



# RETAIL FUEL SOLUTIONS

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# RFS PIPELINE

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***Welcome to RFS Pipeline. We have compiled articles of interest regarding events and changes in our industry. RFS Pipeline will be sent to you quarterly.***

## **NEW GIFT CARD SCAM AT PUMP CATCHES REFINER OFF-GUARD**

There's a new gift card scam hitting stations and it can be used to siphon off product without the loss showing up at the pump or in the store, Oil Express learns. The only clues: "card rejected" messages on the register tape overnight and inventory discrepancies on tank monitoring reports, sources say.

The scheme involves prepaid Visa cards and recently cost several dealers in Seattle hundreds of gallons of fuel in overnight raids on their stations. The retailers had shut down their c-stores but left the pumps on for the convenience of customers.

Now there are questions about the software in use at some stations, and the vulnerability of other marketers to attack. There was a similar theft at a Shell station in Nashville in April. Police were puzzled at the time because they found several "card rejected" receipts scattered around the islands. The thieves concerned were caught later in a sting operation, says a Tennessee marketer source.

The thefts occurred at Shell stations using older, three-nozzle Gilbarco Advantage dispensers with lift-up handles and versions of software that are about 10 years old. Other, rival-brand outlets may have been hit without retailers realizing what was going on, sources say. Shell is now rushing out instructions to marketers with older dispensers, telling them what technicians need to do to upgrade their pumps. The company sent security personnel to Seattle this week to investigate.

"We know what the issue is, we know how to resolve it, and we're trying to fix it as soon as possible," a Shell official says. "We are recommending that operators upgrade to the latest POS software version."

Fraudster shows police how it's done, Cops send tape to Shell.

Some of the retailers hit by the scheme believed at first that they had suffered tank leaks - there were no other signs of theft. Some even ordered tank tightness tests, Oil Express sources say.

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## NEW GIFT CARD SCAM AT PUMP CATCHES REFINER OFF-GUARD

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One dealer whose monitoring system appeared to show a large inventory discrepancy started to figure out what was going on when he took a close look at his register tape. It showed fewer than 100 gallons sold that night but a bunch of "rejected card" transactions involving Visa gift cards. It was then he called police.

As luck would have it, the police had in custody a man suspected of involvement in a gasoline theft ring. They took him to the dealer's station and told him to show them how it was done. The police filmed what the man did and sent a copy of the tape to Shell.

The Visa cards used in the scheme were not activated or had already been used and had a zero balance on them. The sales did not register at the dispenser - no volume or sales numbers changed at the pump or in the store. Shell confirms it has been able to replicate how it was done but says it is hard for thieves to pull off and would only be possible at a small number of sites. The company declines to discuss the scam further.

"As far as we can tell, they take a Visa gift card and insert it into the CRIND. While the screen says 'authorizing,' they pull up the handle and 'feather,' or lightly squeeze the trigger," says an OE source.

"We suspect the lifting of the handle at exactly the right time somehow fakes out the system and turns on the flow. Sometimes it works, and sometimes it does not. When it works the pump metering device turns on the flow but the pulsar sensors don't react and they can run the pump dry. When it doesn't work, they just move on the next pump, and so on. Shell gets no record and the dealer gets no record," he adds.

Shell believes that the scheme works only with Visa gift cards, but there are indications that the thieves have tried to use MasterCard gift cards too. Surveillance tapes at one station show the same car turning up two nights in a row. It is believed that the thieves not only filled up their cars but also offered cheap gas to others who pulled in to the station.

The number of Shell stations market-wide using the older software is said to be low. The precise numbers on a national basis is said to be low. There were about 10 sites with the older equipment in Seattle.

How long the scheme has been going on is not known. Shell requires wholesalers to keep their dispenser software up to date. However, Shell is responsible for equipment at leased stations. It was not clear at press-time whether Shell would reimburse retailers who suffered losses or whether it would pay for the upgrade work at open dealer stations.

- Carole Donoghue, [cdonoghue@ucg.com](mailto:cdonoghue@ucg.com) Oil Express



## THE LOOK THAT SELLS

*New canopy and lighting designs help catch consumers' attention*

Within a few seconds a potential customer will make the decision to pull into your site or drive by. The look of the station is at the forefront of drawing customers in, and besides the primary structure how sleek canopy appears or how bright signage glows can drive sales. New ideas and technology in canopy and lighting designs are focusing on how to increase the profitability of sites, taking into consideration what customers are looking for and how retailers can cost costs.

The least expensive way to market a site is the canopy because it is often the most visible element of a site. "The fascia (the side of the canopy) is the best advertising tool," said Frank Baade, president of Custom Canopy based in Angola, Indiana. "It's the cheapest marketing point."

A more costly aspect, but no less important, is a station's lighting. "Today's active lifestyle dictates that the shopping/refueling activity occurs at all hours of the day and night," said John Page, senior vice president of sales for LSI Lighting Solutions Plus out of Cincinnati, Ohio. "Consumers want to identify a site and make the decision to refuel/shop will in advance of reaching the curb cut or driveway." The latest innovations in the art of lighting are focusing on this objective as retailers face more restrictions on so called "light pollution."

### CANOPY AND LIGHTING DESIGN

Chip McGrew, national sales manager for Superior Canopy Corp. out of Hamilton Ind., said the majors' oils sites are well dictated, including requirements for the height of the fascia and how the canopy is set up. The location of the station will affect how much of the branding is projected. "If you're in a high traffic area on a corner," he said, "the logo has to be on all tree sides of the canopy." However if the station is off a country highway, then the logo will most likely be on two sides. The majors require the canopy to reflect the colors of the logo. "If the site is Marathon, the canopy will be red, white and blue," Mulgrew said. The signs and the canopies of major oil sites are required to match. "The retailers' hands are tied on the branding," he said.

Since the majors are so heavily depended on their colors, lighting a site is also guided by the hues of a brand's logo. "Color is how you light it", said Page. It is critical that the graphic colors that the consumer 'sees' under daylight conditions is the same that he 'sees' at night.

The majors are paying attention to this color fidelity at all times because customers are refueling at all hours. "Fifty percent of the shopping occurs under artificial 9non-day light0lighting conditions," Page said. "So the choice of the color rendering index of the light source is very important."

### WHAT RETAILERS WANT

For retailers to drive sales at their sites, they must have what their customers are looking for. "Market research has shown that consumers want a clean well-lighted site" Page said. "They want to feel safe while they are refueling and want to be safe as leave their vehicle to shop in the convenience store."

"The foot-candle has been the industry standard for evaluating lighting," Page said. "But the foot-candle method only measures the amount of light striking a surface; it doesn't measure the amount of light that the eye will 'see' being reflected off the surface." So now the focus is on illuminating certain items at a site using a flat lens, which is more directional.

Lighting up the concrete pad is a waste of money, according to Page. "You can't see the light, but see what it bounces off of, which is why the LSI created targets to light, such as dispensers, that are put in light colors to become more visible," he said.

As for the aesthetics of the canopies, McGrew said that Superior has worked on some unique designs, despite the confined limits of some sites, including one with ornate cornices and intricate, detailed work built on the fascia. One canopy was specially designed using a combination of metal and stucco. "But most typically a site owner will come in and say they have a new logo and ask how they can match the canopy."



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## THE LOOK THAT SELLS

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### ISSUES FACING DESIGNS

Since the late 90's, a movement pushing for "dark skies" has gained momentum. It was started by Dr. David Crawford, an astronomer in Arizona and the executive director of the International Dark -Sky Association. It tries to cut down on what the group's members call light pollution.

Page said that the dark skies movement has pushed lighting restrictions to "ridiculously low levels" while police departments throughout the country want gas stations to have more lights for better security.

Some states and cities governments have committed to making convenience stores and gas stations safer by requiring more inside and outside lighting. However, Page said because of code restrictions on site's light levels, it's been a challenge to institute the ordinance. If you lower the light levels outside too much, you create a fishbowl situation where the lighting inside the c-stores becomes brighter, which causes reflections in the window, making it hard for the gas station attendant to see what is happening in the refueling area.

The zoning restrictions have caused companies to rethink their approaches to lighting. Mike Mondloch, vice president of technology for Everbrite based in Greenfield, WI said that because of the concerns of light pollution, energy costs and the green movement, the trend is to now put the lighting where it is needed rather than "bombarding the area with light."

Baade said with new types of light, they haven't had problems with dealing with lighting restrictions as much. The quality of the lights is much better, particularly how they are more directional and shine only onto the fueling area and gas pump. However, the emphasis on light pollution has affected his business. "We have to check the amount of lighting now," he said. "We never had to do that before."

Baade noted that most of the complaints of light pollution stem from the area lighting at the site, not from the lights under the canopy. However, the downfall of the movement is the lack of security, with less lighting making people feel less safe and less secure.

Since retailers are being required to use less wattage per square foot at their site, new designs are focusing on more efficient lighting and different ways to illuminate a site. Contributing to this new effort are the sky-rocketing energy costs for site owners, which is causing them to find ways to control maintenance and operating costs for retailers. "Energy savings is a huge push, Page said, but without compensating the look."

### FUTURE OF DESIGNS

Much of the innovations in canopy and lighting design are coming from the types of new materials and technology available. McGrew said most sites are using aluminum composite material (ACM) in their canopies. "It's a thinner material," "that's easier to bend. It used to be an option, now ACM is just normally used." The finish lasts for 10 years as opposed to the previously used laminated steel material, which is only guaranteed to last four years.

"It (ACM) is the newest big deal," Baade added. "But architecturally it's been around for 20 years." He said the material has been made better recently, and that it's now been introduced to the petroleum industry.

Signage through major oil companies is a challenge to Baade's company. "It's always changing; you never know when it's going to change." Baade noted he's seeing more digital signage and requests to install it at all sites. However, he said the retailer has to be careful because it is still regulated by local codes and that some areas won't let a site put it up on the canopies. "But it does get your attention," he added

.....Support for the positive LED forecast is evident in the market place as companies invest more in the technology. The most recent example is Phillips Industries, which announced this past June the acquisition of two prestigious LED companies, TIR Systems and color kinetics.

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