

New Technology Prevents Internal Loss

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When a dishonest employee steals at the point of sale, it's not only a huge disappointment to the store that trusted that individual, but it's nearly impossible to detect without a lot of man hours to keep constant watch.

The introduction of new loss prevention technology from StopLift Checkout Vision Systems may alleviate this issue. StopLift technology can detect when cashiers pretend to scan merchandise but bypass the scanner. This type of theft is commonly referred to as "sweethearting." The customer is often an acquaintance of the cashier, making the criminal behavior difficult to detect.

"The No. 1 thing is sweethearting, by its nature, involves friends and family. In college, everyone is everybody's friend," said StopLift CEO Malay Kundu. "I would think it would be more rampant than it is in any other kind of store."

StopLift's technology digitally analyzes videotapes to identify loss at the checkout. Dishonest cashiers can be identified based on video evidence the first time they attempt to sweetheart, rather than months or even years down the road. That reduces shrinkage and boosts profitability, said Kundu.

While almost every business installs closed-circuit television as a loss-prevention technology, Kundu said that technology is also the most underutilized.

"We call it 'stored and ignored.' Now, since we can actually digitize it, we can have software look at it," he explained. "And by looking at it, you extract the value from it. If you look at the statistics, one-third of all shrinkage happens at the register. What's ironic is, retailers know this and, as a result, they always have cameras on the checkout. It's being recorded and it's not being looked at. One-third is actually caught on tape; they just don't know where to find it. That's where we thought of using computer vision techniques to look at that video."

The patent-pending technology features software that analyzes, pixel by pixel, the interaction between the human and the merchandise. It can detect when a cashier is faking a scan, whether by bypassing the scanner or covering up a bar code.

"It's doing what a human could have done if they were watching the video," Kundu said.

Once a transaction is tabbed as suspicious, the software logs the information in a file for a loss-prevention investigator or manager to view later.

The software does produce false positives, but Kundu said it's a small percentage and his company has implemented a number of techniques to reduce them.

The software, although mainly used for stationary scanners, is available for some handheld scanners, and StopLift is working on making it available for all scanners.

To learn more about the technology, go to www.stoplift.com/.

—Dan Pender