



Lodge Service UK

Profit Protection Specialists
Supporting Charity Retail

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Lodge Service (UK) Ltd



About Lodge Service


Lodge Service was established in America in 1919 as a traditional test purchasing company.

We are a family run business, who specialise in supporting independent retailers by providing outsourced loss prevention services.

We are platinum members of the Charity Retail Association and we work closely with their membership to support their security and loss prevention needs. Our clients include such names as the British Red Cross, BHF, Sue Ryder Care, Marie Curie Cancer Care and Scope, as well as a wide variety of a number of smaller hospice charities.

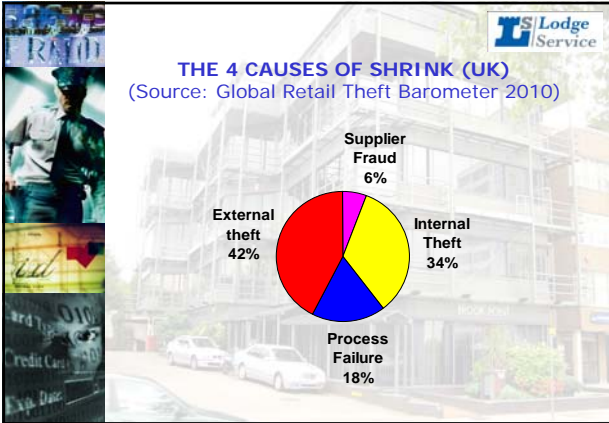
We have a team of experienced, field based loss prevention managers operating on a national basis, able to respond at short notice to clients requests.

All our team have proven track records in commercial LP and the majority are ex-police officers.



Lodge Services

- Point of sale Test Purchasing
- Test Purchasing with added value 'Mystery Shopping (TP Plus)
- Procedural compliance audits (security, H&S, Gift Aid)
- Cash and stock loss investigations
- Covert vehicle tracking / CCTV
- Staff searches
- Mystery Volunteers
- Staff Security Awareness Workshops
- Store risk assessments




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- Overview Of Retail Crime**
- Latest figures available from the British Retail Consortium indicate that 82% of retailers have experienced some form of crime in the last 12 months
 - 43% reported thefts by customers, 25% reported threats of violence against staff, 28% reported incidents of staff theft
 - No precise figures available for the charity sector but losses believed to be same or more
 - Lodge Service has carried out 207 investigations on behalf of charity clients since Jan 2010
 - Prevalent offences include theft of stock, for future sale (eBay) and cash theft (tills and banking) and offences related to Gift Aid

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- Retail Crime cont.....**
- 1 in 3 of the adult population has a criminal conviction
 - 50% of those have a conviction for dishonesty
 - The Charity Sector is seen by some as easy pickings, due to difficulties in tracking donated stock, lack of sophisticated EPOS systems
 - Charity work involves a great deal of trust, which can be exploited



CASE STUDY 1

- An Area Manager was concerned about the quality of the donated items & store takings had diminished over a period of months. It had been reported that the Store Manager had been 'putting items aside'
- Lodge Service carried out a targeted search on a Saturday – the Manager was found removing 15 items of jewellery & glass ornaments and was found to have been running an e-Bay site for 18 months




CASE STUDY 2

- A small charity were concerned that a member of staff was under-ringing items and keeping the difference, making the store takings below average. The Area Manager interviewed him but could not prove the theft
- Lodge Service carried out a series of Test Purchases and discovered the person concerned was pocketing the cash on a regular basis. He admitted the theft during interview - the charity decided to dismiss him but not to prosecute



CASE STUDY 3

- A store manager was concerned about the quality of goods brought back by a van collection driver
- Lodge Service carried out a covert operation which confirmed the driver was taking the bags home and sorting the best bits for himself. This was 1 of 46 similar incidents last year alone




GIVE AID ON DONATED GOODS

- Allows the charity to claim back an additional 25% of the value of the donation at no additional cost to the charity or the individual.
- HMRC rules must be scrupulously followed to avoid rejection of claims and compromise of Gift Aid process.
- If a single claim is investigated and subsequently rejected by HMRC, they are likely to reject the entire submission.
- Opportunities exist for intentional fraud and inadvertent breaches of process.




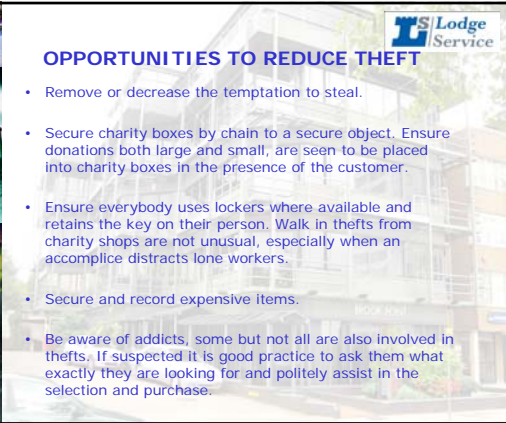
GIVE AID ON DONATED GOODS Case Studies

- A shop was reporting near perfect Gift Aid take up, despite having relatively poor sales figures and some management performance issues.
- An investigation revealed that the Shop Manager was applying Gift Aid to virtually every stock donation using pre-assigned donor numbers (her own, her volunteers and existing donors)
- It was established that this was done to boost the shop performance and to raise her own profile, rather than an attempt at personal gain.



GIVE AID ON DONATED GOODS Case Studies cont...

- A Shop Manager was found to be re-claiming large amounts of Gift Aid from her own donated goods. In addition, a number of her friends and family were found to be registered as GA donors and they were also re-claiming the cash from the sales.
- An investigation established that the majority of the stock claimed to have been donated by the Shop Manager and her associates had been donated by other people. The Shop Manager had simply used her own Donor Number and claimed the cash from other peoples donations.

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OPPORTUNITIES TO REDUCE THEFT


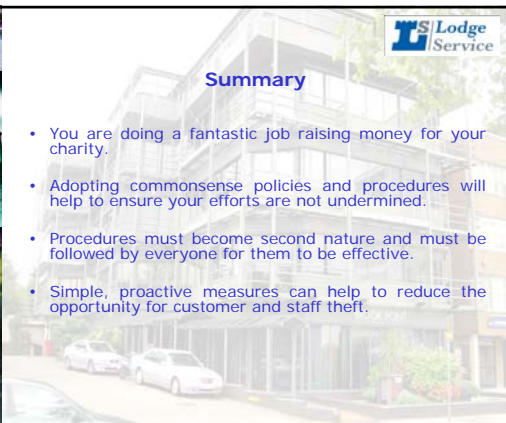
- Remove or decrease the temptation to steal.
- Secure charity boxes by chain to a secure object. Ensure donations both large and small, are seen to be placed into charity boxes in the presence of the customer.
- Ensure everybody uses lockers where available and retains the key on their person. Walk in thefts from charity shops are not unusual, especially when an accomplice distracts lone workers.
- Secure and record expensive items.
- Be aware of addicts, some but not all are also involved in thefts. If suspected it is good practice to ask them what exactly they are looking for and politely assist in the selection and purchase.




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OPPORTUNITIES TO REDUCE THEFT

- Be aware of body language, are they evasive resisting help or breaking eye contact and watching staff rather than looking at the goods
- Check price ticket agrees with item presented for payment
- If price ticket missing – remove from sale until re-priced
- Check bags do not have stock concealed inside.
- Beware - thieves often strike when it is quiet such as first and last hour of the day – staff levels often lowest
- Smile and greet each customer

TS Lodge Service

Summary

- You are doing a fantastic job raising money for your charity.
- Adopting commonsense policies and procedures will help to ensure your efforts are not undermined.
- Procedures must become second nature and must be followed by everyone for them to be effective.
- Simple, proactive measures can help to reduce the opportunity for customer and staff theft.



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