

## **Module 3 - LP Operations**

### **1. Building An LP Program**

- A. Building Awareness Programs
- B. Training & Development

### **2. Investigations**

#### A. Types

##### 1) Theft

- a) Organized Retail Crime (Defined)
- b) Cargo Theft (High Level)
- c) Vendor (High Level)
  - i. Collusion

##### 2) Fraud (Internal/External)

###### a) Tender

- i. Credit Cards
- ii. Gift Cards
- iii. Checks
- iv. Coupons
- v. Electronic Bank Transfer (EBT)
- vi. Government Assistance
  - WIC Program (Women, Infants & Children)
  - Family First Program
- vii. Commercial Account

###### b) Online

###### c) Identity

###### d) Workers Compensation

###### e) Trademark/Brand Protection

##### 3) Embezzlement

###### a) Kickbacks

###### b) Electronic Funds Transfer (EFT)

###### c) Payroll

###### d) Procurement

###### e) Account Manipulation

##### 4) Policy Violations (Liability Issues)

###### a) Misconduct

- i. Inappropriate Material
- ii. Sexual Harassment

#### B. Tools, Techniques & Resources

##### 1) Data Mining

###### a) Exception Reporting

###### b) Point Of Sale (High Level)

###### c) Internal Financial Reports

###### d) Shrink Query Reports

- e) Trend Analysis
- 2) Specialized Investigative Teams
  - a) Field (case development)
  - b) Analytical (Case Development)
- 3) Internal Partnerships
  - a) Human Resources
  - b) Internal Audit
  - c) Legal
  - d) Risk Management
  - e) Sales Audit
  - f) IT
  - g) Treasury
  - h) Merchandising
  - i) Inventory Control
- 4) External Partnerships
  - a) Trade Associations
  - b) State, Local and Federal Agencies
  - c) Industry Partners (Peers)
  - d) Vendor/3<sup>rd</sup> Party
  - e) Financial Institutions
- 5) Computer Forensics
  - a) 3<sup>rd</sup> Party Assistance
- C. Case Preparation & Presentation (Anatomy)
  - 1) Advanced Interviewing
  - 2) Statement Analysis
  - 3) Controlled Evidence
  - 4) Jurisdictional Considerations
  - 5) Presenting Your Case (?)
    - a) Educational Process
      - i. Explaining the crime
    - b) Document Presentation
    - c) Knowing Your Audience (?)

### **3. Data Analysis**

- A. Data Streams
  - 1) Where To Find Information
- B. Loss Prevention Performance Measures
  - 1) Key Performance Indicators
  - 2) Internal Numbers
  - 3) External Numbers
- C. Store Performance Reports
  - 1) Audit
  - 2) Key Performance Indicators
  - 3) Training/Awareness (?)
  - 4) Trends

- a) Profit & Loss
- b) Turnover
- c) Comparable Sales (Horizontal & Vertical)
- d) Shrink Performance / Analysis
- e) Cycle Counts
- f) Marked Out of Stock/Damages/Markdowns
- g) Inter-store transfers (***does it belong here***)
- 5) Pattern Recognition (Predictive Modeling)
- D. Research Methods
  - 1) Types
  - 2) Obstacles
    - a) Return On Investment
    - b) Problems With Statistics
  - 3) Verification Of Source Material
    - a) Data Integrity
  - 4) Accurately Present Data
    - a) Validation Methods
- E. Correlating and Validating
  - 1) Examples
  - 2) What Do You Do With It?

#### **4. Operational and Shrink Controls**

- A. Audits
  - 1) Factors For Failure
  - 2) Action Plans - What To Do With The Data
- B. Point Of Sale (Bigger Picture)
- C. Systemic / Automated Controls (System Edits)
- D. Merchandise Exposure Standards
  - 1) Analysis
    - a) SKU level
  - 2) Methods
    - a) Store Design
    - b) Source Tagging
    - c) Packaging
    - d) Fixtures/Cases
    - e) Restraint Devices

#### **5. Organized Retail Crime**

- A. Types
  - 1) Cargo Theft Rings
  - 2) Professional Shoplifters
  - 3) Check Fraud Rings
  - 4) Credit Card Fraud Rings
  - 5) Counterfeiting Ring
  - 6) Refund Fraud Ring

- B. Cyclic Flow of Merchandise
  - 1) Fence Operations
    - a) Flea Markets
    - b) E-Fence
    - c) Re-packers
    - d) Brick & Mortar
      - i. Bodega (Mom & Pop Shops)
- C. Cooperation & Partnerships
  - 1) Networking With Peers
  - 2) Law Enforcement
  - 3) Agencies (?)
  - 4) Manufacturers
- D. Technology
  - 1) Us
    - a) Database
    - b) Fixtures
      - i. Anti-Sweep
    - c) RFID
    - d) Global Positioning System
    - e) Background Check
  - 2) Them
    - a) How Do They Steal
    - b) Wireless POS Hacking
    - c) Auction Houses (Online)
    - d) Portable Receipt Machines
    - e) RF Guns
    - f) Skimmers
    - g) Cell phones/Radios
- E. Preventative Measures
  - 1) Safety Issues
  - 2) Merchandise Exposure Standards

## **6. Pharmacy**

- A. Physical Security
  - 1) Design
  - 2) Access Control
  - 3) CCTV
- B. Regulatory Compliance
  - 1) State Guidelines
  - 2) Inventory of Controlled Drugs
    - a) Compliance (By Company?)
  - 3) HIPAA
- C. Audits
  - 1) Internal Audits
  - 2) DEA Audits