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MARINE CORPS ORDER 4066.18

From: Commandant of the Marine Corps
To: Distribution List

Subj: MARINE CORPS COMMUNITY SERVICES ASSET PROTECTION ORDER

Ref: (a) MCO 1700.30
(b) DoDI 6400.06 W/CH 1, "Domestic Abuse Involving DoD Military and Certain Affiliated Personnel," September 20, 2011
(c) ATF Publication 5300.4
(d) MCO 7010.19 W/CH 1
(e) DoD 5500.7-R W/CH 7, "Joint Ethics Regulation," November 17, 2011
(f) MCO P1700.27B W/CH 1
(g) MCO P12000.11A W/CH 1-4
(h) DoD 5200.2-R, "Personnel Security Program," January, 1987
(i) SECNAV M-5210.1
(j) 5 U.S.C. 552a
(k) SECNAVINST 5211.5E

Encl: (1) Marine Corps Community Services Asset Protection Order

1. Situation. This Order provides policies and standards for the protection of Marine Corps Community Services (MCCS) assets.

2. Mission. This Order implements relevant Department of Defense (DoD) and other directives from higher authority where appropriate. It contains the specific asset protection policies for retail and services, operations, food, beverage, and lodging operations.

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.

3. Execution

a. Commander's Intent and Concept of Operations.

Protecting MCCA property, whether it is products for sale in the organization or assets used to provide service and support, is the responsibility of each command as well as every MCCA employee.

b. Subordinate Element Missions

(1) The Director, NAF Business and Support Services Division (MR) will develop policies and guidance on protection of MCCA-owned property. This guidance will address:

(a) Development of Asset Protection position descriptions and training guidelines.

(b) Electronic surveillance equipment (ESE) standards.

(c) Set standards of operational controls to protect assets of MCCA.

(2) The Assistant Chief of Staff (AC/S) or MCCA Director at each individual installation is charged with the responsibility to safeguard the assets of MCCA. It is the AC/S or MCCA Director's responsibility to ensure that inventory shrinkage, profit and loss policies, and procedures are followed in every area of the operation. The AC/S or Director MCCA shall:

(a) Appoint an Asset Protection Program Manager to implement the guidance in this Order.

(b) Ensure adequate internal controls are in place to deter associates from the temptation of dishonesty and to reduce the likelihood of theft from patrons.

(c) Show continuous interest in how associates protect merchandise and cash and make every effort to eliminate waste and carelessness.

(d) Develop a comprehensive training program to properly indoctrinate and continuously train employees and the performance of the assigned duties.

(3) M CCS Asset Protection Program Managers shall:

(a) Implement an asset protection program as required by this Order and follow the business practices and standards outlined in the M CCS Asset Protection Manual.

(b) Complete training in accordance with this Order.

(c) Implement an annual training program to reinforce policies and procedures.

(d) Be responsible for enforcing this Order.

(4) Where applicable, M CCS program managers shall follow the guidance in this Order to prevent loss of M CCS assets. Program Managers will seek the assistance of the installation Asset Protection Program Manager to develop appropriate safeguards to protect M CCS property.

(5) All M CCS employees shall:

(a) Complete all required training as prescribed.

(b) Follow the standards in the Code of Conduct for Federal employees.

(c) Report any suspected loss, theft or unusual activity to their immediate supervisor or the Asset Protection Program Manager.

(d) Follow policy in this Order.

4. Administration and Logistics. Recommended changes to this Order should be forwarded to the Deputy Commandant, Manpower and Reserve Affairs (DC, M&RA (MR)).

a. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (i) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

b. The generation, collection or distribution of personally identifiable information (PII) and management of privacy sensitive information shall be in accordance with the Privacy Act of 1974, as amended, per references (j) and (k). Any unauthorized review, use, disclosure or distribution is prohibited.

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5. Command and Signal

a. Command. This Order is applicable to the Marine Corps Total Force.

b. Signal. This Order is effective the date signed.

A handwritten signature in black ink, appearing to read "REM Milstead, Jr.", with a stylized flourish at the end.

R. E. MILSTEAD, JR.
Deputy Commandant for
Manpower and Reserve Affairs

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RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporating Change

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Chapter 1

General Information

1. Asset Protection. The purpose of the Asset Protection program is to ensure that adequate internal controls are in place to safeguard MCCS assets. This program will emphasize prevention of internal and external losses due to fraud, theft, and error through effective internal controls, training, and by investigating exceptions. The MCCS Director will appoint an Asset Protection Program Manager to implement the guidance in this Order.

2. Asset Protection Program Manager. The Asset Protection Program Manager shall:

a. Implement and distribute controls from Headquarters Marine Corps (HQMC) and AC/S or MCCS Director.

b. Implement plans to reduce loss.

c. Hire and train asset protection associates based on required staffing metrics.

d. Conduct training on asset protection efforts.

e. Investigate all cases of internal and external theft incidents to determine appropriate action.

f. Conduct audits and review exception reports.

g. Develop action plans based on exception reports and shrink performance.

h. Report all instances of loss, theft and fraud to the AC/S or MCCS Director and Headquarters (HQ) Asset Protection in a timely manner through the Asset Protection Information System.

i. Enforce required training.

3. Asset Protection Supervisor. The Asset Protection Supervisor shall:

a. Distribute guidance from the Asset Protection Program Manager.

b. Manage and train asset protection associates.

- c. Investigate internal and external losses.
- d. Conduct audits and review exception reports.
- e. Report observations to the Asset Protection Manager.
- f. Enforce required training.

4. Asset Protection Associate. The Asset Protection Associate shall:

- a. Carry out guidance from the Asset Protection Supervisor.
- b. Identify and react to potential theft situations.
- c. Investigate internal and external losses.
- d. Report observations of real or potential, losses, thefts or fraud to the Asset Protection Supervisor.

5. Asset Protection and Patron Service. It is the responsibility of all store associates to provide excellent levels of patron service. This can further be accomplished by asset protection personnel walking the sales floor and greeting patrons throughout the store. However, the following patron service functions will not be carried out by asset protection personnel at any time:

- a. Processing any transactions at the point of sale with the exception of cash counts for audit purposes.
- b. Door greeting services as a regularly assigned duty.

6. Asset Protection Training. Training and development of Asset Protection personnel must be continuous and documentation of that training must be maintained in the employees' personnel files. All Asset Protection personnel will be trained according to the guidelines of this Order within 90 days from his/her date of hire and on an annual basis thereafter to ensure continued compliance with these guidelines.

a. As a minimum requirement for all Asset Protection personnel, the following training must be administered and recorded.

- (1) Internal and external theft prevention.

- (2) Handling and detaining a suspected shoplifter.
- (3) Incident report writing.
- (4) Associate procedures.
- (5) Inventory management.
- (6) Vendor procedures.
- (7) Merchandise survey.
- (8) Uses of the designated exception reporting and information systems.
- (9) Standard register procedures.

b. This Order shall be read in its entirety and acknowledged by all Asset Protection personnel. Evidence of this acknowledgement must be documented in their personnel file.

c. Asset Protection Managers and Supervisors will be trained in interview tactics and techniques.

7. Asset Protection Background and Reference Checks. A DoD National Agency Check (DNACI) Plus Written Inquiries will be completed for all newly hired Asset Protection personnel prior to beginning duties in their roles of any Asset Protection position.

Chapter 2

Shoplifting

1. General. Shoplifting is the theft of merchandise from an activity by a person not employed by M CCS. Internal theft is a theft by an individual under the employ of M CCS. These are the two major variables of shrinkage. Theft losses may also occur in warehouses, stockrooms, and storerooms where there is internal traffic by vendors, truck drivers, and others who are permitted inside M CCS facilities. Losses may occur during remodeling or when stocking a new activity prior to opening. Careful observation should be maintained on unsecured merchandise on loading docks, shopping carts and open bins. While M CCS activities are basically controlled access activities, they still experience theft. Shoplifting activity can have a significant impact on the level of inventory shrinkage.

2. Types of Shoplifters

a. Amateur shoplifters are generally impulsive and reasonably well-adjusted. This type of shoplifter would not ordinarily be dishonest. However, when risk detection is minimal and opportunity presents itself, they may shoplift on impulse. Other examples of amateur shoplifters are: Addictive - compulsive, impoverished, thrill-seekers, drug/gambling addicts, kleptomaniacs, and juveniles.

b. Professional shoplifters make a career out of stealing for profit. They specialize in high-ticket merchandise such as electronics, health and beauty aids, small appliances, and over-the-counter medications that have a "street" value when resold. Professional shoplifters are generally polite, deliberate, will not take many chances, and will often refrain if the opportunity to steal is not present. Professional shoplifters are generally responsible for only five percent of shoplifting activity.

3. Shoplifting Methods

a. Concealing Merchandise. This is the most frequent method of shoplifting. The item is placed on the person and carried about the activity on the pretense of purchasing it and then carried to an area of the store for concealment.

b. Booster Tools. Booster tools are devices used by shoplifters to disguise their attempt to steal from the stores. These tools used are well-adapted for shoplifting. They are brought into the activity and small items are deposited in them. Small items can be easily brushed off a counter into a shopping bag. Shopping bags lined with aluminum foil are used to remove merchandise through theft deterrent systems. Clothing and purses can be altered to allow the suspect to conceal multiple items in one area without detection. A Booster Box is a cardboard or wooden box with one end cut to act as a flap, and when merchandise is hidden in one, the "flap" merely closes off the end of the box. They are generally very difficult to detect.

c. Fitting Rooms. When not properly controlled, fitting rooms are one of the best areas for a shoplifter to conceal merchandise. The shoplifter can enter without merchandise verification. Merchandise can then be strategically placed for concealment and worn out of the store. Frequent checks of fitting rooms must be conducted to look for removed tags from potentially shoplifted items.

d. Ticket Switching/Label Making. This is a method of stealing which involves switching a ticket from a lower priced item to one with a higher price. With the aid of computers, sticky labels can be created and brought into the store and placed over the original UPC (Universal Product Code). The item is then paid for at the lower price.

e. Wearing Items Out. Shoplifters using this method take an item (such as a handbag, clothing, shoes, sunglasses, etc.) from a display, remove its price tag, and then wear the item out of the store as if it were their own property.

f. Box Stuffing. The shoplifter selects boxed items such as bulky toddler toys, car seats, vacuum boxes, etc. The shoplifter will then take the original merchandise out and replace it with other merchandise. After resealing the box, they will pay the cost of the originally boxed merchandise and leave with much more.

g. Team Shoplifting (Accomplices). This practice consists of two or more shoplifters acting in concert. Any of the aforementioned methods may be used to gain possession of the merchandise with the others acting as lookouts for store personnel. Often, one member will create a diversion while the other team member(s) steals the merchandise.

h. Previous Purchase/Receipt Shopping. After making a purchase, the shoplifter will return to the store and select the same merchandise within a short period of time and attempt to leave the store. A receipt shopper will find discarded receipts prior to entering the store and attempt to leave the store with the merchandise listed on the receipt.

i. Rollout or Push Out. The shoplifter selects merchandise and places it into their shopping cart. Once the opportunity arises, they will push the merchandise out the door without payment. There are times when they will exit the store through an emergency exit where a vehicle is waiting for them.

j. Fraudulent Refund or Exchange. A shoplifter will select items of merchandise from the sales floor and present them at the register for a refund along with a receipt from a previous purchase or will request a refund for the items without a receipt.

4. Behavior Indicators. Here are some indicators to look for when identifying a potential shoplifter.

a. General Indicators

- (1) Avoiding eye contact.
- (2) Continually looking over their shoulder.
- (3) Comparing identical pieces of merchandise.
- (4) Picking at the items as they are walking around.
- (5) Strained, nervous look, walking aimlessly down an aisle.
- (6) Draping clothing around the shopping cart.
- (7) Examining merchandise in remote corners of store.
- (8) Concealing merchandise behind purse or package.
- (9) Refusing salesperson's help.
- (10) Placing packages, purse, or coat over merchandise.
- (11) Placing merchandise inside baby strollers.

(12) Frequent quick glances up from merchandise.

(13) Studying other patrons and salespersons instead of merchandise.

(14) Looking in mirrors to see if they are being observed.

(15) Out of season dress such as coats in the summer or short sleeves in winter.

(16) Removing, concealing, or destroying price tickets.

(17) Palming by closing hand completely over merchandise.

(18) Holding merchandise below counter level.

b. All of the aforementioned actions should be easily recognizable to a well-trained, alert associate.

5. Preventive Measures. No amount of merchandise security devices can take the place of an alert and well-trained sales force. Shoplifters need privacy; they are uneasy when a salesclerk approaches or acknowledges their presence by a greeting. The following are some methods of minimizing shoplifting losses.

a. Properly staffing high shrink departments will deter shoplifters. Shoplifters will purposely seek out areas that have little or no floor coverage. Lunch and break periods should be scheduled to ensure that these areas are adequately staffed at all times.

b. Emphasize the ten foot rule - make eye contact and greet all patrons who enter a department within the first ten feet. This acknowledges your presence to a potential shoplifter, as well as assisting the patron in purchasing merchandise.

c. Control the fitting rooms. Inspect fitting rooms frequently for signs of shoplifting, such as price tickets on floor, empty hangers left in stalls or worn clothing or shoes being left behind. Mirrors and carpeting must be secured to prevent tickets being hidden. Clear all merchandise from fitting rooms frequently. Offering excellent service in fitting rooms eliminates many opportunities for concealment.

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d. High cost and low bulk items (jewelry, portable media players, cameras, etc.) must be displayed in secured cases or alarmed displays. Salespersons should maintain control of items shown to patrons and limit the number of items shown to patrons at a time. Generally, items will be shown one at a time. If the patron wishes to purchase the item, the sales associate should carry the item to the nearest register if he/she is unable to ring up the sale.

e. High shrink departments in the activity should be monitored frequently. Be observant of theft deterrent tags being removed and discarded on the sales floor. Look for potential staging areas where merchandise can be removed at a later time.

f. Be observant of patrons who carry merchandise from one counter to another or spend an inordinate amount of time in one department. Give special attention to patrons carrying shopping bags, large purses, or wrapped packages.

g. Maintain proper fixture layout and merchandise display. Fixtures must be arranged and stocked to provide sales personnel with the best possible view of merchandise and patrons. Other high theft merchandise should be secured with anti-theft tools such as restrictive or locking peg hooks and Spider Wrap. Keeping displays at minimal heights will eliminate blind spots, which shoplifters use to conceal their actions. Ease of patron access for purchase should be considered before placing restrictions on product.

h. Marine Corps Exchange (MCX) shopping bags will be stored in a secure, preferably locked, location. They should not be stored on top of registers or sales counters and should not be accessible to patrons.

i. Cashiers and sales associates should be alert for hidden merchandise in articles purchased. Cashiers must open any boxed item where the factory tape has been removed or replaced. Some of these items include, but are not limited to: trashcans, comforter sets, shoes, coolers, luggage, purses, backpacks, storage containers, and large box items. Paper, or any other type of packaging material, should be removed from purses and luggage when checking for hidden merchandise. Cashiers should pay attention to what is underneath the shopping cart.

j. Packages too large to be bagged must have brightly colored security tape with receipt affixed indicating that the merchandise has been purchased. This security tape and/or label will be controlled and kept in a locked area inaccessible to patrons and issued when needed.

k. Small, immediate-use merchandise items in quantities of two or less do not require bagging. However, a receipt will be given. Three or more items will be bagged regardless of size or intended use.

l. Pricing tools must be under strict control of department managers and be inaccessible to patrons at all times.

m. All merchandise tickets must be machine printed. There should be no handwritten price tags.

n. All cash registers (based on point of sale system used) must be locked or signed off when not in use. When the cash register is in use, the cash drawer must be closed promptly after each transaction. The empty cash register drawer should be left in the open position or disabled (based on point of sale system used) after close of business.

o. Training of employees in methods and techniques of preventing shoplifting and enlisting their cooperation in reporting and identifying shoplifting activities will be conducted. This must be an ongoing process to keep employees constantly aware of management concerns. Frequent meetings and information postings will accomplish this communication requirement.

6. Handling Shoplifters. The only way to identify a possible shoplifter is by observing his or her behavior. There are four steps (discussed below) in the investigation that must be followed before an authorized asset protection associate or member of management can detain any patron about removing merchandise from the facility. Once these steps have been taken, then the patron may be approached.

a. Selection. The associate must observe the suspected shoplifter selecting merchandise to ensure that the merchandise is MCCS property.

b. Concealment. Next, the associate must observe an act of concealment as explained in paragraph 3 of this chapter.

c. Maintain Observation. It is critical that the associate continue to observe the subject during the course of the events. In the event that the associate is unable to maintain observation, then the associate may not approach/detain the subject unless the subject attempts to remove another item. Employing patron service techniques, such as asking the subject if he/she needs any assistance, is the best way to ensure continued observation.

d. Pass all Points of Purchase. Finally, the subject must pass all areas available to make a purchase and leave the facility. After the subject has left the facility and all four steps (discussed above) have been taken, then the subject should be detained. Only authorized personnel are allowed to approach and detain a shoplifter. Authorized personnel are: Asset Protection Personnel and Management.

7. Detaining a Shoplifter

a. Detention is defined as delaying a suspect's departure from the area of concern, without force or coercion. After the subject has exited the facility, an asset protection associate or member of management should stop the subject. Never should there be a detainment made without a witness. As you approach the subject, identify yourself by name and title. Tell them why they are being stopped. Example: "Excuse me sir/ma'am, my name is _____ I am the _____ of the store and would like to talk to you for a minute about the merchandise that was not paid for." After the initial conversation, ask them for the merchandise back. When a stop is being made and the subject denies they have the merchandise, tell them what the merchandise is and where it is located. For example: "The pack of razors in your right front pocket." Acknowledge that you understand that this is an embarrassing event and that we would like to go back into the office to talk about it away from the public. A call to the Provost Marshall Office (PMO) should be made once the shoplifter is brought to the Asset Protection Office.

b. With your witness, direct the subject towards the office. Place yourself behind the subject and observe their hands for your safety. The witness should assist in directing the person towards the office so that there is no confusion. If the subject is of opposite sex, then there must be a same sex witness to sit in as you fill out the report. During the time that you are waiting for PMO to arrive, document the subject's information. During this time, you can write down any

statements the subject has made or any other important information that may be provided.

c. Accomplices. As described in paragraph 3.g., an accomplice is a person who actively participates in the shoplifting event. Active participation is described as handling the merchandise, concealing the merchandise, and/or walking out with the merchandise. If the person simply observed the act without actively participating, then there is no reason to stop him/her.

8. Writing a Report. Thorough documentation of the events that occurred assists law enforcement in the decision to move forward in the case. At a minimum, "who, what, when, where, why, and how" need to be included in every report. Reports should be written so that you or someone else can read it and understand what happened a year later. Items to include are:

- a. The time and the area observation started.
- b. The behavior observed which prompted further observation.
- c. The item(s) selected and the area from which it/they was/were removed.
- d. How and where the item(s) was/were concealed.
- e. The time the subject passed all points of purchase and exited the facility.
- f. A description of the stop, including how you identified yourself.
- g. The name and title of the witness to the apprehension.
- h. The time the subject was led back to the Asset Protection office.
- i. The time PMO was called and who placed the call.
- j. Any statements the subject volunteered, such as reasons for his/her actions.
- k. A disposition description, including the name and title of the person the subject released to and the time they left the office.

Chapter 3

Electronic Surveillance Equipment

1. General. Electronic surveillance equipment (ESE) is a management tool using Closed Circuit Televisions (CCTV) to identify conditions impacting on accountability, safety, and service. ESE is either a covert or overt means used to continually monitor and record activity within M CCS activities or facilities. Electronic surveillance systems consist of computers, electronic components, monitors, cameras, lenses, time/date generators and video recorders, as well as the hardware to connect the systems, such as cables, domes, connectors, and racks. When properly installed, surveillance systems will document any operational loss or criminal actions within or around an activity.

a. Requests for recorded video must be in writing and scrutinized by asset protection to ensure that the requester has the legal right to the video being requested. When a requester's intention is unclear and for reasons outside the normal scope of asset protection duties, requests must be forward to the M CCS Director for approval.

b. All video recorded and released for any reason must be duplicated and maintained on file with a copy of the written request until any resulting action is taken plus one year, or a minimum of five years whichever is longer.

c. Whenever injury has occurred to an M CCS employee or patron and it has been captured on video, Asset Protection must maintain a copy of the video along with the original injury report when available.

2. Procurement. All ESE purchases will be made against HQ contracts for standardized equipment, pricing, service, and maintenance to ensure standardization, compatibility, and technical sufficiency. Surveys of the activity prior to the purchase and installation of ESE will be conducted by the manufacturers' representative and the M CCS Asset Protection Manager, or designated official.

3. Installation. All ESE will be installed by the manufacturer, supplier, or authorized personnel with technical approval by manufacturer or supplier per the terms of the purchase order or contract.

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a. If it is determined that a need exists to install surveillance equipment, it should be installed in new facilities by the manufacturer during construction, in older facilities during renovation, and by the manufacturer at other times when losses dictate.

b. Where local laws and policy permit, all covert installations of ESE will be installed only by asset protection personnel in conjunction with the manufacturer or supplier. The number of personnel who must know of a covert installation will be kept to a minimum to preclude compromise. Local policy must designate the authority for the use and installation of covert ESE.

c. Under no circumstances will overt or covert surveillance be conducted in any restroom or fitting room.

4. Surveillance. Based on the type of ESE installed, there will be random monitoring when Pan-Tilt-Zoom (PTZ) cameras are used, for multiple departments, or as the need dictates. Random monitoring includes areas such as convenience stores, service station service areas, fueling pumps and satellite monitoring such as a receiving/storage area or door monitoring. All types of monitoring will have a continuous video/digital recording capability of 30 days or more.

a. Additional ESE installations will only be conducted with the knowledge of the HQ Asset Protection Director and the activity manager, or designated official, and the asset protection manager.

b. Only trained personnel will operate the systems and at no time will food, beverages, or cigarette smoking be permitted around the systems.

c. When an actual theft of assets or a safety violation incident is observed, a determination will immediately be made by asset protection as to what course of action to pursue. Three available options are:

(1) The MCCA asset protection associate may detain the employee and/or patron immediately for suspected theft and report the incident to proper law enforcement authorities. If the incident is safety related, the asset protection associate will take findings to the site manager for corrective action.

(2) Contact MCCS asset protection personnel to report an on-going or subsequent safety or theft incident, and await instructions.

(3) Contact local law enforcement authorities to report the incident, and await instructions.

d. MCCS asset protection associates will assist the investigating and prosecuting authorities, as necessary, by ensuring that all documents, video tapes, surveillance personnel, and other evidence are available to the authorities. Written and oral testimony will be provided in criminal and administrative hearings on all aspects of what was observed.

5. Surveillance Guidelines. The MCCS Asset Protection Manager and surveillance personnel have to make a determination of which course of action to pursue based on the interests of the MCCS activity and the parameters of their authority. The following guidelines will be used:

a. Has the surveillance operation just been initiated, and would immediate action compromise the surveillance operation?

b. Is the recorded product of the theft good enough to prove the theft on its own, or, if not, can the theft be better proven by immediate action or further surveillance?

c. Will the delay of interviews of the subjects be detrimental to successfully proving the theft?

6. Recorded Video. Label all video recordings made during an ESE operation and keep them for a minimum of 90 days. Any video showing criminal activity, misconduct, safety incidents, or serious procedural violations is considered evidence. Evidence tapes must be kept until all criminal and administrative action, including appeals, are concluded. Each video will have attached a written narrative of what is being observed. Video used in the ESE system and not containing significant observations may be re-used daily or monthly based on requirements of the MCCS activity. DVR recorded video will be kept on disk and held in the same manner.

7. Maintenance. All equipment must be kept in good operating order. All repairs will be made as soon as operationally and physically possible. No unauthorized maintenance will be performed on any piece of equipment. If submitting a purchase request with requirements for a maintenance contract, the M CCS representative must specify that the contractor shall supply loaner equipment to replace equipment removed from the M CCS activity for repair. At no time will an installed ESE system be inoperative, unless circumstances exist beyond the control of the activity manager, which prevents immediate corrective action.

8. Maintenance Requests. All requests for ESE maintenance will be recorded. Recorded information must include:

- a. Date and time.
- b. Type of contact made i.e. telephone, email etc.
- c. Contact information.
- d. Confirmation number or work order number.
- e. Estimated repair time.
- f. Name of person initiating request for maintenance.

Chapter 4

Theft Prevention

1. General. All associates have a very important role in helping to reduce shrink by protecting NAF assets from fraud, theft, misuse, or simply inappropriate handling.
2. Associate Preventive Measures. The best preventative measure is an alert, well trained, helpful sales associate. The following methods will aid in minimizing shoplifting losses.
 - a. Properly staff and continuous monitoring of high shrink departments.
 - b. Make eye contact and greet all patrons who enter a department within the first ten feet.
 - c. Regularly monitor fitting rooms and frequently inspect them for removed price tickets, empty hangers and/or worn clothing or shoes. Mirrors and carpeting shall be sealed to eliminate the possibility of concealing merchandise or tags.
 - d. Display high cost and low bulk items in secured cases or alarmed displays. Sales associates will:
 - (1) Maintain control over items shown to patrons.
 - (2) Limit the number of items shown to a patron, at a time. Generally, items will be shown one at a time.
 - (3) Carry the item to the nearest register if they are unable to ring up the sale.
 - e. Maintain proper layout and merchandise display to maintain best possible view of merchandise and patrons.
 - f. Store MCX shopping bags in a secure, preferably locked, location. Bags at point of sale (POS) terminals do not require being locked but will be securely kept either under or behind the sales counters.
 - g. Clear trash bags should be used whenever possible.

h. Sales associates shall be alert for hidden merchandise in articles purchased. Sales associates must:

(1) Open any boxed item when factory tape has been removed or replaced.

(2) Remove packaging material from purses and luggage to inspect items and packaging material. After inspection materials should be replaced inside the purchased item.

(3) Inspect underneath the shopping carts.

i. Purchased items too large to be bagged must be marked with brightly colored security tape. Security tape will:

(1) Be controlled.

(2) Kept in a locked area inaccessible to patrons.

(3) Issued when needed.

j. Small, immediate-use merchandise items in quantities of two or less do not require bagging.

3. Associate Purchases. Purchases made by associates during working hours must be controlled. Where required, associate purchases must be made at designated registers. Policies and procedures regarding associate purchases should be posted and given to each new associate during orientation. The following are minimum required guidelines applicable to all associate purchases which shall be followed.

a. Associates Will

(1) Have a supervisor or asset protection personnel verify receipt against purchase prior to leaving for the day.

(2) Pay for purchases immediately.

(3) Take purchases directly to vehicle or designated storage area after it is rung up. Merchandise which has not been paid for will not be permitted in any non-selling area of the store. Items purchased for immediate consumption must be accompanied by a receipt signed by a supervisor or their designee.

b. Associates Will Not

(1) Ring up or compute their own purchases or purchases for any relative or household companion.

(2) Set aside merchandise for later purchase or ask any other associate to do so.

(3) Shop while on the clock or anytime outside normal operating hours.

(4) Markdown merchandise as a favor to another associate or patron.

c. No MCCA employee may buy as-is or clearance merchandise until that merchandise has been officially marked down and on display for twenty-four hours. Employees shall be required to delay purchasing promotional items until they have been offered to authorized patrons.

d. All MCCA employee purchases are subject to inspection at any time by management or designated representative.

4. Associate Refunds and Exchanges. Associates refund receipts shall be retained and reconciled against the original sales receipt.

a. Supervisors will inspect the sales associate receipts and merchandise prior to being returned or exchanged.

b. Associates Will Not

(1) Prepare his or her own refund or exchange.

(2) Conduct a refund or exchange for a relative or household companion.

c. Asset Protection and management personnel will utilize exception-based reports to monitor associate register activity. Potentially fraudulent activity will be investigated and appropriate action taken.

5. Associate Packages, Lockers, Inspections. Printed rules should be conspicuously posted and given to each associate regarding packages, lunch boxes, and purses brought into the facility. These printed regulations should include the notice that lockers, purses, and packages will be subject to inspection.

a. Associate packages brought into the activity, with the exception of lunch bags or purses, will be kept in the same area where employee purchases are stored. Management will ensure strict and appropriate access control within this area.

b. Personal belongings of employees such as handbags, purses, or clothing shall not be permitted on the sales floor or warehouse areas. Associates shall have a locker assigned to them during orientation. The activity manager shall maintain a record of employee locker assignments.

c. Activity managers and asset protection personnel have the authority to conduct inspections of parcels, packages, or other objects carried into or out of the facility by associates or vendors. This authority extends to the search and inspection of lockers within the activity, in the presence of the associate and other witnesses.

d. Inspections Shall

(1) Be unannounced and conducted monthly at designated times and specific locations within the activity by asset protection or a management designee.

(2) Be strictly impartial and non-selective.

(3) Apply to all personnel of the activity regardless of grade or nature of duty.

(4) Be conducted by activity management, asset protection managers, or military law enforcement.

(5) Be limited to parcels, packages, handbags, backpacks, briefcases, and other hand carried objects.

e. Only authorized law enforcement personnel shall make searches of clothing worn next to the body.

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f. Installation Commanders may modify the aforementioned procedures as needed to meet requirements for increased security, provided that the modifications are in accordance with laws and or customs and comply with prevailing Marine Corps Orders and regulations.

6. Corrective Action. Regardless of rank and rate, personnel caught stealing from MCCA will be disciplined in accordance with the appropriate personnel regulations.

7. Visual Merchandising. Activity managers, department managers, supervisors, and display personnel shall remember that merchandise used for display purposes represents cash value and shall protect items accordingly.

a. Each department shall have a loan book or other documentation to record merchandise removed from the site for purposes other than transfer. Merchandise shall be signed for by the requesting employee and checked back into stock when the merchandise is returned. The visual merchandising department is responsible for all merchandise that is used for visual presentation.

b. Floor displays should not be placed where a shoplifter or employee can take all or part of the item when exiting the premises. Small pieces of jewelry, expensive sunglasses, purses, and accessories, should not be used in uncontrolled areas. Display personnel should seek guidance from the activity manager.

c. Asset protection or operations personnel will spot check to ensure loan books are being used properly.

8. Inventory Management. Inventory accuracy is critical to the integrity of automatic replenishment, informed buying decisions, and all financial reporting. There are situations on a recurring basis that require the disposal of damaged, expired and/or vendor credited merchandise for disposition. Such merchandise must be disposed of via survey utilizing the proper forms and be adjusted from inventory.

a. Survey Merchandise Will

(1) Be stored in a designated secure area to stage merchandise waiting to be surveyed.

(2) Have an information label attached that includes the date and reason for return or damage.

(3) Be destroyed by an authorized associate or asset protection and verified by management.

(4) Be reconciled and audited monthly.

b. Surveys will be submitted from the proper approving officials as follows:

- (1) Category 1- \$500 - \$1000 Store / Site Manager (SM)
- (2) Category 2- \$1000 - \$4000 SM + Head of Retail (HOR)
- (3) Category 3- \$4000 + SM + HOR + MCCS Director

c. Category 1 survey adjustments must be posted at X:\All Sites\COMBINE INVENTORY ADJUSTMENT\Every Day Command Adjustments- PUT HERE. In order to validate proper approval all Category 2 and Category 3 survey adjustments must be sent by email to retailsupportgroup@usmc-mccs.org. Headquarters Asset Protection must be copied on every Category 3 adjustment.

9. Return to Vendor. A Return to Vendor (RTV) is a claim against a vendor for merchandise being returned to the company. This claim will be processed by the command when merchandise received is damaged or defective.

a. When a product returned by a patron is within the warranty period, a RTV will be processed to obtain a vendor credit or return authorization.

b. Eligibility for RTVs must be determined for all products returned with a monetary value. Written determinations must be provided when survey is the final disposition.

c. Where special handling is required for consumable items, commands must establish procedures that allow for proper disposal methods which include accountability of items being disposed of or returned.

10. Vendor Procedures. The following procedures at a minimum will be applied to all vendor activities. In the event of a conflict between the below procedures and a contractor or vendor agreement, the contract or vendor agreement shall prevail and the contracting officer or buyer will be consulted for resolution.

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a. Only approved vendors will be authorized access to enter the facility.

b. Vendors will only be authorized in their specific area of service and responsibility.

c. Vendors Must

(1) Check-in with a designated person or department immediately upon arrival to the facility and prior to conducting any duty involving merchandise.

(2) Sign into a log book and be issued a badge.

(3) Pull merchandise that is being returned and provide proof of credited merchandise prior to the activity receiving any new merchandise.

(4) Allow designated persons or departments to verify merchandise quantities being:

(a) Returned prior to the merchandise leaving the facility.

(b) Received prior to the merchandise being stocked.

(5) Allow all packages and materials to be inspected prior to leaving the facility.

(6) Ensure all boxes are broken down and flattened prior to taking them from the facility.

(7) Sign out of the log book and return their badge.

d. Unaltered copies of all vendor return and receiving documents are required to be provided to the receiving associate.

e. Any associate witnessing a vendor in an unauthorized area must report the incident to asset protection personnel or management.

f. Vendors who are also authorized patrons are not authorized to act as a patron until all contractual business has concluded and they have been signed out according to this Order.

11. Managing Negative on Hand (NOH) Inventory. Commands must address and correct NOH inventory immediately in order to avoid adversely impacting inventory counts and auto replenishment.

a. NOH inventory may result from inaccuracies in the following instances:

(1) Items are miscounted at inventory and never reconciled by the command.

(2) Items are scanned incorrectly through the register.

(3) Items are received incorrectly.

b. Managers must ensure that NOH reports are reviewed daily, reconciled and adjusted for each Retail Merchandising System RMS site.

c. The installation must record NOH items in a negative status on an Inventory Adjustment Form. Items on the form must be listed by UPC, and the form must be approved by appropriate personnel prior to submission. Category 1 adjustments must be posted at X:\All Sites\COMBINE INVENTORY ADJUSTMENT\Every Day Command Adjustments- PUT HERE. In order to validate proper approval all Category 2 and Category 3 survey adjustments must be sent by email to retailsupportgroup@usmc-mccs.org. Headquarters Asset Protection must be copied on every Category 3 adjustment.

(1) Category 1- \$500 - \$1000 Store / Site Manager (SM)

(2) Category 2- \$1000 - \$4000 SM + Head of Retail (HOR)

(3) Category 3- \$4000 + SM + HOR + MCCS Director

d. Management will then verify the variance between the system quantity and the physical on hand quantity.

e. Once all on hand counts are completed, the installation must make certain of the following:

(1) Verify that the item does not have any outstanding receipts that need to be updated.

(2) Verify that the item does not have any outstanding transfers that need to be updated.

(3) Verify that the item has been received.

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f. The installation must provide an explanation to the Headquarters Retail Support Group for each item listed on the form.

Chapter 5

Robbery Prevention

1. Robbery Prevention Procedures. If staffing levels allow, two individuals will open and close the facility. External doors will be kept locked until the facility is opened for business or other operational purposes.

a. An activity employee will be assigned to monitor the employee entrance/exit door.

b. Doors used for trash removal will be provided with peepholes.

c. Only authorized personnel and asset protection personnel will be permitted in the facility during opening and closing times.

d. Where there are separate safe and intrusion alarm systems installed, the safe alarm will be kept armed and secure until it becomes essential to open the safe.

2. Written Procedures. Employees must be familiar with the procedures to be followed in the event of a robbery. Written procedures must be posted in the cash cage and on the bulletin board out of view of the public. Written procedures must provide the following instructions:

a. Avoid any action that might increase danger to yourself or others.

b. Activate the robbery alarm system (if such activation can be accomplished safely).

c. Comply with the demands of the robber.

d. Observe the robber's physical features, voice, accent, mannerisms, dress, the type of weapon, and other characteristics that would be useful for identification purposes.

e. If the robber leaves evidence (such as a note or an item brought to the register), it should receive minimum handling to preserve possible fingerprints. Refrain from touching or allowing others to touch or handle any item or article the robber has touched.

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f. Immediately secure all entrances and exits to the activity once the robber has left.

g. Notify military police and asset protection personnel as soon as possible and advise them of all the details of the robbery.

h. Alert the responsible MCCA official and/or activity representative of the incident.

i. Write down all pertinent details as to the description of the robber, circumstances involved, and any other relevant information that may be of value in the apprehension and/or conviction of the robber.

j. No one should leave until military police arrive. While waiting arrival obtain, or have the facility manager obtain, the full name, rank, unit or address of all witnesses, and give the information to the military police.

k. Comply with instructions of the investigating military authorities and facility management concerning the incident.

l. Once all information is gathered, the Asset Protection Manager must notify MCCA HQ Asset Protection of the incident.

Chapter 6

Physical Security

1. General. Security standards prescribed in this Chapter are primarily directed toward the prevention of losses resulting from forced or illegal entry or exit. Some activities will require more attention than others depending on location, structural integrity of the building, value of M CCS assets involved, and periods of time the facility is not in operation unmanned or unguarded.

a. The activity manager is encouraged to solicit the support of the base security section to have M CCS activities included in the regularly established guard patrols.

b. Alarm systems, other than those tested daily upon closing a facility, will be tested at least monthly by M CCS management or asset protection staff. Test procedures will:

(1) Be coordinated with the military/security police/alarm service provider.

(2) Recorded and kept in the activity files for one year.

c. Facilities with glass doors and windows accessible by a reasonably agile person shall:

(1) Have adequate locking devices on doors and windows.

(2) Be provided with intrusion-detection alarm systems.

d. If an alarm system is inoperable and cannot be repaired before the activity is secured, base security will be notified by telephone. If deemed necessary by the M CCS activity management, security will be provided in that activity until such time as the alarm can be repaired.

2. Accessible Openings. Accessible openings are those doors, windows, skylights, vents, transoms, or openings that may be reached by a reasonably agile person. All accessible openings must be protected by adequate locking and security devices.

a. Where a door is a designated fire exit, panic bars or an emergency exit with sound devices shall be installed in addition to locks.

b. During operational hours, a day alarm system must be provided that will automatically activate an audible alarm when the emergency exits doors are opened. Signs must be posted on fire doors indicating they are an emergency exit only, and a warning alarm will activate if opened.

c. The activity manager or authorized representative will ensure that locking devices, other than panic bars, are unlocked when the building is occupied.

d. Solid external doors designated as an employee entrance or exit or for trash disposal shall be equipped with a security glass view panel, a peephole or surveillance camera to enable employees to identify person(s) outside prior to opening door.

3. Protective Lighting

a. The requirements for interior lighting will depend on the physical construction of the activity. Interior lighting during non-occupancy hours will be sufficient to enable military police/security personnel to observe the area from outside the building.

b. Exterior lighting should provide an appropriate amount of illumination during hours of darkness, especially in those areas most vulnerable to illegal entry or vandalism. Exterior lights must be:

(1) Protected by screen coverings.

(2) Activated by timing devices whenever practical.

(3) Replaced immediately when burned out.

(4) Have switches or controls installed where inaccessible to unauthorized persons.

c. All parking areas must remain well lit during hours of darkness.

4. Opening and Closing Procedures. A checklist for opening and closing must be used to ensure proper opening and closing procedures.

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a. At the opening and closing of each business day, the activity manager or their designee and another designated employee will make an inspection of the premises. The inspection will include, but is not restricted to:

- (1) Safes.
- (2) Security Rooms.
- (3) Stockrooms.
- (4) Doors.
- (5) Merchandise.
- (6) Fitting Rooms.
- (7) Restrooms.
- (8) Windows.
- (9) Perimeter.
- (10) Loading Dock / Receiving Area.
- (11) Trash Dumpster.
- (12) Parking Lot.

b. If any irregularities are noted or there is any evidence of burglary or attempted burglary, Military/security police will be notified immediately. Nothing should be touched or disturbed until the investigating police have completed their preliminary investigation.

c. Upon closing, the activity manager or their designee will set alarms and exit the premises.

d. Those persons designated as Asset Protection Associates, or other designated personnel, will check to ensure all areas of access are properly secured, all alarm systems are operable, and opening and closing procedures are being completed. A logbook of these checks, including date and time performed and any notes of discoveries, must be maintained. While performing closing procedures, the facility should be secured in an orderly manner (from one end to the other) while checking the areas listed in 4.a. of this chapter to ensure that no unauthorized persons remain in the facility.

5. Cashier Offices. Areas where large sums of cash and checks are kept must be adequately enclosed, including floors and ceilings. Doors will be provided with automatic inside-locking devices and kept locked at all times. Solid doors to cashier cages will be provided with a view panel glazed with security glass or with peepholes to enable cashiers to identify persons desiring entry. All safes must be kept locked at all times.

a. Cashier cages in facilities not equipped with a vault must be arranged so that safes and cashiers are visible to the public to avoid concealment of possible holdup or burglary. Unless already provided with security screens or bars, windows will be constructed of security glass. The service opening through which business is transacted must be kept to a minimum size.

b. Access to cashier cages will be limited to those persons assigned to work in the cage. Janitorial or other personnel requiring periodic access to the cashier cage will be accompanied at all times by a supervisor.

c. Each cash cage and safe will have a minimum of two Closed Circuit Televisions (CCTV) cameras affixed, one on the safe and the other on the door.

d. Prior to opening, and at the close of daily business when cashiers and other designated personnel are engaged in disbursing, collecting, and consolidating cash receipts and change funds, all external doors except employees' entrance/exit and doors in use for trash disposal will be closed and locked.

(1) Doors will be carefully controlled to preclude access to the facility by unauthorized personnel.

(2) Only authorized MCCA and asset protection personnel will be permitted in the facility.

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(3) Authorized personnel desiring access to the facility during these periods will be positively identified before a door is unlocked and opened to permit their entrance.

(4) Janitorial or other personnel requiring periodic access to the cashier cage will be accompanied at all times by a supervisor.

e. The facility manager will require and determine positive identification for all personnel not assigned to the cashier cage or vault before allowing access.

6. Receiving Area. All receiving areas of MCCC activities will be closely monitored at all times.

a. When doors are not in use they will remain closed and secured. Doors will be closed and secured immediately after receipt of merchandise has concluded.

b. When ventilation is needed in an off-site warehouse, there will be an iron mesh, accordion gate, roll-up or sliding doors installed.

c. Door bells or buzzers will be installed on the outside of the receiving door area.

d. The following applies to receiving and warehouse areas:

(1) Docks or loading areas will be free of trash and unnecessary activities.

(2) Only authorized personnel will handle merchandise during receipt or transportation.

(3) Open-fenced areas will be monitored for any suspicious activity and properly secured at all times.

(4) Receiving area trash compactor doors are to remain locked at all times outside of normal business hours. Only management or a management designee is allowed the key. Trash compactors will be inspected regularly to ensure merchandise is not disposed both accidentally and/or intentionally. The intentional disposal of items for later retrieval is made easier when compactors are unsecured.

(5) High-ticket items will be stored in a controlled area within the holding facility. Strict security measures will be implemented to prevent internal theft and access by unauthorized personnel.

(6) Fixed CCTV cameras will be placed on all exit and receiving doors of the receiving area. A fixed camera will also be placed in the secured area that holds high-ticket merchandise.

(7) Containers, trailers, vehicles, and conveyances used to store/transport merchandise will be properly secured with only authorized locking mechanisms. Whenever possible kingpin locks must be used. Seals will be checked daily for tampering. All fifth wheels on trailers will be securely locked in the down position when the container is used as storage.

(8) Vehicles belonging to MCCA will be periodically checked for stolen merchandise or contraband. In cases where the vehicles are not the property of MCCA but suspicious activity is suspected, asset protection and military police will be notified by management without delay.

(9) There will be an established control point for all merchandise entering or leaving the activity. The control point will monitor access, verify shipment and condition of merchandise, and report all suspicious activity no matter how insignificant.

(10) Only authorized personnel will receive direct delivery items. Merchandise cost and sell price will meet all direct delivery contract requirements.

e. All trash areas to include dumpsters will be carefully checked for hidden merchandise prior to leaving the activity. Clear trash bags should be used whenever possible.

7. Firearms and Ammunition Sales and Storage. Firearms and ammunition storage is a highly critical and sensitive area that must be afforded exacting and stringent security measures. Extreme caution and proper safety measures must be used at all times. At no time will a method be utilized that would cause a relaxed or neglectful atmosphere when selling, controlling, storing, or accounting for weapons and ammunition. Only qualified individuals who meet specific legal requirements will be selected for positions involving the sale and/or storage of firearms and ammunition. Only approved sales associates within

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the activity will be given this responsibility. One associate must be the primary responsible official for the receipt and accountability of firearms and ammunition, with a second associate being the alternate. The following are minimum standards in the display, sale, and storage of firearms and ammunition:

a. Training and Awareness. Activity managers are responsible to ensure all associates responsible for the handling of firearms are required to:

(1) Read and certify understanding of this chapter of this Order.

(2) Complete available training provided at <http://www.atf.gov/training/firearms/ffl-educational-seminars/>

(3) Complete a Department of Defense Form 2760 (DD FORM 2760), Qualification to Possess Firearms or Ammunition, as per with reference (a) and reference (b). It is unlawful for any person to sell or otherwise dispose of any firearm or ammunition to any person, knowing or having reasonable cause to believe that such person has been convicted in any court of a misdemeanor crime of domestic violence.

(4) Report any new qualifying domestic violence convictions immediately to management.

b. Selling Floor

(1) Notices must be posted about the Lautenberg Amendment. At a minimum the following statement must be displayed: "It shall be unlawful for any person who has been convicted in any court of a misdemeanor crime of domestic violence, to ship, transport, or possess any firearm or ammunition; or to receive any firearm or ammunition."

(2) Firearms and ammunition will be kept in locked racks/cases under visual surveillance during sales hours. Where feasible, a silent alarm or hold-up alarm, activated by a button or foot rail, will be installed in the firearms sales area and connected to the existing alarm system. All firearms on display will be equipped with trigger/lever locks.

(3) Firearms will only be sold in their original box.

(4) There must be a minimum of one CCTV camera fixed on each of the following: the display wall, one camera fixed on the counter/register and one camera fixed on the firearms security room.

c. Warehouse/Storage Area

(1) Only authorized associates will receive and sign for firearms and ammunition shipped by vendors to sustain operational needs. The associate will request submission of advance written information from vendors whenever possible, indicating serial numbers of firearms that are being shipped to the activity. All firearms must be carefully inspected upon receipt and prior to transfer or shipping to ensure firearms are not loaded.

(2) Store firearms in a secure area, separate from ammunition. Protect all windows, ventilators, and other openings by iron bars. Equip doors to storage spaces with high-security padlocks. The activity manager or authorized official will maintain custody of keys. Duplicate keys will be kept in a sealed envelope in an approved safe.

(3) Protect storage spaces with an intrusion alarm connected by direct wire to a monitoring location that is constantly attended and capable of dispatching a response force to the point of alarm within minutes. The alarm systems will have line circuit supervision capability that will detect any attempt to circumvent the system.

(4) Install adequate exterior lighting to illuminate all doors, windows, and similar openings of buildings in which firearms and ammunition are stored.

(5) Arrange with base security to make visual location checks where firearms and ammunition are stored. Where feasible, these checks should be performed during routine inspection routes.

(6) Allow only authorized personnel in areas where firearms and ammunition are stored.

(7) Only approved associates will be given the responsibility to transfer firearms and ammunition from the storage area to selling floor. One associate must be the primarily responsible official, with alternate associates assigned to support the requirement.

(8) Remove firearms from display racks in sales areas during non-operating hours and store in an adequate security room or container, equipped with a tight security type padlock and protected by an intrusion alarm detection system. Firearms that are displayed in authorized secure cases do not have to be moved to the firearms storage area during non-operating hours. These are cases where the upper display section is lowered into the bottom secure portion of the display or a steel-rolling door is lowered from the front and secured to the base.

d. Inventory. Accurate inventory and recording keeping is critical in a firearms business. Auditable firearms inventory records must be retained for 2 years, and the following firearms inventory requirements must be met:

(1) Daily. The designated associate shall review the previous day's transfers (acquisition and disposition) to ensure the Bound Book and all Bureau of Alcohol, Tobacco, Firearm and Explosives Form 4473 (ATF Form 4473), Firearms Transaction Record are filled out and signed properly in accordance with reference (c). All Bound Book entries must be made within seven days after completion of any sale, transfer or receipt of a firearm.

(2) Weekly. The designated associate shall count all firearms and verify each one by serial number. Ammunition will also be counted. This associate's count shall be verified by the activity manager or designated official.

(3) Monthly. Asset Protection should verify a minimum of one complete inventory per month of firearms and ammunition.

(4) Discrepancies in any firearms and ammunition inventory must be:

(a) Reported to the AC/S MCCA or MCCA Director, activity manager, asset protection and HQ asset protection immediately.

(b) Investigated by local officials.

(c) An initial incident report shall be prepared and sent to HQ Asset Protection, CMC (MR) within 48 hours, and a final report submitted upon completion of the investigation.

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(d) Reported to Alcohol Tobacco and Firearms (ATF) officials by phone when the discrepancy cannot be reconciled in 24 hours. Within 48 hours, Bureau of Alcohol, Tobacco, Firearm and Explosives Form 3310.11 (ATF Form 3310.11), Federal Firearms Licensee Firearms Inventory Theft/Lost Report must be submitted.

e. Responsibility for assuring required security protective measures for the sale, storage, transportation, inventory control, and receipt of firearms and ammunition resides with the facility manager.

8. Merchandise Security Devices. Merchandise security devices will be made against HQ contracts for standardized equipment, pricing, service and maintenance.

a. Electronic Article Surveillance (EAS)

(1) Soft tags and hard tags are the most common. Soft and or hard tags should be used for merchandise exceeding \$100.00 in value.

(2) A wrap device should be placed on merchandise displayed on the sales floor with a high-ticket value.

b. Display Security. Alarm and or cable fixtures will be used for all displayed small electronics.

9. Surveillance Devices. Most facilities are equipped with devices which are in good working order and, therefore, do not require immediate replacement. However, as new facilities are constructed and current facilities are updated, all surveillance device purchases will be made against HQ contracts for standardized equipment, pricing, service and maintenance.

a. CCTV camera systems are the most common surveillance devices. Procurement of CCTV systems will be carefully planned in order to ensure the most cost-effective equipment is purchased. Registers, entrances, and exits must always have a camera fixed on them. Other areas on the sales-floor should be covered with a Pan-Tilt-Zoom (PTZ) system. Smaller facilities should have the following minimum CCTV fixed camera coverage: registers, entrances and exits from the facility, and cash handling area to include the safe.

b. Domes act as a visual deterrent in the facilities. A dome should conceal each camera in the activity.

c. Mirrors can be placed in hard corners of the facility.

d. To ensure surveillance devices are properly functioning they shall be tested at least weekly.

10. Exception-Based Monitoring

a. Data mining software purchases will be made against HQ contracts for standardized equipment, pricing, service, and maintenance.

b. Data mining software must be used for monitoring exceptions at the point of sale. Research can be conducted in a wide time frame or a specific one.

c. Merchandise management system reports should be used to identify merchandise that is continually short in inventory by researching adjustments.

11. Communications. Asset protection and management must work together to communicate needs and provide effective security surveillance of the sales floor, warehouses, storerooms and stockroom areas, and the employment of surveillance devices. Determination of and selection of equipment requirements should be a management decision, based on the type of surveillance devices in use. Purchase of equipment must follow NAF Procurement Policy.

a. Telephone Intercom. The system offers direct communication between the observation point and asset protection management on the sales floor. Verbiage used over the intercom must be selective in nature depending on the situation. Asset protection personnel and management must work together to develop standards when using the intercom to contact Asset protection.

b. Two-way Radios. Two-way radios are effective for both preventing theft and shoplifter control. The portability of these devices makes them most effective in storerooms, stockrooms, warehouses, and other open areas.

12. Code Adam Act. Each facility must develop procedures on how to handle a reported missing or lost child in accordance with the Code Adam Act of 2003. At a minimum these procedures must include the following:

- a. Notifying security and management personnel that a child is missing.
- b. Obtaining a detailed description of the child, including name, age, eye and hair color, height, weight, clothing, and shoes.
- c. Issuing a Code Adam alert and providing a description of the child, using a fast and effective means of communication.
- d. Establishing a central point of contact.
- e. Monitoring all points of egress from the building while a Code Adam alert is in effect.
- f. Conducting a thorough search of the building.
- g. Contacting local law enforcement.
- h. Documenting the incident.

13. Anti-Shoplifting Signs. Anti-shoplifting signs will be posted in all fitting rooms, restrooms and employee break rooms of all MCCA activities. Signs must meet current visual merchandising standards and contain no threatening or offensive wording. The signs should not be placed in areas that will obstruct the patron's view of the merchandise.

14. Emergency Notification Decals. An emergency notification decal will be affixed to the front entrance of all facilities. The decal will contain the telephone number of the appropriate military/security police officer. The military/security police will notify MCCA officials as appropriate when action is required by MCCA personnel.

- a. Names and telephone numbers of responsible activity personnel will be made a matter of record at the appropriate military/security police office. Changes in responsible activity personnel must be reported to military/security police by the activity manager or designee.

- b. Based on the discretion of the activity manager and type of emergency, the designated official for emergency notification will either report to the activity or Provost Marshal's Office (PMO).

Chapter 7

Counterfeit Tender

1. General. Cashiers and other personnel who handle cash will be trained in the detection of counterfeit tender. Managers can use the "Know Your Money" Poster which can be found at <http://www.secretservice.gov> as a training aid when training associates on the detection of counterfeit tender. For the purpose of this Chapter tender is described as the following:

- a. Paper and coin currency.
- b. Personal checks.
- c. Payroll checks.
- d. Travelers checks.

2. Detection of Counterfeit Tender

a. If there is a question concerning the legitimacy of any tender, immediately, but discretely, contact asset protection or management. To ensure legitimacy of tender, all currency greater than a twenty dollar bill will be checked with counterfeit detection pens.

b. On detection of counterfeit money, the following actions will be taken.

- (1) The currency will not be returned to the passer.
- (2) Attempt to delay the passer by explaining that management assistance is needed for the transaction.
- (3) Contact asset protection or management.
- (4) Avoid an argument. Inform the passer that the manager will handle the matter.
- (5) If the passer leaves, note description (height, weight, color of hair, color of eyes, complexion, clothing, name tag, scars, or other distinguishing characteristics).
- (6) Note description of car, if any.

(7) Management will notify local military law enforcement or the field office of the U.S. Secret Service.

(8) Obtain written acknowledgment from responding military law enforcement or U.S. Secret Service that the counterfeit tender has been relinquished to them.

Chapter 8

Negotiable Instruments

1. General. Only personnel authorized by the MCCS activity manager may approve checks for cashing. Store check acceptance and cashing policies must be clearly posted and visible to all patrons. Persons presenting checks will be identified as authorized patrons prior to receiving cash or merchandise. The Privacy Act of 1974, 5 U.S.C. § 552a requires that when an individual is asked to disclose personal information, they must be informed of the following:

- a. Whether such disclosure is mandatory or voluntary. (Mandatory).
- b. Under what authority is the information being solicited? (Treasury Offset Program).
- c. What uses will be made of it. (Identification in the event of nonpayment).

2. Check Cashing. Where local policy permits, only the following checks may be cashed for authorized patrons.

a. Personal, two-party, government, certified, cashier, state, insurance company, traveler's and business establishment checks to include money orders. The amount of the negotiable instrument that is honored may be limited by MCCS and local installation policy.

b. Personal checks may be cashed in amounts not exceeding MCCS established monetary policy for one person in any one day. Discriminatory ceilings below MCCS policy, varying with pay grade, are prohibited. The AC/S or MCCS Director or delegated representative may grant specific approval for cashing personal checks above established MCCS monetary policy in individual patron cases.

c. Personal checks shall (based on circumstances) be pre-printed with the authorized patron's name before being honored. Other information required on a personal check before honoring, but not required to be pre-printed:

- (1) Address and/or sponsor's duty station and unit.
- (2) Rank.

(3) Work and/or home telephone number.

(4) Sponsor and/or endorser's Electronic data interchange personal identifier (EDIPI) identified as the DoD ID number on the ID card itself must be entered into the POS system for collection efforts through the Treasury Offset Program in the event the check is dishonored.

d. Under no circumstances shall checks be accepted for purchase of a money order.

e. Two party checks shall be accepted at all cash windows. The person presenting or cashing the check will be the responsible party for the value of the negotiable instrument.

3. Dishonored Checks. When a check is dishonored and returned by a bank for any reason, an appropriate entry shall be made immediately to the account of the individual. Appropriate bank charges shall be passed on to the drawer or responsible endorser. In addition, a service charge shall be collected from the patron for each check returned by the bank to the MCCA activity. This service charge will not be levied against the patron if it is determined the check was returned because of a bank error.

4. Check Cashing Privileges. The abuse of check cashing privileges by military personnel (i.e. redeeming dishonored checks or frequent passing bad checks) shall be addressed by local commanders. Military dependents or other authorized patrons may have their MCCA privileges suspended for abuse of check cashing privileges.

5. Credit Cards. Though proven to be a convenient and preferred method by patrons to purchase merchandise, credit cards are an easily abused means, used by both patrons and employees, to swindle funds and merchandise from MCCA.

a. The credit card should be examined when possible to ensure:

(1) The signature on the back of the card matches the signature on the patron's ID or,

(2) The name on the card matches the name on the patron's ID.

(3) The expiration date has not passed.

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b. When a purchase is made with a credit card and the item is returned, the patron shall receive a credit to their account, not cash. Cashiers must verify on the receipt that the last four numbers on the credit card match the last four numbers of the credit card on the original purchase receipt. In the event that the patron does not have the credit card used for the original purchase, a gift card or gift certificate shall be issued for the return.

c. At no time shall anyone, other than the actual person identified on the credit card, be authorized to use that card for purchases or service. For credit card transactions where the patron is required to sign a paper receipt, the signature on the card must match the signature on the receipt.

6. Military STAR Cards. The same policies that apply to all credit cards apply to the Star Card. Only the authorized user of the Military Star Card account shall use the card for purchases or account maintenance.

7. Debit Cards

a. A debit card (also known as a bank card or check card) is a payment card that provides the cardholder electronic access to his or her bank account(s). Activities offering cash back to patrons along with their purchase made with a debit card must verify the amount of cash back via the POS. Patron's cash back shall be circled on all cash back receipts as a signal to the cashier and patron that the patron has received their cash.

b. When a purchase is made with a debit card and purchased item(s) are returned, the patron shall receive a cash refund, except in cases where the debit card was used as a credit card. In these instances, it is acceptable to issue the refund directly to the card.

8. Gift Cards. For the purpose of this Order, the term "gift card" applies to MCX gift cards, third party gift cards, telephone and financial cards. Gift card fraud can occur at any location offering gift cards. The locations least affected will be the locations with strong programs to protect gift card inventory.

a. Anytime an associate is issued a gift card whether by purchase and refund and whether MCCS or a third party gift card the transaction must be verified by a manager.

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b. Gift card fraud is committed in a variety of ways. Some of the methods asset protection personnel must be watching for are:

(1) Associates switching patrons' gift cards with zero balance cards and using the patrons' card to purchase merchandise.

(2) Collections of gift cards or lists of card-like numbers in or around registers. This may be a sign that an associate is waiting for the right moment to activate or use a stolen gift card.

(3) Purchases of multiple gift cards by a single patron or associate in a short period of time using the same or a different credit card and/or purchasing high dollar valued cards with checks or credit cards. A common misconception is that purchasing gift cards via stolen credit cards or dishonored checks is gift card fraud; however, these methods are actually acts of credit card and/or check fraud.

c. Preventing Gift Card Theft. To prevent theft of gift cards and gift card numbers, the following minimum controls must be in place.

(1) Associates must be trained on the proper activation of gift cards and the potential for shoplifting of inactivated or blank gift cards.

(2) Asset protection personnel and managers must inspect cash register areas for stray gift cards and/or potential lists of gift card numbers.

(3) Exception reports must be used to monitor the purchase of multiple gift cards by both patrons and employees to ensure early detection of potentially fraudulent activity.

(4) Display racks should be kept in an area where they can be seen to deter theft of blank cards. Display racks must be kept organized to detect losses of large quantities of blank gift cards.

CHAPTER 9

Internal Cash Control Procedures

1. General. The activity manager or designee will establish written procedures for handling and safeguarding cash instruments and ensure familiarity with those procedures by all employees. Included in the written instructions will be procedures for reducing cash on hand to a minimum amount and the control of alarm-system keys. The amount of cash on-hand for cash registers, cash cage, or vaults must be based on operational needs. Sound judgment will always be used for all funding/currency needs.

2. Transporting Funds. The transporting of funds to or from a banking facility or activity will be safeguarded by the number of personnel deemed necessary to accomplish a safe transfer of funds. Transporting of funds will be accomplished, when possible, during daylight hours. At no time will a cash courier vehicle containing cash and/or negotiable instruments be left unattended unless equipped with a tamper alarm system. In case of a breakdown, the couriers will remain with the vehicle until the cash and/or negotiable instruments have been adequately safeguarded and are in transit by another courier vehicle and authorized staff. All cash courier vehicles must be equipped with a two-way communication device of sufficient sensitivity and selectivity to reach all outlying activities where the courier collects cash.

3. Cash Couriers. Exacting and stringent measures must be taken when cash couriers are transporting funds. At a minimum, cash couriers will be appointed in writing. Also, a receipt, in duplicate, will be made out and signed by the cash courier and activity manager. The activity manager shall retain the original receipt and the copy shall be submitted to the main cash office with the cash bags. Activity managers will positively identify all cash couriers and lock cash bags before relinquishing possession. Couriers will maintain a log of each bag by number and activity. When contracted courier services are utilized, the service provider must be licensed, bonded, and insured to cover liability and any losses. In the event of a conflict between the above procedures and the contract, the contract shall prevail and the contracting officer will be consulted for resolution.

Chapter 10

Keys, Locks and Safes

1. General. Having strict key, lock, and safe procedures will ensure a level of security that reduces unnecessary loss. A tumbler lock, passable only by its own original and duplicate keys; and/or a padlock of 1-1/2 inches in size or larger, passable only by its original or duplicate keys, shall secure all spaces. Locks with interchangeable cores may be utilized providing adequate receipts and key responsibility are established.

2. Keys. Facility management is responsible for key control in their buildings. Each building is to have a key control register set up to sign keys in and out. Keys will be issued and signed for on a receipt bearing the following notation, "Any loss or compromise of the keys will be immediately reported to the activity manager. It is prohibited for the holder to have duplicate keys made."

a. Keys not in use are to remain secured in a locked key box or safe.

b. Keys will only be issued to management and authorized sales associates.

c. Master keys will only be in the possession of the facility manager or manager on duty.

d. At no time will keys be duplicated unless the facility manager approves.

e. Loss of keys must be reported immediately to management and asset protection.

3. Locks. At times, it may be necessary to change the locks within a building. If keys to a display case or department are lost or stolen, management must decide if the locks will either be replaced or re-keyed. When a key carrying member of management is terminated for cause, locks in the facility must be replaced. If it is discovered that a person who does not work for MCCS has keys and can access areas, the locks will be replaced. If the facility manager feels that there has been a security breach or keys were made without authorization, the locks must be replaced.

4. Safes. A General Services Administration (GSA) approved security container which is burglar, tool, torch, fire-resistant and meets the standards of the Safe Manufacturing National Association (SMNA) shall be provided for the use of each activity or person responsible for M CCS funds. Exceptions will be cashiers and salesclerks who have custody of the funds for daily working purposes only. Safes shall be of adequate size and weight and properly secured by encasing in concrete or steel strapped to floor or wall supports, when practicable. Safes containing at any time a cumulative value of \$50,000 or more will be protected by an alarm system connected to the base police station, or, if off base, to a central station capable of providing armed response. Where possible, safes will be keyed separately from the building alarm system to prevent the safe alarm from being deactivated when the building alarm is turned off when management enters the building.

a. Safes holding funds at any time with a cumulative value exceeding \$7,500 shall be located and properly secured in an illuminated area with at least one fixed CCTV camera recording it.

b. Safes must never be left in day-lock position with the dial turned slightly off the last combination number. Unless opened for withdrawals or deposits, safes will be fully locked at all times with combination dial spun at least three full revolutions.

c. When a safe is being opened, the dial will be shielded to prevent compromise of the combination.

5. Safe Combination Changes and Control. Each M CCS is responsible for appointing a safe combination custodian. This individual, or his/her designee, is responsible to ensure:

a. Safe combinations are changed at a minimum:

(1) When the combination has been compromised.

(2) After transfer, termination, resignation or disciplinary reassignments occur for personnel with access.

(3) Every six months.

b. Safe combination change records shall be maintained for a minimum of two years and contain the most recent combination change documentation information.

c. Safe combinations must not be written down or accessible in the area containing the safe.

6. GSA Approved Security Containers. GSA approved security containers have the following Federal specifications (Class 1 and Class 5 cabinets are rated to provide the greatest protection against forced entry.):

- a. Class 1 or Class 2 cabinet. AA-F-357 (GSA-FSS).
- b. Class 4 or Class 5 cabinet. AA-F-358 (GSA-FSS).
- c. Class 5 or Class 6 Map and Plan File. AA-F-363 (GSA-FSS).
- d. Class 6 Drawer File. AA-F-358 (GSA-FSS).

7. Burglary Resistant Safes. Burglary resistant safes are designed to prevent forced entry. The numerical value cited represents the time in minutes that the safe will resist forced entry. These safes provide a greater degree of protection than GSA approved security containers. Commercial burglary resistant safes are certified by Underwriters Laboratories according to the following classifications:

- a. Tool-Resistant Safe - TL-15.
- b. Tool-Resistant Safe - TL-30.
- c. Torch and Tool-Resistant Safe - TRTL-30.
- d. Torch and Tool-Resistant Safe - TRTL-60.

8. Courier Safes. At the AC/S or MCCS Director's discretion, courier safes may be installed in MCCS-owned vehicles that are frequently used to transport large amounts of cash instruments. A courier safe is a safe in which cash bags may be dropped but not retrieved by the cash courier. The head cashier may open the courier safe only when the courier vehicle returns to the main cashier's office. Courier safes will be of an approved type, fastened to the vehicle frame with carriage bolts, and installed with the retaining nuts on the interior of the safe to preclude removal from the exterior. Printed signs reading, "The courier does not possess keys/combination to this container" shall be affixed to the door of the safe by tape or magnet.

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9. Requirements. Currency and storage containers must comply with the following minimum requirements for storing currency and negotiable instruments. (Note that previously approved storage containers currently in use may continue to be used until they need to be replaced.)

a. Containing at any time a cumulative value under \$7,500. The AC/S or MCCS Director may establish container requirements.

b. Containing at any time a cumulative value of \$7,500 - \$50,000. Use a security container with a Class 1 or Class 5 rating, or a burglary resistant safe with at least an Underwriters Laboratories classification of Tool-Resistant Safe, TL-15.

c. Containing at any time a cumulative value of \$50,000 or more. Use a burglary resistant safe or vault with at least an Underwriters Laboratories classification of Tool-Resistant Safe, TL-30.

Chapter 11

Warehouse Security

1. General. Current warehouse operational standards are available on the MCCS Crossroads website and must be followed. As such, there must be sufficient personnel and adequate procedures to ensure the protection and prompt movement of merchandise. Internal theft causes a large percentage of warehouse/stockroom accountability losses. Three pilferage methods unique to warehousing are:

a. Circumventing normal security procedures for high dollar and/or highly desirable merchandise by diverting it to a general storage location with the intent of later stealing the merchandise from that area.

b. Conspiring with drivers to steal merchandise by failing to completely unload an incoming vehicle or overloading an outgoing vehicle without proper documentation.

c. Conspiring with a driver and/or employee of an activity by adding undocumented merchandise to shipments.

2. Internal Controls. Determining adequate physical security for warehouses is at management's discretion. However, location, structural integrity of the building, value of assets involved, and periods of exposure (unmanned or unguarded) should be taken into consideration. At a minimum:

a. Incoming shipments shall be processed in accordance with current operational standards. When possible, shortages, overages, and damages shall be noted and signed for before the carrier leaves.

b. All perishable items shall be processed immediately and stored at proper temperatures.

c. Merchandise shall be checked carefully against the purchase order to determine the correct cost and sell price. In the case of a direct delivery, the receiver will not check in items based on the vendor's count. Rather, the receiver must count all items while the vendor is in sight and match all items to the invoice.

d. Receiving personnel shall sign and date all invoices and delivery tickets annotating the documentation with any corrections to items or quantities to reflect the goods actually received.

e. First in/first out method of stock rotation shall be used.

f. All items received will be immediately stored in clean, secured, designated areas. No refrigeration or dry storage food items shall be stored on the floor. A refrigeration log shall be maintained to reflect twice daily temperature readings. Freezers must be kept at 0 degrees F or less and refrigeration boxes between 36 and 40 degrees F.

g. Incoming and outgoing shipments shall be kept segregated.

h. Transfer documents shall accompany merchandise at all times.

i. All MCCS vehicles delivering goods shall be secured with adequate locking devices and a numbered seal. Seals should be secured and issued by a supervisor only. The supervisor should maintain a daily log containing serial numbers for seals issued and returned with a counter signature from the driver issued and returning unused seals. Seals shall be examined and compared to seal numbers listed on the trip ticket by the receiving activity manager. Trucks delivering goods to more than one activity shall be compartmentalized by loading the last delivery first and sealing that area with a numbered seal before loading merchandise for the next activity. Deliveries can be commingled and each activity manager shall, by comparing seal numbers, be responsible for only that activity's merchandise. Seal numbers shall be listed for each activity on a trip manifest. Limited exceptions may apply to direct delivery vendors, postal service and express delivery services, i.e. Federal Express and UPS.

j. All retail/resale items being delivered must display a barcode. If necessary, generate a barcode ticket through the appropriate software.

k. Warehoused merchandise shall be carefully arranged to preclude having the same types of merchandise in more than one location.

l. Management shall instruct warehouse employees in the proper method of stacking, lifting, and moving merchandise to prevent damage to the merchandise and injuries to personnel.

m. Stock record cards, if maintained, shall be kept current and accurate.

n. The warehouse manager, or his/her designee, will secure the warehouse at the end of the day and ensure that all access areas are locked and the alarm is operable before leaving facility.

o. CCTV cameras will be placed at the receiving docks, back doors and in the warehouse. If the warehouse has a secure lock-up for high-value merchandise, then a CCTV camera will be placed inside.

p. All returned orders will be kept in a separate area, strictly controlled, and accountability booked to the returned order warehouse. Proper vendor return documentation shall accompany the merchandise. Vendor return documentation will include:

- (1) Date of return.
- (2) Vendor name.
- (3) Department.
- (4) Description of goods.
- (5) Reason for return.
- (6) Cost and sell prices.
- (7) Quantity.
- (8) Extension.
- (9) Totals.

q. After authorization is received from the vendor, merchandise shall be returned promptly for credit. The warehouse manager, or designee, shall review returns at least weekly. If authorization has not been received after seven calendar days, the buyer, merchandiser, or contracting officer shall be notified for prompt follow-up.

Chapter 12

Will Call

1. General. Merchandise which is large and bulky and by nature restricted to displaying only one piece on the sales floor may be stored in a will call area. This area may be a segregated portion of a warehouse or other designated area with strictly controlled access.

2. Procedures

a. Merchandise sold on a will call basis will be identified as such on the sales floor signage should advise patrons notify a sales associate when a purchase is desired.

b. The sales associate will contact the will call storage area to ascertain if the item is available. If the item is available, the associate will request that a hold, noting the patron's name, be placed on the merchandise. The will call storage area manager will maintain records or a database on each item as to the quantity received, sold, and on hand.

c. The sales associate will process the sale through the POS system. Once the transaction is completed, the sales associate will stamp the back of the sales receipt with the will call stamp and write in the item to be picked up at will call.

d. The sales associate will instruct the patron to take the register receipt to the will call area.

e. The will call clerk will check the register receipt. Upon verification of the sales receipt, the will call clerk will record the transaction on the daily will call control log sheet noting the UPC or class/sub-class, description, price, transaction number, and register number. Next, the will call clerk will ask the patron to sign the daily will call control log sheet as proof of receiving the merchandise.

Chapter 13

Cash Register Procedures

1. Cash Register Procedures. The area of an activity that is most vulnerable to loss is the cash register. General instructions applicable to cashiers on how to protect the cash drawer will be detailed in the asset protection portion of associate orientation and reviewed carefully when the cashier is trained to operate a register.

a. Cashiers Shall

- (1) Count and sign for all cash issued to them.
- (2) Maintain accountability of cash during their shift.
- (3) Conduct a cash count at the end of their shift and/or prior to turning cash over to another cashier or management.
- (4) Provide a written explanation for all cash overages and shortages exceeding \$10.00.

b. Managers Shall

- (1) Investigate causes of cash overages and shortages.
- (2) Provide written comment with cashier explanations and forward copies to asset protection. Copies of this documentation must be provided to the finance office with daily records.
- (3) Retrain cashiers with excessive overages and shortages when deemed necessary.

c. Asset Protection Must

- (1) Conduct trend analysis of cash overages and shortages to detect potential fraudulent activity.
- (2) Investigate cash overages and shortages exceeding \$50.00.

2. Preventive Tools. An effective asset protection program must include tools to prevent and monitor fraudulent void, over-ring and no-sale transactions. To preclude internal theft through these methods, checks and balances will be established and procedures strictly enforced for handling of over-ring, void, and no-sale transactions. Exception reports will be used to ensure accuracy in transactions conducted by the associates. Within MCCS, there are several types of POS systems in use. Basic policies and procedures for non-POS and POS systems concerning over-rings, voids, and no-sales are as follows:

a. Non-POS Over-rings and No-Sale Transactions

(1) Over-Rings

(a) Supervisors must verify over-ring slips in the presence of patrons before the transaction proceeds.

(b) Over-ring slips must be kept under lock and key, and issued to supervisory personnel on an as needed basis. Over-ring slips will be consecutively numbered. Supervisors will sign for, and be held accountable for, over-ring slips.

(c) Over-ring slips must be retained in the possession of supervisors.

(d) Supervisors must sign over-ring slips with full name only after the transaction is complete.

(e) When possible, the patrons' name and phone number will be included on over-ring slip.

(2) No-Sales. No-sales shall be carefully monitored. At closing, the department supervisor must review all no-sale receipts and ensure an explanation is on the back of every receipt. Cashiers should have very few reasons to open cash drawers during the day other than ringing a sale or giving change. When a cashier uses the no-sales key, the supervisor must authorize the register receipt at the time of occurrence, indicating the reason the drawer was opened. The detail tape for that transaction will be circled and the register receipt retained in the register to be turned in to the accounting office at the conclusion of the business day.

b. POS Over-Rings and No-Sales

(1) Over-Rings

(a) Managers must review all over-rings daily and excessive over-rings will be investigated.

(b) Over-rings must be corrected through the use of the void previous transaction. A supervisor or a responsible person with supervisory authority must perform this transaction.

(c) Managers must track the frequency this type of transaction is performed.

(2) No-Sale

(a) This transaction is used to simply open the till and is done at the start of the day and to give change to a patron. Using this procedure to commit fraud is impossible based on the assumption that the associate cannot change the recorded sales in the register and any tender removed will be short at the end of the cashiers shift. If a cashier fails to input sales and later removes the tender during a No-sale transaction, fraud may have occurred. Cashiers will sign each no-sale receipt and annotate the reason for conducting the No-sale. Cashiers shall always sign off the register to prevent someone else from opening the register and gaining access to the till.

(b) Managers must track the frequency of this type of transaction is performed.

(c) When a no-sale receipt is provided by the POS the receipt will be retained in the register to be submitted to the accounting office at the conclusion of the business day.

c. VOIDS

(1) Voids will be so marked, retained by supervisors, and returned to the accounting office at the conclusion of the business day.

(2) Voided cash register receipts must be attached to the over-ring slip by a supervisor and placed in the cash register to be turned in with daily reports and cash at the close of the business day.

(3) Two part void slips must be used when a void slip cannot be provided through the POS system. Two-part void slips will contain the following information, when applicable:

- (a) Date.
- (b) Transaction Number.
- (c) Register Number.
- (d) Total Voided.
- (e) Reason for Void.
- (f) Cashier (signature).
- (g) Authorized By (signature).
- (h) Numerical Control Number.

Note: The original (with register receipt attached) shall be submitted to accounting and a copy will be submitted to Asset Protection.

(4) All voids will require the signature of a supervisor.

d. Types of Voids. There are three types of voids.

(1) Line item voids are typically used when a patron decides that an item already rung into the register is no longer wanted prior to the completion of the transaction or when the cashier extends the wrong discount to an item and wishes to void that item and ring it again.

(2) Transaction voids occur when the cashier, for whatever reason, decides to abort the transaction.

(3) Post voids are done after a transaction has been completed and it is determined that the transaction was done incorrectly.

(a) POS generated void slips will capture the following information when applicable:

1. Store Number.
2. Register Number.
3. Transaction Number.
4. Associate POS ID Number and Signature.
5. Voided Transaction ID.
6. Voided Total.
7. Reason Voided.
8. Authorized By (signature).

(b) These transactions need to be monitored for training opportunities as well as potential fraud. Post voids will be performed by a supervisor or manager and never by the same person who performed the original transaction.

(4) Management shall track the frequency this type of transaction is performed.

e. Over-rings, voids, and no-sales shall be constantly monitored and reported to management and asset protection personnel when there is questionable activity. Where supervisors are not present daily, supervisors must review and examine previous days' reports to ensure these over-rings, voids and no-sales are monitored.

Chapter 14

Food and Beverage Operations

1. General. Employee theft plays a major role in loss. Management must begin with careful hiring, training, and monitoring of employees. Asset protection programs must have carefully planned physical security of food, beverage, supply, and equipment items, and control inventory.

2. Controls. Supplies, equipment, and food and beverage items of the activity will be used only for the intended purpose of generating sales or service to patrons.

a. Each employee will be thoroughly briefed by the activity manager regarding meal privileges and established control procedures.

b. Employees will check all personal packages with a supervisor before reporting to their work area. These packages will be controlled in a central area.

c. Employees, while on the clock, are required to check with the supervisor prior to leaving the premises.

d. The rear door of a food activity will be equipped with an appropriate latch or panic bar. To ensure control, the panic bar must be equipped with a bell or buzzer, which rings when the door is opened. Doors should be locked when not in use.

e. Refrigerator units will be provided with heavy-duty hasps and receivers and secured with a heavy-duty lock. Refrigerators must be kept locked except when receiving or issuing food. Food, beverage, and supply storerooms will be kept locked. Keys must be under the control of the activity manager or designee. All types of dispensers must be secured to prevent unauthorized access when not in operation.

f. Employees are prohibited from removing leftover food from the activity. To insure usable materials are not being disposed of, garbage and trash must be inspected prior to placing in refuse containers. Clear trash bags should be used whenever possible. Supervisor's inspections in this area will also result in useful information on excess waste and spoilage. Empty cartons, cases, and other food and beverage containers will be broken down before removal to preclude accidental loss of food items.

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- g. Unauthorized personnel are not permitted to enter the kitchen or storage areas of the food activity. Signs stating such will be posted on doors entering these areas.
- h. An internal control system in accordance with chapter 11 of reference (a) for both food and beverage production will be established and include such items as standard recipes, portion controls, item cost, and high cost entree inventory.
- i. Inventories will be conducted at the close of each accounting period. Retail accountability of bar operations will be done in accordance with chapter 11 paragraph 5 of reference (a).
- j. Specific personnel will be appointed to and trained in the receiving function. The receiving clerk will weigh all merchandise purchased by weight; count those purchased by count; check for quality, quantity, and adherence to specifications; and compare what is received to the purchase order and vendor invoice.
- k. Permitting vendor access to inventories on hand to determine an order is forbidden.
- l. Only MCCA owned alcoholic beverages and food are permitted in the activity.
- m. All sales will be recorded on a computerized POS system whenever possible. The cash register drawer is to be closed after each transaction and only authorized users assigned a cash drawer shall conduct transactions.
- n. Guest checks shall be pre-numbered. No food will be served without a guest check. Kitchen and cashier copies of guest checks will be compared at the end of each meal.
- o. Surprise cash counts of all operating registers will be conducted at least monthly by management, results of these counts must be documented. Any surprise cash count conducted resulting in an overage or shortage of funds exceeding \$50.00 must be reported to Asset Protection.
- p. Cash registers must be locked when the operator is away from the station.

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q. A server acting as his/her own cashier is permitted where a POS system is available to record all transactions. However, servers may not act as the cashier for his/her own purchases. Server register drawers will be reconciled at the end of the servers' shift.

Chapter 15

Service Stations and Fuel

1. General. Service stations are likely targets for fraud, waste, and abuse. Losses at service stations may be attributed, for the most part, to loose or nonexistent internal controls. MCCS management shall make every effort to closely monitor service station operations and controls on a continuing basis. CCTV cameras, with continuous recording, shall be used at all service station fueling pump areas to monitor patron safety and potential drive-offs. Visits to the station shall be made weekly, more often if necessary, by the asset protection staff. These inspection visits shall reinforce MCCS management's concern for honest and efficient operation of the service station.

2. Fuel Control

a. Calibration tests on fuel pumps shall be performed at least annually. Should these tests reveal an error and recalibration becomes necessary, the lead seal shall be replaced immediately after recalibration is performed.

b. Only authorized personnel will conduct maintenance and repairs on fuel pumps.

c. Condensation tests shall be performed at least weekly or after a rainfall. Any condensation exceeding one inch must be removed.

d. Automatic Tank Gauge (ATG) or stick readings shall be made on each fuel tank at the start and close of each business day.

e. When fuel is delivered, the manager or designee shall take ATG or stick readings before and after to ensure full quantities have been delivered. The manager, or designee, must certify on the delivery ticket that the correct quantity of fuel was received.

f. When a discrepancy exceeding one-half of one percent is discovered between fuel outgo (as determined by pump meter) and the ATG or stick readings, a management review will be conducted to determine the cause. A daily record will be kept comparing fuel outgo and ATG or stick readings.

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g. Keys to fuel pumps and storage tanks will be retained by the service station manager, or official designee.

h. At least monthly, the MCCS Retail Director, or designee, will verify the actual pump meter readings compared to those reported by the station. This verification should be unannounced and conducted before opening or at the close of business. Any differences shall be investigated by asset protection.

3. Cash Control. All cash register controls discussed in chapter 13 of this Order apply to service stations. In addition, the following control procedures must be followed at all times.

a. All work orders shall be validated by the activity manager, or designee, at the cash register to support proper recording of sales.

b. At the end of each business day, the service station daily report and original job sheets for all rendered services shall be submitted to the accounting office to be verified against deposits turned in.

c. On a daily basis, the service station manager shall verify, record, and reconcile the total fuel pump dollar-meter reading to the net cash register reading for fuel sales.

d. When service station hours extend past dusk, a minimum of cash should be retained in the cash register. Excess cash will be deposited in a bank night depository. If that is impractical, cash will be kept in a locked safe within the station.

e. Service station managers must be aware of potential credit card fraud by station employees. A daily check must be made of credit card sales to determine if the same name and number appear more than once in the same day. This occurrence may be a sign of potential fraud.

4. Merchandise and Parts Control

a. All motor oil products shall be inventoried at the end of each accounting period.

b. All class/subclass merchandise must be clearly price ticketed to avoid guesswork. All merchandise management system merchandise must be clearly shelf-labeled.

c. All merchandise should be physically received and signed for by the service station manager, or designee.

d. The service station manager, or designee, shall be the only person authorized to issue parts to mechanics. The parts room shall be kept locked and the key retained by the manager.

e. When tires are displayed outside the service station in display racks or storage cabinets, they shall be secured together with a chain and padlock of adequate strength, unless equipped with an anti-theft arrangement. If it is necessary to store tires in the repair shop, the shop shall not be left unattended when service bay doors are in an open position.

f. Where propane is stored outside of a facility, all storage cages shall be locked when not being directly accessed. All propane cylinders are to be controlled in locked cages regardless if they are empty or full. At no time will propane be accessible to patrons without direct assistance from a sales associate.

g. To ensure proper functioning, service stations protected by alarms shall be tested at least weekly. M CCS management, or designee, shall test local alarms connected to audible or visible signals (bell, siren, flashing light). Alarms connected to a central station shall be tested in cooperation with base security personnel to ensure proper signals are received at the monitoring location. Motion detectors will be tested for proper sensitivity. Records of these tests shall be maintained at the appropriate M CCS office.

h. All trash shall be inspected by the service station manager or designee, prior to removal to ascertain that saleable merchandise is not being disposed. Clear trash bags should be used for all trash. Cartons shall be completely broken down, folded flat, and inspected by a manager before disposal.

i. Non-personal mechanic's tools, testers, gauges, etc. shall be returned to proper storage places after use. The service station manager shall spot check frequently to ensure tools are being returned. Station personnel or patrons shall not be permitted to borrow tools for their personal use.

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j. Where practical, used parts that are not readily visible (such as brake parts, ignition parts, fuses, etc.), shall be offered for return to patrons. In addition to ensuring that new parts were in fact installed, this is an effective means of gaining and maintaining patron confidence in the service station.

5. Work Order Control

a. Work orders for maintenance and repair services shall be prepared at the time work is accepted. They shall be numerically controlled and issued sequentially (including voids). The service station manager, or designee, shall maintain a control log for these work orders. Signatures of authorized patrons shall be affixed to all work orders before work is accomplished. Mechanics shall enter only the time required to accomplish the job and their signatures on the work orders.

b. Only the service station manager, or designee, shall price work orders. Parts shall be issued only by the service station manager, or designee, and entered by them on the work order.

c. Work orders shall be completed in their entirety, including patron and vehicle identification, type of work performed, time expended, and all applicable charges. Work orders provide a permanent record of all repairs and maintenance, making accurate cost control possible.

6. Employee Control

a. When reporting to or leaving work, employees will enter and exit through a designated door. All breaks and meal hours shall meet standard requirements for the MCCA activity. No employee may clock in or out for another employee.

b. Locker issuance and inspection will be in accordance with chapter 4 paragraph 5 of this Order.

7. Management Responsibility. Service station management must provide training and development of service station employees. This training shall include security, safety, and proper work habits and required employee conduct towards patrons and their vehicles.

Chapter 16

Vending Operations

1. General. Vending machine services, whether MCCS owned and operated, contractor owned and MCCS operated, or contractor owned and operated under a concession contract, are large revenue producers in the MCCS system. Therefore, it is mandatory that cash and security controls be instituted and maintained for all vending and amusement machines. In the event of a conflict between the below procedures and a contract, the contract shall prevail and the contracting officer will be consulted for resolution.

2. Location. Each MCCS owned vending and amusement machine must have an asset number assigned. In addition, detailed records indicating asset numbers and locations will be kept so that all machines are accounted for and movement may be tracked at all times. Contractor owned machines will be listed on a locator sheet as required by contract terms and maintained at MCCS offices. When possible, vending machines should be located in well-populated areas to preclude the possibility of vandalism to the machines.

3. Control. Each vending operation, whether MCCS owned or contracted, will establish a method to ensure accountability of merchandise and cash receipts. An example would be for all vending machines be equipped with non-resettable counters to verify the cash received since the last collection and reconciled with the sales value of the merchandise inventory replenished. Another method is to have vending machines filled to capacity each time the machine is restocked. However, due to the impracticality of this arrangement, inventory levels must be established based on usage for each machine and this level recorded in the vending inventory records. For control purposes, any counterfeit currency must be reported and submitted with the cash receipts. The record of counter readings and cash receipts reconciliation shall be maintained by the MCCS designated official. The facility officer or designee shall be responsible for verification of the cash receipts to counter control reconciliations.

4. Security of Funds and Merchandise

a. MCCS Owned Machines. Adequate asset protection measures shall be taken to safeguard vending machine products and receipts at all times. Service vehicles will be kept secured at all times when the service person is not physically present. When truck safes are provided, access thereto, by key or combination, will not be in the possession of the service person. The safe shall have a sign affixed that reads "DRIVER DOES NOT HAVE KEYS (OR COMBINATION) TO THIS SAFE."

b. Contracted Machines. A MCCS employee who collects vending machine receipts from contractor owned and MCCS operated machines must follow the policies and procedures stated herein. For contractor owned and operated machines, the contracting officer's representative (COR) will periodically audit the contractor's performance as required by the contract by accompanying the contractor's service person to verify adherence to proper collection, restocking procedures, and meter readings.

5. Sales Verification

a. MCCS Owned Machines. At the end of each day or accounting period (based on local policy and procedures), the sales audit clerk will compare the actual cash submitted on the salesperson's daily cash report for the period with the sales on the vending department's report of sales for the period. Daily shortages or overages of \$10 or more per machine will be investigated in a timely manner. A mechanic will be sent to inspect the specific vending machine to determine if there is an equipment malfunction.

b. Contracted Services. At the end of each accounting period, an audit must be conducted to compare the sales specified in the contractor's settlement report with sales reported on the applicable Report of Goods Received by the vending office for that contract and service. The audit clerk must coordinate with the COR or Contracting Officer to clarify any variances. If differences cannot be settled, MCCS will pay the contractor per the terms of the contract. Contractor settlement reports will be frequently checked by the invoice audit clerk to ensure that the contractor is paying the correct commission fee.

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6. Accountability for Vending Machines. Strict accountability must be maintained on all MCCS owned and operated and contractor owned and MCCS operated vending machines. Theft can easily occur from unaccounted vending machines. Money can be taken out and the proceeds never reported. In using the locator sheet, a visual inspection schedule will be set up. During this inspection, visual inspection of the condition and sanitation of the machines will be ascertained, as well as spotting any other machines not under MCCS control.

7. Cashless Vending Machines. Cashless vending machines enable consumers to make purchases from vending machines using their credit cards, eliminating the need to use coins or bills. Cashless vending sales report directly through the system allowing almost real-time sales data and product accountability. There are a few areas of control to consider when using cashless vending machine.

a. Cashless vending deposits must be reconciled with daily cashless sales reports.

b. If the system reports indicate a malfunction of the cashless system, machine maintenance must be schedule and conducted immediately to reduce the risk of lost sales caused by the malfunction.

c. Vending machine inspections should include a look at the machine's cashless system, to identify possible tampering of the machines credit card devices.

8. Vending Sales Comparison. A wide disparity between sales to stock ratio or similar machines in nearby locations may reveal possible fraud on the part of a contractor or MCCS personnel. MCCS officials must check sales activity frequently for vending machines of different types co-located or similar machines in reasonable proximity to each other.

Chapter 17

MCCS Lodging Facilities

1. General. Asset protection and security in MCCS Lodging Facilities has an added dimension. Temporary lodging facilities (TLFs), cabins, cottages, and recreation vehicle (RV) parks must provide a safe and secure environment for all guests and employees. These facilities offer 24 hour a day services. There are many employee security concerns that are unique only to lodging activities.

2. Facility Security. Guest security begins with safe, secure facilities. Having the proper building design and equipment can prevent many security problems that may occur in a lodging facility. Guests must be protected from intrusions by people inside and outside the facility. The area immediately surrounding the lodging facility offers the opportunity for thefts to occur. Military personnel under permanent change of station orders may have considerable personal effects stored in their vehicles, as may RV camper guests and leisure guests. To reduce the possibility of thefts occurring, all areas of the parking lot and building exterior must be well lit. Trees and shrubs should be trimmed to prevent concealment.

3. Guest Security

a. Locks. At a minimum, lodging facilities shall provide the following locks on all primary guest room entry doors:

(1) Electronic key and locking system or radio frequency identification (RFID) system should be used instead of metal keys, as they are easier to control and offer the ability to interrogate a lock to report entry history. Entry combinations must be changed every time a guest checks out. These systems utilize plastic key cards, and are more cost effective and provide the optimum in guest security.

(2) Guestroom doors must have a hotel-type function dead bolt with privacy lockout. The privacy lockout shall not permit entry except by grand master keys.

(3) Secondary locking device (chain, swing arm, etc.) must be installed on the inside of the guestroom doors, as an added security measure.

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(4) Laundry room doors are to be locked and access provided through guest keys. A peephole or a glass window must be on all doors to the exterior of the laundry room for safety.

b. Lock Maintenance. Regular and preventive lock maintenance is essential to keeping the guest rooms in rentable condition. The following practices shall be followed.

(1) Housekeeping shall check all guest room locks daily and report any deficiencies to the manager. Guest rooms with malfunctioning locks will not be rented until repaired. Any guest room with a lock that is not functioning properly is to be placed in an out-of-service status until the deficiency is corrected. All deficiencies must be corrected immediately.

(2) All entry door locks must be cleaned with a cleaning key monthly and reprogrammed. This is not a requirement with RFID locking systems.

c. All windows that can be accessed from the outside must be equipped with locks. Maintenance or housekeeping staff shall check the locks at least weekly and report any deficiencies to the manager immediately.

d. All primary guestroom doors must be self-closing with doors that lock automatically.

e. All guestroom doors must have a 200 degree peephole (centered 5' above the floor level) to allow guests to see into the corridor without opening the door. All Americans with Disabilities Act (ADA) rooms require two peep holes per ADA standard height specifications.

f. Exterior room doors must be of a solid core or metal construction to prevent smashing the doors to gain unlawful entry.

g. Storerooms, mechanical space, and similar doors must not be identified to reduce the possibility of casing the storerooms.

h. All sliding glass patio doors must be equipped with one or two latches or a dead-bolt type lock. A secondary lock such as a security bar shall be provided on all sliding glass patio doors. A decal with instructions to lock and unlock the latch or dead bolt must be displayed near the locking device. While screens may be installed on sliding glass doors, they should not be considered security doors.

i. All building exterior entrance/exit doors must be keyed such that they can be opened only with a key card or other special device furnished to guests. This is to enable the lodging facility to secure doors at night while not inconveniencing guests. All exterior doors are to be self-closing and equipped with a "panic bar" to allow emergency exit.

j. All public space lighting must be kept in working order, including emergency lighting systems. Emergency lighting systems shall be inspected monthly by authorized maintenance personnel.

k. A master key log must be maintained and a key inventory must be conducted monthly.

4. Key Control. The lodging manager must ensure all aspects of metal key control are in place when a key card system is not installed.

a. Managers may have keys to office spaces and areas that have been issued to them for operational purposes; however, all other keys must be issued daily. Keys issued for daily use must not be removed from the facility.

b. Housekeepers are to be issued sub-master keys, not masters or grand masters.

(1) The Housekeeping Manager may be issued a master key, which must be logged in and out for each use.

(2) No employee or manager may remove keys from the premises.

c. If a room key is reported lost by either a guest or employee, the lock or core for the guestroom must be changed.

d. An additional back-up set of two room keys must be kept under lock at the front desk.

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e. All room locks must be rotated or re-keyed at least every six months. A record of each rotation or re-keying shall be maintained.

f. The night manager shall conduct an inventory of the keys.

(1) Key blanks and duplicating equipment shall be locked unless in use.

(2) An inventory of key blanks shall be maintained and issuing of key blanks must be recorded.

5. Keys Issued to Guests

a. Control. Two keys will be issued to guests upon check-in.

b. Master Keys. Under no circumstances will a guest be given a master key.

6. Guest Information Security. Guest security is vital to any hotel operation. Registration information regarding guests is confidential and must never be released to unauthorized personnel. Guest room numbers shall never be released at the Guest Reception Desk or over the phone. Patrons shall have no visibility of the key rack, computer system monitors or phone listing.

7. Credit. All MCCS lodging facilities shall accept credit cards for payment. Credit will be offered to all guests who provide an acceptable, valid credit card, regardless of rank. The card will not be charged until the guest checks out or settles the bill. Where applicable to out-bound permanent change of station guests, payment will be made at guest check-in.

a. Check-In. Guests should be requested to provide a credit card to permit charges for room and incidental goods or services. The validity and the credit limits should be verified at check-in. Credit cards must be electronically swiped into the computer system. Card numbers may be manually entered if the card magnetic swipe does not work properly. The guest signature on the registration card will serve as a signature on file in the event the guest leaves without settling the bill.

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b. Guests Without Credit Cards. M CCS lodging facilities may request payment in advance on a daily basis for those guests who do not have a valid credit card.

c. Credit Limits. M CCS lodging facilities may wish to limit credit to guests and request bills be settled weekly.

d. Check Out. Guests shall be presented their folios for review prior to any payment being tendered. After verifying that charges are correct, the Guest Service Agent (GSA) must ask the guest if settlement will be with the credit card that was presented. If so, the amount of the charge will be entered into the computerized property management system and a zero balance folio copy must be presented for the guest to sign, thus authorizing the credit card charge.

8. Accounting and Record Keeping. M CCS lodging facility accounting and record keeping differs from other M CCS activities since most of the services are provided on an accounts receivable basis.

a. Immediate Posting of Charges. Guests can only be expected to pay for charges that have been posted to their accounts. Late charges after a guest checks out are an irritant to the guest. All charges should be posted immediately. Guest folios will be totaled at least daily, during the night audit.

b. Night Audit. A detailed night audit shall be performed each night. This should include all individual guest charges as well as departmental charges. Examples of departmental charges are:

(1) Guest Sundry & Merchandise items purchased.

(2) Any Food & Beverage items purchased.

9. Employee Theft. M CCS lodging facilities are not only faced with the same employee theft that other businesses face, but they must consider other employee theft unique to lodging. The following describes possible problem areas.

a. Occupancy theft

(1) Occupancy theft usually involves a GSA or Night Auditor who will check a guest in and not record the cash payment. The guest will normally leave within the time of the GSA's shift and the GSA may clean the room. Sometimes, collusion will occur with a housekeeper who assists the GSA by cleaning the room and splitting the proceeds.

(2) Prevention. Several things can minimize the occurrence of occupancy theft.

(a) Provide a spare stock of extra linen at the front desk and have the clerks account for its usage.

(b) Periodically inspect the unoccupied rooms to make certain that they are unoccupied.

(c) Run a detailed room inventory report. Daily managers or supervisors should check vacant clean rooms to make sure rooms have not been rented.

(d) If there are any concerns on any rooms being sold and not accounted for, management must interrogate the key lock report to examine the room access record and identify which employee made the key.

b. Theft of Guest Property

(1) Certain employees, who may enter a guest room while the guest is away (such as housekeeping or maintenance employees), have the opportunity to steal guest belongings. Care must be taken to ensure employees are not falsely accused by guests.

(2) The following procedures can help prevent employee theft of guest property, as well as help to avoid guests accusing employees of stealing their belongings.

(a) Insist that room attendants leave the door open when they are in a room or have the door partially open if they are in a room with an exterior door. This indicates that the employee is authorized to be in the room and no others are in the immediate area.

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(b) Use written orders for employees to be in the rooms. All room attendants will have written assignments on what rooms to clean. Maintenance personnel will have work orders and housekeeping managers and lodging managers will record a list of all the rooms they inspect.

(c) Empty and reload housekeeping carts at the end of the shift so it is ready for service and inspection.

10. Employee Safety. Employee safety is a major concern for the hospitality industry. Room attendants will keep the doors to the rooms open at all times. Room attendants are instructed to leave a room immediately if they suspect there could be a problem. Room attendants should also check-in periodically to give their locations.

11. Room Inventory. Room attendants must take inventory of rooms when guests vacate to ensure the room has the proper supplies for the next guests. Shortages must be reported to the lodging manager or supervisor as soon as detected.

Chapter 18

Indirect Operations

1. General. Patron services such as beauty and barber shops, laundry, dry-cleaning, tailor shops, watch repair, flower shops, gift wrapping, optical services, laminating service, key making, photo studios, restaurants, coffee houses etc. may be operated on a direct or indirect basis.

2. Controls. When operated as a direct service, all controls applicable to other direct operations apply. When concessionaires perform the service as a contracted operation, MCCS's concern shall be concentrated in the following areas:

a. Whether the concessionaire is fulfilling its mission and providing the service as required by the contract.

b. Whether MCCS is receiving its commission based on accurate accounting of sales and income and as required by the contract.

(1) At least quarterly, a documented comprehensive inspection must be performed by the appointed Contracting Office Representative. A comprehensive inspection will include concessionaire settlement reports, register readings, utility and common area maintenance fees, and application of late payment penalties in comparison with contract requirements. Any discrepancies found will be brought to the attention of the contracting officer; the contracting officer is responsible to coordinate with the concessionaire for resolution in accordance with contract terms and NAF Procurement Policy.

(2) All sales activities shall have signs posted as required by the contract, including: "Thank you for shopping the Marine Corps Exchange. Did you receive your register receipt and correct change."

(3) Any discrepancies found will be brought to the attention of the contracting officer. The contracting officer is responsible to coordinate with the concessionaire for resolution in accordance with contract terms and NAF Procurement Policy.

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c. To detect sales manipulations, MCCA activities should analyze sales trends of indirect activities for the current year and compare the current year sales to sales for the past three to five years. Time should be spent to determine the causes of unfavorable, inexplicable trends. Do not limit suspicions solely to decreasing sales trends.

(1) Determine the average percentage of increased or decreased sales trends.

(2) Determine the average percentage of increased or decreased sales for all activities concerned to ascertain whether individual concession sales are proportional (i.e., the average sales increase is 15 to 20 percent, while a particular indirect activity shows only a nominal increase).

Chapter 19

Semper Fit and Commercial Recreation

1. General. Semper Fit and Commercial Recreation programs provide Marines and their families' premier health and fitness, recreation, and sports programs to promote optimal health, quality of life, and operational readiness. This Chapter relates to all Semper Fit and Commercial Recreation programs: fitness, health promotion, sports, and all components of recreation (community recreation, unit recreation, commercial recreation, and outdoor recreation).

2. Description. Semper Fit and Commercial Recreation operations face the same general risk of losses, as the other MCCS businesses. Many programs provide rental/checkout of government property where the items are exchanged for cash. Some programs provide the rental of a 'space', such as a marina, vehicle storage, or stables. Particular care shall be given to ensure that the MCCS operation is receiving proper rental revenue. Additionally, some Semper Fit and Commercial Recreation programs manage retail and food/beverage operations where fees are charged. Fees are also assessed for programs and services for participation in instructional activities, competitive events, and other special events.

3. Resale Inventory Management

a. Recreational Resale. Resale activities may include golf and bowling pro shops, auto skills, marinas, outdoor recreation equipment checkout, etc. and are expected to comply with all applicable Chapters of this Order.

b. Storage of Merchandise. All resale merchandise not on display on the selling floor will be securely stored. Access to storage areas will be restricted to authorized personnel. Items in storage will be properly received, stored, and entered into inventory.

c. Retail Sales. All sales, regardless of the merchandise, will be rung up through the POS in accordance with chapter 13 of this Order to ensure accountability and to provide the customer with a receipt. Associate purchases, refunds and exchanges must be made in accordance with chapter 4 of this Order.

d. Physical Inventory. All inventory practices should be conducted in compliance with chapter 5 of reference (d) and utilize the Standard Headquarters directed Recreation Management Information System. Inventory counts must be verified against inventory and accounting reports. Variances must be reconciled and causes for differences corrected. Inventory variance must be reported to Asset Protection for verification.

e. Discrepancies. Any unresolved discrepancies shall be reported to Asset Protection and the chain of command for further investigation.

4. Equipment Inventory Management. Proper accountability for the safeguarding of recreational equipment is essential. Reference (a) provides regulations governing proper accountability of equipment inventory.

5. Rental/Checkout/Issue of Equipment. The use of government-owned equipment requires accountability practices to protect M CCS assets. Management should take into account the type of equipment, equipment uses, equipment value, and age appropriateness and skill level considered in determining patron eligibility and accountability practices. Rental agreements for equipment which may be associated with higher risk of serious injury or loss, such as watercraft (boating, windsurfing, canoeing, water skiing, jet skiing, sailing, and tube floating), recreational vehicles (camper trailers), and golf carts must include verbiage in the rental agreements to minimize M CCS's risk of loss.

a. All patrons shall complete and sign a rental agreement, whether a fee is collected for use of the equipment or not. If a fee is assessed, payment will occur at the time of rental and reviewed at return to ensure late fees are collected whenever applicable. Rental agreements must stipulate that the patron is responsible for the damage / loss, as a result of the patron's action. In addition, rental agreements for all M CCS equipment rented for use away from the providing facility must contain a hold harmless agreement. A sample of this agreement can be found in the Composite Insurance Program (CIP) Manual located on the Crossroads website under the Human Recourses link.

b. Patrons must inspect all equipment prior to them removing the equipment from the premises. This prevents issuing equipment with broken or missing pieces, as well as protecting the patron from having to pay for missing or broken items.

c. Upon return of all rental equipment, should there be additional costs accrued (such as payment for lost or destroyed equipment, or the items were out longer than the original rental agreement) all additional fees are to be paid and the account closed.

d. If rental equipment is not returned, the staff of the rental facility will make all efforts to contact the person listed on the rental agreement for collection of items or payment to replace the items. Should the patron not be reached, their command, or sponsor will be notified to assist in the collection of either the equipment or payment to replace the rented items.

6. Rental of Spaces. The rental of spaces, such as boat slips, stable stalls, and vehicle storage spaces requires accountability through the use of the Standard Headquarters directed Recreation Management Information System. Personally Identifiable Information (PII) data captured electronically for rental of spaces shall be properly safeguarded.

7. Free Use of Facility/Service. Free use of facilities and or equipment is only authorized to introduce the program to incoming personnel as a "Welcome aboard" service or for training purposes for new employees, with prior approval of the manager. Free use is not authorized for employees during off duty hours. All free use by incoming personnel must be accounted for to document use of the program.

8. Firearms and Ammunition Sales and Storage. All sales of firearms and ammunition shall comply with reference (a), chapter 3, and chapter 6 paragraph 7 of this Order.

Chapter 20

Inspections and Reviews

1. General. It is the responsibility of M CCS management at all levels to assure adequate asset protection measures are constantly in effect at all activities. The M CCS Manager's Asset Protection Checklist (Appendix A) is designed as guidance in conducting inspections or reviews. This is intended only as a guide and is not all encompassing. Situations may exist or arise where some of these items do not apply. In these instances, inspection personnel should formulate their own checklist, using pertinent items on the following checklist as basic guidance, adding items as necessary.

a. All echelons of management will conduct asset protection inspections and surveys. However, this responsibility should not be delegated below the supervisory level.

b. CMC (MR) will periodically conduct management reviews and management assistance visits of asset protection departments.

c. The M CCS internal review office or a designated independent internal review official will conduct documented, quarterly reviews to assess the adequacy of security and asset protection measures. These reviews should be a thorough and objective assessment of an activity's adherence to all applicable asset protection policies and procedures.

d. Inspection personnel will fairly inspect the activity and make a statement in writing for any non-compliance with established procedures. Deficiencies and corrective action recommended will be listed on a separate sheet and cross-referenced to the survey form.

e. Activity managers should initiate corrective action on deficiencies within two weeks of the survey and record the action taken by first endorsement to the continuation sheet. Prepare in duplicate, retain one copy, and provide the original to the M CCS responsible official.

f. Asset protection and responsible M CCS management will periodically review the checklist to ensure adequate asset protection procedures are being followed and maintained.

APPENDIX A

MCCS MANAGER'S ASSET PROTECTION CHECKLIST

FACILITY SECURITY	YES	NO
1. Are alarm systems, including duress alarms, tested at least weekly by management?		
2. Are adequate locking devices installed on all doors and windows?		
3. Do doors with panic bars have audible alarms that will sound if used during store hours?		
4. Do doors with panic bars have signs posted stating, "alarm will sound?"		
5. Are locking devices, other than panic bars, unlocked when building is occupied?		
6. Are sufficient lights left on for asset protection personnel to observe area from outside the building?		
7. Are burned out lights replaced immediately?		
8. Is an inspection immediately conducted to ensure there are no irregularities noted upon opening the activity each day?		
9. Does the supervisor activate the alarms upon leaving?		
10. Are cashier cages, booths, and areas with large sums of cash adequately enclosed?		
11. Are cashier cage doors equipped with inside locking devices and kept locked at all times?		
12. Are safes locked at all times?		
13. Is access to cashier cage limited to those persons assigned to work in the cage?		
14. Are signs posted to entry doors of cashier cage prohibiting entrance by unauthorized personnel?		
15. Are cash register funds kept in individual securable containers?		
16. Is positive identification required prior to entrance/exit to the activity during the hours before opening and after closing?		
17. Are glass tops to display counters firmly fastened?		
18. Are sliding doors of display counters kept locked when not under the surveillance of a salesperson?		

19. Is an emergency notification decal affixed to the front entrance of the activity?		
20. Is the name and telephone number of responsible activity management made a matter of record at PMO?		
21. Is the activity included in regularly established patrols of the base security section?		
22. Are records of the alarm tests kept for 1 year?		
23. Is an intrusion-detection alarm system installed and operable?		
24. Are doors designated as fire exits equipped with panic bars?		
25. Are solid external doors used for employee entrance/exit and/or trash disposal equipped with a security glass view panel or with a peephole?		
26. Is the opening and closing of an activity performed by the ranking supervisor and another designated employee?		
NEGOTIABLE INSTRUMENTS	YES	NO
1. Is there a published check cashing policy?		
2. Are persons presenting checks identified as authorized patrons?		
3. When individuals disclose their EDI-PI, are they informed: Privacy Act of 1974, 5 U.S.C. § 552a		
a. Whether such disclosure is mandatory or voluntary? (Mandatory)		
b. Under what authority is the number being solicited? (statute/Executive Order)		
c. What uses will be made of it? (Identification in the event of non-payment)		
4. Are appropriate bank charges passed on to the drawer or responsible endorser when a check is dishonored and returned by the bank?		
5. When checks are presented, is it ascertained that:		
a. It carries a current date?		
b. The name of the person to whom the check is made legible?		
c. If the check is presented by anyone other than the originator, is it endorsed on the back with the name of the person presenting it?		

d. The figures indicating the amount of the check correspond with the written amount?		
e. The check bears a signature and the person's name is printed on the check?		
f. Persons presenting checks are identified as authorized patrons?		
6. Are third party checks accepted?		
7. Are money orders cashed?		
INTERNAL CASH CONTROL PROCEDURES	YES	NO
1. Are there written procedures for handling and safeguarding cash instruments?		
2. Is the transporting of funds to or from a banking facility accomplished by at least two employees?		
3. Are receipts in duplicate made out and signed by the cash courier and activity manager or designated official, for the correct number of cash bags picked up at each activity?		
4. Do activity managers positively identify all cash couriers and lock cash bags before relinquishing possession?		
5. Do couriers maintain a log of each bag by number and activity?		
6. Are government vehicles used when transporting cash?		
7. Are deposits made daily?		
8. Is the transportation of funds, whenever possible, accomplished during daylight hours?		
PATRON AND EMPLOYEE REFUNDS	YES	NO
1. Are employee refunds conducted at a designated registers?		
2. Are employees aware of the refund policy?		
3. Are sales clerks prevented from processing his/her own refunds?		
4. Are refund clerks chosen as carefully as managerial personnel?		
5. Are refund clerks made aware that all refunds are investigated?		
6. Do refund clerks notify store management when defective merchandise of a particular type or style is returned from a specific vendor?		
7. Is merchandise returned due to damage scrutinized carefully to determine whether damages are being caused by maltreatment by patrons, exchange personnel, faulty warehouse handling, or vendor carelessness?		

8. Is there a published refund policy?		
9. If a central refund area is not used, are refunds verified by supervisory personnel?		
10. Are refunds verified?		
11. When a credit card purchase is returned, is a credit to the card made?		
12. Are there returns processed for cash without receipts?		
ROBBERY PREVENTION	YES	NO
1. Is an employee assigned to monitor the employee entrance/exit door?		
2. Is cash on hand kept to the minimum amount required for efficient operation?		
3. Are there separate safe and intrusion alarms installed?		
4. Are safe alarms kept energized until it becomes essential to open the safe?		
5. Is there a robbery SOP?		
6. Are all employees familiar with the SOP's to be followed, in the event of a robbery?		
7. Is a copy of the robbery SOP posted in the cashier's cage on the bulletin board?		
KEYS AND LOCK CONTROLS	YES	NO
1. Are MCCS spaces with the exception of lodging rooms secured by either a tumbler lock or a padlock, passable only by its original or duplicate keys?		
2. Is the person in charge of each space assigned custody of the original keys?		
3. Are keys issued on a receipt bearing the following notation? "Any loss or compromise of the keys will be immediately reported to the activity manager. It is prohibited for the holder to have duplicate keys made."		
4. Are locks changed immediately whenever the custodian of a space is relieved or when the keys are lost or compromised?		
5. Is the use of the key, by other than the accountable individual, considered a compromise of security?		
6. Does the activity maintain a key control log?		
7. Does the key control log show a consistent pattern of keys being signed out and in daily?		

WAREHOUSE/RECEIVING/STORAGE AREAS SECURITY	YES	NO
1. Are incoming shipments checked and noted for accuracy, shortages, overages and damages, and signed before carrier leaves?		
2. Are all shipments posted to the freight register immediately upon receipt?		
3. Are incoming and outgoing shipments accomplished by proper documentation completely filled out and signed?		
4. Is merchandise scanned into the merchandising system and validated against the packing slip?		
5. Are direct delivery items received by authorized personnel and checked against the contract to ensure proper cost and sell price?		
6. Do activity and department managers ensure that price marking is accomplished accurately?		
7. Are incoming shipments segregated from outgoing shipments?		
8. Do transfer documents accompany merchandise at all times?		
9. Are all vehicles delivering goods secured with adequate locking devices and a numbered seal?		
10. Is surveyed merchandise accompanied by proper documentation and disposed of in accordance with established procedures?		
11. Is warehouse merchandise carefully arranged to preclude having the same merchandise in more than one location?		
12. Are warehousemen instructed in the proper method of stacking and picking merchandise to prevent damage?		
13. Are stock record cards (if used) kept current and accurate?		
14. Are RMS reports worked to ensure proper rotation of stock?		
15. Is the warehouse secured by the supervisor?		
16. Are vendor returns kept in a separate, strictly controlled, access area?		
17. Does all documentation accompany vendor returns?		
18. If after a reasonable time return authorization has not been received, are returns reviewed at least weekly by the warehouse manager or designee?		

19. Is there a controlled area for sensitive, high theft items?		
PERSONNEL	YES	NO
1. Are pre-employment reference and background checks accomplished for all positions?		
2. Are follow-up procedures accomplished on written reference checks?		
PHYSICAL SECURITY	YES	NO
1. Are the following surveillance devices available and in operation:		
a. Observation mirrors along the wall		
b. Two way mirrors		
c. One way glass		
d. Convex mirrors		
e. Peepholes		
f. Closed circuit television		
g. Unmanned closed circuit television		
h. Dummy cameras		
2. Do surveillance devices cover all required areas of the activity?		
3. Are there any of the following security communications available and in operation?		
a. Signal lights		
b. Telephone intercom		
c. Two way radios		
4. Are anti-shoplifting signs posted?		
5. Are there employee lockers available in the activity?		
6. Is there a log maintained with locker assignments noted?		
7. Is there an employee package area?		
8. Do employees have a designated parking area a reasonable distance away from activity?		
9. Do activity employees use only one door for entrance and exit?		
10. Do warehouse doors remain locked at all times?		
11. In warehouses without air conditioning, are overhead roll up grille type doors installed?		
12. Is the activity protected by a perimeter alarm system with magnetic contacts on all accessible openings?		
13. Are emergency exits equipped with panic bars?		

RETURN PURCHASE/RETURN ORDERS	YES	NO
1. Is there a written policy on return purchases and/or return orders to vendors?		
2. Is merchandise received at the warehouse with the appropriate forms and documents from each department or activity?		
3. Are there security measures in place to ensure the accountability and control for merchandise to be returned to vendors?		
DISHONORED CHECKS	YES	NO
1. Is there a written policy on dishonored checks?		
2. Does an outside agency get involved in the collection of dishonored checks?		
3. Is there a service fee?		
4. Is this fee passed on to the individual?		
5. Is a subsidiary maintained on dishonored checks?		
6. Is a service-wide check verification system utilized?		
INTERNAL THEFT PREVENTION	YES	NO
1. Are personal belongings of sales personnel prohibited from the sales floor?		
2. Are floor displays placed where a shoplifter or employee cannot take all or part of the item when exiting the premises?		
3. Does asset protection conduct spot checks to ensure loan books are being properly used?		
4. Are clear trash bags being utilized? Are spot audits performed?		
SURVEY INVENTORY ADJUSTMENTS	YES	NO
1. Are surveys submitted to the appropriate approving officials?		
2. Are surveys scrutinized for possible vendor return or credit?		
3. Is destroyed survey merchandise verified by management or asset protection?		