

Reducing baggage frauds

Brainstorming on technology solutions.

03/2014

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We help airlines bring technology projects to the finish line.

We offer IT strategy and project management services.



Our philosophy:
Be frank,
clear, and
move forward

We call it: *clarity forward*[™]

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Our consultants
have worked with:



Technology can
help fight frauds...

Technology can
bring new frauds...

Our team came together to explore ideas on limiting baggage frauds.



- Just ideas! We count on YOU to voice your thoughts to reshape these ideas.
- You are the fraud experts, we are the technology and integration experts.

3 simple thoughts to guide our brainstorming session.

If thefts are quasi impossible, fraudsters may not fake one.

Identifying legitimate claims may be easier than detecting fraudulent ones.

*Fraudulent claims may share similar attributes.
Fraudulent patterns may be more visible over a large amount of claims.*

Limit possibilities of thefts.

Help honest passengers show honest behaviors.

Leverage passenger and claim data from other airlines.

Baggage Frauds

Idea #1 Verifying passenger ID and baggage tag at exit

- Check-in. But no check out?
- The right passenger, the right bag.
- Have an agent at baggage claim checking passenger IDs and bag tags.
- Such service could be provided on risky airports only.
- Agent schedule must be known by airline so that fraudulent claims can be spotted out.



- + Could be easy to implement. Already seen at some airports.
- + Relatively inexpensive.
- + Requires little training.

- Could be somewhat cumbersome for passengers.
- Slow and limited scalability.
- May not be adapted for pick hours.
- Possible human errors.
- No recording of verifications.



Idea #2

Scanning bag tag at exit

- Agent scans the bar code and check the passenger's ID.
- Scanner is integrated with Airline's baggage claim system.
- Upon scanning a bag tag, agent sees customer information, eventually a photo and basic risk level.
- Photo of bag may be available if taken at check-in.
- Device records successful match in database accessible to fraud department.

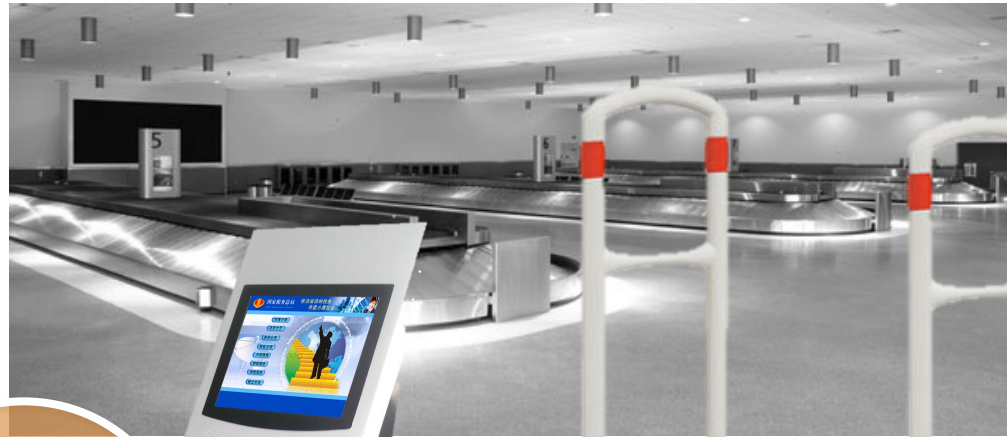
- + No or little room for errors.
- + Traceable verifications, available to fight false claims.
- + Informed agents on passenger and risk level.
- + Requires little training.
- + No privacy issues.

- Requires software development.
- Technology will require support and maintenance.
- Could be cumbersome for passengers.
- Slow and limited scalability.
- May not be adapted for pick hours.



Idea #3 Hard tag

- Protect bags like a shop protects articles. Could Electronic Article Surveillance (EAS) help?
- Check-in agent adds EAS tag onto baggage.
- At baggage claim, passenger deactivates tag.
 - Deactivation log could be integrated with airline's claim system, or simply available to airlines.
- Then exits.
- Tags that are not deactivated trigger alarm at exit.



Check-in
EAS tag gets attached.

Check-out
EAS tag gets deactivated and detached when
bag tag and passenger ID match.

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Let's go further on the idea...

- Picking the right tags.
- Deactivation kiosk could take a photo of the passenger.
- Perhaps a photo of the bag? Should we take a picture of bags at check-in? They could be used when reviewing incidents or to do automated recognition.
- Baggage could be weighted. More difficult but doable, bags could be measured.

Not a perfect solution

Concern

Potential Solution(s)

Tag could be removed from bag.

- Different type of tags.
- Reusable tags could be a solution.

My ID, my bag tag, but someone else's bag.

- Smarter bag tags. RFID and NFC tags.
- Permanent ID bag.
- Photo recognition.
- Weight verification.

Too cumbersome for passengers.

- Tags could be attached only for risky passengers... Or for risky destinations.
- Or maybe better, it could be optional for passengers at check-in. Passengers who ask for it, are not likely fraudsters (showing good intention).

- + Highly effective against thefts.
- + Fully automated. No human intervention.
- + No or little room for errors.
- + Traceable verifications, available to fight false claims.
- + Scalable.

- Would take significant time to implement.
- Requires some R&D.
- Technology will require support and maintenance. Could be relatively expensive.
- Could be cumbersome for passengers if inadequate number of deactivation kiosks.
- Impact on check-in process. May go against new bag drop process.



Idea #4 Shared assessment

- The payment card industry does it! And the results are encouraging.
- Airlines could team up to share passenger and baggage claim data.
- Passengers with abnormal history of claims can be flagged.
- With more data, abnormal claims should stand out.
- System could allow airlines to analyze fraud trends, and flag certain markets.

What will the system do?

Perhaps, just a search tool for now. Fraud department would simply have access claim histories to assess fraud risk.

Later system could do risk evaluations.

Batch or real-time?

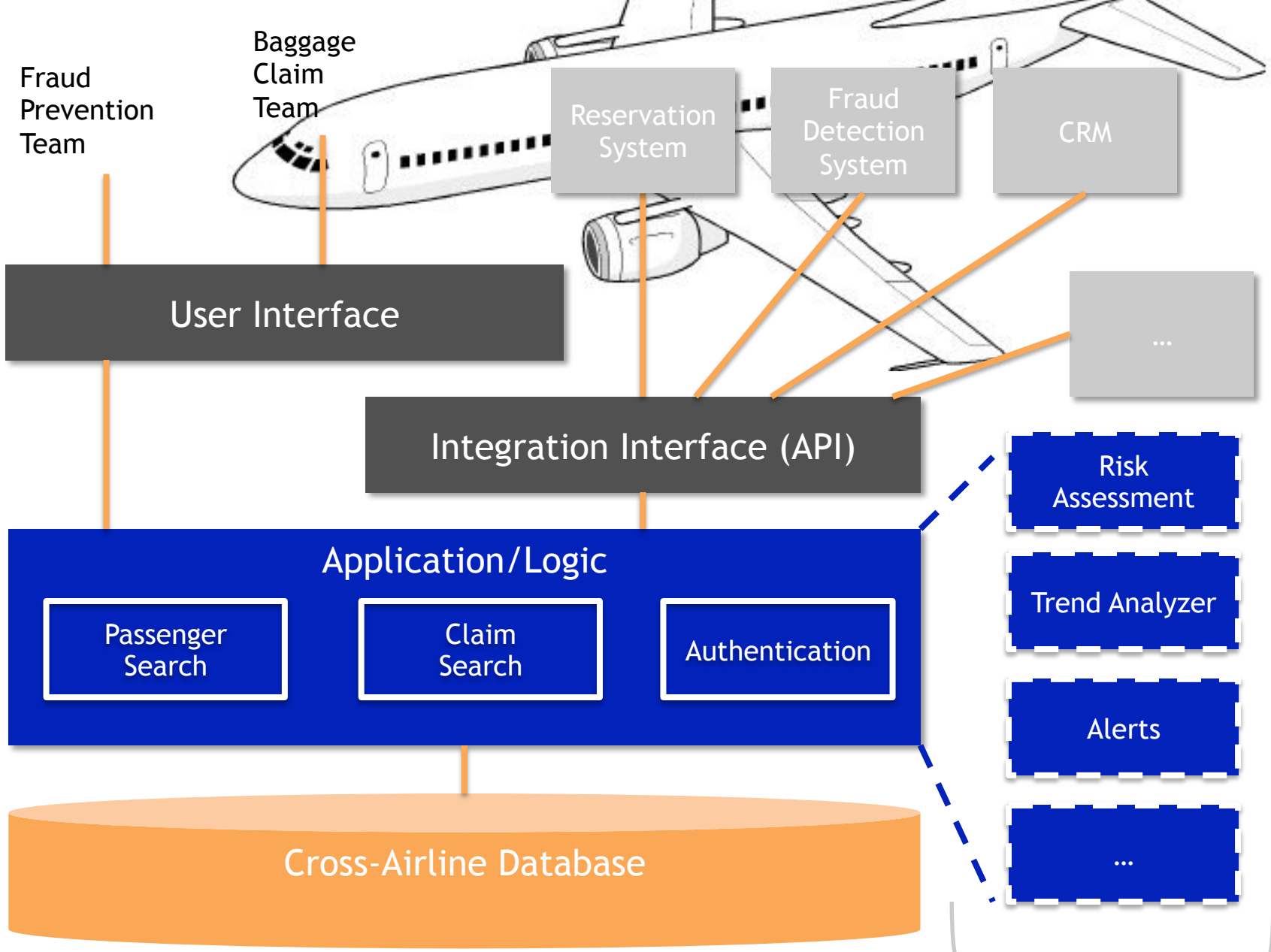
Real-time risk assessment can be a good preventive tool. But may require more time-consuming integration efforts.

A frequent batch upload could be a good compromise at first.

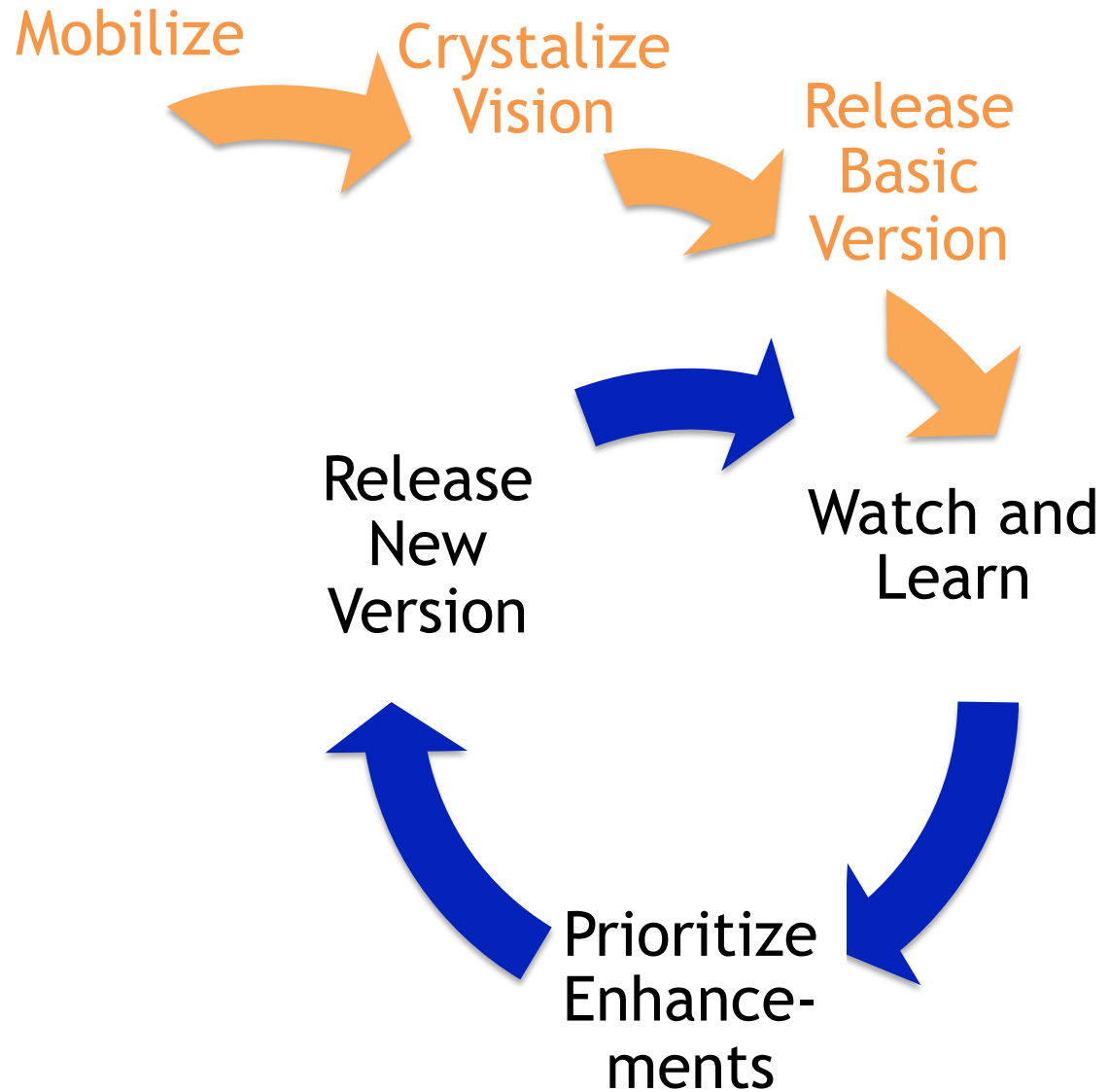
GUI? No GUI?

It will depend on the long-term vision of the system. Should airlines invest in comprehensive GUI or should they invest in integrating with already existing systems.

Perhaps starting with a simple GUI and investing in the into an API in the long-run is the solution.



Starting with a very basic version could give actual users the opportunity to shape the product.



Some challenges that could be overlooked.

- Solution design decisions.
- Privacy issues.
- Data migration.
- Impact on usual operations.
- User adoption.
- Training.
- Support.

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