Protecting Pennsylvania’s Restaurants

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Governor’s Award for Excellence 2018

Electronic Sales Suppression
Eliminate theft and unfair business advantage
1. What is Electronic Sales Suppression (ESS)?
2. Types of Sales Suppression
3. Presence – Globally / Pennsylvania
4. Pennsylvania’s Program
5. Enforcement
6. Results
Types of Sales Suppression

- Phantom-ware
- Zappers
- Sales Suppression as a Service (SSaaS)
Types of Sales Suppression

**Suppression Tools**
- Phantomware
- Zappers
- ESS as a Service

**Suppression Methods**
- POS Functions
- Database
- Software

**Noncompliance Indicators**
- Voids, Comps, or Training Mode
- Deleting, Altering Transactions
- Deleting, Re-indexing Transactions
ESS In Pennsylvania

- Out of state connections
- Field investigations
The Journey

• 2014 Analytics & Program Vision
• 2015 Pilot
• 2016 Anti-Zapper Law
• 2016 - 17 Statewide Expansion
• 2018 Outreach & Education
PA’s Anti-Zapper Law

- Passed July 2016

- Penalties for sale, distribution, possession or use

- Penalties include fine and/or imprisonment
• Tax Reform Code imposes penalties and/or imprisonment

• Under Penal Code charges can be brought for embezzlement, theft or misappropriation of funds
Enforcement

- Research Strategies
- Interstate Communications
- Audit Program
Results to Date

• 175 Audits, 104 Completed
  • ESS established or suspected in 42% of cases
  • $6.3 million tax assessed

• $78 million in hidden sales

• $53 million in hidden income
Outreach & Education

• Raise awareness among business community

• Facilitate voluntary compliance

• State government and industry partnership
QUESTIONS or COMMENTS?

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