

Why Your Programs and Promotions Get Ripped Off

By Derk Boss

Your promotion was VERY popular, but unfortunately ... it was only because your employees were ripping you off.

The Cage Director was worried and confused. Over the last two days, she had way too many winning scratch tickets being turned in for cash. And what was worse, the winners were employees, and they were winning the larger prizes! Something wasn't right.

The scratch ticket promotion was started by Marketing to encourage guests to play. Play a slot machine or a table game, and an employee would give you a scratch ticket. The ticket itself had three squares that you scratched off. If the amount listed was the same in all three boxes, then that was your prize. Cash prizes ranged from \$20 to \$200. For some reason, employees (and nobody else) were winning.

The Cage Director picked up the phone, called the Surveillance Director, and told him her concerns. Although he wasn't aware of the promotion, he promised to investigate.

It didn't take long. Surveillance located where the tickets were being issued and began observing to see how they were handled. At the first location they checked, they hit pay dirt. At the Players Club, they watched as club employees held a small flashlight to each ticket. Some tickets were then set aside, and others returned to the original package. Surveillance watched as the tickets set aside were scratched and, lo and behold, each was a winner of \$50 or more! These winners were cashed by employees after their shift. Some walked away with over \$500! Employees from other departments were doing the same thing.

Evidently, someone figured out that you can locate the winning tickets by holding a light underneath the ticket, allowing the hidden symbols to be seen. Of course, it didn't take long for that information to get out to all employees, and soon everyone was taking advantage of the mistake. No one thought to notify management (no surprise).

The promotion was ended immediately. However, the damage had been done. Thousands of dollars had already been lost, and many of the guests were upset and claimed that the promotion had been fixed.

Not a good result for a promotion intended to reward players, not employees.

A bad result, but a good lesson.

As a former surveillance director, I've investigated a number of thefts and frauds that occurred because someone took advantage of a well-meaning, but poorly designed promotion. Unfortunately, by the time an investigation is conducted due to promotional

theft or fraud, a lot of money or value is already missing and there is little, if any, chance of recovery, and there is significant reputational damage inflicted. What can you do?

1. Make sure your surveillance department is aware of your new promotions. If they don't know what's out there, they can't protect it.
2. Work with your surveillance department to ensure your promotions and programs have been assessed for potential risks and vulnerabilities. Remember that you are the expert at marketing, and your surveillance department (or Security/Loss Prevention department) is the expert at loss prevention. They can help you protect your program by recommending standard controls and best practices that will reduce the opportunities for theft and fraud.
3. Monitor your promotions for suspicious activity, or higher than expected redemptions or wins. If your promotion is extremely popular, it may not be because it's a fantastic promotion; it may be that there is a weakness in the promotion that is being exploited (and likely is).

If you follow the above three recommendations, the risk of your promotions being ripped off is reduced dramatically. And that, my friends, is where we want to be.