



assisting LE and LP professionals in combating ORC issues, and our continued efforts to develop and implement innovative solutions addressing that challenge.

### Partnering with Retailers

We are willing to assist when retailers' best efforts and their own loss prevention programs are defeated, as eBay continues its work with law enforcement and retailers to stop crime in their stores. Theft is a societal problem, and eBay is also a victim of this crime. It is an unfortunate fact that with any channel of commerce, whether brick and mortar or an Internet commerce site, there are criminals who attempt to beat the system. As we work to tackle this issue, we must be realistic about the impact the Internet has had on ORC. With the birth of the Internet, we didn't see the birth of ORC.

If anyone attempts to abuse our site, we'll help send them to jail. eBay supports increased funding for law enforcement and increased penalties for ORC offenses. Our interests are aligned with ensuring bad actors stay away from our community.

Our teams are working diligently to improve and continue building strong relationships with retailers and the LE community as an active investigative partner. We take every opportunity to educate them about our programs, including enhanced systemic rules, filters, and clear policies around preventing fraudulent activity. Membership in PROACT has grown to more than 200 retailers who are actively participating in this joint sharing of information to detect bad actors.

PROACT helps retailers work directly with eBay's trained Fraud Investigation Teams to report suspicious activity and investigate potential cases of theft. For example, a retail investigator contacted their assigned PROACT investigator after using the available APIs on the site and became suspicious of a seller with a significant amount of diabetic test strips. An

investigation immediately commenced that identified that the user had recently shifted to almost exclusively selling diabetic test strips. Based on a joint investigation and further research, including some control buys of the product, the user was identified and subsequently arrested for possession of stolen goods.

We are fully committed to being good corporate citizens and remain one of the most trusted e-commerce brands in the world today. And engaging with us is easy; just contact me or Stoney Burke at [paul.jones@ebay.com](mailto:paul.jones@ebay.com) or [sburke@ebay.com](mailto:sburke@ebay.com).

We strongly recommend you become familiar with the tools that already exist to members of the eBay community, like the seller feedback mechanism and buyer history functionality. The platform was built so buyers and sellers can communicate, learn about each other, and feel comfortable with conducting business interactions. If you bid on or purchase an item on eBay, you have access to additional seller information as well. And, don't ignore eBay's advanced search function, as one of the unique features of this option allows users who may be investigating thefts or losses of a particular item to monitor for listings of those items.

### What's Next?

You have my personal commitment that we will continue to build effective strategies by collaborating more closely in 2010 and leveraging the strong partnerships and technology with the NRF and FBI. We are still in the early stages of implementing internal reforms, and the best is yet to come.

Earlier this year, we introduced a new operating function within our government relations group, called Global Asset Protection. This structure will horizontally support and align our pyramid objectives, and houses the Regulatory & Policy, Data Analytics & Tools, and Investigations groups that support the corporate mission. These groups are led by our Deputy General Counsel, a former Assistant U.S. Attorney.

Our evolution includes shifting the priorities and focus of our well-trained global Fraud Investigation Teams into a more proactive role. We will continue dialogue with our internal business unit partners to advance and create new tools to vet, deter, detect, and prevent stolen goods from reaching the site, and notify the true owners. Our cross-functional business partners are fully aligned on strategy and are truly excited by this paradigm shift in relation to our operating business model.

We look forward to a long and productive partnership with you. ■

