

Declare war on Box Office Fraud!

Only theft and cockroaches thrive in the shadows, says ECI President, BRUCE L. HALL, so let's boldly expose Box Office fraud. The following steps will deter the enemy and win exhibitors the war.

In the two previous articles on eliminating "ticket fraud" (**screenrade**, Summer & Autumn 2005) we learned that ticket fraud is flourishing but that there are ways to combat it. And, now that we're better-armed, having identified the enemy and know his agenda, we can officially declare war on ticket fraud. And win. The good news is that you, the stronger force, will have all the advantages onside and, in order to win, you must enlist your allies, know your enemy and know the battlefield, while using this knowledge to put a plan in place and deter your enemy without ever having to fight.

ENLIST ALLIES

These are your employees, 90 pc of whom are great. Most are well-behaved, intelligent young people who know right from wrong. They are usually working at their first jobs and *want* to help. They will find constructive things to do with their free time: to clean and organise the theatre and, exhibiting high moral fibre, they believe in working for what they get. Great assets! And, by the way, this is the group that produces some of our finest managers.

KNOW THINE ENEMY

By contrast, the 'enemy' (or thief) comes in two versions. The former are also young and intelligent but are easily bored, always looking for some distraction. They constitute the 'new generation' that have been given things all of their life instead of having to work for them, and many were perhaps never taught right from wrong. Accustomed to playing games, they might even consider it a breeze to outsmart the theatre. Moreover, they may not even consider ticket fraud as theft! Therefore, you must make clear that this is no game. Ticket fraud is theft and if they do it they'll be punished. In most cases, just the action of bringing ticket fraud out into the open and noting its consequences will be deterrent enough.

The second type of enemy however, could be more under-cover, and likely will be older and enjoying some debt. Hence, they might even be desperate, needing extra money to make ends meet. The difference is that this type of ticket fraud is outright theft – and they know it. So, by having a good plan implemented, it will be but a matter of time before this enemy is both caught and nailed.



THE BATTLEFIELD: CHOOSING ALLIES

As the enemy is on your turf you'll enjoy the advantage if you enlist allies to help find and plug the holes that will block the enemy. Your young allies want to help and their knowledge of operations and finding holes might even surprise you. Pick trusted allies in the box office and ask them to walk you through a typical cash sale. Ask them to be creative and write down all the ways that someone could use to defraud the theatre. (Warning: you may be shocked to discover just how many ways there are!). However, the good news is that ways to defraud the theatre reduce to just a few themes, three of which we'll consider here. Block these, and the variants won't matter. They are:

- Issuing store-bought tickets and then pocketing the cash.
- Claiming the register 'to be down', not issuing tickets and then pocketing the cash.
- Reselling genuine tickets over and again, pocketing the cash.

“[Cinema] thieves are of two kinds: young, intelligent and bored; and older, undercover and in debt... with a good plan in place, both can be readily [nailed].”



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Checklist of Problems & Solutions for Protecting your Theatre

Problem #1: Issuing the same colour store-bought tickets and then pocketing the money.

Solution: Eliminate store-bought tickets. Install a ticket-on-demand system that prints serial numbers by the movie as the tickets become sold. These can then be traced to the individual cashier selling them who is now accountable for balancing ticket sales with cash received.

Problem #2: Claiming the register 'to be down', not issuing tickets and then pocketing the money.

Solution: Make sure the doorman is trusted and makes a record of all non-ticketed entries on a time log. If the register really was down, using such a log means that the cashier will be accountable for the tickets sold, and thus balancing with the cash.

Problem #3: Selling the same tickets over and again, then pocketing the money.

Solution: This may happen if the cashier and doorman are friends or in cahoots. As the doorman is a most important

security asset, ensure that you can trust him (or her) and that they are never over-familiar with any of the cashiers.

Problem #4: Tickets not being sold through a cash register or POS system.

Solution: Sometimes *customers* can be your best eyes and ears, so make sure that you have a working pole display and cash drawer on your cash register or POS system. If customers suspect that something untoward is happening, the first person they see is the one they'll tell. Again, make sure that you have a visible and trusted doorman.

Problem #5: Cashiers charging correctly but then ringing up 'passes' and pocketing the cash.

Solution: Again, pole displays and cash drawers – customers don't want to be cheated if they pay over, say, \$30.00 for 4 tickets. A pole display will alert them that \$ 0.00 was collected. They'll look at their tickets, see 'free pass' and inform the first person they see – again, the doorman. Have him record every free pass on his log. This belt-and-braces system will both pinpoint and eliminate the source of the fraud.



COUNTER ATTACK: Staff can be your greatest asset in the war against box office fraud – choose them wisely.

Problem #6: Issuing free passes and/or letting friends and/or family in for free.

Solution: Ticket fraud can cause trouble with distributors who may hire “ticket counters” to spot-check exhibitors. Therefore, make sure that *every* person coming into the theatre has a ticket. If you can print (on demand) a report that balances even close to the ticket counter’s report then the distributors will keep you on the “nice” list; but if you ever get to appear on the “naughty” list, then it follows that your business could suffer.

Problem #7: Cash becomes hard to trace.

Solution: Ticket fraud is a ‘business within a business’ run by the enemy and since distributors check ticket sales anyway, it stands that you must protect your business. Replace cash that can be stolen with traceable forms of payment like credit cards, smart cards or electronic gift certificates. Smart cards even let you bank your customers’ money, collect interest on it, and offer instant cash flow. Smart card gift certificates not only hold money but are rechargeable and provide a built in loyalty-and-rewards programme to keep the customers coming back. Traceable forms of payment are extremely important.

CONCLUSION

Committing ticket fraud is a conscious choice that employees make as they weigh up the risks versus the benefits. If they perceive yours to be an unprotected theatre (and hence a low risk of being caught) then they may well commit ticket fraud. However, if what they see is a well-protected theatre (and hence a very high risk of getting caught), then they’ll likely refrain from the act. *Therefore, the major assault on ticket fraud can be a psychological one.* Make sure all employees know that your theatre is well-protected and that the risk that they’ll be caught remains high.

screentrade’s Ticketing/Point of Sale section is designed to help protect exhibitors to run secure theatres, helping them make and keep more of the money they earn. If you have a story to share with other theatre owners that may help to uncover cinema ticket fraud then please contact, in complete confidence:

info@TicketingSystems.com or
info@screenrademagazine.co.uk.

