



by Robert L. DiLonardo

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Alpha Shuts Down a Shoplifting Store

Anthony C. Radford apparently was trying to help shoplifters while turning a profit for himself. Doing business under the name of Castleton Enterprises, Radford used Internet web sites and blogs to promote and sell products designed to defeat EAS tags, Keepers™, and other benefit-denial devices. He even authored a book that was offered for sale.

One of Radford's "star" products, the Blackjack 360, can be used to release the locks on some of the product portfolio of Alpha® High Theft Solutions™, a division of Checkpoint Systems. Unfortunately for a few retailers, his online business was very good...for awhile.

His "store" caught the attention of The Kroger Co.'s organized retail crime (ORC) unit. Kroger immediately alerted Alpha to the potential problem. Under the leadership of Carlos Perez, the company's director of marketing, Alpha investigated the situation and directed its attorneys to send a "cease and desist" letter to Castleton Enterprises. Subsequently, the original web sites were shut down, only to quickly remerge for business as usual under different banners.

By systematically tracing the available information through the book's publisher, Alpha and its attorneys finally identified and located Radford, and served him with a lawsuit in January 2010. Shortly thereafter, the suit was ostensibly settled with Alpha requesting that Radford provide:

- A complete list of the proprietary products that were sold or for sale,
- A complete list of the tag-removal products that had been offered for resale,
- The names, addresses, and contact information of all customers to whom any removal products were sold,
- A complete list of manufacturers who supplied products, sub-assemblies, or parts to make the Blackjack 360 product,
- A complete list of all pending sales for tag-removal products and the Blackjack 360, and
- A copy of the book *Shoplifting, Loss Prevention, and Merchants: The New Generation*.

Alpha reports that as of this writing, Radford has not been willing to finalize the settlement. Accordingly, Alpha's

legal team will continue to prosecute the civil suit filed in Ohio.

The retailers who alerted Alpha to the situation are happy with the outcome. "Part of Kroger's standard ORC protocol is monitoring the Internet for indications of potential illicit activity," said Kroger's director of loss prevention, Karl Langhorst, CPP. "We found [Radford's] web site, alerted Alpha, and are very satisfied with the measures that were taken."

Joint Operation by Manufacturer and Retailer

We are accustomed to hearing about joint investigations among retail loss prevention departments and local, state, and federal law enforcement authorities, especially relating to ORC activities. But, the same type of cooperation exists between retailers and security equipment manufacturers.

Because of the Radford case, Alpha has included the routine scouring of the Internet, shopping sites such as Craig's List, and the dark corners of the blogosphere as part of the extra service it offers to customers.

The Alpha team spearheaded another investigation, this time with the cooperation and assistance of the asset protection department of a large global retailer. In March the team uncovered the identity of blogger Michael Filev who was selling Alpha detaching keys over the Internet. A transaction was arranged with payment in the form of gift cards from a well-known retailer. Alpha alerted the retailer and a sting was devised. Alpha was instructed to proceed with the transaction, and Filev received numbered gift cards in payment for the detacher. Unbeknown to Filev, the retailer tracked the redemption of the cards, and was able to obtain his personal information.

CVS Caremark's loss prevention department also has a vested interest in these collaborations, and hopes to encourage even more cooperation. "These cases are of vital interest to us," said Tony Sheppard, the manager of CVS Caremark's ORC team. "We look forward to working with other vendor partners on ways to jointly reduce shrink."

The Internet as a Game Changer

In the early 1970s, Sensormatic, Knogo, and Checkpoint, the pioneers in the anti-shoplifting equipment industry,

devised a number of lock types that required special, difficult to duplicate (or find) removal equipment commonly known as detachers or decouplers. All of the original locking methods are still in use today.

Back in the day, which, by the way, pre-dated cell phones, faxes, PCs, and the Internet, erstwhile shoplifters had no readily accessible source of information on how to steal or defeat EAS tags. Accordingly, the industry didn't really worry too much about a mass compromise to an EAS program. If a retailer began to "squawk" about seeing detachers at flea markets, the manufacturers added locks, chains, and identification numbers for tracing purposes. Problem solved.

As these two cases demonstrate, the Internet, the blogosphere, and other rapidly evolving communications media provide instantaneous and potentially large forums for the dissemination of information—legitimate and illegitimate, legal and illegal. Retail loss prevention organizations must recognize these potential threats. It is encouraging to hear about the same type of cooperation between a retailer and one of its security equipment manufacturers. In this case, Alpha demonstrated that it is not only heavily involved in protecting its own intellectual property rights, but also ready, willing, and able to clamp down on an enterprise that could have seriously compromised item-level security and resulted in significant inventory losses for its retail customers. ■

Magruder Loses Battle with Cancer

Art Magruder, 60, retail national account manager for ADT based in Atlanta, Georgia, passed away May 1st after fighting a courageous battle with cancer. Magruder joined ADT seven years ago and during his tenure developed strong relationships with several major accounts, including Belk Department Stores, Cato, Hibbetts Sports, Macy's, Off Broadway, and Saks Inc.

Magruder was admired by many in the LP industry for his professionalism and upbeat, positive attitude. He was also a respected board member of the Foundation Fighting Blindness.

"Art was one of the true gentlemen in our industry," says Robert "Bob" Vranek, vice president of LP for Belk. "He had no customers; only good friends that he sometimes sold LP equipment to."

Chad McIntosh, vice president of LP for Macy's south central region, concurs. "Art Magruder was a true Southern gentleman and a consummate professional. He always made me feel special, as if I was his only customer. His activities and caring attitude extended well beyond the business world. He will be missed by me in both my



Art Magruder

professional and personal life. If you didn't have the chance to know and work with Art, you missed an incredible experience."

A dedicated family man, Magruder is survived by his wife, Sharon, three children, five grandchildren, and several great nieces and nephews. In lieu of flowers, donations can be made in his name to the American Cancer Society. ■



RETECH NA Draws U.S. and Latin American Retailers to South Florida

Brand Elverston, director of asset protection systems and analysis for Wal-Mart (above), discusses retail loss prevention today and in the future at the recent Retail Technology Symposium of the Americas 2010 (RETECH NA), cosponsored by ADT Security Services and *LossPrevention* magazine. The event drew more than 180 attendees from the U.S. and Latin America to discuss technologies that are helping retailers not only with loss prevention and theft, but also with more effective and efficient business operations.

Al Meyer, senior vice president, business development for Retail Forward, Inc. gave the group an overview of the retail industry and future trends. Other speakers included Aristotle Ginarte, senior director of LP for Abercrombie & Fitch; Paul Pillsbury, director of LP for Big 5 Sporting Goods; Robin Pendergraft, profit enhancement manager for Food Lion; Brendan Alexander, director of LP at Best Buy Canada; David St. Angelo, director of physical security and product protection for CVS/Caremark; and Terry Hennessee, director of merchandising shrink control for Lowe's Companies. Each presenter gave real-world examples of technologies being used in retail to improve business processes and operations.

The April 12 – 14 event in Delray Beach, Florida, included a presentation by eBay's global director of asset protection, Paul Jones, together with Claude Verville, vice president of loss prevention, safety, and hazmat at Lowe's Companies, discussing how the two organizations have worked together to identify and limit incidences of shoplifting and organized retail crime.

The use of radio frequency identification (RFID) for real-time inventory and visibility in the retail environment