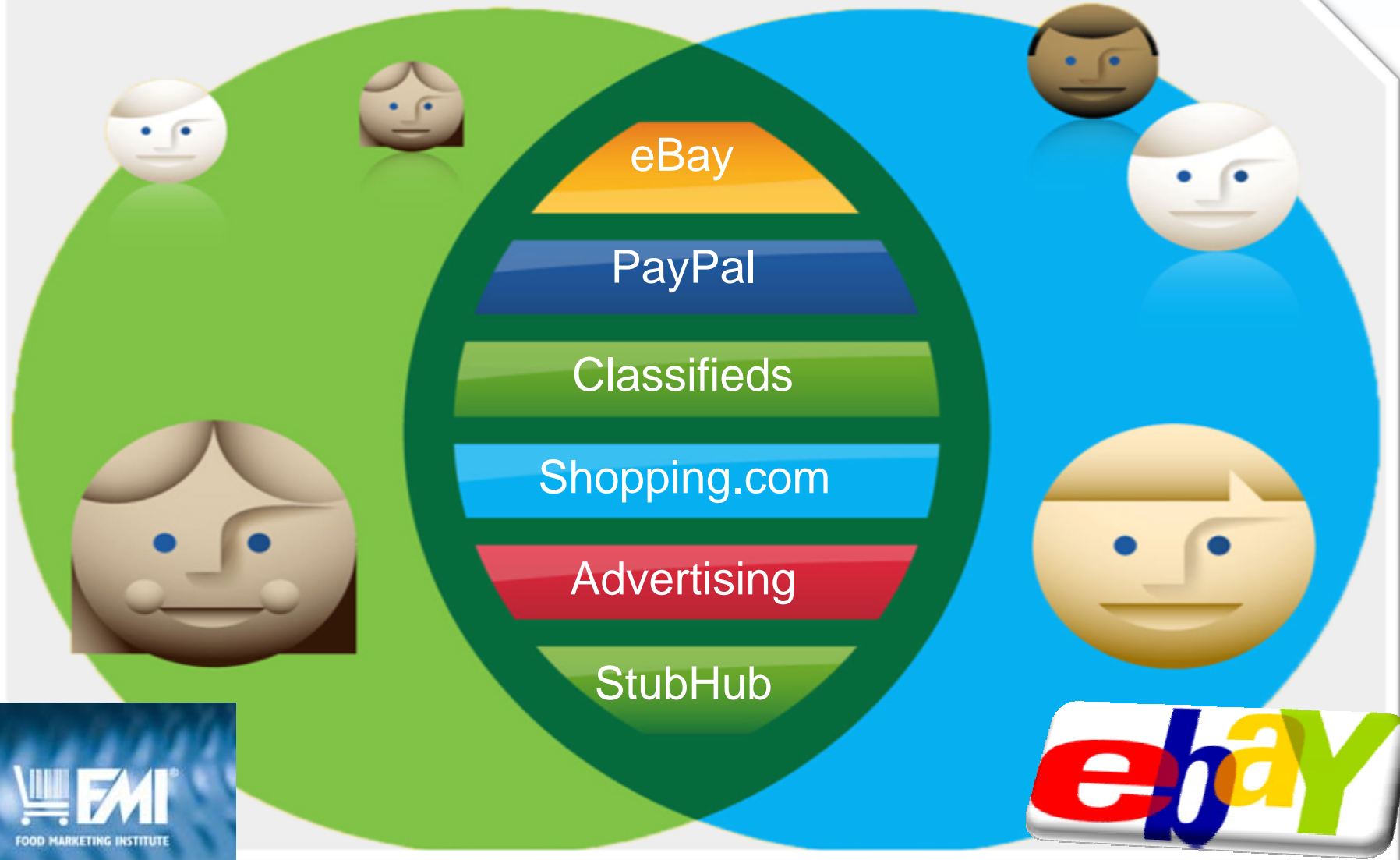


ASSET | PROTECTION

FOR THE **21ST CENTURY** |



eBay, Inc. Brands = Connecting Buyers & Sellers



Marketplaces: Leading Global Ecommerce Franchise



#1 Global Ecommerce Brand



Top Ten Global Ecommerce Destination



A Leading c2c Site in over 1,000 Cities & 21 Countries



eBay Marketplace: Buyer & Seller Fast Facts

Buyers



- 150M+ Unique Visitors
- 3M+ Items Bought Daily
- 50,000 Categories

Sellers



- 25M+ Active Sellers
- 200M+ Live Listings
- 2.1B Total Listings Year

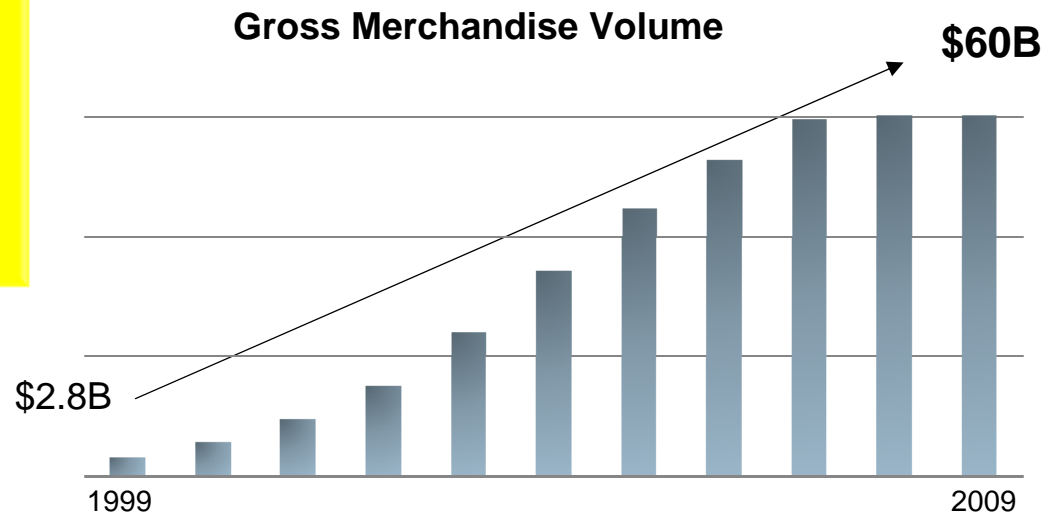
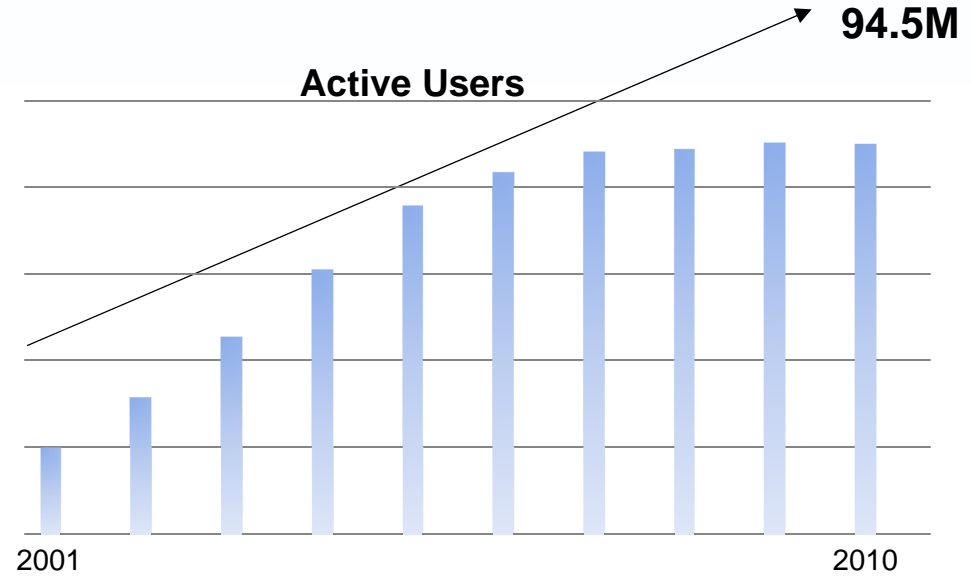
ebay

ebay

eBay At-A-Glance



- Global Presence in 40 Markets
- 62% of Items Sold Q410 Were Fixed Price (Model Shifting)
- 2.1B Total Listings Last Year
- As of Q410 eBay has 94.5M Active Users W/GMV \$15.03B
- YE 2009 GMV Equaled \$60B
- +25M Active Sellers, 94.5M Active & 200M+ Total Users



eBay, Inc. Becoming More "Retail-Like"



BROWN SHOE



eBay Marketplace: Velocity of Trading Activity



In Q4 2010, on eBay...

A classic car sold every 5 minutes



A GPS Device sold every minute

A bath item sold every 27 seconds



Headphones sold every 20 seconds

An MP3 Player sold every 17 seconds

A women's dress sold every 10 seconds

A cell phone sold every 5 seconds



How Does eBay Work? “Auction Style”



NEW APPLE IPAD SNUGG LEATHER FLIP STAND CARRY CASE

Item condition: **New**

Time left: **31m 49s** (11 Jan, 2011 15:06:06 GMT)

Starting bid: **£24.99** [0 bids]

Place bid

(Enter £24.99 or more)

Add to Watch list

Postage: **£4.99** - Economy Delivery [See more services](#)

[See all details](#)

Item location: Coe Street, Lancashire, United Kingdom
Post to: United Kingdom

Delivery: Estimated within 4-6 working days

Payments: **PayPal** Postal order or banker's draft

Seller information

parcelstore (21385)

99.7% Positive feedback

[Save this seller](#)

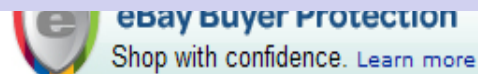
[See other items](#)

Visit shop: ParcelStore

Registered as a Business Seller

Auction item displayed on site for “short” period of time or buy it now style (multi quantities)

Registered user can bid/buy - Merchandise received - Parties provide Feedback



PayPal At-A-Glance

Founded US 1998, Leading Global Online Payment Company

- 94M Active Accounts *(Continued Quarterly Growth)*
- “The World’s Favorite & Safest Way to Pay & Be Paid”
- Acquired by eBay in 2002
- Total Value Transactions 2010 \$92 Billion, +28% YoY
- Transacted Nearly \$3,380 Per Second in Q4 2010
- Loss Rate @ 0.15% of Total Payment Volume *(below industry levels)*
- Global Footprint 190 Countries/Territories – 24 Currencies

US Dollar, Australian Dollar, Canadian Dollar, Hong Kong Dollar, Singapore Dollar, Taiwan New Dollar, New Zealand Dollar, Euro, Swiss Franc, Czech Koruna, Swedish Krona, Danish Krone, Norwegian Krone, Hungarian Forint, Mexican Peso, Philippine Peso, Malaysian Ringgit, Chinese RMB, Israeli New Shekel, Pounds Sterling, Brazilian Real, Polish Zloty, Thai Baht, Japanese Yen.

How PayPal Works



Debit Card

Credit Card

Bank Account

PayPal Account

Buyer

Balance

Buyers choose any one of multiple funding sources

Seller

PayPal Account

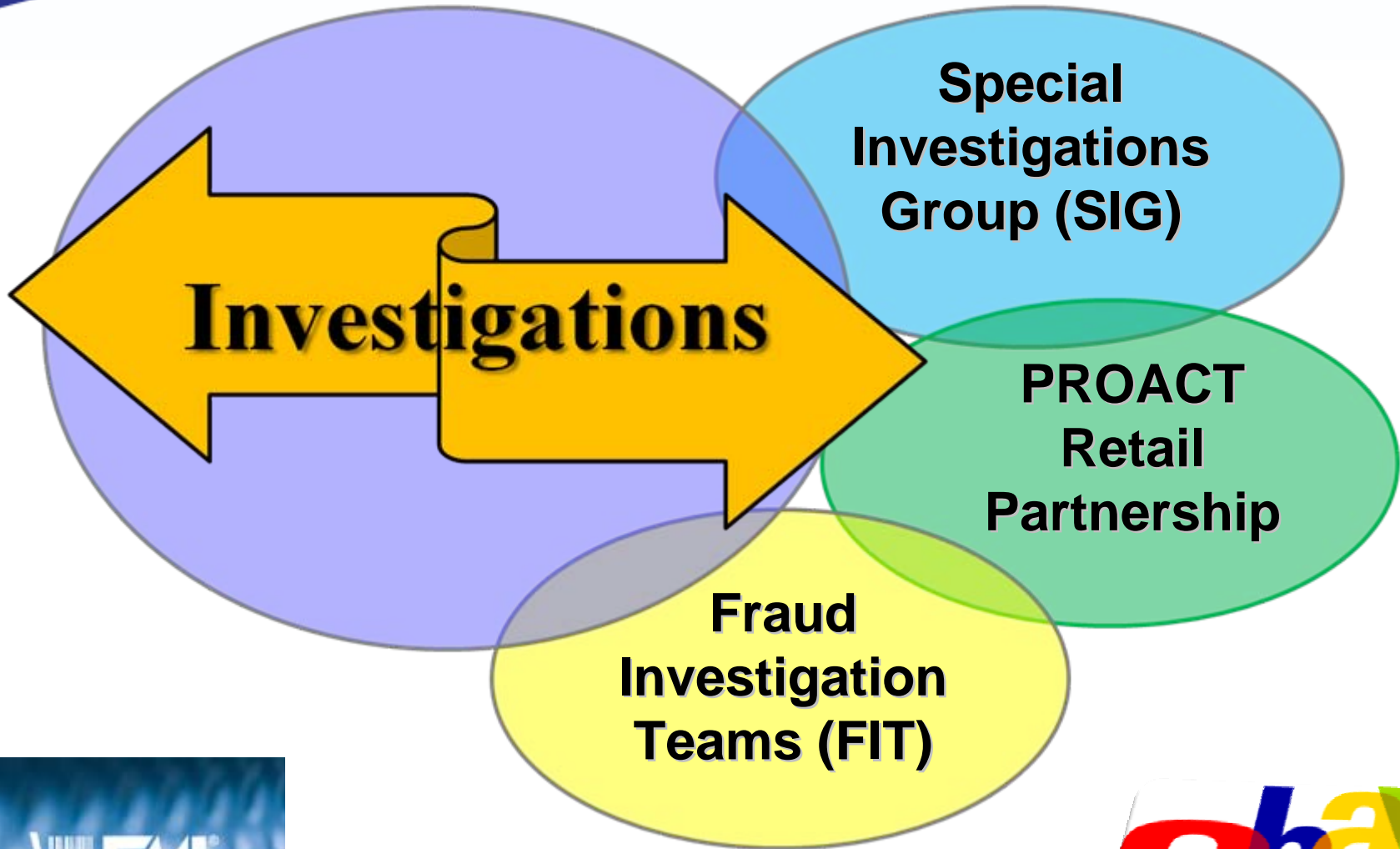
Sellers choose any one of multiple withdrawal sources

Send to new Seller

Bank Account

Debit Card

GLOBAL ASSET PROTECTION



Early On Perceptions Between eBay & Industry

eBay & eCommerce
Created ORC

eBay & Pay Pal
Users Anonymous

eBay Supports
Sale Stolen Goods

eBay No Proactive
Measures

**Perception
is Reality
Until You
Change It**

PROACT was
Created as Band-Aid

No Vested Interest
Long Term Solution

eBay Won't Support
ORC Legislation

eBay Doesn't
Understand Retail &
the ORC Issue



Asset Protection Investigations Model



eBay's PROACT Program

Update:

- Hundreds of Cases/Investigations per Month with Retail Partners/Members
- Over 300 Major Retailers Enrolled, Representing \$1.47T Sales Volume & 165,000 Worldwide Locations
- Focused on Building an Exception Reporting Foundation
- Migrate Key Learning's into Proactive Measures
- Stolen Property Can be Reported Via the eStop Webform 24/7
- Train & Collaborate w/LP Community

Partnering with Retailers Offensively Against Crime and Theft :

Retail Loss Prevention departments in North America seeking assistance with an investigation relating to eBay and/or PayPal may contact eBay's PROACT program for assistance. The PROACT program features, among other benefits,

1. A way to report evidence of theft to eBay for investigation.
2. A dedicated fax hotline at  - 866-316-7698  for retail investigators to report suspicious activity.
3. A dedicated email address to facilitate quick communication with eBay about retail theft investigations: PROACT@ebay.com.

If your company is not yet enrolled in the PROACT program, please contact us at PROACT@ebay.com for additional information.

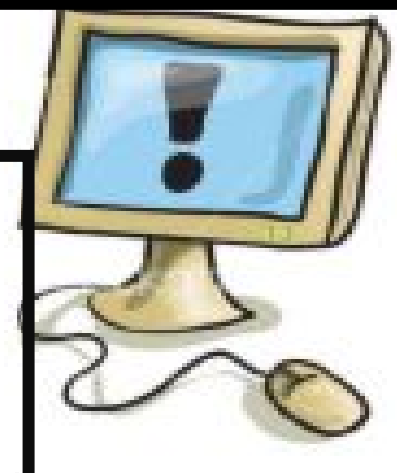
Proact & Retail Working Together

How PROACT Can Help:

- Actively participate in investigations
- Link “bad actors” across our platforms
- Take action on user accounts (suspend/restrict)
- Build systems & rules to prevent bad actors e.g. gift cards
- Gather & provide evidence for prosecution & case resolution
- Assist with undercover operations
- Proactive modeling to detect suspicious behaviors
- Facilitate records on internal theft cases
- Audit business/seller’s records when appropriate

How Retailers Can Help:

- Actively participate in investigations
- Give feedback and advice on exception reporting
- Provide any/all resolutions on internal & external cases (good or bad) so we can take appropriate actions on accounts – justifies value add of program
- Continue communication on current ORC trends and areas of concern



We're Partnering with Retailers

We Believe in Engagement

- Industry Trade Conferences
- Loss Prevention Research Council
- Loss Prevention Foundation
- eBay and Retail Corporate Office visits (65 Last Year)
- Partnership NRF/JSA/FMI/NASP (Touched 1600+ NRF/MASS ORC/LE & Retail Coalition)
 - Working together on Federal & State Legislative matters that benefit everyone
 - NRF Working Group, LP Executive Summit, and Sponsoring Fusion Center
 - Working to identify LE agencies to utilize LEP (trained 2000 worldwide FBI/ICE/Interpol)

Trained LP Employees How to Conduct eBay Related Investigations

- **Loss Prevention Foundation Training Module**
- **Linked In Groups**
- **Webinars & Periodic Conference Calls**



eStop: Report Item

The screenshot shows an eBay listing for a \$50 iTunes Music Card. The listing includes a 'FREE shipping' badge, a '*****\$50 iTUNES GIFT FREE SHIPPING*****!!!!' title, and a current bid of US \$41.00. The seller's information shows a 100% positive feedback rating. A red box highlights the 'File a report' section, which contains a 'Report item' form. The form has 'Listing Violations' selected for the report category and 'Stolen property' for the reason. The detailed reason dropdown is open, showing 'You are a PROACT member' as the selected option. A red circle highlights the 'Report item' link in the bottom right corner of the listing page, with a red arrow pointing from it to the 'Report item' option in the dropdown menu.

File a report

Report item

Report Category
Listing Violations

Reason for Report
Stolen property

Detailed Reason
You are a PROACT member

Share Report item

Stolen items can now be reported 24 hours a day, 7 days a week using eStop.

Just click the "Report Item" link, select you are a PROACT Member, and enter the information on the following page.



Advanced Search: How to Find an Item or Seller

Advanced search Favorite searches:

Items

- Find items
- On eBay Motors
- By seller
- By bidder
- By item number

Stores

- Items in Stores
- Find Stores

Members

- Find a member
- Find contact information

Find items

Enter keywords or item number

Exclude words from your search

See general [search tips](#) or using [advanced search options](#)

In this category

Save this search to My eBay

Search including

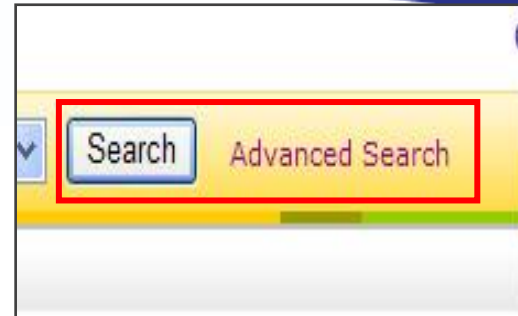
- Title and description
- All items including Store Inventory
- Completed listings

Price

Show items priced from \$ to \$

Buying options

- Auction
- Buy It Now
- Store inventory [Learn more](#)
- Best offer [Learn more](#)
- Classified ads
- Live auctions



Items near me

Items within miles of

or

Location

- Only show items available in my location
- From previous search
- Located in
- Available in

[Learn more](#)

Currency

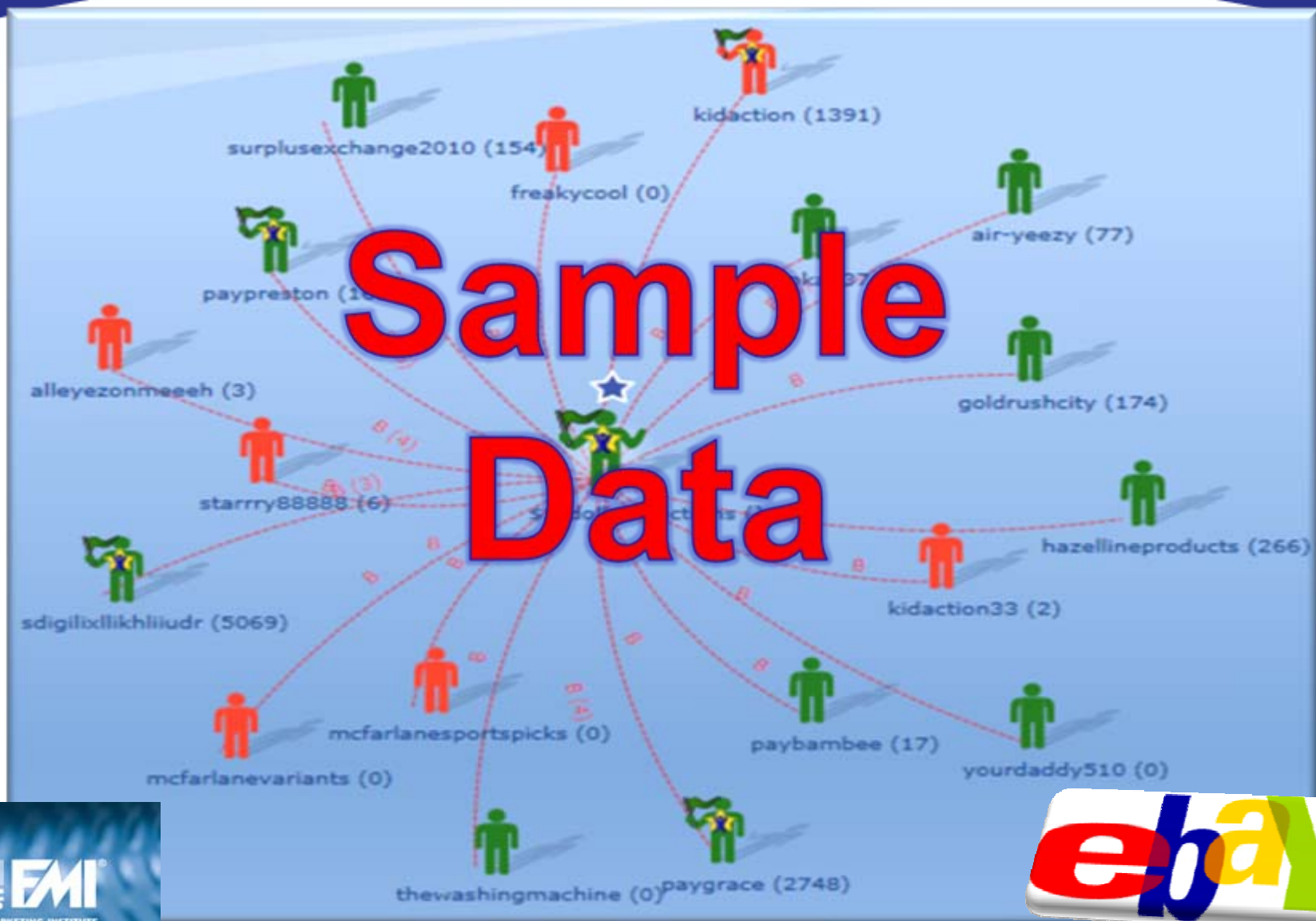
Sort by

View results

Results per page



Proact Resource: Account Linkage Tool



Exception Reporting: External Tools (Terapeak)

terapeak™ FOR EBAY

Home Reports Value Track Saved Searches for PayPal

Search Sellers Category Hot Research

SEARCH: gift cards eBay.com All Categories 90 Days Search

June 07, 2010 - September 04, 2010

Top Sellers

Rank	Seller ID	Total Sales	Total Listings	Successful Listings	Bids	Items Sold	Average Price	Sell-Through
#1	quickshipelectronics	\$26,537	148	144	1378	180	\$147.43	97.30%
#2	samzuzo	\$14,827	6	6	11	11	\$1,347.91	100.00%
#3	dтарасen6tv6	\$4,150	10	10	10	10	\$415.00	100.00%
#4	jdrta	\$3,810	10	10	10	10	\$381.00	100.00%
#5	eastforce	\$2,375	5	5	94	84	\$34.19	49.40%
#6	lacevsm	\$2,375	5	5	46	146	\$18.13	100.00%
#7	from	\$2,493.77	1	1	1	1	\$2,493.77	100.00%
#8	intelbot	\$2,375	5	5	5	5	\$475.00	100.00%
#9	ozzie0308	\$1,365	15	15	15	15	\$91.00	100.00%
#10	gadgetbestbuy	\$1,298	101	32	34	34	\$38.16	31.68%
#11	southernmerchan	\$1,200	5	2	2	2	\$599.95	40.00%
#12	palani-half	\$1,000.00	1	1	1	1	\$1,000.00	100.00%
#13	lisapyle68	\$748	48	17	51	51	\$18.98	35.42%
#14	verily-vintage	\$721	4	4	46	4	\$241.56	66.67%
#15	p40driver	\$932	1	1	13	1	\$932.42	100.00%
#16	ccgislandpro	\$900	2	1	1	1		
#17	pittvpat46	\$887	261	43	43			
#18	general_mayhem	\$748	122	120	675			
#19	jaorfanni	\$721	12	12	4			
#20	helpfeedacollegestudent	\$715	1	1	1			

Sample Data

Available in the USA and Canada

User Help Site: USA

Categories

- Antiques
- Art
- Baby
- Books
- Business & Industrial
- Cameras & Photo
- Cell Phones & PDAs

Canada

USA

Item Search Criteria

Search All Categories
 Search In Description
 New Only

Buzz Words:

Search All Locations - OR -

Only Items located within miles of Zip:
 [Use Lookup below or Key Zip Code]

State: City:

Price Range: to

Feedback Min: Max:

Max Desired Results:

Sold Seller Items Search Criteria

Get sold items for last: days

Seller:

Max Desired Results:

Up for auction is 3 factory sealed cans of neocate NUTRA all factory sealed

retail price is \$35 per can value of \$105

Buy it now only \$59.99 PER CASE !!

This baby formula is not expired - the expiration date is 01/16/2012



An efficient and proven method to identify and resolve eFencing crimes.

- Multiple search parameters.

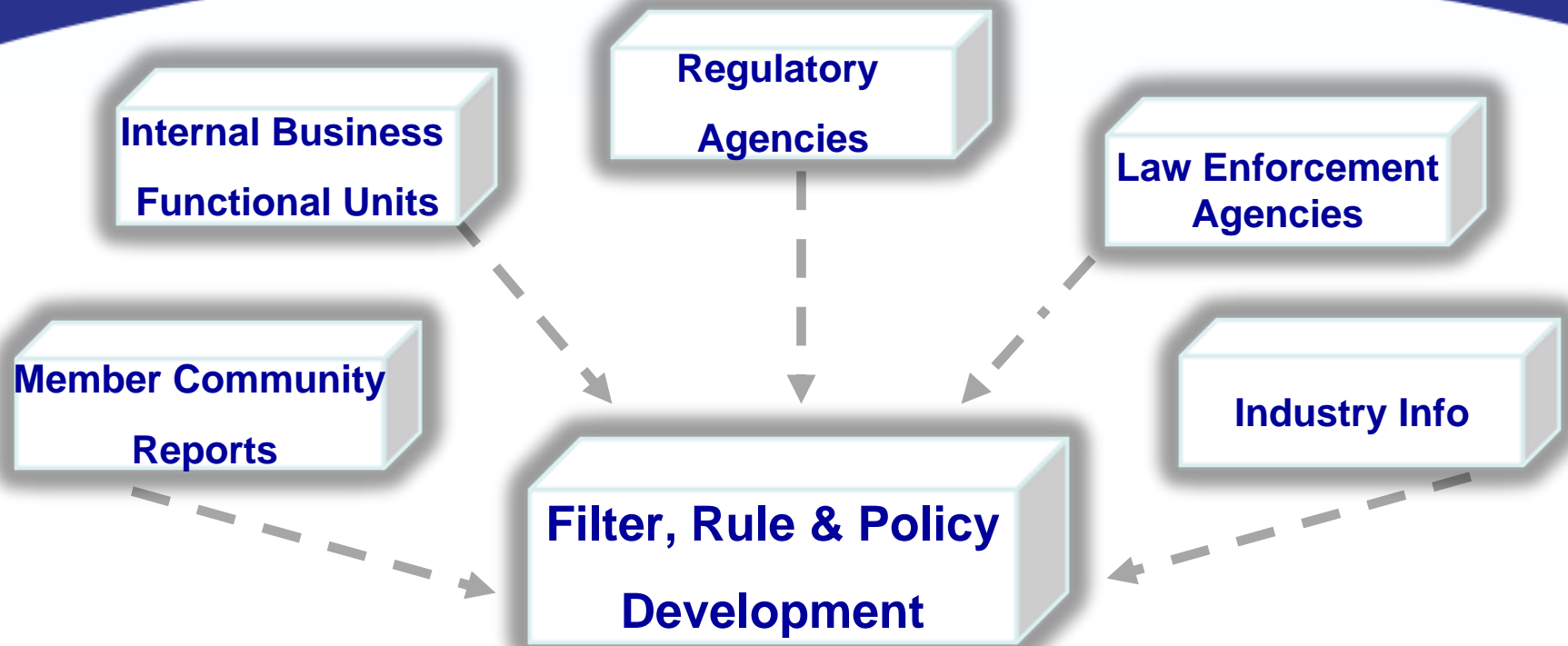
Found 1901 items. Filter by: **Item Items Sold** **Seller Items Sold** **CM** **ORC CM**

Item ID	Seller ID	Feedback	Title	Price	Condition	Shipping Type
170592941503	91nacorey73	933	SIMILAC EXPERT CARE ALIMENTUM (6) 1 LB POWDER CANS NEW	\$124.99	Brand New	Calculated
280637730704	872marcie	946	Similac infant formula coupons 3 \$5 3 \$3 \$24 total	\$0.99	Brand New	Flat
260745913612	nat_lar	953	SIMILAC 12.9oz Can Infant Formula +save 8.00 in coupons	\$0.99	Brand New	Calculated
260745904050	nat_lar	953	3 Formula "checks" Enfagrow 5.00 each+Good Start 2 5.95	\$0.01	Brand New	Flat
260745920870	nat_lar	953	Members Mark+Parents Choice Formula 3 Full Day Supplies	\$0.99	Brand New	Calculated



Organized Retail Crime detection and prevention

Proactive Enforcement via Filters & Linking



+10,000 filter rules & more than 40 fraud models used to detect potentially fraudulent behavior on sites and over 2000 people globally work on keeping enhancing trust & safety. Account linking tools generates leads allowing us to proactively detect and action accounts related to PRU/PSU users

Proactive Platform Filters

- Utilizing to identify suspicious activity within seven (7) key SG areas
- Testing phase for four (4) additional filter categories ongoing
- Filters created after analyzing case data feedback from retailers
- ACTION: flag suspicious items/sellers & sends hits to PROACT for review

- Baby Formula
- OTC Meds
- Test Strips
- Razor Blades
- Test Strips
- Whiteners
- Gift Cards
- Test Strips
- Toothbrushes

Filters in Testing: Dyson, Cordless Drills, Weight Loss & Cell Phones

Baby Formula Seller Messaging

Alert given to sellers creating listing of baby formula:

“To sell baby formula on eBay, you need to specify the expiration date (mm/dd/yyyy) and include the following text in your listing:

This baby formula is not expired – the expiration date is <mm/dd/yyyy>. It's against eBay policy to sell expired baby formula.

We recommend copying and pasting this text into your item description, and then replacing "mm/dd/yyyy" with the formula's expiration date. Be sure to use the same font size as the rest of your description.”

If information is not provided with listing, it will not post listing to site



Confidential and Proprietary



Building Trust: Managed Marketplace

- **eBay Buyer Protection** - If a transaction does not go smoothly on eBay, we will cover our users (PP). By doing this, we're strengthening our commitment to customers by sending an unmistakable message: *"We've got you covered."* – *Building Retail Like Trust!*
- **PayPal Payment Holds** - Process implements a 21-day hold on funds of new accounts, which should be a huge deterrent to bad actors. www.helium.com/items/1942432-the-legality-of-paypals-21-day-hold-on-funds
- **User Authentication** - Additional measures to verify user's identity, including verification of contact information through various external reporting databases. New registration stream
- **New Seller Limitations** - Process will limit the amount of transactions and GMV a new seller can complete before additional vetting/verification is required.
- **Category Limits** - Implemented a number of category specific limits restricting the number of listings in that particular category. Driven BBE rates
- **Multi-Account Linking** - Project to create additional filters, models & measures in which previous bad actors (PSU/PRU) are prohibited from our platforms

Law Enforcement Security Center

LeadsOnline

LeadsOnline's First Responder Service is available 24/7/365. Our partnership with LeadsOnline makes it possible for law enforcement personnel to locate possible stolen merchandise that has been listed for sale or sold on eBay. LeadsOnline can assist with the following searches:

- Locate seller ID information for property listed on eBay.
- Locate seller listings and sales history for property listed on eBay.



Please visit www.leadsonline.com for more information.



Hi, **mono910!** (Not you?)

CATEGORIES

FASHION

MOTORS

Home > Security Center > Law Enforcement

Stay safe on eBay

Choose a Topic

Protect Your Account

- Account Protection Tutorial
- Deterring Identity Theft
- Reporting Account Theft
- Spoof (fake) email tutorial
- Security News, Tips & Tools **NEW**

Protect Your Computer

- Free anti-malware solution

Buy Safely

- Buying and paying
- Pay Safer
- eBay Buyer Protection
- Marketplace Safety Tips
- eBay Motors Security & Safety

Sell Safely

Law Enforcement

eBay Motors
eBay, PayPal
and to

- If your company is not yet enrolled in the PROACT program, please contact us at PROACT@ebay.com for additional information.

Save Time in Your Investigation

The following tips are for law enforcement agencies to assist in your investigation:

1. [Search for active listings](#) using search string or specific item number:
 - Lets you search by nearest zip code using search options on left hand column.
2. [Search by seller ID](#) for all active/completed sales, dating back 30 days:
 - Generally provides you with the seller's state of residence.
3. [Feedback Profile](#) reflects comments made by other users regarding prior transactions.
4. Create your own [Favorite Searches](#)
5. eBay listings remain visible on the site for about 90 days after closing.



If you are not a member of Law Enforcement but would like to report a stolen item, please contact us [here](#).



Outreach Messaging and Industry Partnerships

PARTNERING WITH RETAILERS



National Retail Federation, eBay Announce Partnership To Fight Organized Retail Crime

[Read a blog post from Joe LaRocca](#) with more information about the partnership.

For Immediate Release

NRF: Kathy Grannis (202) 783-7971 or grannisk@nrf.com

eBay: Katherine Chui (408) 376-6919 or Katherine.Chui@ebay.com

National Retail Federation, eBay Announce Partnership to Fight Organized Retail Crime

It was a great pleasure catching up with old friends. Retail Federation (NRF) has thrilled to repeatedly hear program is helping to make to thwart organized retail crime playing a part in this important making our sites a safer place. Participating in the effort to continue to learn about prevention professionals at

urity® System • Service • Satisfaction
Loss Prevention & Safety Recruiters Since 1983
Postings
Driven Archives - Thought Challenge
powered by WG Security Products, Inc.



FOR IMMEDIATE RELEASE

Food Marketing Institute Joins Partnership To Fight Organized Retail Crime

ARLINGTON, VA — September 27, 2010 – The Food Marketing Institute (FMI) is teaming up with the National Retail Federation (NRF) and eBay to tackle the growing problem of organized retail crime. This relationship strengthens the partnership and provides for even greater collaboration and information sharing in an ongoing effort to support the investigative efforts of the Federal Bureau of Investigation as well as state and local law enforcement agencies working in partnership with grocery loss prevention professionals.

"The partnership between FMI, NRF and eBay will further strengthen the ability to support legislation and create standards and best practices so criminals find no safe harbor to fence their stolen goods no matter who they steal from," said Rhett Asher, Vice President, Industry Relations, FMI. "We are excited to be a part of this collaborative effort to put an end to organized retail crime."

The partnership supports a multi-tiered approach to organized crime. The groups have agreed to:

- Bring together a core group of FMI retail members and representatives of eBay on a regular basis to discuss organized retail crime, identify best practices in prevention, and take steps to eradicate the criminal activity.
- Leverage new technology, including LERPnet and eBay's PROACT programs, to further assist law enforcement in identifying and tracking organized retail crime rings.
- Collaborate with the FBI to help identify crime rings that have been responsible for stealing merchandise in bulk.
- Work together on legislation to enhance Federal law enforcement resources to combat organized retail crime and punish major offenders through enhanced criminal penalties.

LinkedIn: Join Us!



People | Jobs | Answers | Companies

Account & Settings | Help | Sign Out | Language

Explore People Search: Engineer at IBM - Internet - Senior Consultant

Search People

Search

Advanced

- Home
- Groups
- Profile
- Contacts
- Inbox (1)
- Applications

Add Connections



What are you working on?



Your profile is 40% complete [Edit]

Groups

My Groups | Groups Directory | Create a Group | FAQ



eBay partners with Loss Prevention Professionals

Overview | Discussions | News | Jobs | Subgroups | More

Group Profile

Share group

Discussions

Start a Discussion

Recent Activity

Recent Discussions

Most Comments



Featured Discussion

Group membership

By Paul Jones 1 month ago
Follow | Add comment »



Featured Discussion

How do I work with eBay to help me with my investigations?

By Paul Jones 3 months ago
Follow | Add comment »



Have you joined Proact yet!!! Progress takes hard work and partnership.... Progress is happening.

email me @ pajones@ebay.com

By Paul Jones 12 days ago
Follow | Add comment »

Activity: Last 7 Days

9 New members

5 New discussions

Only \$100k+ Jobs



The



Thanks for Listening - Any Questions?

***Building a Solid Foundation
for the Future***

PROACT Hotline: PROACT@eBay.com

Fax number: (866) 316-7698

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pajones@eBay.com

John Mearls

jmearls@eBay.com

Stoney Burke

sburke@eBay.com

