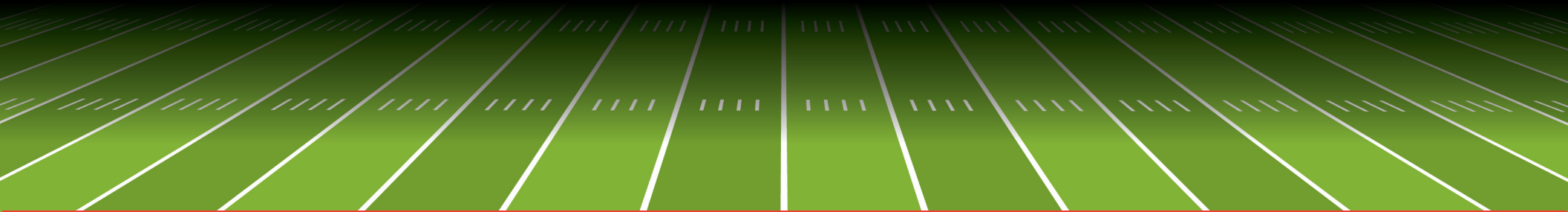


PEOPLE ARE STEALING YOUR TICKETS

A Case Study



Case #1: Microsoft

Think being one of the world's largest tech companies means you're safe from ticket abuse?

Think again.

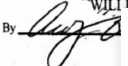
Last month, a senior marketing exec stole \$1.5 million including company Super Bowl tickets and is now under indictment by the federal government. Jeff Tran was Microsoft's Director of Sports Marketing. He led the company's relationships with sports organizations including the NFL, where he promoted Microsoft's Surface tablet on the sidelines. Part of the deal included Microsoft receiving valuable Super Bowl tickets for employee benefit, only Tran had other ideas.

Tran took 62 Super Bowl tickets and claimed he would distribute them to managers for the benefit of their employees. Instead, he sold those tickets through a third-party ticket broker over the internet for personal gain. Those sales produced over \$200,000 for Tran.

He even sold a few tickets to a fellow employee for over \$12,000, claiming he had paid for them himself and needed to be reimbursed.

Presented to the Court by the foreman of the Grand Jury in open Court, in the presence of the Grand Jury and FILED in the U.S. DISTRICT COURT at Seattle, Washington.

October 17, 2018
WILLIAM M. MONT, Clerk

By 

UNITED STATES OF AMERICA
Plaintiff,

v.

JEFF TRAN a/k/a TRUNG TRAN,
Defendant.

The Grand Jury charges that:

**COUNTS 1-5
(Wire Fraud)**

A. Background

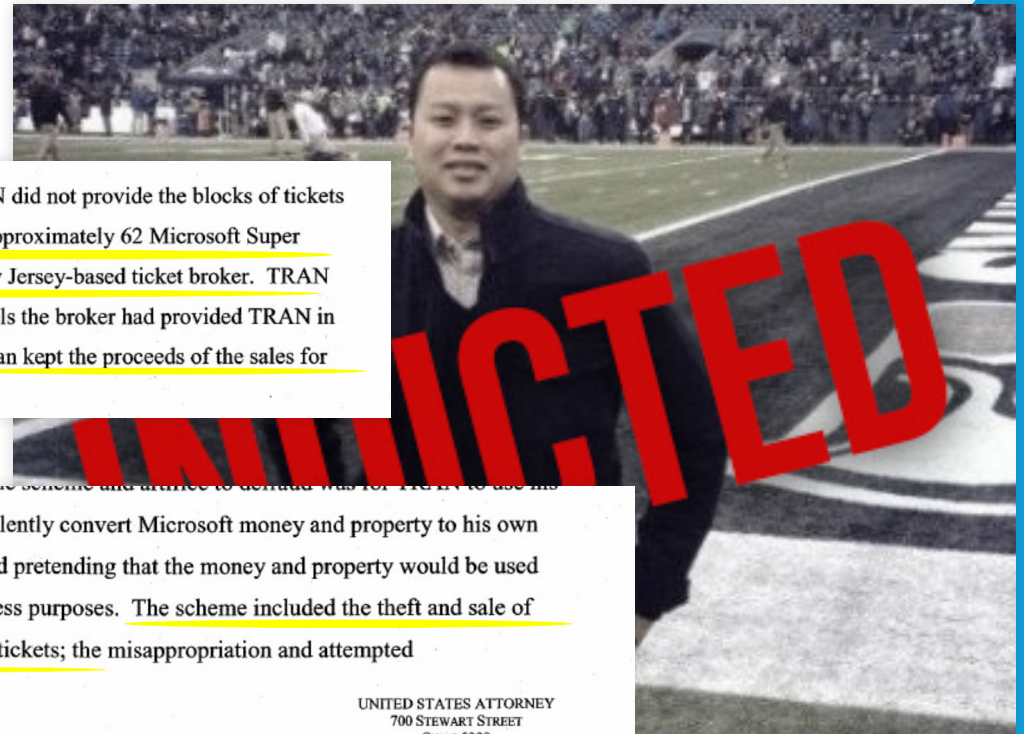
At all times relevant to the Indictment, Defendant

15 7. Contrary to his representations, TRAN did not provide the blocks of tickets
16 to Manager 1 or Manager 2. Instead, TRAN sold approximately 62 Microsoft Super
17 Bowl tickets for more than \$200,000 through a New Jersey-based ticket broker. TRAN
18 shipped the tickets to the broker using shipping labels the broker had provided TRAN in
19 an email sent by interstate wire communication. Tran kept the proceeds of the sales for
20 his own personal use.

24 position at Microsoft to fraudulently convert Microsoft money and property to his own
25 use, by falsely representing and pretending that the money and property would be used
26 for legitimate Microsoft business purposes. The scheme included the theft and sale of
27 Microsoft-owned Super Bowl tickets; the misappropriation and attempted

United States v. Jeff Tran
Indictment - 2

UNITED STATES ATTORNEY
700 STEWART STREET
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Case #2: A&P Supermarkets

Who knew the grocery business could be so dangerous?

John Moritz, Senior Vice-President of Marketing for A&P, served three years in federal prison after pleading guilty to stealing company tickets. The tickets were supposedly meant to reward high-performing employees and for other legitimate business purposes. Instead, Moritz netted \$1.2 million by selling more than 7,000 tickets online for personal gain.

The events ranged from Yankee playoff games, the Super Bowl, musicals including “Book of Mormon”, and concerts by Lady Gaga, U2, and others. Moritz made enough off the illegal sales to own several homes, numerous cars, flights, hotels, jewelry, and—appropriately enough—groceries.

How did he do it? By instructing ticket vendors to divide their invoices to A&P so that each invoice fell below \$100,000—the maximum amount Moritz could personally approve. He scrubbed all references to tickets in the paperwork, and made sure tickets were delivered to him—not to A&P.

“We pride ourselves on being a pillar of honesty, loyalty and reliability”

said A&P in an official statement. But once the truth comes out, company reputation is irreparably tarnished.

Object of the Scheme to Defraud

3. The object of the scheme to defraud was for defendant MORITZ to enrich himself by misappropriating thousands of tickets to sporting events, concerts, and shows, purchased by and for the benefit of A&P, and reselling the tickets for his personal benefit.

Methods and Means of the Scheme to Defraud

4. It was part of the scheme to defraud that, from in or about December 2010 through in or about December 2011, defendant MORITZ arranged for A&P to purchase thousands of tickets to sporting events, concerts, and shows. Ostensibly, the tickets were to be used to reward high-performing A&P employees and for other legitimate business purposes. However,



Case #3: Madison Square Garden

When live events form the core of your business, you'd think it would be impossible to get away with stealing tickets... right?

Nobody told the half a dozen executives at MSG who got busted reselling tickets in 2016. An unspecified number of executives (MSG insists less than 10) used their company access to purchase hard-to-get Knicks and Rangers tickets at face value, then turned around and sold them on StubHub for a profit.

How much profit? Take weekday Knicks tickets in Section 211, Row 7. Those tickets have a face value of \$112 a seat. But on StubHub, they sell around \$180 each, for a net gain of over 60%.

Not bad for a day's work.

Unless you get caught.

Which they did.

But it wasn't just the executives directly engaging in this theft who were terminated from MSG. Adam Campbell, Senior Vice President of Ticket Sales, was fired because while he may not have participated in the crime, "he should have had better control of his staff," according to a source interviewed by the New York Post. MSG issued a tersely-worded statement, concluding, "As this is an employee matter, MSG will have no additional comment."



“Company tickets are like petty cash. If you leave them laying around, people are going to do stupid things with them.”

That’s what a senior VP at a Fortune 500 company told us after catching an employee selling company tickets on eBay. The stories above mirror what we’ve heard from hundreds of companies. Here are the takeaways companies need to know about company tickets.

1. Ticket theft is happening everywhere

Think it’s not happening at your company? Think again. Microsoft is one of the world’s most successful tech companies and it happened to them. That means it’s almost certainly already happening to you. And it’s not just successful tech companies. A&P couldn’t be more different than Microsoft. Whereas Microsoft has a valuation of nearly \$1 trillion, A&P has struggled, entering into bankruptcy proceedings twice in the past 5 years. And MSG? You’d think a company whose core business is event tickets would have enough safeguards in place to prevent ticket theft.

Ticket theft happens everywhere, because tickets are basically petty cash. People see them as unrealized revenue, and they fall to temptation.

2. Seniority makes ticket theft easier

Consider the job titles of the people busted in the stories above— Director of Sports Marketing, Senior Vice President, and SVP of Ticket Sales. These people occupied positions of trust within their organizations, and they abused that trust to do things they figured no one else would see.

In some cases, they were caught quickly. A&P’s John Moritz was busted less than a year after he started stealing tickets. In other cases, thefts continue for years before they are discovered— if they are discovered.



3. Ticket theft leaves a wake of devastation

It's understandable that companies caught in a ticket scandal don't want to talk about it. Think of the tight-lipped statement from MSG, or the imploring tone of A&P's official comment. It's only natural for them to hide behind official-sounding language and weather the storm. But when ticket theft comes to light, it catapults a company into the news, overshadowing whatever good things that company may be doing. Everyone loves a scandal. And the fallout can get worse. Company tickets used by employees can be claimed as tax deductions. If it later comes out that those tickets were actually stolen by an employee, guess who's on the hook with the IRS?

Your company.

Whatever you thought was happening with those tickets is irrelevant: you've claimed a tax deduction based on something that was later shown to be untrue.

Finally, ticket theft can take down people not directly engaged in the crime. Consider the rationale behind firing MSG's Adam Campbell:

“he should have had better control of his staff”

That's true, but it's also a high price to pay for not paying attention. Once ticket fraud is discovered, everyone responsible for company tickets becomes a target.



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