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## securitybrief BY BARRY BRANDMAN

### let the buyer beware

THE CALLER ON THE OTHER END OF THE line was obviously distraught. And with good reason. The man, who owned a distribution company that handled a lot of high-value goods, had just seen his latest inventory shrinkage reports and the results were not what he expected. Just six months earlier, he had outfitted his fleet with expensive global positioning system (GPS) equipment to crack down on theft. He had meticulously tracked each of his trucks' movements throughout the day and was confident that none of the drivers had veered off route at any point. You can imagine his shock when he found that despite his GPS investment, shrinkage had reached an all-time high.

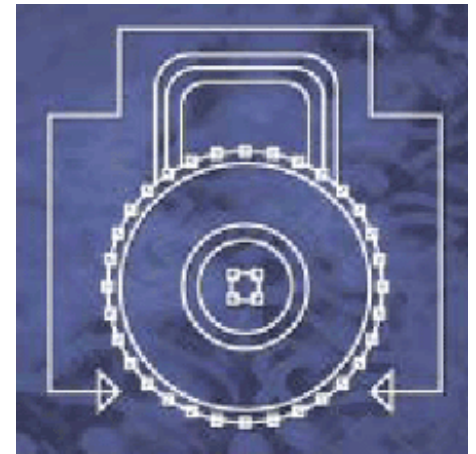
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Though the owner protested that his drivers couldn't possibly be responsible, a security consultant's investigation confirmed that it was indeed several of the truckers who were stealing from their employer. It wasn't small-scale pilferage either; they were making off with thousands of dollars worth of goods each month. How could that be when the GPS tracking units proved the drivers never detoured from their assigned routes? Simple. The drivers simply loaded extra products onto the trucks and sold them directly to some of the distributor's regular customers for cash.

That's just one way drivers have found to circumvent GPS tracking systems. Others have arranged to have their accomplices meet them at or near one of their legitimate delivery stops or at rest stops along the route. As long as the trucks remain on course, a tracking system will not provide any indication that something's amiss.



Though the usual response to rising theft is to seek out a high-tech solution, technology is rarely the answer. As the distribution company's owner learned to his sorrow, whatever human ingenuity can create, human ingenuity can circumvent. Take scanning systems, for example. When scanning technology first came on the market, it was billed as a way to end collusion on the shipping and receiving docks. Yet internal theft in the distribution industry hasn't slowed in the slightest. Why not? It's simple: Thieves simply don't scan the product they steal.

It's a similar story with video systems. Companies that install CCTV rarely see a return on their investment. Part of the reason is that most companies can't afford to have someone sit and watch a monitor all day (or review security tapes all night). But even if they could, it's unlikely that the viewer would notice anything amiss. Large-scale theft tends to look exactly like routine operations. At one wholesale

outfit, a receiver managed to steal more than \$400,000 worth of goods a year in full view of the security cameras. He would sign for full inbound shipments but allow certain drivers to keep cases on each delivery. Though a security guard and a warehouse supervisor both had video monitors at their workstations, neither ever detected the scam going on right under their noses.

Even the latest technological breakthrough is likely to disappoint those seeking a failsafe anti-theft system. At a recent seminar on radio-frequency identification (RFID) technology, I asked the speaker whether he thought RFID tags would deter employee theft. No, he replied. If the workers handling the goods wanted to defeat the RFID system, they'd probably be able to do so.

The bottom line is that while it's tempting to pin your hopes on technology, you need to be realistic. The high-tech device hasn't been invented that a dishonest employee, vendor or contractor hasn't found a way to circumvent. When it comes to security technology, let the buyer beware.

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