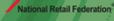
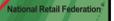


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**Conducting Online Investigations**

**Section One**  
How to conduct an online investigation

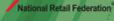
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- Review the seller's business plan calculate the profitability of the seller

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**Conducting Online Investigations**

**Section One**  
How to conduct an online investigation

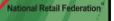
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**Conducting Online Investigations**

**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

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**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.

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**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.

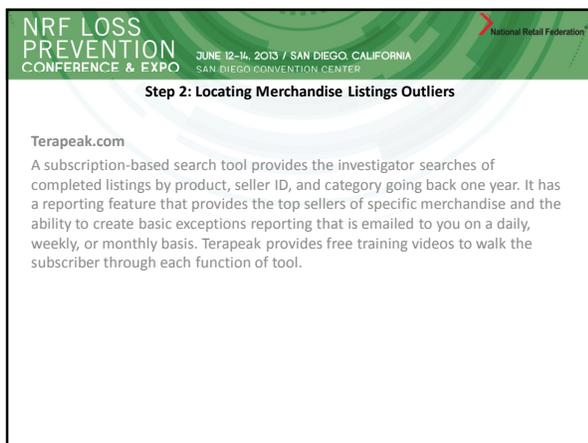
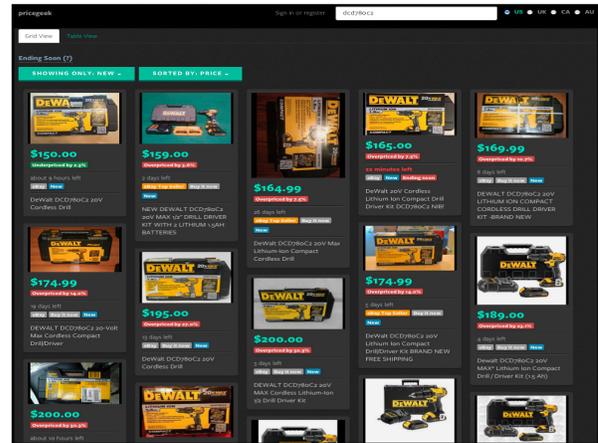
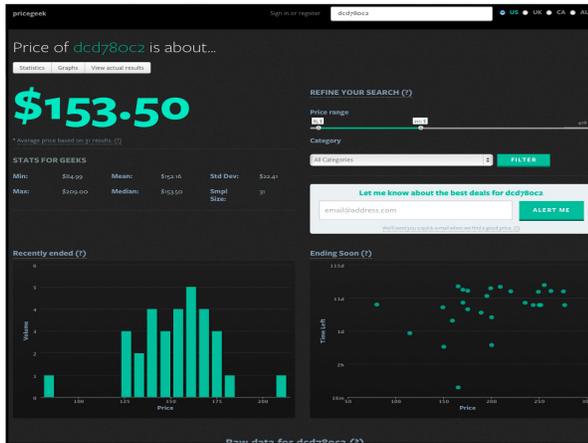
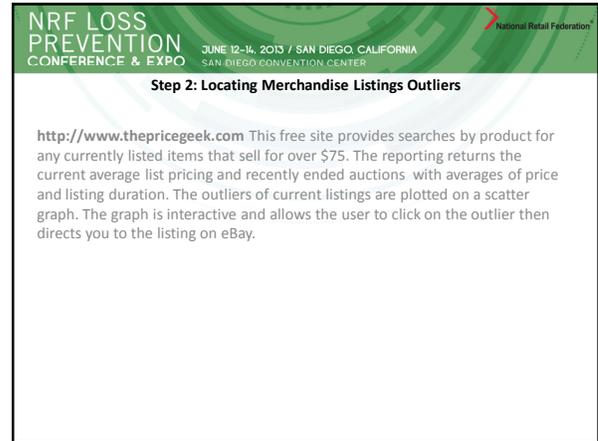
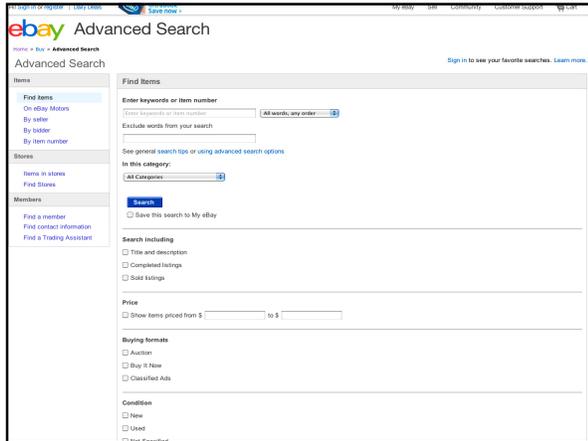
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**Step 2: Locating Merchandise Listings Outliers**

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.



Rank	Seller ID	Total Sales	Total Listings	Successful Listings	Bids	Items Sold	Average Price	Sell-Through
#1	090490361	\$6,429	13	13	36	36	\$178.59	100.00%
#2	090490361	\$6,429	3	3	38	38	\$168.89	100.00%
#3	wastechant	\$1,220	5	5	7	7	\$174.28	100.00%
#4	090490361	\$948	6	6	23	6	\$161.41	100.00%
#5	090490361	\$836	1	1	4	4	\$209.00	100.00%
#6	090490361	\$805	4	4	5	5	\$161.00	100.00%
#7	090490361	\$700	3	1	4	4	\$175.00	33.33%
#8	090490361	\$674	4	4	4	4	\$168.50	100.00%
#9	090490361	\$611	4	4	57	4	\$152.75	100.00%
#10	090490361	\$495	4	3	3	3	\$164.99	75.00%
#11	090490361	\$452	3	3	44	3	\$150.61	100.00%
#12	090490361	\$420	3	3	21	3	\$139.88	100.00%
#13	090490361	\$370	3	2	44	2	\$185.01	66.67%
#14	090490361	\$365	2	2	2	2	\$182.49	100.00%
#15	090490361	\$358	1	1	2	2	\$179.98	100.00%
#16	090490361	\$333	2	2	14	2	\$166.72	100.00%
#17	090490361	\$330	2	2	2	2	\$164.99	100.00%
#18	090490361	\$325	2	2	2	2	\$162.49	100.00%
#19	090490361	\$317	2	2	37	2	\$156.44	100.00%
#20	090490361	\$313	2	2	56	2	\$156.26	100.00%

Item Title	Sold	Format	Start Price	End Price	Bids	End Date
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	Yes	Fixed	\$179.98	\$179.98	1	2013-04-26
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	Yes	Fixed	\$179.98	\$179.98	1	2013-04-28
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	Yes	Fixed	\$179.98	\$179.98	1	2013-04-30
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	Yes	Fixed	\$179.98	\$179.98	1	2013-04-30
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	Yes	Fixed	\$179.98	\$179.98	1	2013-04-30

Item Title	Total Sales	Total Listings	Sell-Through	Avg. Price	Bids
Brand New ** Greenlee 7206SB Quick Draw 90 Hydraulic Punch Kit	\$9,046.87	14	93%	\$618.99	13
NEW DEWALT DCD780C2 20V MAX Cordless Lithium-Ion 1/2" Drill Driver Kit	\$6,279.24	12	100%	\$179.41	35
80001 1224 Dip Throader w foot pedal reamer cutter 4 dia Heads 4"	\$4,898.95	1	100%	\$4,898.95	1
New InWall DC912 Heavy-Duty 18V Cordless 7/8" SDS Hammer -> Top Only.cc	\$3,419.10	13	92%	\$189.95	18
Honda EU Inverter 6500w Generator Quiet with Less Than 10 Hours on a	\$3,198.95	1	100%	\$3,198.95	1
80001 Progress 320E Hydraulic Battery Operated Crimper W/6 Jaw 2	\$2,623.95	3	67%	\$1,311.98	18
2- NEW MAKITA BL1815-2 18V 1.5AH LXT LITHIUM-ION BATTERY	\$2,619.80	2	100%	\$1,099.16	24

**Step 2: Locating Merchandise Listings Outliers**

ORC Workbench  
[orc-solutions.com/products/products.htm](http://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.

**ITEM SEARCH**

- Search all selling categories at once or select individually.
- Search for 'Buzz Words' within the auction title such as NWT, SEALED, etc.
- Expand search to the item description within an auction.
- Search for 'New Only' items to filter out items of no interest.
- Search 'All Locations' to identify sellers that cloak their location.
- Search using the proximity tool by (State and City).
- Further refine searches by entering auction \$ range or feedback score.
- Search using multiple filters or only the Buzz Word section.

**SEARCH FOR A SPECIFIC SELLER**

- Recall up to 90-days of seller auctions that resulted in sale.
- Only identifies items that sold, filtering out items that may have been relisted by seller.
- Convert to Excel file or move to Case Mgmt. system

**Auction Details**

For sale is a Brand New Rite Aid Men's Hair Regrowth Treatment Containing (3) 2 oz Bottles, a 3 Month Supply (Cheaper Buy It Now On Ebay). Please note that the box is open and has some wear and tear, however the 3 bottles inside are in unused condition as in the dropper. This is an early date of 06/2013. To contain the same active ingredients (Minoxidil 2%) that the much more expensive brand does... compare and save! These retail for almost \$80 a month, get it here for less than half the price! Please take a look at our other Health & Beauty items to receive a 5% discount on any 3 items or more purchased, plus combined shipping!

I also have several boxes of Rite Aid Reginal Strength Regrowth Treatment in 3 Month supplies available for just \$8 each shipped, contact me for details or to add to your purchase.

**ORC Workbench**

Investigate only auctions where the seller has the words 'Rite Aid' entered in either the auction title or hidden within the description. We also set a minimum feedback score of 100.

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**Step 2: Locating Merchandise Listings Outliers**

**ad hunt'r**  
classifieds search

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

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**amazon**

Shop by Department

Search: **de Walt drill**

Departments: Tools & Home Improvement, Power-Hammer Drills, Power Drills, Industrial & Scientific, Shop Drills Bits, Cutting Bars, See All 77 Departments

Showing 1 - 16 of 5,786 Results

**DEWALT DC970K-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 (28 offers), \$80.27 used (12 offers)

**DEWALT DCD760KL 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), \$149.89 used (8 offers)

**DEWALT Bare-Tool DCD950B 1/2-Inch 18-Volt XRPHammerDrill/Drill... by DEWALT**  
\$149.00 **Click to see how to save and get it by Wednesday, May 29.**  
More Buying Choices: \$107.99 used & new (27 offers)

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**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](mailto:abuse@craigslist.org)

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**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](http://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: \$ [ ]

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**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.

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**Case Studies**

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**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.

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**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.

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**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
joburgins	prhmagid	10/14/2010 9:13	10/12/2010 0:13	mederma skin care 10 piece lot
joburgins	com_preference	9/15/2010 14:16	9/12/2010 14:16	mederma skin care 11 piece lot
joburgins	viduo	8/11/2010 0:04	8/18/2010 0:04	mederma SKIN CARE 6 piece lot
joburgins	huster-magda	8/11/2010 0:01	8/18/2010 0:00	mederma cream 3 piece lot
joburgins	neuspolaris	8/11/2010 0:00	8/18/2010 0:00	ALPHA AMINO PROTTYPE 216 by muscletech
joburgins	newspolaris	8/10/2010 23:58	8/17/2010 23:58	MPO-SPOCK KSP by muscletech
joburgins	aweband	8/10/2010 23:54	8/17/2010 23:54	

	Qty	Price	Currency	Item Number	Qty	Retail
1	66.98	U.S. dollar	220678879392	10	19.99	
1	101.00	U.S. dollar	220665325450	11	19.99	
1	97.00	U.S. dollar	220653232948	4	19.99	
1	11.50	U.S. dollar	22065321745	3	19.99	
1	28.89	U.S. dollar	22065321445	1	59.99	
1	28.99	U.S. dollar	22065321167	1	69.99	
1	12.11	U.S. dollar	22065320962	1	19.99	

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**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

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## 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.

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## Case Study 1

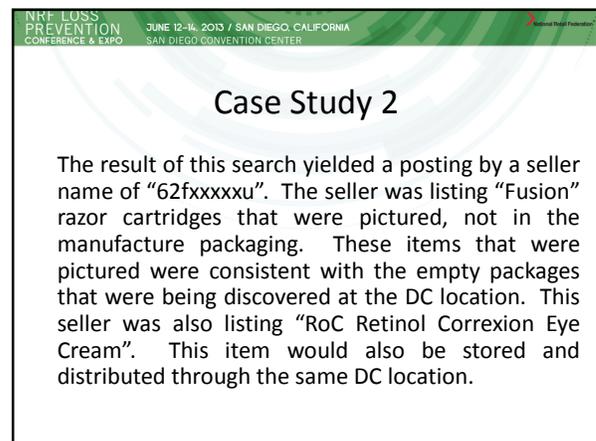
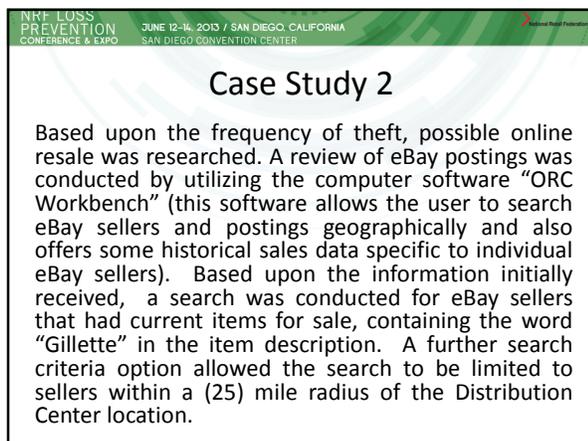
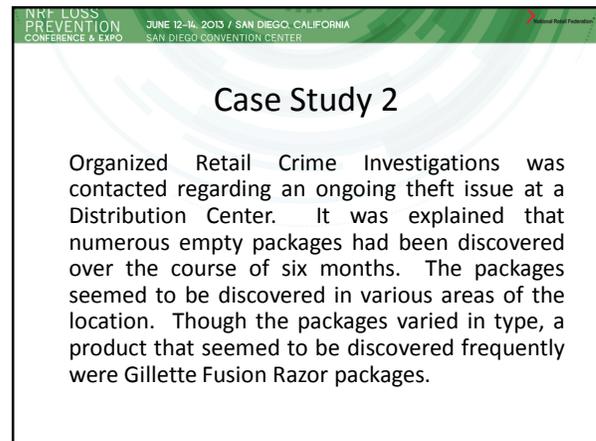
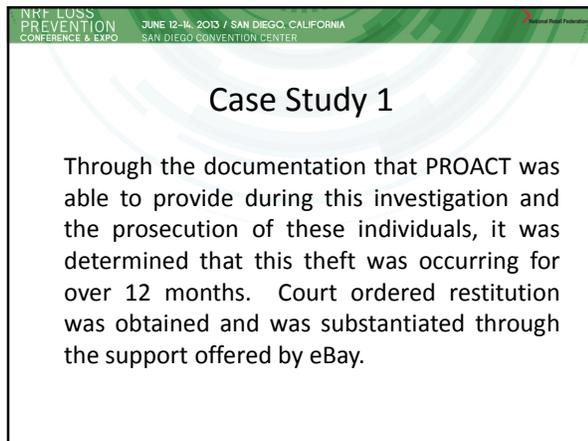
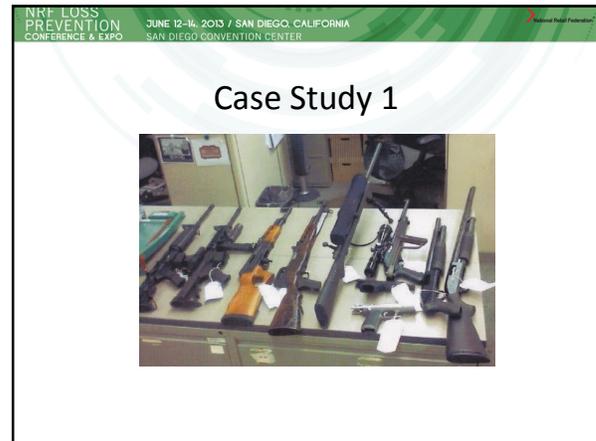
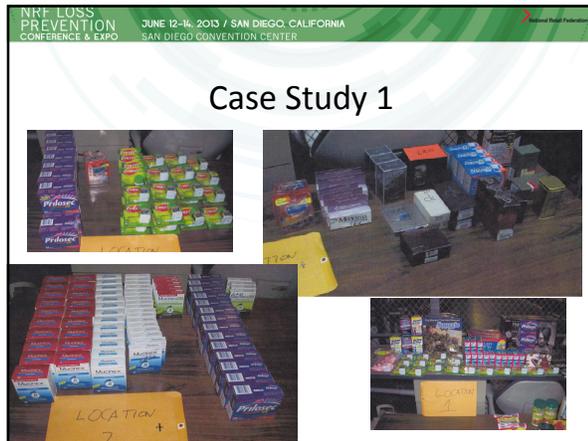
The subjects would pack the items into a security equipment tote and exit the store.



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## 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.



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## Case Study 2

Photos from seller posting:



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## 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

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## 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	00088
Associate	Associate ID	Hire Date	Millennium	Infirnum
.....PAOLO	1108205	2/17/2003	04/04	035

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## 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

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## 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.



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## 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.

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### Case Study 2



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### Case Study 2

Suspect was taken into custody. Suspect admitted to stealing items from his employer and reselling them online. He also admitted to using a second seller ID belonging to his wife to attempt to avoid detection. A search of the residence resulted in the recovery of thousands of dollars worth of product.

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### Case Study 2



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### Case Study 2



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### Case Study 2



The suspect was taken into custody and bail was set at \$500K due to weapons and explosive charges.

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### Case Study 2



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## Questions?

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