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Retailer bags return-fraud thief red-handed.

Only in superficial South Florida I suppose.

39-year old socialite Meghana Rajadhyaksha was caught by retailer T.J. Maxx for return fraud when it was discovered that she was purchasing expensive designer handbags that retailed for between $1000 and $2000 from the retailer's online site but then returned a counterfeit copy in their place.

T.J. Maxx caught on to this scheme and then informed the U.S. Secret Service because part of the U.S. Secret Service's mission is counterfeit investigations.

The socialite from South Florida could certainly afford to purchase – and keep – the expensive handbags she was buying. A transplant from Detroit where she owned a hotel, her husband is an orthopedic surgeon. Caught up in Miami's social scene, our fraudster enjoyed hobnobbing with Miami's social elite. This likely explains why she needed expensive handbags and couldn't be caught dead using the same one more than a few times.

According to the Miami Herald, the Miami society maven's scheme involved 69 handbags from such famous brands as Fendi, Dolce and Gabbana, and Gucci that were worth a total of approximately $135,000. The fraud spanned a 17-month timeframe whereby the goods were shipped to her at her $1.7 million dollar home.

The scheme unraveled when the retailer noted the fraudster's buy-return transaction pattern. Simple enough. Examining the returned merchandise, which the fraudster even tagged with the retailer's own and original merchandise tags from the real items, the retailer realized that the returned goods were fakes. (No information on where the clever copycat bags were sourced from.) The retailer then set up the fraudster by intercepting the goods she was purchasing and marking them with invisible dye so that if they were returned, as the pattern suggested, the expectation was that the original – and now marked – goods would be returned. However, as anticipated, unmarked goods were returned instead of the real items as the retailer suspected they would be.

Not only was T.J. Maxx defrauded, but the fraudster also sold some of the real handbags that should have been returned to T.J. Maxx through consignment seller RealReal, realizing a net profit of $11,000.

The socialite made no attempt to conceal her love of high-priced handbags, as she was photographed with them at the various social gatherings she attended.

The fraudster's mistake was certainly to commit the crime in the first place.

However, our criminal was realistically identified with good data analytics. The high rate of orders and returns over time would be a metric that any online or brick-and-mortar retailer should be looking for. This fraudster should have spread her fraud out among several or many retailers over time which would have made the fraud less likely to be noticed because the number of orders and returns over a time period would have been reduced for each retailer. Even more so, she should have kept a handbag or two to reduce the chances of being caught.

But our fraudster got greedy, and she certainly got caught.

According to her defense attorney, the socialite schemer has accepted full responsibility, is attempting to make whole the retailers for their losses, and is in professional therapy voluntarily seeking help. She still faces possible prison time.

Even amidst the blizzard of transactions that occur in retail, or in any business, it is still possible to use same transactions that operate a business to detect and reduce supply chain fraud. You don't need to be a big retailer or a large corporation to engage your company's software systems and the transactions that they produce to harness their fraud-fighting power.

If you want to learn more about the potential of your company's software systems and the transactions they are producing to detect and reduce supply chain frauds, or to solve other competitive challenges, please contact me.
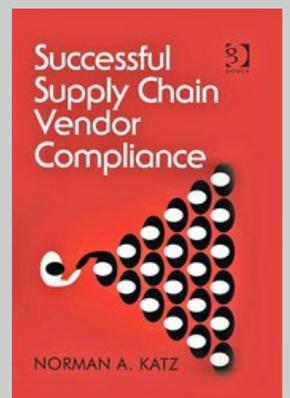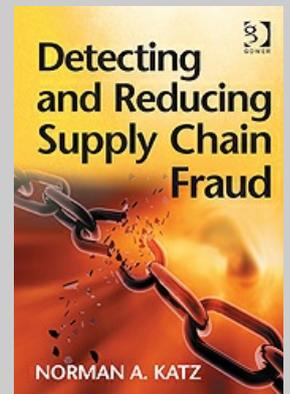
Detecting and Reducing Supply Chain Fraud
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their respective topics!

Thanks for reading.

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