

Ruby Tuesday Bags a Winning Solution with Hi-Tech Plastic Bank Bags

Nelmar's tamper-evident disposable plastic bags for bank deposits control theft that can occur during the last mile

Loss prevention investigators at Ruby Tuesday know they can't trust every restaurant manager, bartender and armored car driver in the world. Yet there is one aspect of security that they're convinced they can bank on — the integrity of the tamper-evident disposable plastic bags used for bank deposits.

The bags, created by Nelmar Security Packaging Systems, a Montreal-based manufacturer, are sealed with an adhesive strip that is designed to indicate if any tampering has occurred. The adhe-



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sive strip turns blue if heat is used to open the bag and it displays the word "void" in red if someone opens the bag by using extreme cold — the two most common methods of unauthorized access.

Since the Maryville, Tenn.-based string of casual bar and grill restaurants began using the Nelmar bags, thousands of dollars in losses have been eliminated.

The days of bag-related losses are gone, says Art Cash, director of loss prevention at Ruby Tuesday. Cash, who oversees a department of six, including himself,



three regional investigators, a loss prevention supervisor and a loss prevention specialist, says the company's first attempt at using disposable plastic bags for bank deposits failed. Defects in the bags' security system allowed thieves to make off with thousands of dollars. Though skeptical of the Nelmar bags at first, Cash is now a staunch advocate of the product.

When a deposit comes up short, the loss prevention department safely assumes there's been a theft at the

restaurant in question, on the armored car or at the bank, says Cash. When it comes to the bags, he says, "It's the last place I look because it just doesn't happen now."

At Ruby Tuesday, the LP department handles loss prevention for the 440 company-owned casual bar and grill restaurants and advises the chain's 220 franchises. The chain, founded in 1972, reported revenue for fiscal 2003 (ended in June) of \$1.28 billion, up 10.2 percent from \$1.17 billion in the year prior.

FIRST ATTEMPT Finding the right bag wasn't easy, according to Cash. Five years ago the company made the decision to begin using disposable bank bags. However, the chain's initial experience with plastic bank bags nearly convinced Cash and his team that the seals and the tamper-evident technology simply didn't work.

Thieves found the supposedly secure bags easy to open, and the stripes meant to change color or display words to indicate the bag had been opened and resealed went haywire, according to company investigators.

"We were not satisfied with the original bags," says Cash. "In a large metropolitan area in the Southeast, we had some bank bags that were compromised. The bank was hitting us with the shortage, saying it was on our end. We were able to come back eventually and show the bank that the bags had been compromised by the armored car guards."

The armored car employees found a way to open the bags using extreme cold. "The bags weren't as strong a product as we needed," he says, adding that the crooks used Freon to open them.

One of the company's restaurant managers pointed out that defective glue on the seals of the original bags allowed thieves to open and close them at will — despite the fact that they were supposed to open only with great effort once they were sealed. What's more, the tamper-evident strips on the original bags weren't working — they didn't change color or display the word "void" when opened as they were supposed to do.

When the LP associates delved into the investigation they found that the deficiencies were occurring even though different managers had filled the bags. This led investigators to look outside the chain for the problem. Once they discovered that the bags that were short were going to branches of the same bank and that the bank used a single armored car service for pick-ups at most of the restaurants with shortfalls, they knew they were on to something.

Eventually, Ruby Tuesday executives met with bank officials and a local police detective and lobbied for a criminal investigation by the city. However, much to their chagrin, the detective said the restaurant chain didn't have a case. He

noted that the company couldn't prove that the bags left the stores with the amount of money indicated because the tamper-evident function wasn't working.

Frustrated by the failure of the bags, Ruby Tuesday investigators considered returning to zippered cloth bags with locks, but balked at the inconvenience that results when a money center doesn't have the key. Some banks demand disposable bags anyway, industry observers say.

WINNING DOLLAR About three years ago, the chain's loss prevention department received a promotional piece in the mail from Nelmar Security Packaging Systems. The vendor sent a bank bag with a dollar in it and invited the recipient to keep the buck if he or she could open the bag without setting off the tamper indicators.



NELMAR
Security Packaging Systems Inc.

"I can open and re-close every competitive bag out there without leaving any signs of tampering."

— Neil Freder, president, Nelmar

"Of course, you can't," says Cash, "so it's a pretty good hook." Still, after being stung in the past, the loss department team remained skeptical. Fred Isaacs, investigator for Ruby Tuesday's Northeast Region, took matters into his own hands. Isaacs gave some Nelmar bags to a co-worker who, in turn, gave them to her husband to test. Her husband, who worked the night shift in a chemical plant, abused the bags with Freon and flames, but was unable to open them.

Shortly after, Ruby Tuesday began using Nelmar bags and the company hasn't looked back. Now, if a bag shows signs of tampering, investigators suspect the armored car messengers or someone at the bank. If there's a shortage and no tampering is indicated, investigators focus the case on the restaurant managers.

Believing in the bags instills confidence in investigators, Cash says. Loss prevention people can make their case forcefully when they sit down to interview store personnel because there's no uncertainty surrounding the tamper-evident capabilities of the bag.

The Nelmar bags cost the chain more than the bags they were using before, but Cash says, "We always pay a little more for a better product, and that's what we're doing here. Its cost was more than other products, and we're happy with that."

Neil Freder, president of Nelmar, reports that the company makes bags that range in price from 6 cents each to 80 cents each. Ruby Tuesday uses bags from Nelmar's Secur-pak line, which fold over and seal. Another collection, called Fraudstopper, has an in-line seal that doesn't require a fold.

Freder says the two lines offer equal security and choosing bags that fold or don't fold is merely personal preference. All are made of linear low-density polyethylene and are Category 4 recyclable. The bags are numbered sequentially and bar-coded as aids to tracing.

Ruby Tuesday uses the sequential numbering to line up entries on a deposit log, which provides accountability at the unit level, says Cash. "There's a place on our deposit log for the bag number," he says. "It's very helpful in investigations."

Some banks require Ruby Tuesday to use two-pocket bags with separate compartments for cash and checks. The banks process the currency and checks separately and can work more efficiently that way. Cash is carried in the tamper-evident pocket. The see-through bags allow money handlers to confirm whether they contain cash or checks before opening them.

Nelmar offers single-pocket bags as well as double-pocket bags with horizontal or vertical pouches. Disposable coin bags can come with handles and are designed to withstand loads of more than 50 pounds, Freder notes.

Whatever the design, the bag itself is what matters, says Freder. "There isn't a single bag out there I can't open and re-close without leaving signs of tampering," says Freder, indicating that he could use anything from a hair dryer for heat to a can of computer-cleaning spray held upside down for a blast of chilled propellant.

"If I can open it," he continues, "a thief can open it. With Nelmar bags, they're impossible to open without leaving signs of tampering. That's the key."

— Ed McKinley