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Theme Park Fraud and How to Catch It

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Theme Park Fraud and How to Catch It

Lilly Lask

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Executive Summary

One of the most significant, if not the most important financial difficulty facing theme parks today is credit card fraud and the use of counterfeit money by individuals to improperly obtain theme park tickets. The tickets are then used by the fraudsters themselves, or sold or otherwise distributed to guests of the parks. The improper use of the tickets significantly impacts the income of the parks. In order to continue to appropriately manage the parks after the losses, ticket prices need to be raised, which generally leads to a reduction in the valid revenue of the parks as they become costlier. The goal of this paper is to discuss how cyber-fraud, the use of counterfeit money, credit card fraud, and employee theft occurs, along with what can be done to limit the extent of the fraud losses, and how this will benefit both the owners of the parks and the public at large. While the theme park entertainment industry constantly seeks more effective internal and external controls and additional fraud prevention tools, this is balanced by the necessity to not anger potential customers through the fraud prevention efforts. At the same time, the parks must provide the necessary cyber-security to both protect themselves, and insure that customers' data is protected.

The proposals and area of concentration of the paper will focus on theme park fraud prevention, credit card fraud, and counterfeit money, as well as the causes of these acts, such as false identity, ticket scams, and employee theft in the entertainment industry. Theme park owners explore the rising issues of fraud threats within their business structure, and the number of issues of fraudsters in theme parks. Most theme parks are vulnerable to fraud because of the business processes of the industry, as well as the fact that they do not provide the level of tools that are needed. The problem with criminals committing fraud in theme parks is very extensive because

theme parks do not generally provide an appropriate control framework to prevent fraud from occurring in the first place, which bring fraudsters in contact with park locations. Theme parks are losing money from experiencing counterfeit transactions, such as fake currency, phony credit cards and counterfeit checks (personal, cashier's, gift or travelers) and false identity. These fraudulent events can add up to dangerous levels of financial loss each year. Weak internal and external controls result in fraudsters committing more crimes in theme park business structures and creating an unending cycle of regularly losing a portion of profits to fraud with higher economic and social costs. Instead of not spending money on prevention tools, theme parks should provide low cost, easy to use solutions without impacting the customer experience. In the long run, prevention tools will decrease the economic costs of responding to the problem of theme park fraud.

Customers Committing Crimes in Theme Parks:

Theme parks are one of the biggest targets of fraud because it is easy for customers to remain anonymous and make money without getting easily caught. Fraudsters enjoy that because they can commit crimes and make fast cash, by situations including buying thousands of tickets using stolen credit cards and selling them to make a quick profit or passing around counterfeit bills to receive real bills in return. In other businesses, one would be more likely to get caught because they cannot remain as anonymous as one can in a theme park. For example, retail stores hire an "army of loss prevention agents to combat theft of inventory and fraud losses, [which makes it easier to focus on shoplifters.] Loss prevention agents focus on shoplifting, have special training, know their store inventory, study shopper behavior, practice profiling, use technology, train to detain and arrest, document the crime, and facilitate prosecution. (crimeschool.com, 2015)

Counterfeit Money: How Do Customers Do It?

Counterfeiters prefer going to theme parks because it is easier to get away with fraud here than in retail stores. Theme park resorts attract counterfeiters because of the busy type situations and inexperienced employees. One way it happens is that counterfeiters will wash out \$5 bills and print \$100 bills on them. This helps them to regain a profit by buying merchandise and receiving real money in return. For example, in August of 2015, “a group of counterfeiters used faux \$100 bills to buy expensive electronics – including highly-coveted Beats by Dr. Dre headphones – from box stores in at least two states then later returned the goods for full cash refunds.” (Dan Stamm, 2015)

Why It’s Easier for Customers to Pass Counterfeit Money in Theme Parks

Counterfeit money is a continuing problem in theme parks, even as incidents of grand theft or credit card fraud are declining. For example, "At Disneyland, reports of counterfeit money are more common than incidents of grand theft or credit card fraud" (latimes.com, 2017). Bogus money seems to be the biggest concern for theme parks in the United States, with more than 3,700 police reports for just four Southern California theme parks from 2014 through the first six months of 2016. An analysis also found “that crime rates at Southern California theme parks are dramatically lower than in their surrounding cities” (latimes.com, 2017). So, what is the cause of fake currency in theme parks?

While there is no definitive answer, there are various theories such as it is easier for counterfeiters to do this during peak season because they take advantage of the busy atmosphere and inexperienced employees. In a busy type atmosphere in a theme park, there are generally hundreds of vendors in theme parks that are usually large, filled with thousands of people, and

with no supervision over the vendors. It is easy for one to distribute counterfeit money throughout the park several times without getting caught. It is complicated to determine what exactly is causing the increasing property crime in theme parks, but the FBI crime statistics are high. In 2015, the Disneyland Resort had a rate of 10.3 property crimes for every 1 million visitors.

Steps and Practices to be Put in Place for Counterfeit Money

Although the use of counterfeit money will never be completely eliminated counterfeiters can be challenged and caught through internal and external tools that can be easily used within theme parks. By giving responsibility to employees, theme parks can thwart counterfeiters by keeping an eye out for suspicious behavior and providing them with the necessary tools. First, theme parks can invest in at least one counterfeit detector or pen for every retail and food vendor in the park, saving money in the long run. If theme parks added one counterfeit pen (that only costs \$5 at Staples) to every vendor, then the profits will outweigh the costs. This is because theme parks would not have to raise prices on tickets or goods from loss profits and that would bring in more consumers. Second, the solution to expose washed \$5 bills is to look at the face of the bill, check to see if the ink changes colors, and to “check the embedded security thread that goes from the top edge to the bottom edge” (foxnews.com, 2007). The bill will also glow different colors within the security thread to determine if it is fake or not. Third, Theme parks can refuse to take bills larger than \$20, though counterfeiters also wash \$10 and \$20 bills as well, but it is less frequent and incurs a smaller loss. These suggestions are important because if a theme park passes on counterfeit money to banks, they can get in trouble because it is illegal, as well as lose money on their part. The theme park would be taken to court and would be proven with intent to defraud the bank. However, if the bank finds it is fake, the theme park will just lose

the value of the bills. Counterfeiters constitute an ongoing threat to theme parks and have succeeded fake currency attempts, which is why there needs to be more internal and external tools. By providing the technology and tools that are needed, it will give theme park (employees) the ability to crack down on major and minor mischief and wrongdoing, to reduce the incidence of criminal behavior, reduce the likeliness of theme parks passing on counterfeit money, and lost profits.

Even a small reduction in the use of counterfeit money in theme parks, and more importantly, the ability to refer more scammers for criminal prosecution, will go a long way to protect the cash stream of theme parks. The more publicity that criminal prosecutions generate, that less likelihood of a continual rise; the more that the parks protect themselves, the more scammers will be caught.

Considerations for Counterfeit Money:

Passing and possessing counterfeit money is considered fraud if the individual consciously knew and tried to pass the counterfeit money off as currency. Passing off currency is a federal offense and is handled by the Secret Service. Once one is suspected of producing fake money, the Secret Service will seize and confiscate any materials used to produce the counterfeit money like computers, hard drives, printers, and scanners. Passing and possessing counterfeit money penalties are severe because once the fake currency is created and distributed it can have a detrimental impact on society as a totality. This can affect and have consequences on citizens nationwide. For theme parks it is important to give the money to security guards so that they can pass it on to the Secret Service, so that it does not come into contact with other people or be deposited to banks. Theme parks should pass it onto the Secret Service, because counterfeit money will increase prices due to inflation, or increase prices of commodities within the theme

park. If a theme park does pass it onto other people, it is creating a vicious circle, which has a negative impact on society. It is best for the theme parks to also pass it onto the Secret Service because if they try to pass the loss onto the banks, they are at risk for breaking counterfeit laws. The theme park will end up accepting the loss of the money since they have to “surrender the note or coin ONLY to a properly identified police officer or a Secret Service Special Agent, or mail it to your nearest U.S. Secret Service field office.” (treasury.gov, 2015)

Intentional Fraud of Counterfeit Money

The passing and possessing of counterfeit money is taken very seriously in the United States. It is one of the few crimes that is handled by one specific agency with expertise in the subject, the Secret Service. The punishment for passing and possessing counterfeit money is a criminal act and one can spend years in prison. For example, "using or manufacturing counterfeit money is a violation of the United States Code and can be considered criminal fraud". (criminal-law.freeadvice.com, 2017).

Knowingly passing and using counterfeit money to purchase goods is considered a criminal fraud and is taken very seriously. Theme parks will most likely charge, sentence, and demand restitution with the following,

- Possessing counterfeit foreign obligations or securities, in violation of 18 U.S.C. § 480
 - Maximum Penalties: Fine up to \$15,000 and 15 years in prison

Credit Card Fraud: How Do Customers Do It?

Customers can buy thousands of tickets at a time for a lower price from a theme park, and then resell them online to make a profit. They are usually reselling tickets to make a profit and not stealing merchandise for themselves like at a retail store. Customers can try to resell

merchandise for a profit, but they cannot purchase up to thousands at a time. If customers try to return merchandise for a profit, they cannot usually get cash directly, but will get a gift card.

Fraudsters use stolen credit cards in various ways at theme parks; although this is “less frequent than the use of counterfeit money” (latimes.com, 2017). Stolen credit cards are most commonly used in theme parks to procure online tickets, purchase food, clothing, express passes, and buy gift cards. For example, in July of 2016, two South Florida men attempted to splurge in Universal Studios using seventeen phony credit cards. They used the phony credit cards at food and retail vendors and to buy tickets for reselling purposes. Per the Orlando Sentinel, “[Robelt] was additionally charged with trafficking in counterfeit credit cards” (www.orlandosentinel.com, 2016).

Why It’s Easier for Customers to Purchase Using Stolen Credit Cards

Using stolen credit cards to purchase online tickets versus in-store are two very different scenarios, especially when it concerns liability for accepting a fraudulent transaction. E-commerce purchases are less liable for getting caught because of its convenience, price, and availability. Fraudsters purchase online because there are no ID checks, no physical credit card checks, and they make a profit from 3rd party web sales. For example, they are more likely to purchase online because buying online does not leave a trail to them. Fraudsters do this by having a stolen billing address, credit card number, security codes, and use a generic email to process orders. In one case, "Isaraphanich used over 100 stolen credit card numbers to purchase tickets to theme parks such as Walt Disney World and Universal Studios and to events from Ticketmaster and StubHub" (wesh.com, 2013). Isaraphanich was able to sell the tickets to consumers at a discounted price to make a profit at the end of the day. Isaraphanich could have done this for a couple of reasons. First, one can buy up to thousands of tickets at a time on a

theme parks website and resell them for a quick profit, whereas in a retail store one can not do that. Second, using stolen credit cards to buy theme parks tickets is less time consuming than traveling to a retailer. Third, it is easier to remain anonymous because the fraudster does not need a physical credit card or have to show his face. Permitting all ticket purchases to be made anonymously, even with credit cards is not typical to retail businesses, but is typical to theme parks. This raises the risk for theme parks. In addition, the tickets are generally usable at any time, which makes them riskier than tickets bought online for other types of events, such as sports and music events, which are for a specific date. Fourth, fraudulent purchases for theme parks are so overwhelmingly favorable because the fraudster are essentially stealing, so they can resell the tickets to make a profit. Whereas in a retail store, they are stealing goods to use for themselves.

Steps and Practices to be Put in Place for Credit Card Fraud

Individuals who commit property crime are costing theme parks losses. By prosecuting and incarcerating them, theme parks will be less likely to suffer repeated losses and subsequently be forced to raise prices of goods; thus, less chance of inflation in our economy. The price paid for lack of access to services and skills is significant to our society. Maybe if Robelt, who used over seventeen phony credit cards was caught early on by having cashier's check the last four digits of the card, then this crime could have been avoided. Lack of internal and external tools to catch fraudsters only adds to the expense of economic costs towards consumers in our society and does not help to decrease crimes. Funds would be saved because there would be less crimes and destructions, like police investigations and bills that are created when crimes are committed. In summary, it is a mistake to think that not having internal and external tools to compromise fraudsters and scammers would save money.

To help reduce the risk, theme parks should have the standard security measures to thwart fraudulent purchases. First, theme parks who sell tickets online should require the credit card billing address and shipping address to match. If people knew that they had to do this, they will be less likely to fraudulently purchase theme park tickets online. Second, one should check if one's ID matches with the name on the credit card used to purchase the electronic ticket at the door of theme parks. This would mean that the person who is coming into the park with a fraudulently bought ticket may know who the fraudster was that is selling them and be involved with them. This will prevent them from even trying to come into contact with the park in the first place because they will be denied entry to the park or be questioned by the police. Third, IT Technicians can create a software tool that tool that compiles a database to look up key words on Craigslist, eBay, LetGo, and other apps, so that auditors can verify whether it's fraud without having to search so much on the internet. Auditors can then report these advertisements to the fraud department of these websites and have the listing taken down. The more advertisements that are taken down, the less likely it is for fraudsters to keep posting it because they know it will be taken down in the future.

Considerations of Credit Card Fraud:

According to Fraud 101, "given the riskiness of accepting an online transaction, the liability of accepting a fraudulent transaction rests with the theme park themselves, and not the issuing bank. If a theme park accepts an order online that is later deemed fraudulent, it is the theme park's responsibility to refund the customer, the cardholder's issuing bank will collect on behalf of the cardholder." (signigy.com, Fraud 101). Failure to provide online fraud detection measures to protect themselves has led to numerous problems. For example, it costs twice as

much for the theme park to consent to one fraudulent transaction, since they are not able to recover the original fraudulent payment, and must also refund the customer who was scammed.

Online fraudulent purchases are not necessarily the fault of the true cardholder, but often come with the use of stolen credit cards. The most common source for stolen credit card information is from data breaches.

“In recent years, millions upon millions of pieces of Personally Identifiable Information (PII) have been stolen through data breaches. Sometimes they get payment card information, other times they get personal information such as addresses, birthdates, and social security numbers. The content of the stolen information determines the hackers' next steps. If they happen upon credit card data, it goes up for sale.” (money.cnn.com, 2017).

Fraudsters are not buying your credit card information just for a one-time use, but they are using it multiple times to make fast cash. They will fraudulently purchase up to thousands of tickets from the attraction site and try to unload these tickets as fast as possible. Reselling tickets is a social problem that requires decisive action; there are leaders of websites in charge of groups of people who resell tickets to their inner circle. One can also see this ongoing cycle of ticket resales on Craigslist, Facebook, eBay, and phone apps like Letgo and OfferUp. Theme parks can fix this unending cycle of resale tickets and chargeback fees by responding to challenges posed by the ticket scammers with better technology tools and stricter rules.

Intentional Fraud of Credit Card Fraud

The punishment for using a stolen credit card varies from each state, based on state law and generally the value of the assets or services that were obtained from the credit card. In Pennsylvania, as an example, If the value was less than \$50, the charge will be a second degree

misdemeanor punishable by up to two years in prison. If the value was \$50 or more but less than \$500, the offense constitutes a first degree misdemeanor punishable by up to five years in prison. If the value was \$500 or more, the offense constitutes a third degree felony punishable by up to seven years in prison (statelaws.findlaw.com, 2017).

A customer in a theme park who uses someone else's stolen credit card and ID is a form of identity theft and can be charged with the following,

- Fraud and related activity in connection with identification documents, authentication features, and information, , in violation of 18 U.S.C. § 1028

Maximum Penalties: 15 years in prison and fines.

Ticket Scalping: How Do Customers Do It?

Another common fraud impacting theme parks is ticket scalping. Ticket scalping is the act of reselling tickets for admission to events. Again, as discussed above, other types of businesses also suffer from ticket scalping, but the types of tickets being sold limit the risk. Tickets sold through secondary sources may be sold for less or more than their face value depending on demand, which tends to vary as the event date approaches. If theme parks increasingly raise ticket prices, it generally increases the market value for any tickets on offer through secondary sellers. Ticket scalpers use several different means to secure premium and previously sold-out ticket inventories (potentially in large quantities) for theme parks. First, someone steals from the attraction with the fraudulent purchase transaction, which will involve a chargeback, and the theme park not getting paid for the tickets that are sold. Second, the fraudsters sell some of the thousands of tickets to consumers who showed up at the gates of the theme park. Theme parks also make it possible for people to resell tickets at a higher price

because they give season pass holders a discount on tickets, which they resell to consumers at a higher price. Ticket scalpers also could be employees getting free tickets from the theme park.

Why It's Easier for Consumers to Ticket Scalp in Theme Parks

It is easier for consumers to commit ticket scalping in theme parks because they buy tickets for a discount or get them for free from employees. Tickets have no value or ownership, and can be resold to people who are desperate for a discount. Ticket scalpers can either sell tickets they redeemed for a discount or received for free by working at the park. People who buy from ticket scalpers do not have to match a ticket to the originating gate pass to get through. Tickets never get scanned by theme parks or otherwise checked to make sure that the person using it is the same person whose gate pass was used to request it. According to Business Times, theme park tickets rise in prices every year. Consumers are always looking for a bargain compared to the real value price of theme park tickets.

Steps and Practices to be Put in Place for Ticket Scalping

A solution to ticket scalping is to hire an audit investigator and security team in theme parks. If security or audit investigators are alerted to the fraud with enough notice, they can deactivate the tickets so that the tickets do not scan for admission, but generally, the people that the theme parks are turning away are not the bad people. They are the people who paid money to the fraudsters. Since their tickets are deactivated, the theme parks now have a guest service issue and lost money from fraudulent tickets. The best defense against this fraud is to prevent the purchase from happening in the first place. The majority of the fraud coming from theme park attractions is from e-commerce.

The real best defense against ticket scalping is to prevent the purchase of the discounted tickets from happening in the first place. First, theme parks can stop reselling tickets at discount

prices to pass member holders, or require identification at the gate matching the member name. These pass members cannot then resell these tickets for a higher price than what they bought them. Second, theme parks need to stop selling anonymous tickets to consumers. They should add terms and conditions that require an ID for every guest entering the park. Third, they should check on users who buy large ticket orders from week to week from the theme park. If there is an organization that wants a large quantity order, they should have to talk to an employee over the phone to make that purchase. If one is not a legitimate organization, then there should be a limit to ticket orders, and if a purchaser tries to purchase over the limit three times (with a potentially phony credit card), then they should be banned before a fraud does occur. Fourth, parks can implement a tool that detects inconsistencies on repeat orders. If a scammer tries to use the same credit card multiple times in a day, it should be recognized as suspicious. Fifth, they should keep track of all the wary e-mails, names, and purchase orders in the theme park. This organization of data should be documented so that one can see the patterns of transactions that can easily be overlooked. This organization of data can help audit investigators to compromise fraudulent tickets and cancel orders. Lastly, people spend their full day committing fraud just for a dime. If theme parks do follow these guidelines and suggestions, then there may be less chance of people taking advantage of the theme park.

Considerations of Ticket Scalping:

Neglecting to follow these guidelines will cause loss of profits, employee dishonesty, and inflation in the theme park industry to climb. For example, every year theme parks raise the prices of tickets and goods sold to compensate for loss profits. Each year around the holidays, most theme parks around the world raise ticket prices by a few dollars. Lost profits prompt the competition to follow suit with their price hikes. "Toward the end of May 2012, the company

[Universal] raised its single-day admission to \$88, up from \$85, making Universal Studios Orlando the most expensive theme park in the U.S. Within weeks, Walt Disney World took over that title by boosting its one-day base pass to \$89. That is the adult price; children ages 3 to 9 catch a \$6 price break, with a \$83 single-day ticket" (business.time.com, 2013). Sesame Place also raised the prices of their single day admission ticket from \$50 to \$70 in a one-year period. The rise in ticket prices is one of the reasons consumers go onto third-party retail sites or to scalpers to buy tickets that were purchased fraudulently. Tickets are bought fraudulently using stolen credit cards and being re-sold to consumers at a lower price. The fewer tickets the theme parks sell, the more they have to raise the prices for a single-day and multiday admission tickets. This causes inflation, because once one theme park attraction raises their prices, it causes other theme parks to follow the lead with raising their ticket prices as well. Like the example shown above, Universal, Disney World, and Sesame Place all raised their single day ticket prices within the year. Fraudsters thus create a vicious cycle causing the theme parks to lose money, then forcing theme parks to raise prices, and having consumers pay more for tickets at theme parks in the long run.

Consumers get hurt in the long run if fraudsters sell fraudulently purchased tickets. Fraud and audit investigators are cracking down on third-party sellers more and more. "Best practices for tickets sales stress that tickets sold on third-party retail sites are deactivated. So if a customer buys that tickets a scammer, and the scammer received the ticket as part of a third party retail site, the ticket is most likely be deactivated." (Thompson, Ross, Matiko, Bird, 2013) Deactivated and compromised tickets cause the consumer to lose their money on a wasted theme park ticket(s) and for the theme parks to lose money. Theme parks can lose money from credit card chargebacks, causing them to refund the victim's money from fraudulently purchased tickets and

to lose money on tickets that could have been sold at their vendor. The whole point of third-party sellers re-selling tickets is to make the single day or multiday tickets look like bargains compared to the rip-off of the theme park ticket prices.

Intentional Fraud of Ticket Scalping:

Ticket scalping laws are different for each state and should be vigorously enforced, and easily understood; otherwise, one can face charges when trying to make a profit.

There is no federal law against scalping, but, according to the National Conference of State Legislatures (NCSL), 15 states ban the practice in some way, most labeling it as a misdemeanor with penalties including fines and/or up to a year in jail. States that restrict scalping include: Arizona, Arkansas, California, Connecticut, Delaware, Kentucky, Louisiana, Michigan, Mississippi, Missouri, New Mexico, Ohio, Rhode Island, and Wisconsin.

A careful reading of the statutes is essential, though, as some barely prohibit scalping at all or in very select circumstances. Arizona, for example, bans scalping only within 200 feet of the entrance to the venue, which means that ticket prices can go as high as someone's willing to pay—so long as the transaction is 200 feet and an inch away from the door.

The NCSL cites another seven states (Alabama, Georgia, Illinois, Massachusetts, New Jersey, New York, and Pennsylvania) that require a seller to have license to broker tickets, and many limit the allowable markup to \$3 or less. Again, however, regulations and limitations vary widely. Individual sellers, for example, may be exempt or subject to different price limitations—again demonstrating the importance of reading the laws carefully. (legalzoom.com, Michelle Fabio)

Customers can also be charged with wire fraud since customers are defrauding theme parks by reselling tickets using online communications, such as Craigslist or EBay. One who commits wire fraud can be charged with the following,

- Wire Fraud, in violation of 18 U.S.C. § 1343

Maximum Penalties: 20 years' imprisonment, \$250,000 fine, restitution

Re-selling property that is not meant for re-sale, and receiving wire transfer payments for that property is illegal. The "not meant for re-sale" means that the company has the rights, trademarks, and ownership over that item. One who intentionally sells something that is not meant for re-sale and receives money via wire transfer may be charged with wire fraud.

Employee Theft In Theme Parks:

Not only do customers take advantage of theme parks, but so do employees. Employees consistently continue to steal money from registers at theme parks, pocket money from the game vendors, and let family and friends in for free. What else would one expect from a teenage employee earning minimum wage on a hot sunny day? By implementing steps like an anti-fraud company culture, implementing strong cash controls and monitoring, and by knowing the company's numbers on the overshort (O/S) variances, it can prevent employee fraud.

Embezzling from the register: How Do Employees Do It?

Theme parks are different than usual businesses because they are a large seasonal employer that hires teenagers as young as fourteen. In a retail store, the hiring age starts at sixteen. Theme parks hire most teenagers that are able to pass a drug test, so what can a theme park expect from such unqualified teenagers? These teenagers usually do not take the job seriously because they are young, they are not morally educated, and there is a stigma where they think they can do whatever they want since they know they will not be employed there forever.

This causes them to commit such crimes such as embezzlement, while not knowing what repercussions there are if they get caught.

It is also easy for an employee to embezzle money from a theme park because they have more opportunities. Theme parks have kiosk attendants, small vendors throughout the park, and different point-of-sale (POS) systems. For example, “Jill Marshall, 54, stole the cash from Gulliver's Kingdom where she had worked in the ticket office for 20 years.” Marshall had worked there for more than 20 years and was a respected, trusted and much-liked employee”. (Steve Nolan, 2013) Jill Marshall was giving out already printed out ready tickets to customers and then pocketing the money. In a retail store, they can not embezzle so creatively like a theme park because of the different systems implemented. The real difference with cashiers being able to embezzle money is that the theme parks have many more opportunities, there is too much trust in cashiers being left alone while working in the vendors of the theme park, and there is poor management.

Why Is It Easier for Employees to Embezzle?

It is easier for theme park employees to embezzle money because there are different systems point-of-sale (POS) put in place. For example, theme parks have different types of vendors like kiosk attendants and food vendors. If a kiosk attendant is stealing from the register or just pocketing the money, it is harder to tell. There are not enough supervisors for all employees and not enough security guards watching all of the CCTV's throughout the park. Jill Marshall was only caught because an employee noticed a huge amount of cash in her pocketbook, which is why they started to investigate her in the first place.

Steps and Practices To Be Put In Place To Prevent Employees Embezzling

There should be solutions to stop employees from having too any opportunity and incentives. First, theme parks should install tickets machines to take the money. This solution would be cost saving for the theme park because they would not have to pay kiosk attendants and kiosks cannot steal. Second, supervisors are responsible for over thirty employees at theme parks and they cannot fully do their jobs. There are not enough supervisors to watch the cashiers in all the vendors at the park because the theme park is too large and the vendors are spread out in a large area. Theme parks should hire more supervisors to for just all cashiers and other supervisors need to perform other tasks. Sesame Place loses at least \$5,000 a month from voided transactions. Hiring managers to watch cashiers at all times will help theme parks to make a profit and will outweigh the costs. Third, another solution for this would be for audit investigators to track the number of voids for each register and to have video cameras stream over the registers so that not only security officers can watch the cashiers, but so will the auditors. A POS system should be able to generate customized void reports by void type, by staff member or by time range. The POS system should also have management approval for voided transactions. There are essentially thousands of people a day in theme parks who are purchasing from food vendors, and the POS will help to determine which cashier is committing fraud by voiding and will diminish the issue of embezzlement. Fourth, a theme park can implement a tool like Audit Command Language (ACL). ACL data analytics is, at its root, a data extraction and analysis software used for fraud detection and risk management. ACL samples large data sets, then employs its data analysis software to find irregularities or patterns in transactions that could indicate control weaknesses or fraud.

Considerations of Employees Embezzling

Employees should care if their coworkers are stealing because it makes them untrustworthy and could be jeopardizing employees careers. If an employee leaves on break, or accidentally leaves their apron on the table, how does one trust that a coworker who is stealing won't steal their money from their till or apron while gone? One reddit user explains that "A few months ago, on Super Bowl Sunday, \$180 along with my entire apron, all my pens, and my coin purse went missing from work after I accidently left it on the host stand before leaving." (reddit.com, 2017) The reddit user then goes on to say that their boss found out which employee was stealing from coworker's tills and aprons, and fired her. This is important because the employee who had their money stolen by their coworker may be held accountable for the lost money and then possibly fired.

Employees should also care if other employees are stealing from the register because if security sees that an employee is stealing and other people knew about the theft and did not say anything, then they both can be held accountable for theft.

Intentional Fraud of Employees Embezzling

In theme parks, employees steal cash from the register by voiding a previous sale, creating a fake refund, or pocketing money. Theme parks take this very seriously and employees will most likely be prosecuted, arrested, fined, and ordered to pay restitution. Theme parks can prosecute employees for cash larceny which includes,

- Embezzlement, in violation of 18 U.S.C. § 31
 - Maximum Penalties: 1 to 150 years depending on the severity of the case,
\$15,000 fine, restitution

Stealing from Game Vendors: How Do Employees Do It?

Theme parks are different than usual businesses because they have vendors that do not require tills. There are game vendors that require the employee to put money in the pocket of their apron for every transaction. For every game a customer played, a games employee is told to press a thumb-clicker and put the money in the pocket of their apron after tendering change. The games clicked in would ideally match the money in the employees aprons at the end of the shift. Cameras are usually on but there are not enough managers supervising the employees at all times. The employee will skip enough clicks of games and then go to the back of the room to pocket the money, so that the value corresponding to the click matches. Employees tend to also steal customer's wallets that are left behind. Committing such financial crimes results in the theme parks firing and prosecuting employees.

Why It's Easy for a Games Employee to Pocket Money

Since game vendors do not require tills, it is easier for game employees to pocket money into their clothing because the cost of every game is not being built into a POS system. Essentially, the pocket of the apron is their cash register. So if an employee is not being watched by anyone, they can put the money in the pocket of their jeans instead of the pocket of their apron for every game they do not click.

Steps and Practices to be Put in Place for Game Vendor Employees

Cash counts can discourage embezzlement by any employee and should be conducted on a surprise basis by someone independent of the cash operation, like auditors or cash control. Cash counts in theme parks are different than cash counts in retail stores. Conducting a cash count helps to keep the money in track by counting the money blind and matching it to sales numbers to keep record of it. If these are frequent enough, at least twice a day by the audit investigation or cash control team, it could help deter dishonesty and detect it if occurring.

Consideration For Game Vendor Employees

Society should care about employees stealing from game vendors because they are potentially stealing their money and may cause prices of games to increase. If the company sees that they are not making enough money on games, then they will increase the prices of games and will end up costing consumers more.

Intentional Fraud For Game Vendor Employees

Whoever intentionally steals money from a business is essentially embezzling and will be charged with the following,

- Embezzlement, in violation of 18 U.S.C. § 31
 - Maximum Penalties: 1 to 150 years depending on the severity of the case,
\$15,000 fine, restitution

Employees Letting Family and Friends In For Free: How Do They Do It?

Theme parks are different than usual businesses because one has to pay to get into the park, whereas in a retail store anyone can just walk in for free. Employees are given a lot of trust, which results in letting family and friends in for no cost at all. If employees let family and friends in for no cost at all, then theme parks are losing revenue on tickets every time someone is let in for free.

Steps and Practices to be Put in Place for Letting Family and Friends in For Free:

A couple ways to stop letting too many family and friends enter the theme park for free is to give an employee 3 plastic reusable tickets to give to 3 family members to enter the park. Employees must also stay with these family members the whole day to prevent the employee from letting anymore friends in for free. Families or friends must then give back these 3 plastic reusable tickets at the end of the day. This will help to cut back on letting non-family members in

for free. Theme parks can also put locks on doors and install security cameras in the admission tolls.

Another way to stop letting people in for free is to issue visitors with a wrist band instead of a ticket, that way all the park staff can see that the ticket office had issued a band for the entrance.

Why Its Easy For Employees To Let Family And Friends In For Free

Some ways employees can let family and friends in for free is if they work in the admissions gate and just let them walk through or they can give already made tickets and give it to family and friends to get into the park. Employees used to be able to walk family and friends in for free with no security at all; however, this was getting out of hand and too many employees were letting too many people in for free.

Employees can also let family and friends in for free because they know all the weak points to the park. There are back doors and exits throughout the theme park with no security or locks. An employee can wait by the gate of the door and let their friend or family member in.

Consideration for Letting Family and Friends in For Free

Theme parks should care about this because employees are giving out tickets to customers that are willing to actually pay for a ticket. When a customer buys a ticket, the cost of the ticket would be built into their computer systems. However, theme parks are never going to get back the cost of a ticket given out every time an employee lets someone in. Employees letting many amount of people in theme parks for free adds up.

Society should care about this because individuals being let in for free are costing paying customers and waits for everything in the park.

Employees should also care because the admission fees from the theme parks go towards staff wages, fixing up rides, and other expenses. It may be one reason why employees in theme parks get paid minimum wage, because the theme park is losing money and cannot afford to give them a raise if individuals are potentially committing theft for not paying for a ticket.

Intentional fraud for Letting Family and Friends in For Free

Theme parks can prosecute individuals who access the theme park for free because it is theft, they are trespassing, and it is considered unlawful entry.

First, theme parks can prosecute individuals who trespass without paying. Individuals are trespassing in theme parks in order to sidestep having to pay to access said experience. This is considered unlawful entry and according to police.law.com, “Unlawful entry is simply physically entering a property without the proper consent of the owner. Trespassing and unlawful entry are both class one misdemeanors and can result in charges.” Second, it is considered theft if one is not paying for a ticket in the sense that one is having a free experience, which is costing the park additional funds. The following charges would be imposed and held against one,

- § 22-3302 Unlawful entry on property.
 - Maximum penalties: 1 year in jail and up to a \$2500 fine
- Theft of Public money, property, or records, in violation of 18 U.S.C § 641
 - Maximum Penalties: 1 year in jail and up to a \$1,000 fine

Owners and Managers Stealing from Businesses: How Do They Do It?

When it comes to owners, co-owners, partners, or managers there is no real difference between stealing in a theme park and in a retail store. Owners and management commit the same types of crimes because a theme park is still a business. For example, owners can make claim fake expenses, fake receipts for repairs or equipment, and increase tax deductions, owners can

increase business expenses and decrease their personal tax liability, owners can collude with workers or business partners to steal money, and can be charged with various tax frauds like tax evasion.

“A former SeaWorld manager pleaded guilty Thursday to embezzling \$818,000 from the San Diego theme park over eight years.

Wilfred David Joseph Jobin-Reyes, 47, aka Sebastian Jobin, used his position to pay more than 100 fake invoices from a sham company he owned called “SJ Merchandise.”

SeaWorld officials got wise upon seeing that many invoices were for just under \$10,000 — the threshold that requires approval from senior management, and bank reports.

Trinkets and souvenirs such as “wildlife animal bookmarks,” “sea creature rings,” and “purple shiny ornaments” were never delivered to SeaWorld.

Jobin-Reyes used his work computer to create the invoices using aliases such as “John Caldwell” to conceal his identity, U.S. Attorney Laura Duffy said in a statement.

Jobin-Reyes owes the IRS more than \$200,000 for claiming fake expenses and reporting bogus business losses, according to the second count of the information. The first count is for wire fraud.” (Bianca Bruno, 2016)

Jobin is a perfect example of someone who abused his trust within the company to commit this type of financial fraud. He now has to pay restitution and hundreds of thousands of dollars in back taxes and penalties to the IRS.

Why It’s Easy for Owners and Managers To Commit Fraud

Putting them in such high power gets to their head, maybe causing them to feel invincible and above the law. Committing such fraud may be easy for some owners or managers because no one overlooks their actions, it is easy to conceal certain crimes because one can create fake vendors or receipts, co-owners could be colluding with the owner of a crime, and employees

might not want to say anything because they are scared they are going to lose their job.

Therefore, they abuse their position of trust within the company to corrupt and deceit.

Steps and Practices to be Put in Place for Owners and Managers Stealing

. There should be an implementation of internal controls, an internal audit department, segregation of duties, bank statements should be reviewed every month by another person, checks should be signed by the owner or require two other signatures, employees should check the validity of vendor companies, and have a hotline where employees can report anonymous tips of possible fraud. Putting such steps and practices in place shows the importance of segregation of duties to prevent opportunities to commit fraud.

Consideration of Owners and Managers Committing Fraud

Businesses should care about this because businesses are always vulnerable to these types of crimes, which will lead to losing millions of dollars. If a business is small enough, they can have a very challenging time if they lose money, and could cause them to become bankrupt. The person stealing the money is not likely to pay it back.

Intentional Fraud of Owners and Managers Committing Fraud

Businesses that engage in malicious behavior such as shredding documents, having fake, off-the-book corporations, and manipulating the company's balance sheet and income statement to generate profits at the company's expense will land the criminal conviction with severe charges. Some charges include,

- Tax Evasion
 - Maximum Penalties: A fine of \$100,000 to any individual, and \$500,000 if the defendant is a corporation, and/or up to five years in federal prison.
- Filing False a Tax Return, in violation of 26 U.S.C. § 7206(1)
 - Maximum Penalties: 3 years' imprisonment, \$250,000 fine, restitution

- Wire Fraud, in violation of 18 U.S.C. § 1343
 - Maximum Penalties: 20 years' imprisonment, \$250,000 fine, restitution
- Obstruction Of Justice, in violation of 18 U.S.C. § 1503
 - Maximum Penalties: 5 years' imprisonment
- Embezzlement, in violation of 18 U.S.C. § 31
 - Maximum Penalties: 1 to 150 years depending on the severity of the case, \$15,000 fine, restitution

Recommended Fraud Measures for Theme Parks:

Owners, managers, employees, and customers all steal from theme parks, but more importantly, theme parks need to stop the fraud from occurring in the first place. There are questions and challenges on how to find it, from theme parks performing frequent identification checks to limiting transactions in theme park's e-commerce. However, theme parks need to figure out what fits their business model the best. Theme parks most important issue to fix is their ticketing system. It may be worth it for theme parks to stop selling tickets digitally altogether. If fraud occurs enough online, there needs to be an audit investigation team that can deactivate compromised barcodes and to stop giving discounts to theme park pass member holders. Better processes to reduce fraud can be implemented in theme parks as well. For instance, theme parks should create and implement software tools, have more law enforcement available, increase awareness among all related merchants, and be more cautious around the peak seasons. Audit investigators can also help by doing numerous surprise cash counts to discourage embezzlements and voids and refunds. Auditors can also use software tools to analyze wary trends occurring and target suspected areas of fraud. If one has a hunch that something is suspicious, then they can document it and use it for data later on. There can be many over/shorts

and coupon counts that can also identify unusual trends or suspicious activity. By implementing these processes, theme parks will help to reduce the vicious cycle of theme park fraud.

Theme park fraud is real, it is affecting the parks and the economy, and the suggestions listed above should be put in place to prevent fraud from both the customer and the employee side. By having stronger practices and tools put in place in theme parks, it will give fraudsters and employees less opportunity to be able to commit the types of fraud that occur in the theme parks. For instance, passing on counterfeit money, using phony credit cards to buy tickets either online or at the retail vendor in theme parks, presenting a false identity to buy goods with other people's stolen credit cards, presenting ticket scams online and in theme parks, and embezzling from employee theft. Putting stronger suggestions and tools in place in theme parks would help to end the vicious cycle of theme park fraud, so that theme parks will not lose money in the long run and will not have to raise prices for tickets in order to compensate for loss profits. Therefore, consumers will not have to pay more for tickets due to raised prices or end up being victimized by fraudsters from ticket scams or deactivated tickets.

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