

# **CRISP** REPORT

Connecting Research in Security to Practice

## **Organized Retail Crime: Assessing the Risk and Developing Effective Strategies**

*Walter E. Palmer, CPP, CFI, CFE*

*Chris Richardson, CPP*



## ABOUT THE CRISP SERIES OF REPORTS

Connecting Research in Security to Practice (CRISP) reports provide insights into how different types of security issues can be tackled effectively. Drawing on research and evidence from around the world, each report summarizes the prevailing knowledge about a specific aspect of security, and then recommends proven approaches to counter the threat. Connecting scientific research with existing security actions helps form good practices.

Reports are written to appeal to security practitioners in different types of organizations and at different levels. Readers will inevitably adapt what is presented to meet their own requirements. They will also consider how they can integrate the recommended actions with existing or planned programs in their organizations.

This CRISP report invites retailers to take a critical look at their handling of Organized Retail Crime (ORC). Chris Richardson and Walter Palmer combine their extensive experience of advising retailers on how to manage security risks with a very helpful summary of previous research, to stimulate thinking on how best to respond to ORC. Their starting point is that retailers and any others involved need to be clear about the type of ORC problem they are facing and its drivers, as well as the types of measures that are already in place that can be marshalled as part of an overall approach to making a response effective. They unpick the merits and limits of different types of security and offer a number of frameworks to guide practitioners. In so doing it is likely that this paper will become one of the essential reference points for those who need to tackle the ORC threat.

CRISP reports are sister publications to those produced by Community Oriented Policing Services (COPS) of the U.S. Department of Justice, which can be accessed at [www.cops.usdoj.gov](http://www.cops.usdoj.gov). While that series focuses on policing, this one focuses on security.

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**An ASIS Foundation  
Research Council CRISP Report**

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# Executive Summary

**O**RGANIZED RETAIL CRIME (ORC) poses a significant threat to the economic welfare of the \$4.7 trillion retail industry in the United States. U.S. retailers lose billions of dollars to ORC annually and it affects all segments of the industry: drug stores, supermarkets, mass merchants, home improvement stores, apparel, department stores, and specialty stores. However, some retailers experience a higher frequency of ORC activity due to types of goods sold, locations of stores, store layouts, and internal practices and controls.

During the past decade, industry leaders and retail associations have increasingly acknowledged ORC as a growing problem, fueled, at least in part, by the emergence of Internet auction sites, lack of effective legislation to increase criminal sanctions for ORC (versus casual, amateur shoplifting), and the ability to reintroduce stolen goods back into legitimate supply chain channels. As a result, 15 states have enacted organized retail crime laws; with legislation pending in 11 more (see Appendix D). At the federal level, there are currently three bills under review to combat ORC.

Effectively addressing this growing concern requires a comprehensive examination of ORC, its harmful effects, and the industry, legislative, and law enforcement initiatives most likely to curtail it. Currently, no comprehensive source or definitive information to prevent ORC exists.

As retailers develop new strategies to combat ORC and as legislation, both local and federal, is enacted, further evaluation and research will be required to gauge the effectiveness of these measures.

# The Problem of Organized Retail Crime

## Defining Organized Retail Crime

ORC TYPICALLY REFERS TO SITUATIONS where criminals steal large quantities of merchandise to resell back into the marketplace. The merchandise or goods are then sold to a “fence,” which either sells them from a physical location such as a private home, a street corner, swap meet, etc., or sells them back into the retail supply chain. Alternatively, the goods may be sold through online auction sites, an activity commonly referred to as “e-fencing.” The term Organized Retail Crime (ORC) has been introduced into the vernacular of retail loss prevention to differentiate these types of incidents from the casual, opportunistic, and amateur shoplifter incident. However, there is no clear definition for when an incident should be classified as ORC and there are conflicting industry viewpoints.

Additionally, because ORC is a subset of a variety of crimes such as shoplifting, cargo theft, fraud, and burglary and it affects retailers differently, it is difficult to precisely define ORC. However, it contains at least one of four basic elements:

1. Theft from a retail establishment in quantities that would not normally be used for personal consumption.
2. Reselling large quantities of stolen items to be re-entered into the marketplace.
3. Receiving, concealing, transporting, or disposing of stolen items in quantities not normally used for personal consumption.
4. Coordinating, organizing, or recruiting to commit the above offenses.

The National Retail Federation (NRF) defines ORC as groups, gangs, and/or individuals who are engaged in illegally obtaining retail merchandise through both theft and fraud in substantial quantities as part of a commercial enterprise.<sup>1</sup> The Organized Retail Crime Act of 2008 defines it as the acquiring of retail merchandise by illegal means for the purposes of reselling the items.<sup>2</sup> According to the Coalition Against Organized Retail Crime, ORC refers to an offense wherein individuals who are associated with a professional crime ring steal large quantities of merchandise and resell it into the marketplace.<sup>3</sup>

These definitions allow for varied interpretations by retailers and law enforcement. For instance, one retailer may categorize ORC as any theft over a certain dollar amount regardless of how many criminals were involved.

## The Impact of Organized Retail Crime

For many reasons, it is impossible to precisely identify the total cost of ORC, but it is clear from high-profile cases, survey data, and individual retailers’ experiences, that it is a significant issue warranting attention from retail, law enforcement

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agencies, and legislators. According to the National Retail Federation's 2008 Organized Retail Crime Survey, 85% of the 114 retail security executives surveyed indicated their companies were victims of some type of ORC activity.

In terms of the financial impact of ORC, there are many difficulties in identifying the precise scale of the issue. First, there are definitional issues, which we have mentioned in the previous section. The total dollars involved naturally differ depending on how you group various types of crimes together. For instance, in February 2005, FBI Director Robert Mueller testified before the U.S. Senate that annual property losses from cargo, high-tech, and retail theft were estimated at \$30 billion. However, there was no breakdown given as to how much of that figure was made up from each category. Therefore, it is not possible to know how much of that number might be comprised of a hijacked shipment of silicon chips from a manufacturing plant versus a group of boosters operating in a retail store.

Second, there are some quoted numbers often used in press releases and industry reports that we have not been able to substantiate. One of the most cited and referenced sources for the financial impact of ORC is attributed to the FBI. In 2001, Brett Miller of the FBI's interstate theft task force was quoted as estimating the cost of ORC to be as high as \$35 billion.<sup>4</sup> However, there seems to be confusion as to the source of the figure. FBI

representatives state that any figures they have used are based on "industry estimates" and did not come from the FBI. Yet, many retail industry representatives cite the FBI as the source of the figure. Our research has been unable to identify anyone in the FBI or in the retail industry who can cite the source of the various figures quoted in the press.

Third, the financial impact of ORC incidents is often given in broad ranges. For instance, in testimony before the House Judiciary Committee in 2005, it was estimated that "retailers lose anywhere between \$15 and \$30 billion annually to ORC criminal enterprises." In 2007, a high-profile ORC bust was made in Polk County, Florida, resulting in the arrest of 18 individuals and recovering goods from multiple retailers. In the initial press coverage of the arrests, the Polk County Sheriff's Office estimated the total value of goods stolen between \$60 and \$100 million. These broad ranges would seem to indicate the difficulty in accurately identifying the precise costs of ORC.

Fourth, as we detail in the next section, it seems clear that ORC does not affect all retail organizations equally. While certain retailers seem to have major issues due to their product assortment, other retailers attribute very little of their loss figure (shrinkage) to ORC activity. This makes it difficult to extrapolate the impact of losses from ORC as a percentage of total shrinkage in the industry.

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In the 2007 National Retail Security Survey, conducted by Dr. Richard Hollinger at the University of Florida, ORC is estimated at \$8.87 billion, excluding cargo theft, distribution center theft, and other non-store location manifestations of ORC.<sup>5</sup>

In addition to the financial impact of ORC, there are two other extremely important factors to consider. First, organized theft of certain products, which are reintroduced into the inventory supply chain, can present hazardous, sometimes life-threatening risks to consumers. For instance, baby formula has been a consistent target of ORC enterprises. In many cases, these groups resell the product back to into the retail distribution chain. If the formula is tampered with, re-labeled incorrectly, or stored in adverse conditions, it can cause health issues for the consumer. Over-the-counter and prescription medications are also high-risk items when it comes to consumer safety.

The second factor is the potential link between ORC activity and the funding of terrorism.

Some law enforcement agencies, including the FBI, have suggested a link from particular ORC incidents to the funding of terrorism in the Middle East.

While identifying and expounding on ORC offenders is outside the scope of this report, it is worth noting companies affected by ORC should investigate and determine who is committing these offenses. This information can be used to deter, detect, and prosecute the offenders. The information should also be readily shared with other retailers and law enforcement.

Despite the difficulties in identifying the precise financial impact of ORC, it remains clear that this is a significant issue that needs to be addressed on multiple levels. Over the past ten years, there have been several local, regional, and national coalitions established between retailers and law enforcement to fight ORC. In January 2006, President Bush signed legislation appropriating resources for the FBI to establish a task force and a database, in conjunction with the retail industry, to track and identify where organized retail crimes are being committed. Several recognized retailers have also established ORC units to detect and address this type of crime.

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## Factors Contributing to Organized Retail Crime

Understanding the factors that contribute to the growth of ORC will assist in developing and implementing operational strategies and methods to detect and prevent these crimes.

Some retailers are more affected by ORC than others. This could be due to factors such as:

**TYPES OF GOODS SOLD.** Some merchandise may be more attractive to organized retail criminals due to the ease of theft and market demand.

**LOCATION.** Factors such as being in a mall or near a major highway affect the likelihood of experiencing ORC issues.

**RETAILERS' CONTROLS AND POLICIES.** Some retailers place an associate at the entrance/exit of the store and check receipts of departing customers. Others hire security staff dedicated to detect and prevent ORC, while still others add this responsibility to existing staff.

Industry research and data tend to support these issues as contributing to the growth of ORC.

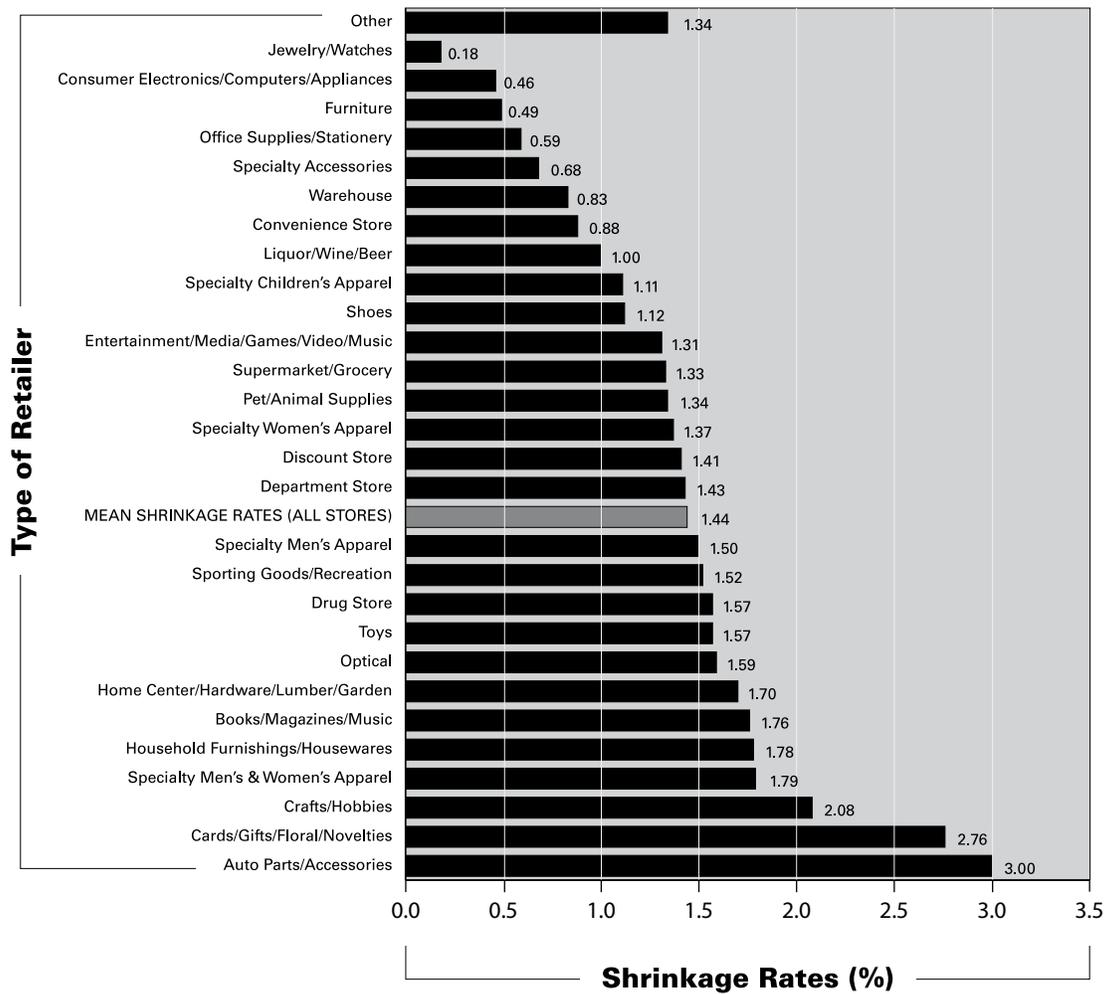
## Goods Sold

Research provides little guidance on known databases or data collection tools of the most stolen or “hot” organized retail theft items. The most popular items targeted by organized retail criminals, according to industry experts and academicians, are goods in high demand commanding a near-retail resale price, such as designer clothing, Benadryl, Crest Whitestrips, Prilosec, gift cards, electronics, DVDs, CDs, razor blades, over-the-counter medicines, beauty care items, and Similac infant formula.<sup>6, 7</sup> Furthermore, the popularity for items can be very specific and highly brand-dependent. Due to their size large goods such as furniture and appliances have extremely low shoplifting rates. Additionally, jewelry and watches also experience very low rates since the goods are secured and only removed by a sales associate. The table on the following page shows the type of retailers hardest hit by shoplifting.

The term “hot products”, coined by Ron Clarke, identifies items that are most attractive to thieves. Hot products attract theft and can also explain mini-crime waves caused by the sudden popularity of certain items.<sup>8</sup> The desirability of hot products may be based on the popularity duration of a new product, or wax and wane due to item futility, and it can be brand dependent.<sup>9</sup>

The International Council of Shopping Centers explains in their training video for security officers that ORC rings develop a shopping list of items or hot products that are in high demand by fences.

Retailers carry an assortment of goods, but only a small percentage is targeted by organized retail criminals. The acronym CRAVED was coined by Ron Clarke to explain which hot



Source: 2007 National Retail Security Survey—shoplifting as a percent of total losses by retail market

products become targets of theft.<sup>10</sup> These items are concealable, removable, available, enjoyable, and disposable. However some attributes of CRAVED apply more directly to shoplifting than to ORC. For example, organized retail criminals are not interested in enjoying the boosted goods; they are attracted to products for their disposability. Also, the concealable nature of merchandise is not fully applicable to ORC since many criminals have been known to walk out of stores with large quantities of merchandise and ORC rings operate repackaging facilities to make the items more marketable.<sup>11</sup> Organized retail criminals do target items that are removable.

### **Location**

According to ORC theft reports provided by major retailers, organized retail criminals target multiple stores a day and frequent shopping malls due to the large number of retailers located there. Some boosters are able to hit anywhere from 8 to 15 retailers a day.<sup>12</sup> They often pass the merchandise to mules who take the stolen items to a vehicle in the parking lot. ORC rings also frequent retail locations near major highways, giving them the ability to hit more stores along a highway route. This approach provides a fast escape route once merchandise has been stolen. Stores near mass transit (bus or rail) stops and other intersections are also often targeted.<sup>13</sup> Boosters and fraudsters prefer to minimize travel

time, and consolidate their retail crime activities in close, convenient activity or behavioral spaces often near their home, work, hangout, or recreation sites.<sup>14</sup>

### **Store Layout and Design**

Certain retailers are more susceptible to ORC than others. This can be attributed to the type of goods they sell, as well as the store layout and design. Stores at greater risk include those with:

- Multiple exits or one exit without an employee positioned nearby.
- Display merchandise near exits.
- High shelves and displays that conceal boosters.
- Large amounts of merchandise on shelves.
- Blind areas that conceal boosters.

A British study on the impact of design on retail crime found store layout and design to be very effective in reducing crime.<sup>15</sup> Although an effective means to deter crime, product sales and shopping environment may outweigh crime prevention through layout and design. There is little information available for store designers about crime reduction in the retail environment.<sup>16</sup>

## Management, Staffing, and Policies

Other significant factors contributing to ORC include inadequate staffing levels and lax policies. Longer and varying store hours, daily business fluctuations, wage and benefit costs, and the labor market force retailers to employ more part-time associates. Some studies indicate that relying more on part-time rather than full-time associates' results in higher shrinkage.<sup>17</sup> The retail industry relies heavily on part-time associates to fill the schedule demands of stores and this reliance is unlikely to change anytime soon. The 2006 National Retail Security Survey determined the shrinkage "break point" occurs when the amount of part-time associates exceed one-half of the sales force.<sup>18</sup>

Part-time associates contribute to higher shrinkage for several reasons:

- They may be less committed than full time associates, allowing theft to occur.
- They may receive more limited training on policies and procedures.
- They may lack of awareness on shoplifting and criminal activity.

It can be challenging to achieve low inventory shrinkage when employee (exempt and non-exempt) turnover is high.<sup>19</sup> Hourly associate turnover can reach above 100% at many retailers and management turnover is commonplace as

well. This turnover adversely impacts shrinkage.<sup>20</sup> When turnover is high, organized retail criminals are able to commit crimes more successfully since store staff has less experience in recognizing and responding to shoplifting and may not fully understand company policies, procedures, and controls.

Nonexistent or lax policies surrounding theft are directly correlated to higher shrinkage. Liberal return policies allow ORC rings to return stolen merchandise for store credit, merchandise gift cards, or cash refunds. Lax policies on corporate buyers or vendor purchases may allow for stolen merchandise to re-enter the legitimate supply chain. Organized retail criminals bring stolen goods to a buyer, who has them repackaged and sent to illegitimate diverters who sell the goods to retailers.<sup>21</sup>

## Criminal Penalties

The absence of criminal statutes that address the unique nature of organized retail theft contributes to the crime's growth. Many state and federal laws are applicable and directed toward shoplifting or the Interstate Transportation of Stolen Property Act. Currently, there is no federal criminal statute for prosecutors to use as a tool to incarcerate organized retail criminals (see Appendix E).

Shoplifting penalties are not severe enough to keep criminals from committing this crime. More importantly, these penalties fail to:

- Recognize the aggregated impact/amount of the individual shoplifting acts that are committed against multiple retailers and in multiple jurisdictions.
- Reach the operators or heads of organized retail crime rings.
- Include penalties for selling or distributing stolen merchandise.
- Include penalties for fencing and e-fencing.

#### Prosecution under the Interstate

Transportation of Stolen Property Act is limited to situations involving transporting stolen goods.<sup>22</sup> Penalties under this act cannot be enforced when organized retail criminals are apprehended for stealing large quantities of merchandise. Typically, these cases are prosecuted under the state shoplifting law.

Another law that can be used is the Racketeering Influenced and Corrupt Organizations Act (RICO). While organized retail crimes have been prosecuted under RICO, this law is not commonly used to prosecute ORC cases. There are two primary reasons RICO is not used to fight ORC:<sup>23</sup>

1. Because of RICO's strength and flexibility for combating crime, the Justice Department has been hesitant to use it for fear the legislature or courts will reduce its power.
2. There is a requirement of predicate offenses and different statutes already cover acts committed by organized retail criminals.

Although federal statutes will not prevent ORC, it provides law enforcement and prosecutors with the ability to incarcerate offenders, taking them out of business for a period of time. The "out of business" value is a metric used by one retailer to calculate the return on investment for their ORC program.<sup>24</sup>

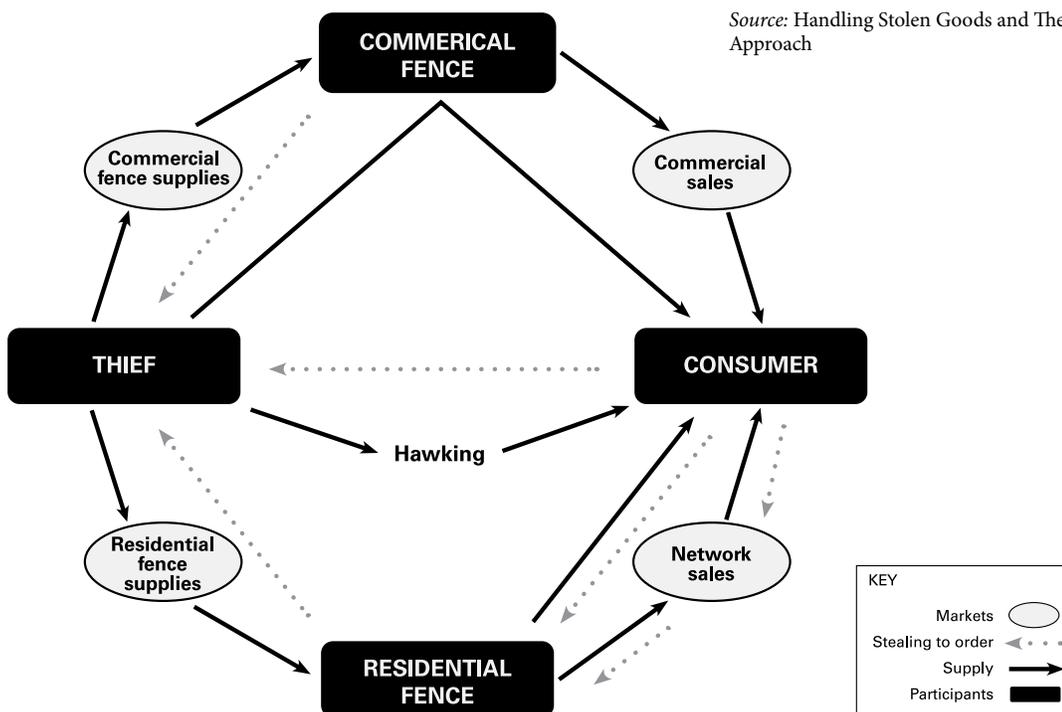
# Understanding the Organized Retail Crime Supply Chain

## Fencing

**T**HE DEMAND FOR STOLEN MERCHANDISE hinges on the ability to resell it back into the marketplace. Fencing operations and operators sell stolen merchandise to individual consumers at flea markets, pawnshops, swap meets, and increasingly, to store fronts. Most fences operate legitimate businesses in conjunction with illegitimate enterprises.<sup>25</sup>

Fencing operations face the same challenges as businesses in the formal marketplace: supply, pricing, distribution, location, marketing, competition, and cash flow.<sup>26</sup> Fence operations can be categorized as commercial or residential. Commercial fences operate a store front and are able to pass brand new goods on to consumers who may not be aware the merchandise is stolen.<sup>27</sup> Since the items are perceived as legitimate merchandise; the commercial fence can price the items as new and earn a significant profit. Residential fences normally operate out of their own homes. They have a more limited buying market such as friends and relatives.

*Source: Handling Stolen Goods and Theft: A Market Reduction Approach*



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A true “fence” is usually considered to be an established business person—one who knowingly purchases stolen property and redistributes it in any fashion for a profit.<sup>28</sup> Six levels of fences have been identified:

1. Professional fences
2. Part-time fences
3. Associational fences
4. Neighborhood hustlers
5. Drug dealers who barter drugs for stolen property
6. Amateurs

### **Online Auction Sites and E-Fencing**

Based on retailer estimates, approximately 18 percent of all stolen goods (around \$5.4 billion) are sold on the Internet.<sup>29</sup> This can be attributed to the anonymity and the global reach e-fencing often provides. Unlike traditional fence operations where there is face-to-face interaction and much stricter requirements for product information such as serial numbers; on Internet auction and consumer sites, e-fencers can sell items under a “username” and are normally not required to

provide product information. And unlike a brick-and-mortar fence, an e-fence operation can sell their merchandise 24 hours a day, seven days a week.

The profit on e-fenced merchandise is also much higher than merchandise sold through a traditional fence. E-fenced merchandise is sold at approximately 70 percent of its retail price compared to fencing operations that sell stolen merchandise for approximately 50 percent of its retail price.<sup>30</sup> The higher profit margins are a motivation for organized retail criminals to sell their merchandise through an e-fence operation.

### **Terrorism**

The effects of ORC do not end with a financial drain on the economy. Evidence indicates ORC has also helped fund terrorism. The association between ORC and terrorism dates back prior to 9-11.<sup>31</sup> The post 9-11 linkage is promulgated given the increase in the fight against terrorism. The FBI and other federal law enforcement agencies have discovered a number of disturbing alliances between many ORC rings and Middle Eastern countries that support terrorism. Money laundering has been proven in many, if not all, ORC rings operated by Middle Easterners.<sup>32</sup>

*“Based on retailer estimates, approximately 18 percent of all stolen goods (around \$5.4 billion) are sold on the Internet.”*

# Understanding the Problem on a Local and National Level

The most notable link between ORC and terrorism involves the theft of baby formula. A Texas state trooper pulled over a rental van with a load of infant formula and later identified the driver as a member of a terrorist group with links to a nationwide organized retail crime ring. This ring specialized in reselling stolen infant formula and wiring the proceeds to the Middle East.<sup>33</sup>

## Organized Retail Cargo Theft

ORC is not confined to theft from stores. Merchandise in transit is also a major target. Cargo theft has been estimated between \$30 and \$50 billion annually and ORC is responsible for nearly half of these losses.<sup>34</sup> Insurance and law enforcement agencies believe the majority of cargo thefts involve current or former-employees.<sup>35</sup> Collusion occurs between current or former employees who are familiar with a company's internal systems and procedures and shipping vendors to commit the cargo crime. Sensitive information such as shipping manifests, schedules, and routes are disclosed to an individual or a crime ring. This information is used to plan and coordinate the theft.

Organized criminals have expanded their activities beyond transit vehicles such as trucks, ocean containers, and rail cars to distribution centers. While ORC rings can steal thousands of dollars of merchandise a day from store fronts, breaking into a distribution center can net them millions of dollars in stolen inventory.

**U**NDERSTANDING THE BROAD ISSUE of ORC is not enough. Developing an effective response requires a company to understand the impact of ORC on its operations, both locally and nationally. ORC rings can operate across regions as well as on a national level. Their ability to fence stolen merchandise without geographical boundaries, and the multi-retailer involvement and multi-law enforcement agency response, warrant a local and national understanding of the issue. Organized retail criminals target multiple stores a day in the same retail area. Retailers who are located in shopping malls and retail strip centers not only need to understand the national trends and implications of ORC, but it is essential they communicate and partner with retailers in their local area.

To gain a solid understanding of ORC, it is essential to know who is committing this crime and when and how they are doing it. Additionally, an understanding of how organized retail criminals are liquidating or fencing the merchandise is important. Developing an internal data collection program, as well as collaboration with other retailers and law enforcement agencies, is necessary to answer these questions.

Analysis of ORC can be made difficult by the ambiguity of what constitutes this type of crime and how it differs from other retail crimes such as petty shoplifting and consumer fraud. The categorization criteria of ORC amongst the retail industry is widespread, however there are ways to gather information about the local and national ORC problem:

- Apprehended organized retail criminals may provide valuable information on how their criminal network is organized, how they select their targets (both locations and merchandise), and fencing operations. However, these criminals are typically the lower-level members of a ring and their information may not lead to disrupting the ring leaders.
- Routine inventory counting of ORC targeted products may determine more information about when, how, and what is being stolen. This process is labor intensive and losses may also be attributed to other shrinkage factors.
- CCTV footage, although not a deterrent to organized retail criminals, can be used to determine when the thefts occurred, how many criminals were involved, and their modus operandi. This footage can also be used as a training and educational tool for associates.

- Anonymous telephone hotlines can offer informed associates an opportunity to report ORC activity.
- Centralized or shared organized retail theft databases, comprised of retailers and law enforcement agencies, supply information such as offenders, merchandise, and targeted locations. Local and national databases are available through a membership program. These databases rely on accurate and timely reporting of information and not all retailers affected by ORC participate.
- Retail theft surveys can provide insight into the effect ORC is having on retailers, what products are being targeted, and how they are being re-distributed back into the marketplace. However, these surveys rely on a self-reporting system and the voluntary participation of companies could result in selection bias with a skewed result that is not necessarily representative of the entire industry.

Once the local and national problem is understood, it must be continually refined as organized retail criminals become more entrepreneurial, technologically savvy, and acclimated to retail loss prevention and law enforcement preventive and detective measures.

# Responses to the Problem of Organized Retail Crime

**A**FTER AN ANALYSIS of the local and national problem, one should have a better understanding of the relevant factors and be ready to examine possible responses. This section examines the effectiveness of various approaches retailers have employed to combat ORC. As previously discussed, retailers are reluctant to publish their studies or research, so this information does not provide an extensive review.

ORC information sharing among retailers and law enforcement was nearly non-existent until 2007. If a retailer experienced a theft, they would notify their other chain stores in the local area, possibly someone at the corporate office, and law enforcement. There was not a systematic way to share this information with their entire chain, other retailers outside their geographical area, and other law enforcement agencies. This allowed ORC to grow without any concerted effort from retailers or law enforcement. The retail industry recognized the need to share information in 2003 when the Gali shoplifting gang was shut down. According to the *New York Times*, this organized retail crime ring stole more than \$5 million in merchandise from Target, Wal-Mart, and Walgreens stores.

In response, the Retail Industry Leaders Association (RILA) and the National Retail Federation (NRF) launched their own information sharing databases. RILA's InfoShare program and NRF's RLPIN were launched in the spring of 2006.<sup>36</sup> However, these systems had their limitations and, most importantly, law enforcement was not connected and involved with the databases.<sup>37</sup>

In 2006, President Bush signed into law the Department of Justice reauthorization bill. Section 1105 of this bill called for a national database to be maintained in the private sector to track and identify where ORC-type thefts were being committed. In 2007, NRF in affiliation with the FBI, the Food Marketing Institute, and RILA launched the Law Enforcement Retail Partnership Network (LERPnet), a secure, Web-based repository that allows retailers to share information with each other and with law enforcement.<sup>38</sup>

LERPnet meets the national standard for sharing information in a secure and confidential manner, giving retailers and law enforcement the ability to collaborate like never before. LERPnet was custom-built for the retail loss prevention industry and was designed by an advisory team representing all segments of retail, including drug, supermarket, general merchandise, home improvement, apparel, department, and specialty stores. NRF also took counsel from law

enforcement, data privacy, and technology experts. LERPnet includes information such as diversion and security evasion tactics, witness statements, e-mail, photography, and video.<sup>39</sup> LERPnet currently has 55 retail companies subscribing to the database and has logged more than 31,000 incidents.

Due at least in part to this climate of collaboration, law enforcement agencies have shifted greater resources to investigate ORC incidents and many agencies have instituted retail crime task forces.

### **General Considerations for an Effective Response Strategy**

Rhetoric tends to drive policy decisions regarding crime prevention more than facts based on scientific evidence.<sup>40</sup> Response strategies need to be built around sound analytical and rigorous research rather than solely on experience or technology. For example, investing in CCTV or Electronic Article Surveillance (EAS) may be an initial response strategy, but this is not always effective against ORC, as will be seen in the following pages.

Displacing crime from a store or company may be part of a strategy; however, diffusion of benefits will likely produce the most notable results. The displacement theory suggests if an ORC ring or criminal is deterred or prevented from committing theft or crimes against a company, they will move on to the next retailer until they are

successful. Diffusion of benefits, the opposite of displacement, postulates that security practices and procedures overlap and that if a criminal is deterred from committing a criminal act against one retailer, he will not commit a crime next door because of the belief that security extends to that location.<sup>41</sup>

Balancing the retailer's need to merchandise, maintain adequate levels of inventory, and expedite the flow of goods, with the corresponding need to prevent losses, represents a complex and traditionally antagonistic dilemma for the loss prevention expert.<sup>42</sup> The initial strategy may not be conducive to the sales or merchandising strategy; therefore, engaging senior executives to understand and buy-in to the strategy is essential. Top selling items or products may also be on the top of ORC shopping lists and securing the item in a locked display case behind a register may not get past the planning stages. An alternative strategy to this particular example may be to reduce the quantity of the hot products available on the shelf. Reaching a middle ground may prove more successful than trying to fully implement a response.

Some responses will likely require capital expenditures, which in turn necessitate the signature of a company executive. When setting out to construct an effective strategy for selling a proposal, the first thing to consider is the process that needs to be followed to succeed. This includes considerations such as the following:

- What are the protocols in an organization for presenting this type of plan?
- Is approval dependent primarily on one person or a committee?
- Who will be the decision-maker?
- How do they feel about the loss prevention leader and the department?
- What are the priorities of the audience?
- How does the proposal fit into overall corporate strategy?
- What are the most likely objections to the proposal?
- How have they reacted to similar proposals in the past? Have they said or written anything in recent months that might provide insight as to how they will react to this proposal?
- Will there be others who support or oppose the plan?<sup>43</sup>

## Measuring Effectiveness

Before any responses are deployed, metrics must be developed to determine the current or baseline shrinkage related to ORC and to measure the progress during and after the initiatives. If security professionals do not develop metrics and data streams, they will never be able to compete with other business functions for resources.<sup>44</sup> Measuring effectiveness provides an understanding of the current situation, allows for adjustments to be made during the response, and gives an indication on the success of the responses after they are implemented.

Potential metrics that can be used to measure an effective response include:

- Decreased shrinkage rate.
- Number of prosecuted organized retail criminals.
- Number of fences and e-fences identified and disrupted.
- More in-stock items previously targeted by ORC rings.

*“If security professionals do not develop metrics and data streams, they will never be able to compete with other business functions for resources.”*

# Specific Responses to Reduce Organized Retail Crime

Research provides little guidance on the extent, type, and results of research retailers have engaged in to measure the effectiveness of their loss prevention solutions. This research is rarely reported in either academic or trade journals since it may affect the business operations of a retailer and may provide a competitive advantage.<sup>45</sup> However, reaching out to ORC industry leaders in various retail verticals will be extremely beneficial.

## Retailing Practice

The most recognized theft deterrent in the retail industry is customer service. Criminals prefer stores where there is minimal interaction with sales associates, allowing them to commit their crimes without drawing much attention. In addition to excellent customer service, designing store layout and products against crime, regularly staffing entrances and exits, enhancing inventory controls around hot products, and adhering to supply chain security standards will further thwart ORC activity.

**DESIGN STORE LAYOUT AND PRODUCTS AGAINST CRIME.** Research does not exist on the impact of design on ORC; however, several studies indicate facility and product design can significantly reduce shoplifting. The author of one relevant report indicated “designing things” is an often-neglected category and products can be designed to be difficult to steal or to self-destruct if removed illegally.<sup>46</sup>

An author of one such study developed the acronym CLAMED to describe the process of implementing crime prevention design:

- Clarify the crime prevention tasks or roles that need intervention.
- Locate the individuals or organizations best placed to undertake them, including designers, manufacturers, marketers, and consumers.

- Alert them that their product could be causing crime, or that they could help stop unrelated crimes.
- Motivate by hard or soft incentives including an image of corporate responsibility, naming and shaming, awakening consumer expectations and pressures, and imposing insurance costs and legislation.
- Empower by supplying designers with education, guidance on intervention, information on risks, tools, and resources, and opportunities for influencing designs at the right stage, and by alleviating a range of constraints.
- Direct in terms of standards and targets.<sup>47</sup>

A comprehensive study in Britain concluded design has a positive role on reducing shoplifting. The authors found that reconfiguration of store layout, more visible shelving and display items, the appropriate incorporation of security systems, and initiatives to enhance the customer experience are relevant factors in the design process to reduce crime.<sup>48</sup>

**STAFFING ENTRANCES AND EXITS.** Having multiple entrances and exits allows more access to products, but presents a challenge to deter and detect ORC. A store design with a single entrance and exit provides the retailer opportunity to place an associate there to act as an agent of customer

service, as well as to monitor who and what is leaving the store. There are a few major retailers who enjoy this type of design, and although this does not make them immune to ORC, it certainly provides a good level of detection and deterrence.

Retailers with multiple entrances and exits may find it difficult to allocate employees to staff these points. In these cases, analyzing sales and shrinkage data may reveal specific times to dedicate staff to monitor entrances and exits.

**“HOT” PRODUCT CONTROLS.** Company shrinkage data will clearly indicate which products are targets for theft. While consideration should also be given to internal theft and process errors to explain these losses, these products should be analyzed for their susceptibility to ORC. If the analysis attributes loss to ORC, the security and placement of the products should be modified. This includes:

- Moving the product closer to a cashier stand.
- Increase inventory count of these products.
- Place lower quantity of product on shelves.
- Increase sales associates’ surveillance around these products.
- Place these products in a more secure package.

## Staffing

### **FOCUSING MORE ON PART-TIME ASSOCIATES AND RETAINING MORE STORE-LEVEL STAFF.**

As mentioned earlier (see management staffing and turnover in the factors contributing to ORC section), retailers with higher turnover ratios and more part-time staff experience higher shrink. Training part-time staff should make them more alert to ORC rings and their activities. Retaining staff will likely lead to a more committed associate base and allow for more reinforcement of security training.

### **ORGANIZED RETAIL CRIME STAFF.**

Allocating resources to hire, train, and equip a dedicated ORC staff is a significant response that many retailers are now investing in. According to a survey of 82 retail executives, an average of \$230,000 in labor is being spent on ORC and seven executives indicated they are spending more than \$1 million a year on the issue.<sup>49</sup>

No research has been conducted to correlate the impact of a dedicated ORC staff on the reduction of ORC activity, however, it stands to reason having a trained staff would diminish its impact on a company. The primary functions of an ORC staff include:

- Investigate and resolve ORC cases.
- Act as a liaison with law enforcement.
- Partner with other retail ORC teams to share and disseminate information.
- Communicate with shopping center management on ORC.
- Detect and report fencing and e-fencing operations.
- Recover merchandise removed by organized retail criminals.

Many retailers use their current investigative staff to combat their ORC problem. Retail investigators have the knowledge and network to delve deeply into organized retail theft. Their ability to piece together thefts in their stores, identify the criminals, and work with other retailers and law enforcement is their specialty.

*“Allocating resources to hire, train, and equip a dedicated ORC staff is a significant response that many retailers are now investing in.”*

## Technology and Data Gathering

**INSTALLATION OF CCTV.** Installation of CCTV typically does not deter ORC, it can, however, provide valuable footage to identify criminals, analyze theft tactics, and be used as a training and education tool. More recent CCTVs have the capability to detect patterns or movements and facial recognition. This technological advancement could assist in detecting ORC activity such as large quantities of merchandise being removed from a shelf. Facial recognition could also play a significant role in identifying known organized retail criminals.

Research provides little guidance on the effectiveness of CCTV to combat ORC. There are two relevant small-scale studies, one relating to the overall effectiveness of CCTV in the retail sector and the other pertaining to the impact of monitored CCTV in the retail environment.<sup>50</sup>  
<sup>51</sup> Both studies were conducted in England and focus on a small number of stores, 15 and 17, respectively. In the first study, CCTV was effective for the first six months, but deteriorated sharply after this point. The author attributed the lack of long-term effectiveness as a product of familiarity with the camera system and suggested regularly moving cameras or changing CCTV signage to maintain its effectiveness. The later study revealed stores who had dedicated personnel monitoring CCTV, generated more benefits to the store

than non-monitored systems. The benefits were attributed not only to a higher theft discovery rate but a more accessible focal point for security for all store associates.

**USING PRODUCT MARKINGS.** Retailers can use product markings that can be applied with, a stamp, laser, or ink to identify their products more easily. This also makes it more difficult for organized retail criminals to disguise the origin of the product.<sup>52</sup> A large multi-brand retailer uses UV ink to mark its clothing items and catch culprits who are known to e-fence their products.<sup>53</sup>

**UTILIZATION OF EXCEPTION TECHNOLOGY AND DATA MINING.** Point of sale systems that alert a cashier or store management about frequent refunds by repeat customers or that match store sales to a returned product can be utilized to thwart organized retail criminals. This technology can be used to deny a refund(s) to a person who has been flagged in the system.

CCTV can be integrated with exception reporting systems to identify or react to a transaction. Linking these two technologies together, allows the loss prevention investigator to be notified or to track down a suspicious transaction in real time.

**USING EAS.** Introduced into the retail industry in the late 1960's, EAS is now ubiquitous in retail. However, there is no research available on its effectiveness on ORC. One extensive analysis on EAS related to shoplifting, indicated that EAS has been and continues to be an effective anti-shoplifting tool.<sup>54</sup> A more recent study refuted this position finding EAS did not reduce item loss, however, the author stopped short of declaring EAS ineffective.<sup>55</sup> The author concluded EAS to be a situational tool that optimally provides protection for certain items in select stores. The author recommended the following for EAS:

- Use stable and reliable data of sustained, significant rate and volume of specific item loss to identify source-tagging product candidates.
- There should be evidence-based establishment of self-use shoplifting as the prime item loss cause. Video review and staff surveys can provide systematic insight.
- There should be strong evidence that the item is being shoplifted chain-wide, rather than being limited to a small percentage of stores.
- Unambiguous and layered tag/EAS presence marketing protocols (signage and symbols) should be used to notify would-be shop thieves of EAS' presence.

- Tagging protocols, (placement, type, and frequency or ratio of tags per 10 units) should be standardized globally so that manufacturers have a single standard.
- Establish EAS alarm credibility by reducing non-theft related alarms through better store-level training, alarm tracking and exception system, and tag deactivation employee compliance discipline; as well as EAS live tag detection and deactivation technology improvement at the POS.
- EAS alarm response and receipt reconciliation needs to become prevalent and consistent to reinforce deterrence.
- EAS, like all other loss control systems and processes, should be rigorously field tested to establish its efficacy, optimal usage, adverse effects, and financial value.

Some retail loss prevention executives have questioned the effectiveness of EAS given its low level of execution at the store level in many retail operations. A recent brief on EAS suggested that when evaluating the effectiveness, one must know how it is being used in the field. Some questions to be asked include:

- What is the EAS pick rate in the real-world (how often the EAS alarm goes off when a tag goes through the antenna)?
- What is the response rate (how often an EAS alarm is responded to by an associate)?

- What is the response time to an EAS alarm at your front-end (time between alarm and contact with customer)?
- What is the quality of the response by an associate if they do respond? Do they check the merchandise to the receipt or follow your policies?
- How many false alarms do you have in your store?
- What is the cause of the false alarms?

**ATTACHING INK OR MECHANICAL TAGS TO MERCHANDISE.** Attaching ink tags to merchandise acts as a benefit denial since the tag releases ink staining the product when tampered with. Advances in ink tags offer an electronic function as well to serve as an alarm. Mechanical devices can be used for smaller products, which require a specially designed tool to remove. Removing the tag without the designated tool is likely to cause cosmetic or mechanical damage to the product.

An evaluation of ink tags concluded that these tags may be more effective than EAS tags when used in the same retail environments.<sup>56</sup>

**CASE MANAGEMENT SOFTWARE.** Collecting incident data in one central database is valuable to understanding and solving ORC cases. Recent advances in case management systems enable the integration of video, reporting, analysis tools, and the ability to tie incidents together to identify suspects.<sup>57</sup>

### **Communication and Partnerships**

The dynamics of ORC rings make it very challenging for an affected retailer to overcome the challenge. Communicating and partnering with law enforcement, other retailers, and retail industry associations to share information, collaborate in investigations, and identify trends is paramount in the fight against ORC. Additionally, intra-company communication can be a weapon to fight organized retail criminals. Retailers who have multiple stores spread over a geographical area can share descriptions of criminals and their modus operandi, recent theft activity, trends, and stolen merchandise.

Retailers in some areas have found it useful to establish same-day early warning detection systems whereby they notify one another about the presence of ORC rings, but there have been no formal evaluations of this practice.<sup>58</sup>

*“Retailers in some areas have found it useful to establish same-day early warning detection systems whereby they notify one another about the presence of ORC rings.”*

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The Coalition of Organized Retail Crime was established by a number of retail trade associations, manufacturers, and retailers to communicate and share information.<sup>59</sup> To date, there are 36 coalition members.

The Joint Organized Retail Crime Task Force was established by the NRF to develop standard training and awareness programs for retail loss prevention and law enforcement officers.<sup>60</sup> This partnership between retail industry associations, retailers, manufacturers, and law enforcement serves as a concentrated effort to identify, arrest, prosecute, and lobby for legislation against organized retail criminals.

Despite the lack of formal evaluations, there have been numerous investigations resulting in prosecutions linking ORC rings to multiple retailers. Sharing information through various modalities is an extremely powerful method to fight ORC.

### **Legislative Initiatives**

The underlying impetus behind the push by industry associations for stronger legislation and criminal sanctions for ORC offenders lies in the belief that this will provide greater deterrence and result in lower incidents. Due to the weakness of current, traditional statutes focused on casual shoplifting, there is a good risk/reward ratio for the potential financial gain that can be achieved through ORC versus the potential sanction.

General deterrence is always a hard issue to predict since it requires not only severity, but also certainty and celerity. However, many loss prevention executives believe there is a specific deterrence effect in regards to ORC incidents by sentencing offenders to prison time. It is of value because it takes these particular offenders off the streets and makes them less likely to reoffend in the future.

Currently, there are three federal legislative initiatives aimed to prosecute ORC offenses. The three bills are the Organized Retail Crime Act of 2008, the E-Fencing Enforcement Act of 2008, and the Combating of Organized Retail Crime Act of 2008.

The Organized Retail Crime Act of 2008 defines ORC and for the first time makes it a federal crime. The bill would also establish that operation of auction sites could be considered “facilitation” of ORC unless the operator could show specific steps had been taken to ensure goods being sold were not obtained by theft or fraud. It would also require site operators to cooperate with retailers and police, and allow retailers to sue over the sale of stolen merchandise.

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The E-Fencing Enforcement Act of 2008 (H.R. 6713) would require online auction operators to retain information about high-volume sellers and provide that information to “a person with standing” once a valid police report is filed. The “person with standing” could be a retailer, if they filed a signed police report or a law enforcement officer once police have received a valid report.

The Combating Organized Retail Crime Act of 2008 would require enhanced sentencing guidelines for those engaged in ORC activities and require online marketplaces to retain certain information about high-volume sellers. It would also require physical and online marketplace operators to review the accounts of sellers engaged in possible criminal activity and file suspicious activity reports with the Attorney General, as well as require physical and online marketplace operators to suspend the activities of sellers when there is clear and convincing evidence that they are selling illegally-obtained goods.<sup>61</sup>

# Summary

# Need for Research

**T**O SUMMARIZE THE MOST EFFECTIVE WAYS to combat ORC, the acronym SPEED can be used:

- Share ORC information with other retailers and ORC databases.
- Partner with local retailers, law enforcement, legislators, and industry associations to fight ORC.
- Evaluate current systems (CCTV, EAS) to ensure they are being fully utilized (placement of cameras, pick rates, alarm response).
- Educate associates on ORC crime rings, methods, trends, and hot products.
- Design out crime by working with manufacturers, store merchandisers, and store operations.

**T**HERE ARE COUNTLESS ANECDOTAL ORGANIZED RETAIL CRIMES publicized in the media, trade journals, and within the retail loss prevention community. However, there is very little scientific study or research available. The detection, prevention, and punitive measures retailers, law enforcement, and legislative bodies put into place must be studied, documented, and researched to combat this growing problem. The following types of research are needed:

- Exhaustive research to determine the effectiveness of state and federal organized retail crime laws.
- Systematic scientific studies on organized retail criminals to include their methods, targets (both products and retail companies), make-up of their group, and flow of merchandise and money.
- Research to evaluate the effectiveness of retailers' efforts to curb ORC.
- Research that reveals the impact of ORC databases and information sharing networks.
- Validated surveys that delineate how retailers classify or attribute losses to ORC.

*“The detection, prevention, and punitive measures retailers, law enforcement, and legislative bodies put into place must be studied, documented, and researched to combat this growing problem.”*

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With this research available, retailers, retail industry associations, law enforcement, and legislators will be able to more adequately develop and implement measures to thwart organized retail criminals.

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# Appendix A: List of Organized Retail Crime Resources

## Law Enforcement Retail Partnership

[www.lerpnet.com](http://www.lerpnet.com)

## Coalition Against Organized Retail Crime

[www.stopretailcrime.com](http://www.stopretailcrime.com)

## International Council of Shopping Centers— Mall Security Organized Retail Crime Training Video

<http://www.icsc.org/index.php>

Contact: Jesse Tron

E-mail: [jtron@icsc.org](mailto:jtron@icsc.org)

Phone: (646) 728-3814

## National Retail Federation LP Information

<http://www.lpinformation.com/Default.aspx?tabid=206>

## Retail Industry Leader's Association

[www.rila.org](http://www.rila.org)

## Food Marketing Institute

<http://www.fmi.org/loss/>

## ASIS International—Retail Loss Prevention Council

<http://www.asisonline.org/councils/RETS.xml>

## Organized Retail Crime Video Documentaries

### MSNBC “Boosting for Billions”

<http://video.msn.com/video.aspx?mkt=en-us&vid=8c4ef3b4-f7d6-406a-bb6e-7c8f0bf03fc2>

### ABC News—Retailer Zeroes in on ‘Boosters’

<http://abcnews.go.com/video/playerIndex?id=6800217>

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# Appendix B: Apprehension Form

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The Apprehension Form on the following page, is a data collection tool that can be used to provide analytics on external theft from retail stores. The information gathered from this form can greatly assist in preventing and detecting organized retail criminals.

## Apprehension Form

Interview conducted by:	Contact Number:			
Position:	Time:	Date:	Interview location:	
Incident Background:				
Store #:	District #:	Region#	Incident Date:	Time of Incident:
Type of product stolen:		Retail Value:		
Was subject arrested? <input type="checkbox"/> Yes <input type="checkbox"/> no		Police Incident #:		
Arresting Agency:		Arresting Officer:	Contact #:	

## Subject Information

First Name:	Middle Name:	Last Name:		
AKA/Nick Name:	DOB:	SSN:	Age:	Sex:
Address:		City:	State:	Zip:
Home Phone:	Cell Phone:	Pager:		

## Questions

1. Is shoplifting a source of income?  Yes  No
2. How long have you been shoplifting?
3. What do you do with the merchandise you shoplift?  Sold to a fence  Sold over the Internet  Refund to retailer  Sold at flea market  Street  Other
4. What type of merchandise do you usually shoplift? Why?
5. What stores do you usually shoplift from? What stores do you avoid? Why?
6. Is there a store you prefer to shoplift from?  Yes  No Why?
7. How many stores in a day do you shoplift from?
8. How many days a week do you shoplift?
9. How much do you steal each time?
10. How much money do you make?
11. What happens to the merchandise after you sell it?
12. Are you told to steal specific merchandise? (If yes, what for?)
13. What is the name of the individual and/or business you sell your property to?
14. How do you contact them?
15. Do they own or operate a business?  Yes  No  Not sure
16. Where do you take the merchandise?  Pawn shop  Shipping agent  Person/Business  eBay Consignment Shop
17. Does this individual know the property they are buying is stolen?  Yes  No  Not sure
18. How long have you been taking merchandise to the person/business?
19. How were you introduced to this person/business?
20. How are you paid for your merchandise?
21. Why do you shoplift?
22. Have you been arrested in the past ten years?  Yes  No If yes, how many times have you been arrested for retail theft?
23. What other crimes have you served jail time for?
24. Are you currently on probation?  Yes  No
25. How many people do you usually work with?
26. Do you travel to different states to steal?  Yes  No
27. If so, what means do you use to travel?  Rental car  Personal Car  Bus  Air
28. How did you learn about this job?

# Appendix C:

## Asking the Right Questions

Gathering intelligence is the key to cracking suspected organized retail theft cases impacting your company. Listed below are some questions that need to be explored.

### Organized Retail Criminals

1. How are they organized? How many levels are involved in the ring? Were they given a list of merchandise to steal? What other types of merchandise are other ORC members stealing? What is their legal status? Do they have a national/international network?
2. Do they have prior criminal records? Are they listed in any retail theft databases?
3. How do they sell their stolen merchandise?

### Incidents

1. What is the average value of stolen merchandise? Are larger quantities of merchandise or smaller more expensive items stolen? How do these items compare to your best selling products?
2. Were police notified? Were any security agencies, such as mall security, notified?
3. What items are being stolen? Where were they located in the store? What security features were associated with these products?

4. How many criminals were involved?
5. Did the organized retail crime involve:
  - Refunds
  - Gift cards
  - Robbery
  - Burglary
  - Bar Codes
  - Cargo Theft

### Locations/Times

1. Are there certain retail areas (shopping mall, strip center, open-air retail environments) that are targeted more frequently? Is the crime occurring in the store, receiving area, or in transit? Are there any related crime patterns or trends in the area?
2. When are the ORC thefts occurring? Are there any day, week, or seasonal patterns?
3. Was a new shipment of products recently shipped or placed on shelves?

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## **Store Layout and Security Measures**

1. How many entrances and exits does the store(s) have? Is there natural surveillance available for store associates (lower shelves, no hidden areas)?
2. How many of the same items were stolen?
3. Did the store have closed circuit television (CCTV)? If so, is there viewable footage of the crime? If not, do nearby stores or facilities have exterior CCTV?
4. Was the merchandise equipped with any security features such as ink tags, spider wraps, or electronic article surveillance?
5. Where there store detectives or security guards present?

## **Staffing**

1. What is the turnover ratio in the affected stores compared to other stores in the company?
2. Is there a higher percentage of part-time or weekend associates in the affected stores?

## **Current Responses**

1. What have other retailers with similar products done to combat ORC? What security measures have they put in place?
2. How do police currently handle organized retail crime cases?
3. Are there any local or state laws pertaining to ORC? How are prosecutors handling ORC cases? If not charged under an ORC statute, are they charged under a shoplifting or RICO crime? What type of punishment are offenders receiving?
4. Are there any local retail associations involved with ORC initiatives?

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# Appendix D: Shoplifting and ORC Legislation

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The shoplifting and organized retail crime legislative spreadsheet on the following page, provides a listing of states that have enacted or that have pending legislation on laws related to shoplifting and organized retail crime. This spreadsheet can be used to navigate to state specific laws.



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# About the Authors

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## **Walter E. Palmer, CPP, CFI, CFE**

Walter E. Palmer, CPP, CFI, CFE is the founder and principal of PCG Solutions, a training, education, and consulting firm for the retail loss prevention industry. A frequent speaker and lecturer for industry events across the globe, Palmer is recognized as a thought-leader on retail loss prevention issues.

Prior to forming PCG Solutions, Palmer co-founded *Loss Prevention Magazine*, the leading publication in this segment with over 40,000 subscribers, and LPjobs.com, the leading job board for retail loss prevention.

Prior to his consulting work, he spent 16 years in the retail industry working in loss prevention, operations, finance, inventory control, and project management. During that time, he worked for Mercantile Department Stores, KB Toys, and most recently, as director of Loss Prevention for Babies R Us and Kids R Us.

Palmer earned a his Bachelor of Science degree from Eastern Kentucky University in 1986 majoring in security and loss prevention. He is a Certified Forensic Interviewer, Certified Fraud Examiner, and Certified Protection Professional. Palmer currently serves as an Adjunct Instructor for Eastern Kentucky University's Assets

Protection Program, on the Advisory Committee for the Center for Interviewer Standards & Assessment, and as a Contributing Editor for *Loss Prevention Magazine*.

He served as chair of the ASIS International Retail Loss Prevention Council from 2002 to 2003 and as vice-chair in 2001. Palmer was also a member of the APC III faculty from 2003 through 2006. He is a regular author and contributor for industry and mainstream media articles.

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## **Chris Richardson, CPP**

Chris Richardson, CPP is the vice president of Operations for PCG Solutions, a training, education, and consulting firm for the retail loss prevention industry. In this capacity, he assists in designing training and awareness programs to reduce shortage and conducts surveys on industry related topics. Recently, Richardson co-authored a survey on Pre-Employment Screening Practices in the retail sector, published in the November/December issue of *Loss Prevention Magazine*.

Prior to joining PCG Solutions, he spent six years as a director of Loss Prevention with Marriott International where he was responsible for physical security, business continuity, workers compensation, safety, and occupational health.

Since 2001, Richardson has served on the ASIS International Academic Programs in Colleges and Universities Council and was recently selected as the 2008 council vice-chairman. In 2003, he earned his Certified Protection Professional (CPP) designation.

Richardson earned a Bachelor of Science degree in assets protection from Eastern Kentucky University in 1999. He also earned a Baccalaureate Certificate in Accountancy in 2006 from Arizona State University.

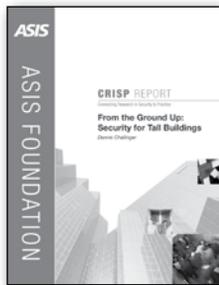


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## ***Preventing Gun Violence in the Workplace***

Dana Loomis, PhD

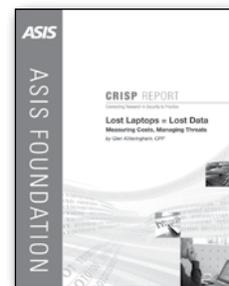
New legislation may complicate your company's "no-weapons" policies. And there are many more potential perpetrators than just the usual suspects, from disgruntled former employees to domestic disturbances gone toxic. This report examines gun violence in the workplace and offers recommended approaches to prevent problems and minimize potential threats.



## ***Lost Laptops=Lost Data: Measuring Costs, Managing Threats***

Glen Kitteringham, CPP

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