

PARTNERING WITH RETAILERS

by Paul Jones



Becoming more proactive, plus developing stronger working relationships with retailers has kept eBay's PROACT group extremely busy in recent months.

In October our entire team attended the Northeast Organized Retail Crime Conference in New Jersey. The conference was well-attended by retailers and law enforcement. It was apparent that the majority of those in attendance shared the same sentiment—working together has proven to be more productive for everyone involved. Spending quality face-to-face time with LP professionals and law enforcement allowed our team to establish new relationships and solidify existing ones. Our PROACT team also identified unique investigative techniques used by retailers that will enhance our eBay investigations.

We have also extended an open invitation to anyone interested in visiting either our San Jose campus or Salt Lake City service center. To date, we have hosted five major retailers. During these visits, LP professionals had the opportunity to sit down with the various eBay functional groups that are working closely with PROACT, review open cases, and receive a briefing on current programs eBay employs to ensure we have a safe and trusted site. We identified additional opportunities and brainstormed solutions that will help retailers combat organized retail crime.

As important as we feel it is to have LP professionals visit eBay, it is equally valuable for PROACT investigators to spend time with them out in the field. One of our investigators had the opportunity to ride with a retail ORC investigator for a day. Providing a chance for eBay investigators to observe issues through the eyes of LP experts and share best practices is something we plan to continue.

PROACT currently averages eighty investigations a month, with about half of these cases resulting in the identification of a possible suspect involved in illegal behavior. These suspects are no longer able to sell potential stolen goods on our site. Many will be turned over to law enforcement. I am happy to report that we are continually improving our ability to identify potential suspects earlier by conducting internal training, building our data analytics capabilities, and working closely with retail partners.

Within eBay there are several groups that work closely with the PROACT investigative team, including seller vetting, merchant fraud, and pro fraud. Collectively, these groups employ hundreds of people dedicated to proactively scouring the site for suspicious activity. We have launched an internal training program aimed at educating these groups about ORC and training them to identify potential sellers of stolen property. I am pleased that some of our retail partners have committed to participate in this ongoing training.

To continue to build upon our asset protection foundation, we have added a senior programmer who is more enthusiastic about analytics than anyone I have met. He is currently building our third generation



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In 2006 an eBay investigator began working with Special Agent Brian Brusokas of the Chicago FBI on an investigation related to an individual suspected of selling stolen property on-line. At that point, there was not sufficient evidence to make an arrest. However, in July 2009 Brusokas arrested the suspect after compiling additional records provided by eBay and a retailer who had conducted their own investigation.

The individual eBay user was charged with one felony count of mail fraud and is believed to have sold in excess of \$2 million dollars of women's lingerie, golf clubs, dog collars, and headlights between 2005 and 2009. It is worth noting that the overwhelming share of the ill-gotten items were not sold on eBay, but were fenced in other venues, both on-line and off-line. eBay's strong partnership with law enforcement was key to closing the case.

of exception reporting and our first generation PROACT dashboard. To assist us in this next phase, we also hired an LP industry consultant to review lessons learned on previous cases and prepare a meaningful menu of exception reports. Once the reports are validated, they will translate into fraud models and new rules for our rule engines that will proactively help us prevent bad actors.

2009 was an exciting year for us. PROACT has more members than ever before. We are pleased with the success we have had thus far, and look forward to even more success in 2010. Again, I would like to extend an open invitation to anyone who would like to visit to see first-hand what we are currently working on.