

Fraud Trends and Prevention Strategies

NRT LOSS PREVENTION JUNE 12-16- 2010 / SAN DIEGO CALIFORNIA CONFERENCE & EXPO SAN DIEGO CONVENTION CENTER Agenda

- What is Omni-Channel Retailing and how does it apply to LP?
- Leveraging partnerships within your organization
- · What types of controls should I be looking at?
- Tools needed to develop a risk strategy
- · Supply Chain tie in
- Recap/Questions





Omni-Channel Retailing

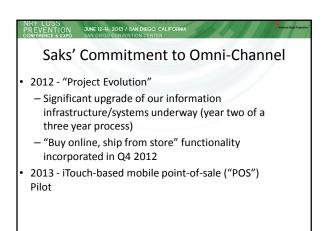
Definition: Omni-Channel Retailing is an evolution of multi-channel retailing but is concentrated more on a seamless approach to the consumer experience through all available shopping channels, i.e. mobile internet devices, computers, bricks-and-mortar, television, catalog and so on. (Wikipedia)

Saks' Commitment to Omni-Channel

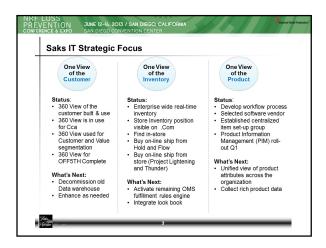
2000 Saks.com launch
2011 – Introduced Saks Fifth Avenue mobile application.

2012, Free Wi-Fi networks rolled out to all SFA stores

i Pads in all of our SFA stores









• Asset Protection immediately took the lead in the discussions related to:

- Establishing AP best practices

- Vulnerabilities to theft/fraud

- Ability to track devices

- Ability to monitor transactions

- Ability to capture all activity via CCTV

Mobile POS and Saks AP

March 2013 – Subgroup of AP/IT members met and discussed ways to physically monitor mobile POS devices utilizing video and EJ

April 2013 – AP/IT toured ISC West to identify technologies that would assist in meeting established objectives related to video and technology tracking

Mobile POS and Saks AP • April 2013 – June 2013 (Next Steps) — Identified test store — IT/AP met vendor at test store to review functionality, test application and assess opportunities — Preliminary test results currently being shared with business partners

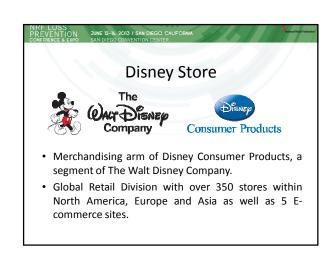
Mobile POS Best Practices (Saks) - Associates cannot process any transactions in non-selling areas - Associates would not be permitted to leave the store with mobile POS devices. - Associate transactions must be processed by a member of Management team - All Associate transactions require a printed receipt.

Mobile POS Best Practices (Saks)

 Designated locations identified on the sales floor where refunded merchandise is to be brought following the completion of a return transaction.

 In the short term, Wrap stations will be fixed locations on the sales floor.

 EMCs would be stored at the wrap station and are not permitted to be carried by Associates







Mobile POS **What types of transactions and discounts are/or should be considered on Mobile POS devices? **Insuring proper naming conventions of Mobile devices to differentiate from standard POS.** **Mobile device physical controls** **If using a Mobile App – does your purchase history get stored in a centralized returns database?**

E-Receipt Usage Consider whether or not to allow them on Mobile devices. Add an attribute to identify when an E-receipt is issued. Are there controls to prevent multiple distribution? Do I have the ability to Query/run velocity reports for multiple receipts going to the same email address?

Buy In Store / Ship to Home Purchases made in store on POS system and shipped directly to the Guest Does your online POS system interface with your B&M POS system? Order Cancels / How to flag these sales for exception reporting and analysis? What kind of velocity reports can I generate?

