



The
Organized
Retail Crime
Resource Center

ICE IN HIS VEINS, LITERALLY

An Interview with John Matas, VP of Asset Protection, Investigations, Fraud & ORC, Macy's
- By Amber Bradley

If you ask John Matas what has taught him the most about leadership, he'll tell you ice hockey, specifically coaching ice hockey at different levels. John has coached high school ice hockey for over 18 years; the man literally has ice in his veins. It's that quality makes him a perfect

candidate for becoming one of the nation's leading voices on asset protection, investigations and tackling organized retail crime.

Dramatic Changes

John Matas, CFE, CFI, has been Vice President Asset Protection/Investigations & ORC (Organized Retail Crime) at Macy's, Inc. since 2009. He also deals with asset protection and employee theft in more than 700 stores at Macy's. With over 30 years of experience in the security field, John has been described as an energetic, smart, and inspiring leader.

Always eager to speak out about the state of ORC and ORC activists today, John says ORC isn't a new phenomenon. But, he says, he has seen dramatic changes in the "techniques" used by organized criminals over the past few years. He contributes these changes to the expanded ability of ORC operators' access to omnichannel commerce and the continued ability to fence merchandise easily and anonymously.

Cat and Mouse

John admits that all retailers face a "constantly evolving environment" as they try to not only service but also protect, their customers. Organized crime rings today include cybercrime, fraudulent gift cards and credit cards, identity theft, website hacking, and even the use of robots that continually enter account numbers into computers until they find ones that work. "The availability and expertise of the technical resources available to the criminal community is amazing. It's a never-ending game of cat and mouse," says John.

The LP professional has a tough job staying ahead of the bad guys. John points out that it is very important to stay relevant in this ever-changing field. Security personnel must understand the new computing and network technology and try to use reverse engineering to stay one step ahead of the criminals. In the long run, developing offensive maneuvers gets much better results than reacting defensively.

John warns that without resources and legislation, the future growth of ORC activities will be detrimental to the retail sector. ORC's reach is growing rapidly. "It is not just a bunch of shoplifters hitting retailers. These criminals are part of individual conspiracy operations that use retailers as their means for theft, fraud, counterfeiting, and money laundering activities." John believes that the negative impact of ORC is under-calculated, citing that industry numbers are reported based on participating retailers' feedback. "What about all those retailers that aren't reporting theft loss, especially the types of loss not typically associated with ORC such as fraud, brand counterfeiting, cyber activity, identity theft, etc.?" he asks.

"Past cyber-breach of some major companies, though underrepresented in the reported numbers, need to be included in the overall ORC impact since the loss of customer data will inevitably be used as a vehicle for fraud. The retail industry represents about 25% of the nation's workforce and the nominal Gross Domestic Product. Do the math, but who would have thought that close to a full percentage point of our annual GDP is lost to the ORC phenomena." says John. He adds federal and local law enforcement struggle with the cost of investigating and prosecuting ORC activity when compared to other types of crimes.

John's Wish List

John believes the damage to reputations/brands and the loss of dollars have significant implications for retail organizations. Some actions can be taken to address the problems associated with ORC and its far-reaching arms of criminal activity. John Matas has a wish list of actions he would like to see taken regarding ORC.

Here's John's Wish list:

1. Adoption of official federal legislation concerning ORC that is enforced at all states and levels.
2. Understanding on the part of legislatures about the true financial impact of ORC on the retail community. Knowing the impact retail, and subsequently, ORC loss has on the economy, legislators could earmark funding for federal and state law enforcement to attack and curtail ORC operations.
3. Creation of a master national ORCA network and database that would organize information held by the 40 or so regional anti-ORC consortiums now operating nationwide. This super-database would provide clarity and insight into ORC activity nationwide - not just at the regional level.

Working on ORC investigations at the state level is not enough. He points out, for example, that 16 US states have not passed ORC legislation. In some areas, discussions and actions are taking place only at the regional level. There really needs to be more concerted effort at the national level.

John and Chris DeSantis, his Director of ORC at Macy's, are at the forefront of retail efforts to fend off and prosecute ORC operations and operators. John loves what he does and urges others who have a passion for investigations to learn about ORC and get active in identifying and deterring ORC activities. Training and experience are great teachers. He suggests that those entering the loss prevention field should find a mentor who can help them better understand the leadership impact their jobs have within each retailer. "Calculating the myriad of ORC and collecting counterintelligence in the marketplace through collaboration, legislation, and technology are the tools we continue to develop in retailer efforts to attack ORC," says John.

