

CASE STUDY

Supermarket Quells "Creative Cashiering"

This supermarket chain offers its clientele fresh produce and meat, non-perishables, liquor, housewares, health and beauty, baby care, and pet supplies. Its stores offer a pleasant shopping atmosphere as well as click-and-collect curbside service and home deliveries.

Situation

As this prominent supermarket grew, the loss prevention department was stretched thin. It needed new technologies for asset protection that could keep up with the growth of the chain overall and with the store environment that now included self-checkout and cashier-assisted checkout. Unfortunately, the new consumer options lead to creative forms of employee fraud. Shrink was growing and the narrow margins of the grocery industry did not provide flexibility.

The company chose to partner with Appriss Retail and implemented its Secure™ Store exception based reporting (EBR) solution. The results were literally immediate, with a \$20,000 cashier fraud case discovered on the first day of use. The cashier had been entering fraudulent transactions and pocketing the cash.

Within 10 weeks the LP team discovered under-ringing, deleting, refunding, discount abuse, loyalty account abuse, voucher abuse, and POS system jockeying that totaled \$115,210 in loss. The company removed 19 employees and referred five cases to law enforcement.

Solution

- The retailer implemented Secure Store chainwide

Financial Results

- Began finding actionable fraud cases on day one
- Achieved an ROI of \$423,313 the first year

Additional Benefits

- Centralized, chain-wide monitoring
- Higher performance. Secure elevated the speed and accuracy of detecting fraud and loss for all team members
- Irrefutable evidence. Investigators quickly found suspicious transactions that were corroborated with CCTV footage
- Powerful word-of-mouth. As news of bad actors being caught spread, morale improved and borderline offenders were deterred from fraud

Case Details

Sweethearting and under-ringing can be difficult to detect. Along with other forms of fraud, the supermarket chain found many cashier-related incidents in the weeks after launching Secure. A few appear below to illustrate the types of fraud that may go undetected by a chain right in front of its security cameras.

Case 1: A cashier regularly treated an acquaintance to free merchandise by not scanning a portion of the items in the order, including DVDs and health and beauty items. She then applied her employee discount to the remaining balance. The investigators found \$816 of "missed" scans in just six transactions during the preceding weeks. If undetected, this sweethearting would have led to \$7000+ in stock loss within a year.

Case 2: To ensure that everything looked good on camera, one team member dutifully scanned and bagged the items of a transaction for herself, then surreptitiously cancelled all but one. She managed the scam for months without detection. The first day of using Secure, a loss fraud analyst found a fraud in which \$66.51 worth of merchandise was sold for \$0.95. The investigator quickly found seven more incidents of similar actions. In addition, the investigator found that the same cashier had rung \$5,469 in consumer transactions to her personal loyalty card, reaping the benefits.

Case 3: One cashier was stealing cash by "refunding" money using a coupon outside of transaction reason code. The employee conducted about \$24,000 in such refunds using multiple cashier IDs. That amount was 12 times more than the total for any other store.

Case 4: A mother supplemented her adult daughter's grocery budget by about \$250 per week by scanning fewer than half of the items in the order, and then only low-cost purchases. CCTV footage showed her stacking packages of meat three high and scanning only one. The annualized value of the scam was \$8,000 if it had not been stopped.

Most Frequent Cashier Frauds



Under-rings



Voids



Refunds



Discount abuse



Loyalty abuse



Voucher/coupon abuse

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