

## Case Study: e-fencing

### Mississippi—1:00 a.m. Wednesday Morning

Sheriff's officers approached the door of the suspects' apartment located in Mississippi. Using forcible entry, they broke into the apartment and arrested both suspects without a struggle.

Inside the apartment, they found thousands of dollars in cash, stolen merchandise, and drugs. More importantly, they also found very neat and detailed financial records dating back several years.

The whole story reads like a script from your favorite TV investigative show where everything gets wrapped up nice and neat in just one hour.

*[Flash Back 48 Hours]*

### Alabama—Monday Morning

He was on the move again. His car had just pulled into their store's parking lot. Our client knew the suspect well. He was a drug user and had been stealing from them for years, traveling from store to store across several states. They had busted him several times before for shoplifting, but nothing large enough to make a difference.

Our client suspected that he was part of a large theft ring that was fencing stolen merchandise at on-line auction sites.

This time, it was going to be different.

Four weeks earlier, our client had made a decision. They had had enough. They contacted the SRI Group in New Jersey where a plan was put into place. A GPS tracking device was placed on the suspect's vehicle in Alabama.

Meanwhile, the SRI Group investigated several on-line auction companies. It didn't take long. Within fifteen minutes, they had

found our client's merchandise for sale at several on-line auction companies.

According to Tina Staats, an investigative accounts manager for the SRI Group, "In fifteen minutes or less, I can find an e-fencing case on the Internet worth at least twenty-five thousand dollars. Most of these fences have been selling on-line for years."

How much money is this costing your company each day?

Further investigation identified several possible fences. The closest one to our suspect geographically was traced back to an address in Mississippi. Just in case they were related, the SRI Group arranged for another private investigator to handle the Mississippi end of the investigation.

As the suspect walked out of the store in Alabama, the SRI Group had a private investigator waiting for him. Using video surveillance, the investigator recorded the suspect loading merchandise into his vehicle and then trailed the suspect when he left.

Thus began a forty-eight hour, fast-paced investigation trailing a suspect for over three hundred miles across three states, utilizing three private investigative firms. It ultimately led to an additional suspected fence located in New Jersey and involved the FBI.

Using the GPS vehicle tracking device, our investigator followed the suspect to several of our client's locations where he was observed and videotaped loading merchandise into his vehicle. So as not to interfere with the investigation, each store was notified just before the suspect entered the location and was instructed not to stop or detain him.

Why pay retail, when you can get it on-line for half price?



The simultaneous coordination in real time of all the players in multiple states by the SRI Group was the key to this investigation.

It became tricky when the suspect stopped at a store operated by one of our client's competitors. We tipped off the competitor and asked them not to interfere. They agreed.

### Mississippi—Monday Night

The Alabama suspect's vehicle was tracked from Alabama to Mississippi and ended up at an apartment that matched the exact address of the suspected Mississippi fence. The SRI Group had its private investigator set up video surveillance at the apartment and another GPS vehicle tracking device was placed on the second suspect's vehicle. Now both suspects could be tracked.

### Mississippi—Tuesday Morning

The Mississippi suspect's vehicle was trailed by the investigator to his workplace. After a little more research by the SRI Group, they discovered that the suspected fence was a rather prominent Mississippi citizen.

Meanwhile, the original suspect from Alabama had a rather busy day "shopping." We tracked him to several of our client's locations ranging from Mississippi to Louisiana and then back again to the apartment in Mississippi. While there, he was videotaped carrying a bag and large box full of merchandise into the apartment.

At this point, we felt we had enough evidence. We had our private investigator approach the local district attorney's office and a search warrant was issued.

### Mississippi—1:00 a.m. Wednesday Morning

Sheriffs' officers made the bust. Drugs, cash, and about \$10,000 of merchandise from three different states and from several different retailers were recovered. All very important, but the most significant piece of evidence were the bookkeeping records they recovered. These records contained the details of a criminal enterprise that had been operating for several years. It clearly documented the receipt of (presumed) stolen merchandise and its subsequent sale on-line amounting into the hundreds of thousands of dollars.

The records also contained information leading to another fence located in New Jersey that was already the subject of an on-going FBI investigation for e-fencing.

This entire investigation, which involved three separate private investigation companies and covered four states, was all planned,

coordinated, and controlled by the SRI Group from their offices in Cherry Hill, New Jersey.

### e-fencing

No one knows for sure how much stolen merchandise is being sold on-line. According to a CNBC segment that aired in January 2007, their reporters estimated that on-line e-fencing is a \$37 billion per year business.

With on-line e-fences selling new merchandise in original factory-sealed packaging and receiving as much as 70 to 90 percent of its retail value, you can bet that a large portion of your stolen goods are being sold on-line right now.

### The SRI Group

The SRI Group provides investigative services, including e-fencing, surveillance, undercover operatives, general investigations, and integrity shopping nationwide.

The SRI Group has successfully completed numerous e-fencing cases, two of them in amounts exceeding \$1.3 million and \$920,000.

According to Hamid Kreidie from the SRI Group, "Lots of retailers tell us that they can do their own e-fencing investigations, but they just don't seem to get to it. I still see their merchandise being sold on-line by the same e-fences month after month." Kreidie goes on to say, "We are so sure we can lock up an e-fencing investigation, we'll take some cases on a contingency basis."

The SRI Group is a division of Security Resources, Inc. To learn more, call 877-477-9638 or visit on the web at [www.srigroup.biz](http://www.srigroup.biz). ■



**Selling stolen goods has never been easier.**