	33165	<input type="checkbox"/>	\$1.70	13:00
	03/16/2010	0048	#48 Beverly & Robertson,			Sale	00002	008311	30497	<input type="checkbox"/>	\$1.70	20:37
	09/14/2010	0157	#157 5th And Grand Ave.,			Sale	00002	081778	24126	<input type="checkbox"/>	\$1.95	13:39
	02/02/2012	0115	#115 Devonshire & Reseda,			Sale	00001	048119	10349	<input type="checkbox"/>	\$151.10	16:38
	12/09/2011	0177	#177 Ventura And Woodley,			Sale	00001	015456	27588	<input type="checkbox"/>	\$1.70	13:33
	12/20/2011	0177	#177 Ventura And Woodley,			Sale	00001	017717	30469	<input type="checkbox"/>	\$1.70	14:02
	12/19/2011	0177	#177 Ventura And Woodley,			Sale	00001	017518	32886	<input type="checkbox"/>	\$1.70	13:51
	12/15/2011	0177	#177 Ventura And Woodley,			Sale	00001	016718	30469	<input type="checkbox"/>	\$1.70	13:57
	10/20/2011	0019	#19 Westwood Gayley, West			Sale	00001	035537	20642	<input type="checkbox"/>	\$2.15	21:59
	11/06/2011	0210	#210 Lake Elsinore Market			Sale	00002	037754	21379	<input type="checkbox"/>	\$16.80	08:51
	12/05/2011	0052	#52 Coldwater Canyon, Stu			Sale	00002	021366	30711	<input type="checkbox"/>	\$6.25	17:09
	12/16/2011	0177	#177 Ventura And Woodley,			Sale	00001	016953	31731	<input type="checkbox"/>	\$1.70	13:19
	07/31/2010	0112	#112 Calabasas & Park Gre			Sale	00001	000665	19929	<input type="checkbox"/>	\$4.45	11:25
	08/12/2010	0033	#33 Melrose (closed 01/29			Sale	00002	047397	10876	<input type="checkbox"/>	\$2.25	12:03
	04/08/2011	0078	#78 Westside Pavilion Kio			Sale	00001	062682	31722	<input type="checkbox"/>	\$5.85	19:26
	02/02/2012	0053	#53 Sunset/hayworth, Los			Sale	00001	079072	16409	<input type="checkbox"/>	\$2.45	10:43
	10/29/2011	0019	#19 Westwood Gayley, West			Sale	00001	037805	31831	<input type="checkbox"/>	\$2.34	22:55
	10/15/2011	0009	#9 Malibu Country Mart, M	JAMES A		Sale	00002	098478	31513	<input checked="" type="checkbox"/>	\$6.80	14:56
	07/31/2010	0008	#8 Second Street Promenad	JOSEPH C		Sale	00001	035674	21657	<input checked="" type="checkbox"/>	\$11.60	19:23
	01/03/2010	0003	#3 North Beverly, Beverly	IMAN		Sale	00001	013120	23084	<input checked="" type="checkbox"/>	\$7.60	07:27
	05/18/2011	0006	#6 Villa Marina Marketpla	SAMY		Sale	00001	042444	31225	<input checked="" type="checkbox"/>	\$12.95	16:21
	07/21/2011	0012	#12 South Coast Plaza, Co	G		Sale	00002	031178	28827	<input checked="" type="checkbox"/>	\$7.55	16:16
	01/11/2011	0010	#10 Westwood Blvd, Westwo	STEPHANIE B		Sale	00001	028556	28763	<input checked="" type="checkbox"/>	\$1.95	18:32
	07/28/2011	0006	#6 Villa Marina Marketpla	SAMY		Sale	00001	064385	31325	<input checked="" type="checkbox"/>	\$6.45	14:28
	08/21/2010	0014	#14 The Market Place, Lo	VL		Sale	00001	088911	22593	<input checked="" type="checkbox"/>	\$1.95	10:24

Quick Query for Gift Card

Advanced Search

Gift Card/Certificate: 000000006392440710391518 All Transactions

Search Type: Number Transaction Results Type

Time Frame: Last 60 Days

Begin Date: 02/11/2012

End Date: 04/10/2012

Store: 2 - Div 1

Store Group: Company

Search Stop Search Cancel

Sale Date	Dv	Store	Register	Tran No	Tran Type	Amount
02/13/2012	223	1	94663	Sale	(\$100.00)	
02/22/2012	200	2	12181	Sale	\$46.35	
02/22/2012	200	2	12182	Sale	\$8.90	
02/25/2012	16	1	5845	Sale	\$4.95	

Transaction Snapshot

Coffee Bean Transaction Snapshot

Div-Store: 01-00223 Associate No: 32085

Date-Time: 2012-02-13-18:29 Reg-Tran: 0001-0094663

Trans Type: Sale Transaction Amount: \$100.00

SKU	Scanned?	Void?	Dept	Class	Qty	Price	Discount	Ext Price
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$100.00	\$0.00	\$100.00

Tender Summary:

Cash: ☐ Check: ☐ Cr/Db: ☒ MCr: ☐ OTdr: ☐

Tender Type Account Number Scan Amt

Coffee Bean Card Issue 000000006392440710391518 ☐ (\$100.00)

VISA 00000000425907xxxxxx0600 ☐ \$100.00

SVC Detail: 000000006392440710391518

SVC Detail

All Dates

Account: 000000006392440710391518

Div.	Store	Location	Code	Type	Date	Reg.	Tran.	Associate	Scan?	GC Amt	Time	
01	0016	#16 Main Place, Santa Ana	Coffee Bean Card Redeemed	Sale	02/25/2012	00001	005845	33102	<input checked="" type="checkbox"/>	\$4.95	17:42	
01	0200	#200 Greenleaf & Wardman,	Coffee Bean Card Redeemed	Sale	02/22/2012	00002	012181	24183	<input checked="" type="checkbox"/>	\$46.35	08:29	
01	0200		Coffee Bean Card Redeemed	Sale			012182	24183	<input checked="" type="checkbox"/>	\$8.90	08:29	
01	0223	#223 Topanga Plaza Mall K	Coffee Bean Card Issue	Sale	02/13/2012	00001	094663	32085	<input type="checkbox"/>	(\$100.00)	18:29	
Account Total:										(\$39.80)		

The "Little" Details

Purchase of Gift Card



CBTL Order Report Detail

BACK

Store	Order **	Order Date/Time	Customer	EmplD	Cashier
223	194663	2/13/2012 6:29:37 PM	None Available	32085	Tamara Garvey

Plu	Item	Acct	Qt	Price	Disc ID	Disc Amt	Tax
90605	Coffee Bean Card	6392440710391518	1	\$100.00		\$0.00	\$0.00
Amount Totals :				\$100.00		\$0.00	\$0.00

Pay Type	Description	Amount	Acct Num	Customer Name	Swipe
201	VISA	\$100.00	425907xxxxxx0600		False
Total Payment		\$100.00			

Use of Gift Card

Store	Order **	Order Date/Time	Customer	EmplD	Cashier
200	212181	2/22/2012 8:29:07 AM	ANDREW	24183	Nathanael Mulder

Plu	Item	Acct	Qt	Price	Disc ID	Disc Amt	Tax
12104	Naked Juice Green Machine		1	\$3.95	0	\$0.00	\$0.00
3000029	Mini Banana Nut Muffin		4	\$4.40	0	\$0.00	\$0.00
11637	Mini Blueberry Cheese Danish		4	\$5.00	0	\$0.00	\$0.00
821803	R/F Chocolate Twist		1	\$2.50	0	\$0.00	\$0.00
11861	IB-Caramel-32		3	\$18.75	0	\$0.00	\$0.00
90221	Mod-With Whip (Monitor)		3	\$0.00	0	\$0.00	\$0.00
1186	Latte-Caramel-LG		1	\$4.25	0	\$0.00	\$0.00
90221	Mod-With Whip (Monitor)		1	\$0.00	0	\$0.00	\$0.00
11781	Red Velvet Cupcake		3	\$7.50	0	\$0.00	\$0.00
Amount Totals :				\$46.35		\$0.00	\$0.00

Pay Type	Description	Amount	Acct Num	Customer Name	Swipe
803	Coffee Bean Card Redeemed	\$46.35	6392440710391518	391518/GIFT CARD	True
Total Payment		\$46.35			

Internal Indicators of Gift Card Fraud

- Gift cards being used with an employee discount sale (look at discount report with SVC tender)
- Same team member ID on suspicious transactions
- Customer complaints about missing balances
- Unusually high number of sales of gift cards by one person or high number of gift card tender transactions (look at Employee Statistics)
- Team member in possession of or uses several gift cards
- Excessive cash payouts for gift cards under \$10.00 (California)
- Friends / family using gift cards

Proactive Steps to Reduce Gift Card Losses

High Risk Transactions as Indicators

- Bank issued gift card (Visa, Master, AMEX) used to purchase your company gift card. Learn BIN numbers to help identify types of bank cards when running Aspect reports.
www.binbase.com
- Hand keyed transaction of credit card to purchase a gift card
- Full value balances on company gift card being transferred to another gift cards.

Look at the following reports-

Identify Suspicious Transactions


















SVC / Gift Card Reports

SVC Report Selection

Report: COSTCO GIFT CARDS

Criteria: Default

Sub Report: Default

Reports	Criteria
Incident Report Name	
	GIFT FOR YOU COUNT
	GIFT FOR YOU incremental
	GIFT FOR YOU INCRM TOTAL PURCHASE
	GIFT4U used to Buy Gift Card
	Merchandise Credit Issue Summary
	Merchandise Credit Redemption Summary
	Multiple Gift Cards Same Account, Date
	Multiple SVC in Same Transaction
	SVC By Account
	SVC Issued and Redeemed By Same Person
	SVC Issued and Redeemed On the Same Day
	SVC Issued as Merch Cr Redeemed as GC
	SVC Issued Over \$X by Associate
	SVC Issued Summary
	SVC Purchased By Tender Summary
	SVC Redeemed Summary
	SVC: Manual and Swiped
















Debit / Credit Card Reports

Credit/Debit Report Selection

Report: Average Credit/Debit Refund by Associate

Criteria: Default

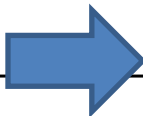
Sub Report: Default

Reports	Criteria
Incident Report Name	
	Average Credit/Debit Refund by Associate
	Credit/Debit Accounts: Manual and Swiped
	Credit/Debit Activity by Account
	Credit/Debit Purchase Summary
	Credit/Debit Refund Summary
	Credit/Debit Refunds by Account
	Credit/Debit Refunds Greater Than \$X
	Credit/Debit Refunds Over \$X Associate
	Credit/Debit Refunds Over \$X Register
	Credit/Debit Refunds Over Purchases
	Credit/Debit Transaction Summary
	Multiple Credit/Debit Purchases
	Multiple Credit/Debit Refunds Same Assoc All Dates
	Multiple Credit/Debit Refunds Same Assoc Same Date
	Unapplied Credit/Debit Refunds

Full Value Gift Card Transfer- Fraud Recovery and Reverse Engineering!

SVC/GC purchased with SVC/GC

Store 187: SVC Purchased By Tender Summary				
Store 187				
SVC Purchased By Tender Summary			All Associates	
12/15/2011 to 12/15/2011			Expand	
Div: 1	Store: 187	Location: #187 Lincoln & Manchester	Associate: 19014	
Purchased With		# SVCs	Total SVC Amt	
Credit Card		3	(\$75.00)	
Associate Total:			(\$75.00)	
Div: 1	Store: 187	Location: #187 Lincoln & Manchester	Associate: 28673	
Purchased With		# SVCs	Total SVC Amt	
Credit Card		4	(\$50.00)	
Associate Total:			(\$50.00)	
Div: 1	Store: 187	Location: #187 Lincoln & Manchester	Associate: 31464	
Purchased With		# SVCs	Total SVC Amt	
Credit Card		10	(\$91.00)	
Associate Total:			(\$91.00)	
Div: 1	Store: 187	Location: #187 Lincoln & Manchester	Associate: 31902	
Purchased With		# SVCs	Total SVC Amt	
Credit Card		1	(\$25.00)	
MCR/SVC		4	(\$100.00)	
Associate Total:			(\$125.00)	



Detail of SVC/GC Purchase

SVC Purchased by MCR/SVC Detail - Store 187 Associate 31902						
SVC Purchased by MCR/SVC Detail						
Div: 01		Store: 0187		#187 Lincoln & Manchester Associate: 31902		
Date	Reg.	Tran.	Type	Svc Account #	Amount	Purchasing Account #
12/15/2011	00002	84568	Sale	0000000006392440705607514	(\$25.00)	0000000006392440712313429
						0000000006392440712313395
12/15/2011	00002	84568	Sale	0000000006392440705607522	(\$25.00)	0000000006392440712313429
						0000000006392440712313395
12/15/2011	00002	84568	Sale	0000000006392440705607530	(\$25.00)	0000000006392440712313429
						0000000006392440712313395
12/15/2011	00002	84568	Sale	0000000006392440705607548	(\$25.00)	0000000006392440712313395
						0000000006392440712313429
Total Amount:					(\$100.00)	

“Back to the Future....”

SVC Detail

All Dates

Account: 000000006392440712313429

Div.	Store Location	Code	Type	Date	Reg.	Tran.	Associate	Scan?	GC Amt	Time
01	0136 #136 Third And Martel, Lo	Coffee Bean Card Issue	Sale	11/27/2011	00002	028270	32356	<input type="checkbox"/>	(\$50.00)	14:14
01	0167 #167 Lincoln & Manchester	Coffee Bean Card Redeemed	Sale	12/15/2011	00002	084568	31902	<input checked="" type="checkbox"/>	\$50.00	16:33
Account Total:									\$0.00	

Coffee Bean

Transaction Snapshot

Div-Store: 01-00136 Associate No: 32356
 Date-Time: 2011-11-27-14:14 Reg-Tran: 0002-0028270
 Trans Type: Sale Transaction Amount: \$240.50

SKU	Scanned?	Void?	Dept	Class	Qty	Price	Discount	Ext Price
877790037 - Warm Wint	<input type="checkbox"/>	<input type="checkbox"/>	0	5005	1	\$17.95	\$0.00	\$17.95
877790036 - Holiday Co	<input type="checkbox"/>	<input type="checkbox"/>	0	5005	1	\$17.95	\$0.00	\$17.95
002024 - TL-Chai-RG	<input type="checkbox"/>	<input type="checkbox"/>	0	820	1	\$4.00	\$0.00	\$4.00
090210 - Mod-Soy	<input type="checkbox"/>	<input type="checkbox"/>	0	5005	1	\$0.60	\$0.00	\$0.60
090221 - Mod-With Whip	<input type="checkbox"/>	<input type="checkbox"/>	0	9999	1	\$0.00	\$0.00	\$0.00
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$50.00	\$0.00	\$50.00
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$50.00	\$0.00	\$50.00
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$50.00	\$0.00	\$50.00
090605 - Coffee Bean C	<input type="checkbox"/>	<input type="checkbox"/>	0	2190	1	\$50.00	\$0.00	\$50.00

Tender Summary:

Cash: ☐ Check: ☐ Cr/Db: ☒ MC: ☐ OTdr: ☐

Tender Type	Account Number	Scan	Amt
Coffee Bean Card Issue	0000000006392440712313395	<input type="checkbox"/>	(\$50.00)
Coffee Bean Card Issue	0000000006392440712313403	<input type="checkbox"/>	(\$50.00)
Coffee Bean Card Issue	0000000006392440712313411	<input type="checkbox"/>	(\$50.00)
Coffee Bean Card Issue	0000000006392440712313429	<input type="checkbox"/>	(\$50.00)
MasterCard	000000000511476xxxxxx8139	<input type="checkbox"/>	\$240.50

Future Exceptions Now!



- Mobile Payments
 - PayPal, eWallet, SmartWallet, Square, GoPago, LevelUp.



- Social Sites & Apps; Foursquare, Facebook, Instagram



- eCoupons, Groupon

Benefits of Exception Driven Investigations

Investigations closed successfully in an efficient and professional manner yield many positives for you and your department

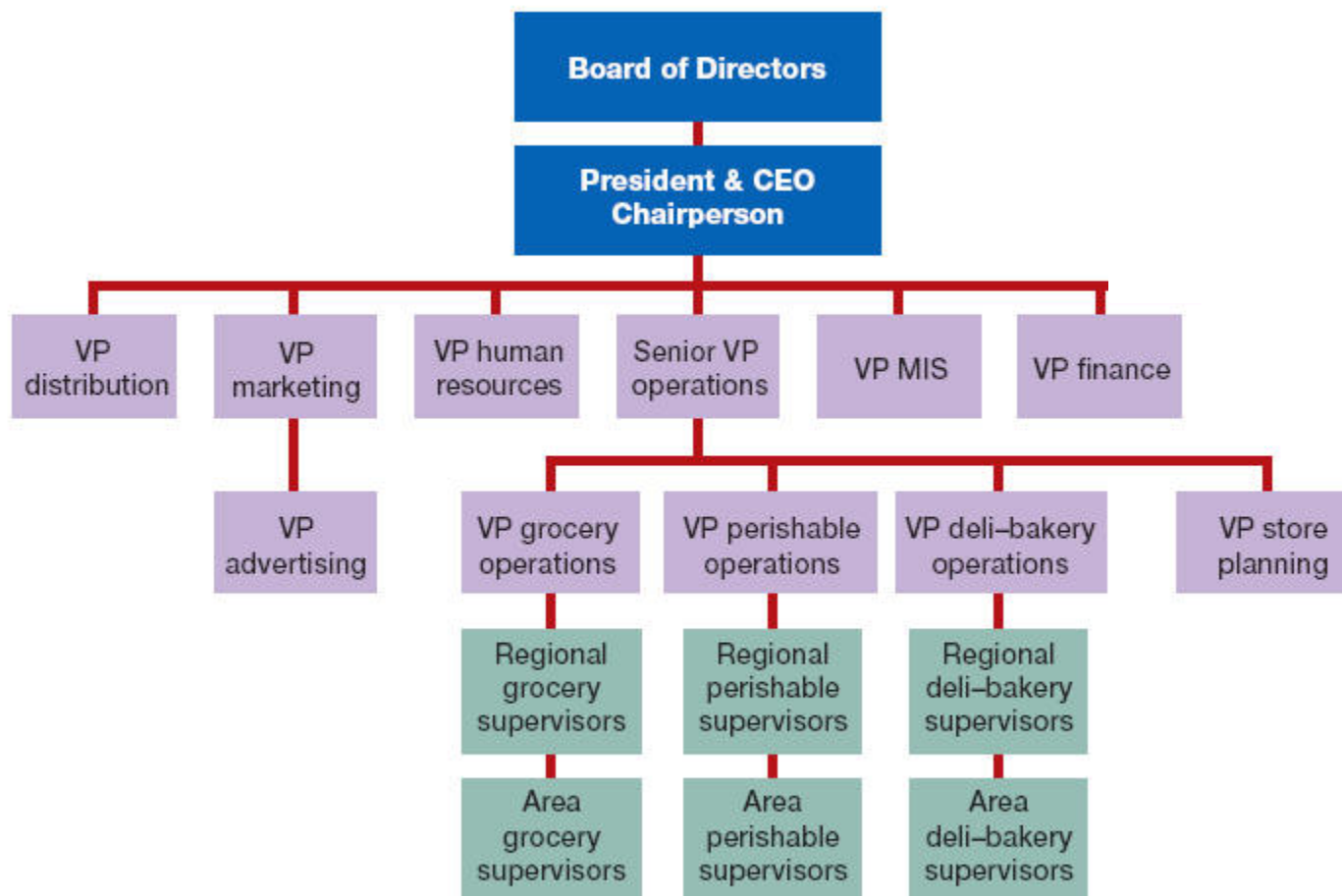
- Greatly improved perception of LP department and your work product
- Recognition by executive team and “C” Suite for proven ROI
- Develop better relationships with Customer Relations, eCommerce, Operations, and IT.
- Exceptions as policy development tool- we learned over 95% of Coffee Bean gift cards being purchased by American Express, Visa or Master gift cards were fraud transactions. We no longer accept gift card tender to purchase a CB gift card
- Build mutually beneficial relationships with law enforcement agencies to improve organizational and community crime prevention efforts.

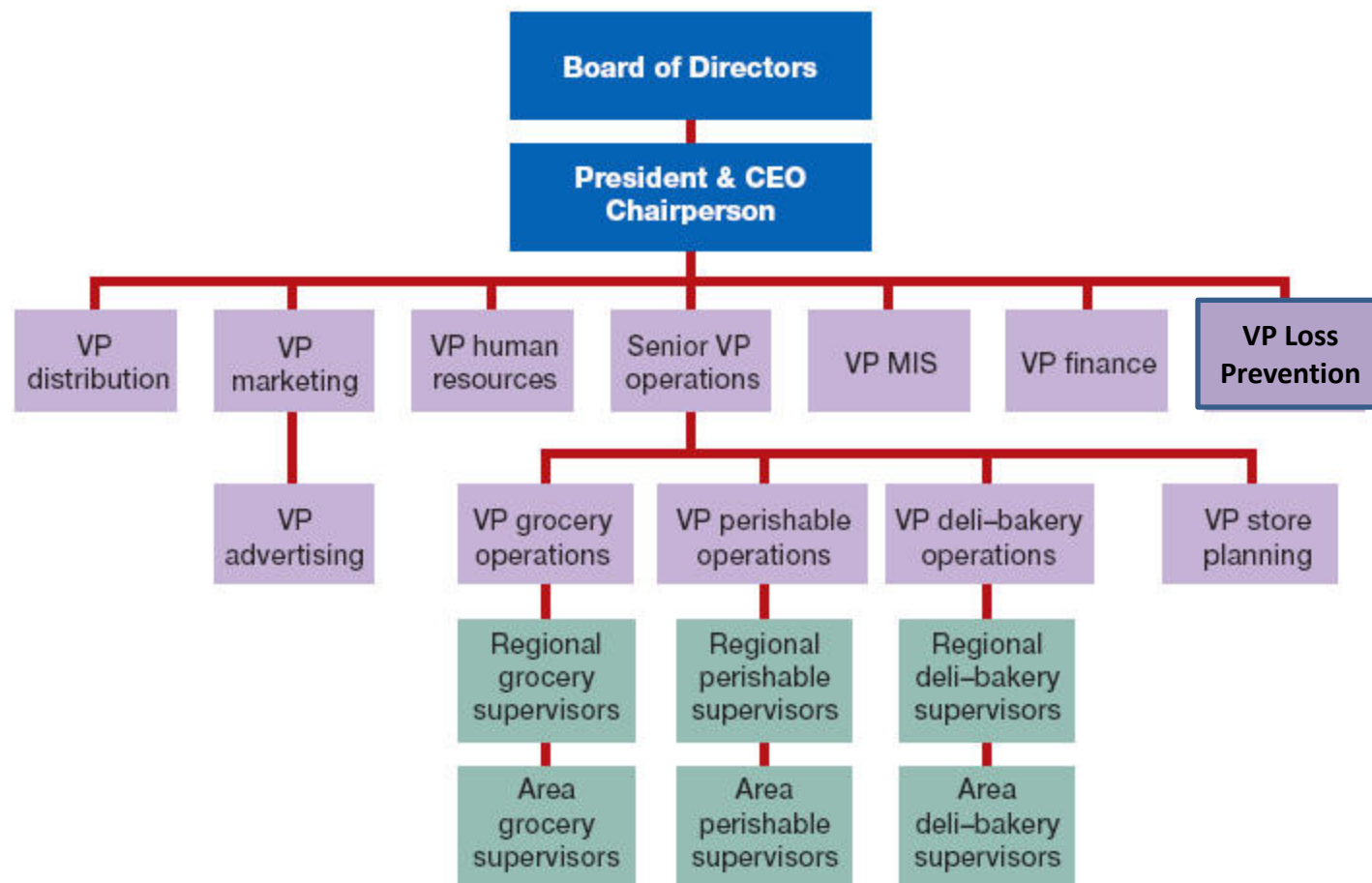
Summary Thoughts on Exceptions

- The power of exception tools and all LP programs rests in the creativity and initiative of the user/person.
- What works for Coffee Bean might not work for your organization. Find your LP “sweet spot” and exploit!
- We have tailored our exception reports for our business needs and rejoice in our successes
- You do not need to be an expert in use of exception tools to be successful.
- Sometimes simple applications are all you need.

Advancement & Integration Tips

- Education- Seminars, webinars, conferences
- Designations- CFI, CPP, CFE,.....
- Presentations- Submit abstracts to be a speaker
- Volunteer- Professional organizations, Company projects/community reach out, Charities
- Write- submit articles to journals
- Mentor- help develop a team member with less experience and mentor non LP senior managers to make them more.







ASSET

PROTECTION