



Cigarette Price Hikes Prompt Hidden Theft

Spot Underreporting, Save Thousands \$\$\$

\$5.00

Wide Open Opportunity!

Large increases in cigarette prices provide opportunity for dishonest store managers to steal thousands of dollars.

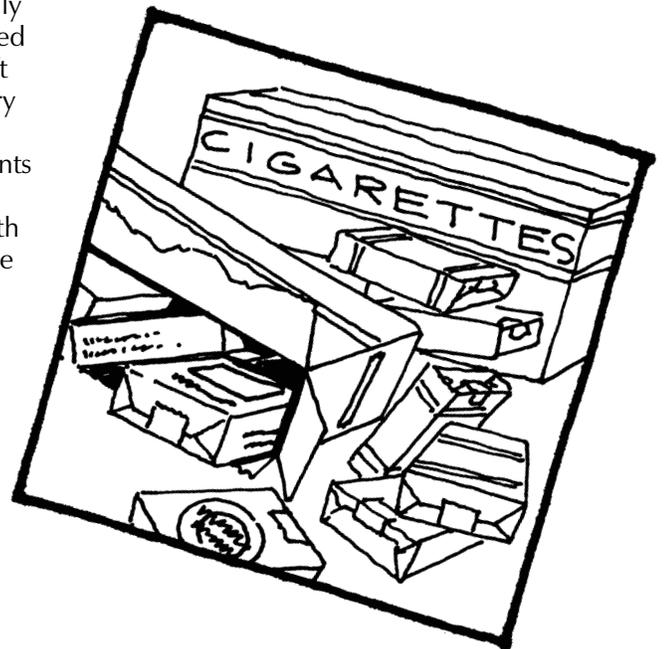
Big Money!

In one southern state, a company increased cigarette prices 65 cents per pack. A store manager underreported the markup by more than 4,200 packs (approximately \$2,700) and used the difference to hide other theft he knew had occurred. A different scenario would be to steal cash from the cigarette sales up to the amount of any underreported markup.

What You Can Do Today!

Quantum Services recommends you review audit results after a price increase. Go back to the day of any large markup and determine your on-hand cigarette inventory. Adjust for cigarette sales and purchases. Now, compare this result to your current inventory.

If the store maintains daily counts (our recommended control and primary theft deterrent), your inventory can easily be analyzed. Simply compare the counts a couple of days before and after the markup with the counts on the day the markup took place.



AICS, Inc.
4284 North High Street
Columbus, Ohio 43214
614.261.1190 (OHIO)
800.777.9414
614.261.8166 fax
www.quantum-services.com

Quantum Services

Quantum Services, headquartered in Columbus, Ohio, has performed more than 1,500,000 c-store audits since the firm was founded -- and serves the c-store industry *exclusively*. Quantum's audits and inventories are backed by in-depth knowledge about store level operations to help operators and store managers rapidly improve profits and performance.

ALERT!



Cigarette Price Hikes Prompt Hidden Theft

Spot Underreporting, Save Thousands \$\$\$

ALERT!

Future Safeguards!

Increases in cigarette prices vary, yet markups occur frequently and some managers do intentionally underreport. Here are a few preventative measures you can take:

- Compare markups between stores with similar sales. If you find discrepancies between comparable stores, have your audit service or supervisor go to the store and perform a category count. They may also need to review purchases and sales.
- Alert your audit service to closely compare the most recent audited counts with current counts, and with the counts reported at the time of the markup.
- Whenever possible, design your retail system so that managers need to take markdowns instead of markups. There is little incentive for a manager to report markups. If they "forget," they create an overage or a pad.

NOTE: Employee theft that goes undetected will increase shrink in the future.

For more information, please contact Quantum Services at 800.777.9414.

AICS, Inc.
4284 North High Street
Columbus, Ohio 43214
614.261.1190 (OHIO)
800.777.9414
614.261.8166 fax
www.quantum-services.com

Quantum Services

Quantum develops industry **ALERTS!, INSIGHTS!, REPORTS!, TIP SHEETS!** and **TRAINING** materials with the goal of helping operators increase their profits and performance.

Quantum is the largest company of its type in the world providing audit/inventory services *exclusively* for convenience and petroleum stores.

Please do not photocopy these materials. They are intended for individual use.
Call Quantum Services at 1-800-777-9414 for your personal copy or multiple copies.

Thank you.