



THE SECURITY BEACON

DECEMBER 2010

BOSTON CHAPTER OF ASIS INTERNATIONAL

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RETURN FRAUD LOSSES WILL ADD UP TO BILLIONS THIS HOLIDAY SEASON

Fine-tuning return policies has become both a science and an art as retailers continue to grapple with roller-coaster return fraud rates. According to [NRF's annual Return Fraud Survey](#), completed by loss prevention executives at 111 retail companies, the retail industry will lose an estimated \$3.68 billion to return fraud this holiday season, up from \$2.74 billion last year.

Return fraud will cost retailers an estimated \$13.95 billion during the 2010 calendar year, up from \$9.59 billion in 2009.

Return fraud will cost retailers an estimated \$13.95 billion during the 2010 calendar year, up from \$9.59 billion in 2009. When asked if their company has ever changed its return policy to specifically address return fraud, nearly two-thirds (65%) said it had.

"Retailers are still struggling to find the appropriate balance between providing stellar customer service for their shoppers while prohibiting criminals from taking advantage of lenient return policies," said Joe LaRocca, Senior Asset Protection Advisor for NRF. "Combating this very costly problem helps retailers keep prices low but can unfortunately involve establishing policies that inconvenience honest shoppers." [READ MORE ON PAGE 8](#)



WHEN EMPLOYEE THEFT TURNS VIOLENT

Written by David Johnston

First there was the Connecticut distribution warehouse shooting in August, and this week the stabbing of a Florida Deputy Sheriff, called to investigate a convenience store theft. Is this the start of a violent trend? Are employee theft investigations provoking workplace violence?

As a professional who has conducted various investigations into employee theft in my past, I understand that each investigation is in itself as unique as the person you are investigating for theft. However, in the last four months, employee theft investigations have resulted in ten deaths (including the two suspects), more than I can ever think of happening in my 26 years in loss prevention. [READ MORE ON PAGE 7](#)

TREASURER'S REPORT**OCTOBER 31, 2010**

Previous Month Balance	\$60,922.20
Income This Month	\$1,126.28
Sub Total	\$62,048.48
Expenses This Month	\$1,647.19
Current Balance	\$60,401.29

ORDINARY INCOME/EXPENSE**INCOME**

Interest	\$1.28
Meeting Income	\$1,125.00
Total Income	\$1,126.28

EXPENSE

Bank Charge	
• Bank Charge AMEX	\$21.56
• Bank Charge RBS	\$217.96
• Bank Charge - Other	\$11.56
Total Bank Charges	\$251.08

Education Seminar	\$767.08
Newsletter Expense	\$500.00
Web Site	\$109.03
Total Expenses	\$1,647.19

Net Ordinary Income	\$-520.91
Net Income	\$-520.91

ACCOUNT BALANCES

Primary Checking	\$36,713.87
Internet Account	\$8,563.46
Manning Fund	\$6,027.98
Goldman Fund	\$9,095.95

**CHAIRPERSON'S MESSAGE**

One of the things that fascinates me is the evolution of language. I am especially intrigued with how the meaning of words can change over time. For example, when I was a younger man, the word "text" was solely a noun. Now, it's commonly used as a verb as well. I also remember when "Spam" was just a nasty meat product my mother occasionally made me eat (apologies to those of you who like Spam!). Neither of these changes may be particularly significant, but they did start me thinking.

This month's newsletter theme is Loss Prevention. When I first came into this field, "loss prevention" was a term that was narrowly defined and primarily associated with colleagues who oversaw retail security functions. It was about inventory controls and prevention of shoplifting and other types of material theft control. The "store detective," if you will.

While loss prevention still has a clear focus on this type of physical asset protection, it also has meaning that is – quite appropriately – much broader and more encompassing. It includes reputation, intellectual property and other tangible assets.

My point is that the world and our profession are in a state of constant change. Many of these changes are subtle, well defined and gradually integrated. Others may be more dramatic and require an immediate change in our direction or focus. Regardless of how these changes come at us, we will have to acknowledge, understand and accept them to remain competitive and successful.

This is the last newsletter for me in my role as Chairman. It has been a quick year and now it is time for change. I am both grateful to, and proud of, the team of volunteers who have so ably and selflessly given of their time and talent to make 2010 successful for the Boston Chapter of ASIS International. I hope that many more of you will step forward and look for ways to support the new leadership in 2011. I offer my congratulations to Jenn, Dave, Michael and Denny on their recent elections.

Finally, thanks to each of you for giving me the opportunity to serve. This Chapter has a long and rich history. It is my fond hope that we have added positively to that legacy this year.

Dick Parry, Chairperson
ASIS-Boston



ASIS-Boston members Pat Connor, Alan Snow and Dave Cullen were all smiles after learning that their children would receive Manning Scholarships at the November meeting.

WELCOME NEW ASIS BOSTON MEMBERS!

Mark K. Duato
 Maggie C. Granfield
 Bill Kavaleski
 Clement R. LaShomb
 Shannon M. Mills
 Michael E. O'Connell
 Thomas W. Omogi
 Joel M. Parilla



ASIS-Boston Chapter News

EDUCATION, INFORMATION AND APPRECIATION

Educational Seminar: Enhancing Security's Value through Creative Global and Corporate Business Skills



Wednesday, December 8, 2010

8:30am - 3:00pm

Boston Marriott Newton

Expand your critical business skills by attending the following sessions:

- *Understanding the Nuances of Your Constituencies and Stakeholders, the Benefits and Limitations of Benchmarking and How to Align Security Programs with Corporate Culture and Leadership Style*, Speaker Kathleen Kotwica, PhD
- *Risk Management in an Uncertain World: The Real Threats and How to Deal with Them*, Speaker Roger Cressey
- *Is Your Investigation Managing You? Tools, Techniques and Tips for Managing Effective and Efficient Workplace Investigations*, Speaker Vivian Hsu

Register NOW at www.asis-boston.org.

Keep in touch with ASIS-Boston

The Boston Chapter is preparing its 2011 Chapter Directory. Please take a minute to update the database at www.asisonline.org so we can maintain the most up-to-date member information. Your contact information will be used for the directory and all chapter mailings so be sure to keep it current.

Thanks for giving

The ASIS Foundation extends its grateful appreciation to the **Boston Chapter of ASIS International** for contributing \$1,000.00 to the 2010 Chapter Giving Campaign. The generous donation earned ASIS-Boston a place in the President's Club for 2010.

The Boston Chapter was one of just five ASIS Chapters to participate at the \$1,000.00+ level. All funds raised will directly support the Foundation in its work to advance the security profession and professionals through research and educational scholarships in the coming year.

DECEMBER 2010**1**

The Intersection of Cloud Computing and Digital Evidence: What Security Managers Need to Know, Webinar

6 - 7

Risk and Opportunity: The CSO Roundtable Latin America Summit, Rio de Janeiro, Brazil

8

Security in Tough Economic Times - Keys to Survival, Webinar

13 - 14

Executive Protection, Scottsdale, AZ

13 - 15

Security Force Management, San Diego, CA

13 - 17

ISO 28000 Lead Auditor Course, Oegstgeest, Netherlands

15

Behavioral Pattern Recognition: A Proactive Approach to Protective Security, Webinar

No programs scheduled in January 2011

FEBRUARY 2011**4 - 5**

CPP Review, New York, NY
~~\$825.00~~ **Now \$725.00**

PSP Review, New York, NY
~~\$825.00~~ **Now \$725.00**

7 - 8

Corporate Investigations: How to Conduct Proper and Effective Internal Investigations, Lake Buena Vista, FL
~~\$900.00~~ **Now \$800.00**

7 - 10

Physical Security: Introductory Applications & Technology, Lake Buena Vista, FL
~~\$1,100.00~~ **Now \$1,010.00**

9 - 11

Organizational Resilience: Implementing and Auditing the ASIS American Standard, Lake Buena Vista, FL
~~\$1,200.00~~ **Now \$900.00**

20 - 22

2nd Annual ASIS International Middle East Security Conference, Manama, Bahrain, Price TBD

28 - 03/03

Effective Management for Security Professionals, Madrid, Spain, Price TBD



Boston ASIS gratefully acknowledged Bob & Sandy Whitney (2nd and 3rd from l) of TecArt last month for 20 years of dedicated service. The Boston Chapter partner has produced 192 newsletters, 6 membership directories, ballots, posters, Expo brochures, mailings, and many other materials over the past two decades. We are deeply indebted to Bob and Sandy for all of their hard work and support. Communications Committee members Marty Patnaude (l) and Adria Gallagher (r) extended thanks to the Whitneys on behalf of the entire Chapter leadership.

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Training Magazine, 2009

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**HAPPY HOLIDAYS
FROM THE ASIS-
BOSTON NEWSLETTER
TEAM!**

Adria Gallagher, CPP, CFE
Marty Patnaude, CPP
Stephen G. Malloy, CPP, PCI
Heidi Raffanello



Jim Healey (l) presents ASIS-Boston member Mike Pepe with the 2010 Sheldon Goodman Award.



CCP Member Profile: Fred Mullen

**TAKING STOCK OF RETAIL LOSS
PREVENTION AND SECURITY**

With the holiday season upon us, it seems appropriate to feature the Vice President and Director of Loss Prevention (LP) for HomeGoods as this month's CPP Member Profile. Fred Mullen oversees the company-wide LP program for the 336-store discount retailer which is the home furnishings division of TJX Companies, Inc. The parent company also operates other off-price retailers including TJ Maxx, Marshall's and AJ Wright stores. Today, TJX ranks as the number one employer in Massachusetts.


Since 2004, Mullen has served in this capacity for HomeGoods, overseeing a corporate team as well as 20 field district loss prevention managers. His current responsibilities entail the protection of company assets including inventory and property, as well as the workplace safety of employees and consumers. Prior to HomeGoods, he held various positions of increasing responsibility for Marshall's Loss Prevention.

Mullen recognizes the evolution of his role in retail loss prevention and security over the past 25 years. "Early on, the loss prevention role was mostly reactive, with response to incidents requiring investigation, apprehension and recovery of assets," he relates. "Though it remains an important function, the position today requires leadership that is proactive and visionary. The leadership role in loss prevention requires anticipation and early recognition of risks and taking firm steps to mitigate them."

An ASIS member for over 15 years, Mullen received his CPP certification in 1997 while serving as a Security/LP Consultant for business clients of LCF Associates, Inc. His primary motivation for pursuing the credential was, "to distinguish with a board-certified recognition the collective skills developed from a criminal justice degree, on the job training, and field experience amassed over 20 years in the security profession." Thirteen years later, he is convinced of the qualification's value.

CPP certification creates, "a foundation that confirms a myriad of professional skills and abilities in security that are critical for the growth, success and profitability of most businesses and organizations," Mullen says.

The veteran LP professional offers a unique perspective on the upcoming holiday season. "For loss prevention, it is the peak period to monitor inventory controls with oversight to reduce shrinkage, drive associates' awareness and to resolve problems such as shoplifting, employee theft, burglary and threat of armed robbery," he advises. "The expanded holiday store hours offer great customer convenience and sales, but increase risks for theft and losses. Nonetheless, it is an exciting time as we get to see how well we have planned and prepared for the peak season and witness the various skills of our loss prevention team to reduce theft, fraud and shrinkage."



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EMPLOYEE THEFT CONTINUED FROM PAGE 1

For those unfamiliar with either incident, in August of this year, a warehouse driver for a beer distributor in Hartford, CT shot and killed eight people including himself; a rampage that began after he was shown a video of him stealing beer. To read more, read an article on this incident at Foxnews.com.

The most recent incident involved the stabbing of a Florida deputy sheriff, who was called to a convenience store to investigate an employee theft incident. The suspected employee stabbed the deputy an hour after being called to the scene. Although this incident is still being investigated, is it possible that with an hour of elapsed time, the deputy was injured while conducting an interview with the employee? To learn more about this recent incident, visit The Orlando Sentinel.com.

These incidents remind us that when dealing with an employee suspected of theft you are dealing with an individual. And when dealing with individuals, one must be aware of certain indications on how they may react in these situations.

John Fice, COO of LP Innovations and Certified Forensic Interviewer (CFI), offers some key insights to consider when preparing to talk to an employee about suspected employee theft.

First, it is important to understand that interviewing an employee about suspected theft can create a significant emotional crisis for the employee. Plan on approaching the employee in a non-confrontational format and do not allow the interview to escalate into an argument or shouting match.

Getting to the truth of a situation is the goal and a hostile environment is an absolute deterrent to achieving that objective. If an interview begins to become emotionally charged it is the interviewers' job to deescalate the situation.

An interviewer must be able to anticipate and respond to a rapidly changing situation. Ending an interview that is going beyond the conversational tone may be the only way to maintain control of the interview environment.

When it comes to dealing with employee theft, there are specific **certifications and training courses** across the retail industry to help those responsible to conduct this type of investigation. There are also companies who specialize in **incident resolution services**, who can provide the resources, expertise and knowledge to help your company deal with these incidents.

Let's hope that these two incidents are isolated situations and not a trend in the making. In the meantime, knowing how best to handle these incidents and the people involved will only help to ensure the resolution has a non-violent outcome.

Learn more at:

www.lpinnovations.com/page/86-gift_card_fraud/

www.lpinnovations.com/page/87-organized_retail_crime/

www.lpinnovations.com/page/91real_prevention_requires_real_help/

Posted on www.lpinnovations.com, Tuesday, Nov 09, 2010 @ 08:07 AM

RETURN FRAUD CONTINUED FROM PAGE 1

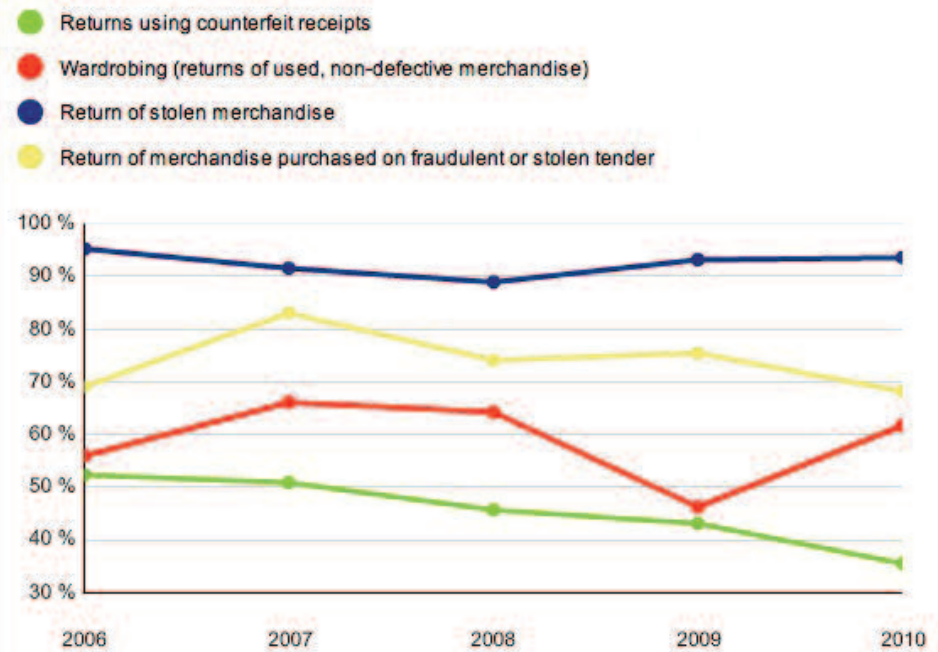
The most common type of return fraud is return of stolen merchandise, which 93.5 percent of retailers say they have experienced in the last year. Wardrobing – the return of used, non-defective merchandise like special occasion apparel and certain electronics – also poses a huge problem, as more than six in 10 retailers (61.7%) say they been victims of this activity within the last year, up from 46.2 percent in 2009.

Additionally, 88.8 percent say they have had a problem with employee return fraud, 68.2 percent have experienced the return of merchandise purchased on fraudulent or stolen tender, and 35.5 percent have found criminals using counterfeit receipts to return merchandise.

As a result of rampant fraud, many retailers have begun to adopt policies which require customers returning merchandise to show identification. Retailers estimate that 3.89 percent of returns with a receipt are fraudulent, but that number skyrockets to 12.61 percent for returns without a receipt. As a result, seven in ten retailers (67%) now require customers returning items without a receipt to show identification, which reduces fraud. One in five retailers (21.1%) requires shoppers with a receipt to show ID.

While the majority of retailers' policies will remain unchanged this year (83.6%), 5.5 percent of retailers said they will loosen their holiday return policies while 10.9 percent will tighten. According to the survey,

Return Fraud Retailers Have Experienced Within the Past Year



Source: National Retail Federation survey conducted Oct. 2010 with 111 retail companies.

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one-third (33%) of retailers say their return policies are more flexible during the holiday season in order to accommodate shoppers who may be purchasing gifts.

According to an **NRF survey** conducted last December, 87.9 percent of Americans feel retailers' return policies are fair.

About the Survey

NRF's fifth annual Return Fraud Survey polled senior loss prevention executives at 111 retail companies in October 2010. Executives from discount stores, department stores, drug stores, supermarkets and specialty stores completed the survey. To view the complete findings of the Return Fraud Survey Results 2010, go to www.NRF.com.

As the world's largest retail trade association and the voice of retail worldwide, the National Retail

Federation's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the U.S. and more than 45 countries abroad.

In the U.S., NRF represents the breadth and diversity of an industry with more than 1.6 million American companies that employ nearly 25 million workers and generated 2009 sales of \$2.3 trillion.

Reprinted from the National Retail Federation, www.nrf.com