

ELEVATE



PREMIER ISSUE

SUMMER 2024

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on His AP/LP Career*

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EXTREME STORES

*Switching from
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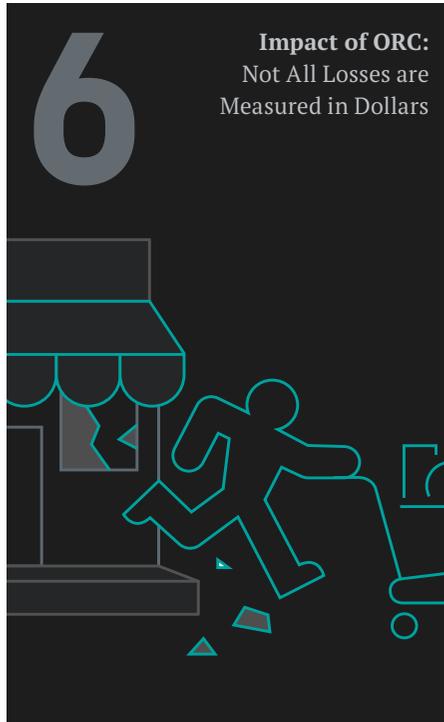
ELEVATE

PREMIER ISSUE



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A THEFT OF GREED

UNCOVER THE UNDERBELLY OF ORC



On an episode of the “Retail’s Most Wanted” podcast, Mike Combs, former Director of Asset Protection, Organized Retail Crime, and Central Investigations Team at The Home Depot, stated that organized retail crime is, “not a theft for need—it’s a theft for greed.”¹ Organized retail crime, or ORC, is an ugly reality that is sweeping the country. But unlike traditional shoplifting where a thief may take a few items for personal need or gain, ORC is much larger and much more serious. It is stealing to make a profit.

Everyday people may say that these thieves are taking from corporations that can afford it or that their crimes don’t really hurt anyone—a “victimless crime.” What they don’t realize is that ORC actually hurts everyone with day-to-day things like higher prices on household goods or even with an increase in other crimes in their communities.

BY

David Studdert
Noelle Baldwin

In fact, it’s estimated that ORC costs federal and state governments almost \$15 billion in lost tax revenue, which does not include lost sales taxes. Also, as retailers are forced to raise prices to cover the cost of stolen goods, it’s estimated that the average American will pay more than \$500 annually in additional costs.²

Organized retail criminals aren’t just stealing a single pack of gum at a time. Instead, they are stealing thousands, even hundreds of thousands of dollars’ worth of goods each time they strike.² This doesn’t account for the drastic increase in ORC incidents that happened during the COVID-19 pandemic.

But ORC’s impact is much darker than lost taxes, lost sales, and higher prices.

Former Executive Associate Director of Homeland Security Investigations, Steve Francis, said: “Organized retail crime is leading to more brazen and more violent attacks in retail stores throughout the country. Many of the criminal rings orchestrating these thefts are also involved in other serious criminal activity such as human trafficking, narcotics trafficking, weapon trafficking, and more. Tackling this growing threat is important to the safety of store employees, customers, and communities across the country.”³

Society may claim that ORC is only a small annoyance—the poor taking from the rich. But the reality is much more sinister than

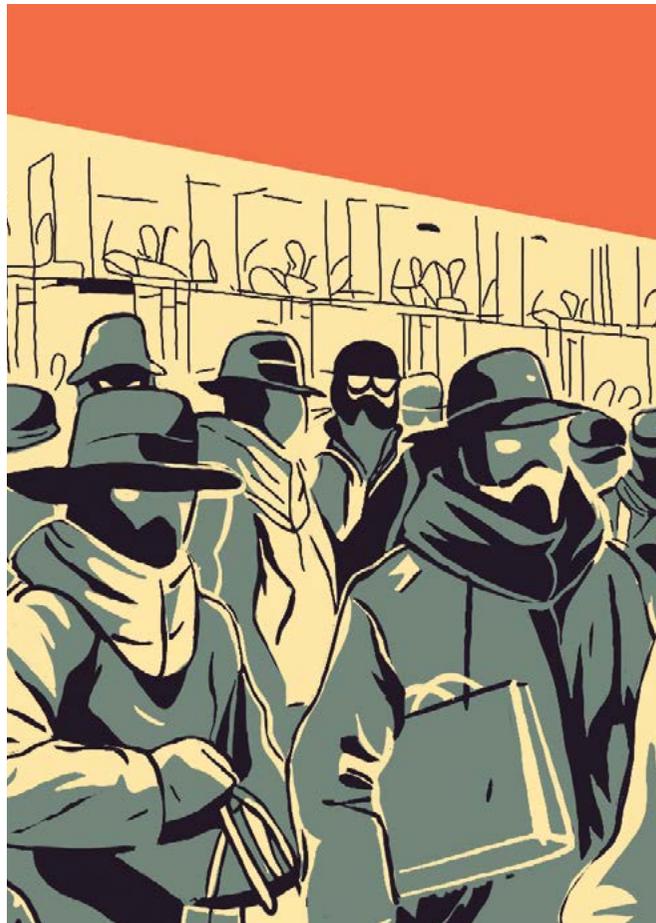
this Robin Hood scenario. These gangs are exploiting their profits to commit even more serious crimes. They aren't stealing because they need something to eat or a way to stay warm. They are stealing to make a profit and to fund other illicit activities.

The leaders of these rings are also exploiting those who do the actual stealing, also known as "boosters." These boosters are often drug addicts looking to fund their next fix or others in desperate circumstances who are willing to risk some jail time for a small payout.

Much like the significant rise in ORC numbers, there is a rise in criminal activity across the board:

- There were 64,142 drug cases reported in the 2022 fiscal year.⁴
- Americans spend almost \$150 billion on cannabis, cocaine, heroin, and methamphetamine per year.⁵
- 37.3 million Americans are current illegal drug users.⁶
- 13.5% of Americans used drugs in the last month, an increase of 3.8% YoY.⁶
- There are an estimated 24.9 million human trafficking victims in the United States.⁷
- 3.6 million people in the Americas are in forced labor situations.⁸
- The homeless population in the United States rose 12.1% from 2022 to 2023.⁹

With added exposure to issues surrounding the fight against ORC, we can continue to make positive and lasting change. According to a survey from the National Retail Federation (NRF), 70.8% of respondents reported an increase in ORC events but 52.4% of retailers surveyed are increasing their budgets for loss prevention and technology.¹⁰ Also, Combs said, "Most of these [ORC] cases are across jurisdictions. It's really hard for a little city or local county to work a case that goes all the way across the state—sometimes



across state lines.”¹ That’s why it’s essential for retailers, law enforcement, district attorneys, and local governments to work together. The criminals aren’t working alone, so those of us who are combatting their efforts have to come together. Only then can we stop these thefts of greed and protect our communities.



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MIKE DROP

*A LOSS PREVENTION LEADER
ENDS ONE CHAPTER AND
STARTS ANOTHER*

BY

Noelle Baldwin

PHOTOGRAPHY BY

Michael Kunde

Mike Lamb is back—to retirement. This is his second time retiring from the asset protection and loss prevention industry, and this time it's for good. At least, that is what he claims.

"I retired in February of this year for the second and final time," said

Lamb. "Despite my love and admiration for the industry, the only attachment I'm going to have these days is just doing consulting and advising and doing the things that give me that level of satisfaction."

Lamb spent more than four decades in the asset protection and loss prevention industry. That's a lot of time considering he entered it almost accidentally.

His retail career actually started when he was in college. His cousin got him a part-time job putting price tags on beauty products. After six months, the security manager approached Lamb about switching to security. Lamb's first question about the job, "Well, does it pay more?" That simple question launched a 44-year career.

And while he originally switched for 25 cents an hour more, he stayed because he loved it.

Lamb, who grew up in east Tennessee, originally wanted to be a park ranger. “I had many opportunities to take other paths,” he said, “but I so loved what I did that I really didn’t do it for the compensation. I did it for the fact that I really got such a charge out of doing what I was doing, and therefore I stuck with it.”

Soon Lamb’s managers took notice and asked him to be a manager and from there his career in asset protection really took off. Over four decades, he held positions at multiple Fortune 500 companies including Walmart, The Home Depot, and Kroger.

Lamb retired from Kroger—twice. Most recently, he was the Vice President Asset Protection at Kroger and oversaw the shrink, waste, loss prevention, and safety processes of nearly 2,800 stores in 35 states under two dozen banners with more than \$115.3 billion annual sales. He was able to reduce shrink for 13 straight year-over-year fiscal quarters.

Throughout his career, Lamb has seen the industry change, with the asset protection and loss prevention teams becoming more involved in supporting the business as a whole. The biggest changes came because of the COVID-19 pandemic. “So much more responsibility, thankfully in my opinion, was placed on asset protection to be a really integral business partner and department within an organization to help support success,” said Lamb.

Some may see AP/LP as a necessary evil—more sales prevention than asset protection. But Lamb has seen AP/LP grow into an essential piece of a business’ success. Unlike when he first started, it is now about more than just catching a shoplifter. Now AP/LP is about learning to run a business safely, keeping employees and customers safe, protecting physical assets, and in some cases managing queues of customers and the cleanliness of the location. “I would like to think that AP was right in the epicenter of the key departments that help ensure the success of the company and the safety of associates and customers,” he said. “So much has changed in my opinion, in terms of the depth and scope of the responsibility and the significance of the value that asset protection plays today.”

Even though his career started almost accidentally, Lamb doesn’t regret any of it. He

said, “It has been a very rewarding career for me, and one in which I don’t look back on a success from a numbers or material perspective as much as I do just the massive friendships and partnerships and the people that I’ve met along the way that have taught me so much.”

And the people, according to Lamb, are the most important thing—not only those he worked with directly—but also those he helped to protect in the thousands of locations he oversaw throughout 44 years. His success in the workplace is nothing compared to the success he has seen in those around him.

Lamb hopes that his legacy, and those who influenced him, is carried on through those he worked with—a legacy centered on hard work and passion. His advice to current and future AP/LP leaders is to be bold. He wants those in the industry to be difference makers. He believes that as stressors on the industry increase, AP/LP managers will have to be leaders in their organizations, not just their departments.

“If you’re leading an asset protection organization, you have to embrace the culture of that organization,” he said. “You have to weave in your strategy to the broader company strategy, and you have to be a voice. Your opinion should matter, your opinion should be expressed. Sell what you do hard to your executive leadership team. Be passionate about it. Do your homework. Emotion is important, but facts and data and the analysis of data is very critical.”

Lamb is excited for his next steps. He will continue to consult in the business but is looking forward to spending more time with his family. He fully intends to enjoy his retirement,



Unlike when he first started, it is now about more than just catching a shoplifter.

starting with welcoming a new granddaughter in August who he and his wife, Donna, can’t wait to spoil. Lamb also says they’re planning to travel and to spend more time on the water enjoying boating, beaches, and fishing in Florida where they currently live.

“I have been so humbled and so very well blessed by the career in asset protection,” said Lamb. “There was no looking back then, nor now.”

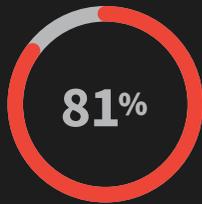


Read an exclusive interview with Mike Lamb at elevate.lvt.com/asklamb

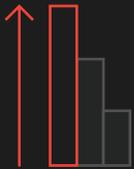
IMPACT OF ORC

Not All Losses are Measured in Dollars

THE STEEPEST COST of ORC is the acts of violence against customers and employees, and it continues to rise. In fact, when retailers were polled about ORC in 2022, they reported:



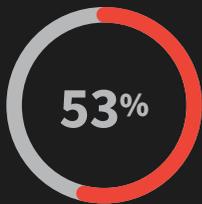
ORC offenders have become **more violent**



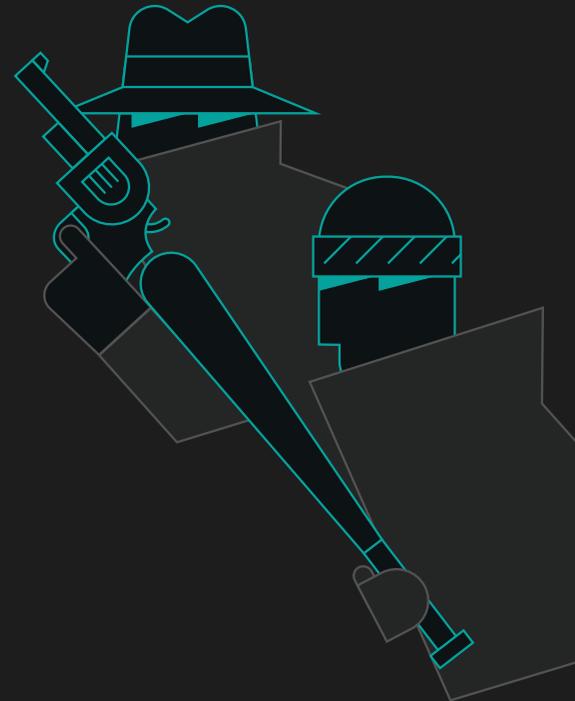
more violence at retail locations when compared to even a year ago



of **active-shooter** incidents happen at locations of commerce



of **fatalities at retail locations** happen in the parking lot



In 2022, American retail locations saw:

694 fatalities

614 violent incidents

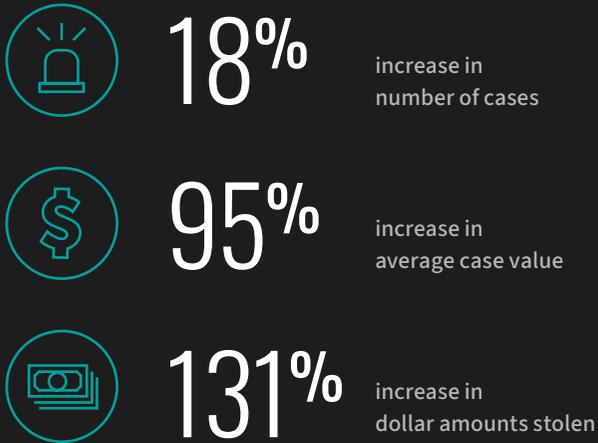
HIGH-RISK RETAIL LOCATIONS FOR FATALITIES

In 2022, more fatalities occurred at convenience store locations than any other sector. Here's a breakdown of riskiest retailers:



ORC is sucking the life out of retailers. In an industry with already thin margins, businesses are forced to increase security measures and prices, reduce hours, and even close stores.

ORC 2022 vs. 2023



CLOSING STORES

Retailers are citing a loss of profits, increased ORC, more violence, and new shopping trends as reasons for closing their doors. In fact:

in 2023,
3,193
 retail locations closed, including multiple locations from
20
 different major brands



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Find this infographic and more on our website elevate.lvt.com/ORCimpact



OPEN

① UNDERSTAND
GO ON SITE

②
③
④
⑤
⑥
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⑧
⑨
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EXTREME MEASURES

CREATING A PLAYBOOK TO TAKE BACK STORES

BY

Noelle Baldwin

Brazen and often violent thefts are taking place daily, caused by a sense of entitlement and fed by the desperation of drug addiction and homelessness—a clerk assaulted over a jug of laundry detergent, a thief casually hauling a TV out of the store, people filling suitcases and duffel bags with groceries in plain sight. Events like these are becoming common occurrences in today’s retail environment, forcing many companies to make the unfortunate decision to close store locations.

“It’s not just an issue of theft—it’s an issue of safety,” said a Senior Manager, Asset Protection Solutions. This was after he and other company executives toured stores in some of their most challenging areas.

For one national brand, who spoke with us on condition of anonymity, it was time to develop a new playbook—one that used stronger offensive and deterrent-based strategies. They came up with a plan to not only reclaim their stores, but to make them profitable.

Their answer—extreme stores. These are stores equipped with enhanced protection measures that increase safety, hardens the target, and deters violent, entitled thieves. They were determined to stay open, knowing that honest customers and employees rely on them. “We put our foot down and said, ‘No more,’” said the senior AP manager.

CREATING A NEW PLAYBOOK

Everyone knows a store or shopping center to avoid. It could be downtown, near a homeless encampment, or even down the street. Thieves’ sense of entitlement has grown over the past few years, to the point that they view anything and everything as rightfully theirs and they will fight for it.

This has led to stores closing across the country. Community staples like Target, Walmart, Nike, and REI have even packed up and left areas, many of them citing, “deteriorating public safety conditions and rapid escalation in retail theft.”¹

Thieves know that standard retail policy is to avoid confrontation and are bolder because of it.





It was time to put a plan together that would put the offense on the field and keep them there.

Thieves know that standard store policy in retail is to avoid confrontation and are bolder because of it.

But one national chain wasn't just sitting back and watching. They had already implemented typical asset protection and loss prevention strategies at the stores, including armed guards and cameras. They had used every defensive strategy and the thieves kept coming.

It was time for a new plan based on three things:

- Seeing and understanding what was really happening
- Collecting and analyzing the data
- Acting with a sense of urgency

SEEING IS BELIEVING

The first step in their playbook was to understand exactly what was happening at the stores. They could see the numbers easily, but it took walking the premises, talking to customers and employees, and seeing it firsthand for them to really understand the scope

of what was happening. "If we didn't go onsite," said the Senior Manager, Asset Protection Solutions, "I wouldn't have believed the challenges our store associates face every day."

It's difficult for managers to retain associates who feel threatened and abused by thieves and drug addicts. Mike Lamb, who recently retired from the asset protection industry, commented on the recent uptick in violence and entitlement. He said, "In my 40 years working in retail, I have never seen such a sense of entitlement and threats to the safety of customers and associates." It was time to put a plan together that would put the offense in the field and keep them there.

COLLECTING AND ANALYZING

The goal wasn't just to put a Band-Aid on the problem. Of course, the AP team needed to stop the thefts to keep the stores open, but they wanted to do more.

"We knew we can't go at it alone," said the senior AP manager. So they brought together

leaders from legal, customer affairs, finance, division operations, the division presidents, local law enforcement, the mayors' offices, and more. This team measured the repetition and routine of the thefts and started weekly calls that looked at key performance indicators (KPIs).

PUTTING THE PLAN INTO ACTION

After measuring, polling, and planning, the team moved forward with enhanced mitigation measures and adding extreme guards. The idea was to harden the target at the door because if they could control the access point, everything inside would automatically be protected.

"We wanted an impression of control," said the Senior Manager, Asset Protection Solutions. "That we are going to protect our associates, our customers, and lastly our product." The plan was announced at a press conference with the mayor's office and with posted signage around the stores about two weeks before the new policies took effect.

Each guard has a visible firearm, pepper gel, a stun gun, and handcuffs. They also wear body armor and body cameras. Everything about these guards was carefully planned, down to the color of their uniforms.

An extreme guard is posted at every customer entrance/exit from open to close. Most of these stores are more than 150,000 square feet and have three or four main doors. The guards are responsible for controlling what enters and exits the store. And unlike traditional associates who are trained to observe and report, the extreme guards are allowed to use force as a last resort to stop thieves.

IS IT WORTH IT?

Posting two shifts of three or four extreme guards per day isn't cheap. But according to the company, it is worth it. "We've had overwhelmingly positive feedback from associates, managers, and customers," said the senior AP manager. The most important change is the shift in employee morale and

customer perception. Now with the extreme guards in place, it is easier to staff open positions and retain employees, and the customers feel safe shopping.

When they started the program, the amount lost to theft was extremely high, but it dropped almost instantly, and it has stayed low. Bad actors will follow the path of least resistance and the company put a lot of resistance in play.

"Results are coming in that we've never seen. It's overwhelmingly positive," said the Senior Manager, Asset Protection Solutions. Some of the KPIs they looked at were shoplifting apprehension, recovery of merchandise by the extreme guards, ability to operate, changes in operation, and calls to the police.

The extreme guards were never meant to be a long-term plan. Lamb likened it to a treatment of the symptoms rather than a cure for the disease. To cure the disease—the sense of entitlement and the culture of theft—it will take a community effort of both public and private sectors, everyone from local law enforcement and government to businesses and prosecutors. "It's going to take a village," said Lamb.

But as communities start stepping up, one company has rewritten the playbook and is going to continue to take necessary steps to take back its stores.

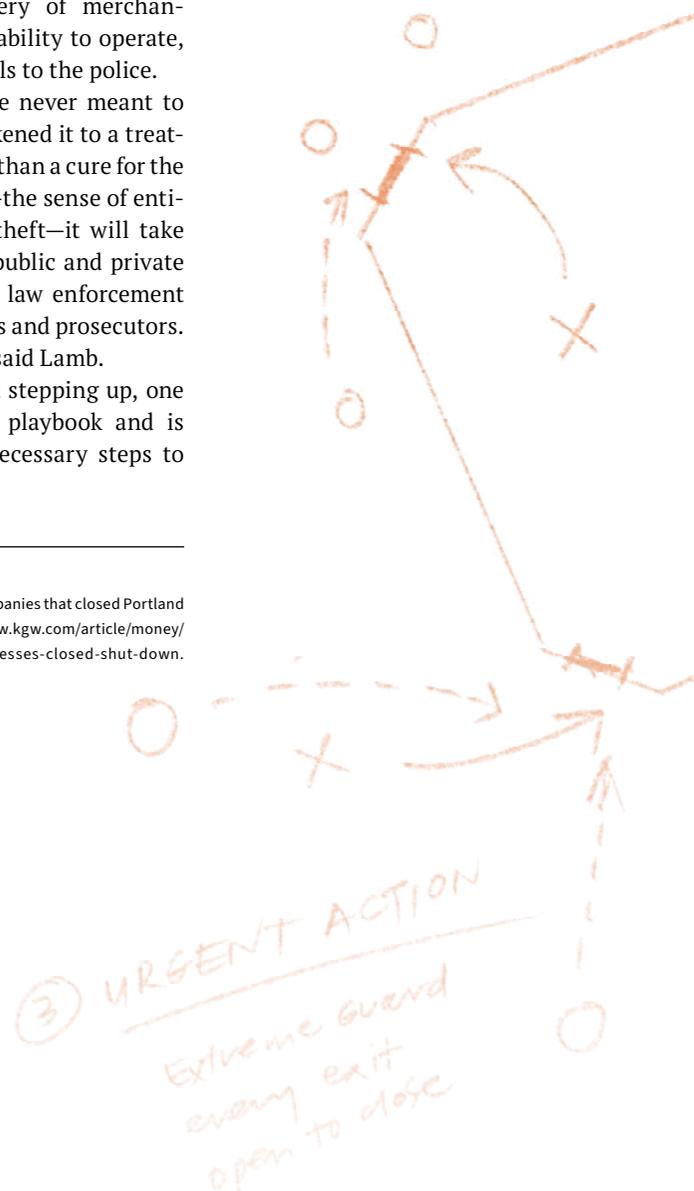
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Sign up for a webinar with Mike Lamb at elevate.lvt.com/extremestores



SECURING MAIN STREET

Collaborative Effort to Combat ORC

AFTER DEPLOYMENT

40%
DECREASE IN
SHOPLIFTING

54%
DECREASE IN
BURGLARIES

The ACCESS Taskforce, or the Alliance of Companies and Communities to Enhance Safety and Security, is an effort to increase community safety by reducing retail crime. It was put to the test in Opelika, Alabama and Paducah, Kentucky. Nearly 50 mobile surveillance units were deployed to retail parking lots. Once the units were placed, retailers, police, and city officials shared data with the Loss Prevention Research Council (LPRC) who helped track trends and anonymize the data. This data helped participants get ahead of crime to make their cities safer.

BY

Noelle Baldwin



“One of the largest retailers in the world reported that 90% of all their losses were due to 10% of the known offenders in their database. Now, with that said, the offenders that are hitting these different retailers are not just hitting one retailer... [So] **it takes a network to defeat a network.** As soon as one retailer catches on to an offender, they might move on, wait until it cools down, target another [retailer], and then maybe come back to that original retailer. Or they might move to a different place with a different group of retailers; therefore you’re going to have to share information so that you stem the crime patterns that are occurring.”

CORY LOWE

DIRECTOR OF RESEARCH, LOSS PREVENTION RESEARCH COUNCIL



“The primary thing that the CEOs want to talk about, is how to better safeguard their employees, their team members, [and] **how to safeguard their customers.**”

READ HAYES
DIRECTOR, LOSS PREVENTION RESEARCH COUNCIL



“When they have something stolen...that winds up costing other customers like me additional money, because...they’ve got to make a profit. So if we can slow that down or eliminate that—deter it—I think all of us are going to be much better off.”

GARY FULLER
MAYOR OF OPELIKA, ALABAMA



“Having some extra tools available to us...like the camera systems...really bring that extra kind of force multiplier for us that’s going to help us be able to solve some of these things, keep an eye on what’s going on, and give us some opportunities to really customize our response to what’s going on.”

SHANE HEALEY
CHIEF OF POLICE, OPELIKA, ALABAMA

Just as it did with Opelika and Paducah, the mission of the ACCESS Taskforce is to make communities safer by increasing collaboration between retailers, local government, law enforcement, and solution providers. If you would like to learn more about the ACCESS Taskforce or to read the full report from LPRC, visit lvt.com/access.



ACCESS taskforce video, FAQ, and full LPRC report at elevate.lvt.com/access



RESULTS

OPELIKA, ALABAMA

31% DROP IN DISORDERLY CONDUCT
15% REDUCTION IN PROPERTY CRIME
10% OVERALL REDUCTION IN CRIME

PADUCAH, KENTUCKY

80% DROP IN WEAPONS VIOLATIONS
15% REDUCTION IN PROPERTY CRIME
13% OVERALL REDUCTION IN CRIME



RETAIL RIPPLES

THE IMPACT OF RETAIL CRIME ON COMMUNITIES

BY
Matt Kelley

0.2 %. That is the difference of 2021's retail shrink of 1.4% and 2022's 1.6%. When written as a percentage, it doesn't look like much. But those in retail know better. That 0.2% increase means a loss of an additional \$18.2 billion (\$112.1 billion total).¹ Shrink is going to happen no matter what—accidents, product expirations, delivery issues, etc. But that's not what is driving the \$18.2 billion loss. Retailers know how to handle and mitigate those types of shrink as much as it is possible to do so.

The increase of shrink is due to a dramatic rise in retail crimes—*theft, employee theft, and organized retail crime*. With this uptick also comes a severe increase in violence. According to the National Retail Federation (NRF), 67% of the retailers polled in 2022 reported an increase in violence associated with theft and other retail crimes.¹

But why is crime increasing and why does it matter?

Part of the increase in crimes can be attributed to the economy—as money gets tighter, people get desperate. But ORC gangs function differently. They aren't just stealing to survive. They are stealing to make money.

Two things make it possible to steal and make money: First is the rise of the online marketplace and second is the lack of accountability. Online marketplaces like Amazon, Facebook Marketplace, eBay, and others are convenient for both the sellers and buyers. ORC gangs use it to their advantage. They'll steal items that are in demand (everything from baby formula to laundry soap) and sell it to consumers at a discounted price.

The lack of accountability makes it so the gangs can't be stopped. Laws that



lessen punishments and increase dollar amounts for felony charges make it hard for law enforcement and prosecutors to take the thieves out of play. And the thieves know it.

Each state has a different threshold for a theft to become a felony instead of a misdemeanor. For example, if a state has a threshold of \$950 for a theft to be charged as a felony, local opportunistic thieves will make sure they steal just under that amount. Professional thieves, those jumping across jurisdictions into different counties and states, are less likely to notice the felony limit. Regardless, district attorneys often don't have the time or ability to prosecute every misdemeanor—there are simply too many of them. Also, the penalty

for a misdemeanor can be so minor that it's not worth the time and money for the district attorney to prosecute. For example, in California a thief charged with a misdemeanor can be fined \$1,000 and spend six months to a year in prison. It's a slap on the wrist for the bad actor and a lot of time and effort for district attorneys and law enforcement.

But if that thief were to be guilty of a felony, they can receive a much harsher penalty of a \$10,000 fine and three years in prison. The bad news is that the thieves know the limits and are using them to their advantage. The threat of punishment doesn't deter them because the punishment is often minimal or nonexistent.

Also, because ORC incidents are increasingly violent, retail brands are training their employees to not intervene. No amount of product or money is worth someone's life. But

this puts the burden of catching the thieves solely on law enforcement. That in itself isn't the issue, but the fact that the laws aren't backing up the officers is. They can catch the bad actors multiple times but are forced to let the thieves go because the district attorney will not charge them.

WHY IT MATTERS

A common misconception is that retail crime is just the retailers' problem, that they make more than enough so why should it matter to other businesses, the cities, or even consumers? This way of thinking fails to see the bigger picture. They think because it is called retail

crime that it only affects retail, not them or their community. And if it doesn't hurt them, then why should it matter?

This tunnel vision is dangerous for communities. Stores are a vital part of the community ecosystem and if they are attacked, the community is too.

First is the threat of violence. Remember, 67% of retailers reported an increase in violence. But who is that violence toward? It isn't directed at the name, building, and brand of the retailer—it's not a smear campaign. No, it is the in-store employees, the customers, and local law enforcement who bear the brunt of the violence. Who wants to go to work at a store when there is a high chance they will be attacked while working? No one does. The same goes for customers—they aren't going to shop where they are in danger.

Violence is one of the biggest factors that cause retailers to shut their doors. In a statement announcing the closure of nine Target locations, the company stated: "In this case, we cannot continue operating these stores because theft and organized retail crime are threatening the safety of our team and guests, and contributing to unsustainable business performance. We know that our stores serve an important role in their communities, but we can only be successful if the working and shopping environment is safe for all."²

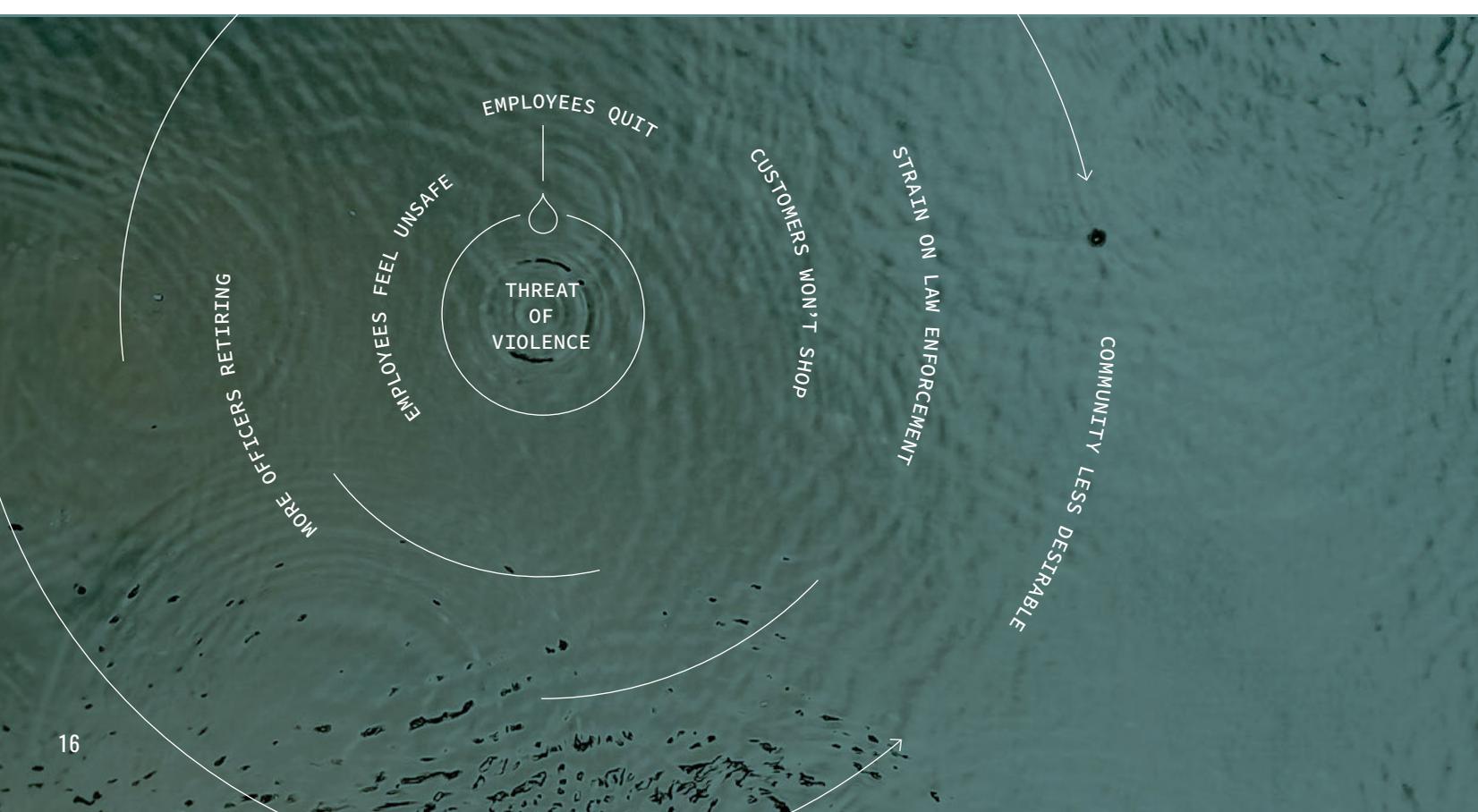
Second is the local economy. Money doesn't just appear out of thin air and each business affects the tax base, consumer spending, available jobs, city planning and spending, and more. If retailers are forced to close a store, that immediately

hurts the community. One effect is people will lose their jobs. New York City Mayor Eric Adams put it this way when he said: "But what we can't do is allow repeated offenders to make a mockery of our criminal justice system, and repeatedly, we are losing chain stores that are closing down. People who are being employed in those stores are losing their jobs. They're adding to our unemployment."³

If a store closes, customers will have to go further to buy goods (and this will cost them more in gas and in travel time), and the city will lose the tax income from that business. It strains everyone's pocketbook. And the effects keep trickling down. For example, if the city doesn't have resources from taxes, it can't allocate funds toward other community-driven programs (think law enforcement).

Another example is higher prices of goods for consumers. Retailers are businesses and have to make money to keep going. They cannot absorb the cost of every theft. In fact, retailers' margins are some of the lowest of any industry, typically between 1% and 5%. With more thefts, they are forced to raise prices for honest customers to help cover the cost of the stolen goods. Also, if more retailers go out of business, there will be even higher prices because there will be no competition. All of this hurts the consumer as well as the retailer.^{4,5}

Third is the effect on law enforcement. Retail crime is increasing, and at the same time the ability to enforce laws is decreasing. The amount of strain it is putting on law enforcement is extreme. In today's climate, more officers are retiring and fewer



If retailers are forced to close a store, that immediately hurts the community.

are joining because the potential of violence is high and the social stigma around law enforcement is extreme. With the increase in crime, it's a recipe for disaster. Law enforcement just doesn't have the manpower to respond to retail crimes at every store, every day. And when they do arrest the bad actors, current laws make it hard for them to file charges against them.

HOW TO FIGHT THE TREND

The parallel increase of shrink and retail crime is forcing retailers to take dramatic action, including increased security measures, reduced hours and product selection, and even closing stores. They aren't just sitting back and turning the other cheek—they can't afford to.

But if retail crime affects more than just retailers, the solution has to come from more than just the retailers. Efforts to work with local law enforcement and city officials are a must.

During a recent study with the Loss Prevention Research Council (LPRC), LiveView Technologies (LVT), retailers, and the cities of Opelika, Alabama, and Paducah, Kentucky, mobile surveillance units were deployed to see if they could help increase community safety

and security. The study, also known as the ACCESS (Alliance of Companies and Communities to Enhance Safety and Security) Taskforce, used more than 40 mobile units for six months. Crimes were measured before and after deployment. The security units contributed to:

- **40% decrease in shoplifting**
- **43% decrease in trespassing**
- **54% drop in burglaries**

Obviously, this had an immediate impact on the retailers in both cities. But even though the units were only deployed to retail locations, both cities had a wider impact including:

- **15% decrease in property crimes**
- **10% drop in crime rates**

Retailers want to stop the \$112 billion hemorrhage so the decrease in shoplifting, trespassing, and burglaries is significant. But the more important numbers are those that showed a decrease for the entire community. These numbers represent the power of treating

the actual problem, the disease, in the community instead of just the symptoms.

ACCESS showed one way to fight the growing trend. Others might include greater collaboration within the community, increased security efforts, and better laws that can hold thieves accountable. But the goal of the ACCESS Taskforce and any other efforts to reduce retail crime is to increase safety and security for the community, not just the retailer or business. It's about people—the employees, customers, police officers—and helping the community.



Want to share what you have read? See the online version of this article at elevate.lvt.com/retailripples

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Violence deaths, a weekly
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According to data from the Health

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WEB OF CRIME

AN INVESTIGATOR'S HONEST TAKE ON WHO'S STEALING, HOW THEY'RE SELLING, AND WHY COPS ARE STRUGGLING TO GET CONVICTIONS THAT STICK

The deal was literally too good to be true. A brand new water heater, offered on an online marketplace, for much less than retail. On a fixed income, and tired of cold showers, an elderly man responded to the ad, picked it up, and hauled it back to his home and installed the appliance. A few days later he was stunned to see a detective on his doorstep, inquiring about a stolen water heater.

That detective, who spoke to us on the condition of anonymity, was working a tip on a group of thieves who stole a number of water heaters from a major home improvement store just days earlier. They were wearing high-vis vests and had a fraudulent receipt, giving employees the perception that they were contractors with a purpose.

The break in the case came when the elderly man was pulled over for a minor traffic stop right after picking up the water heater. The cops who pulled him over had no knowledge of the thefts, but got a statement from the

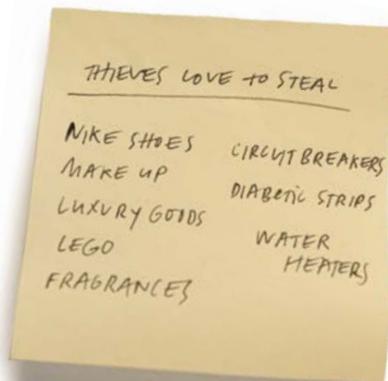
BY
Jared Richardson

elderly driver that he was heading home after buying the appliance from an online ad. Later, those officers put two-and-two together and contacted our detective when they got wind that water heaters were being boosted from local stores.

Add water heaters to a growing list of goods thieves love to steal. Nike shoes, makeup, luxury goods, LEGO sets, fragrances, circuit breakers, and even diabetic test strips are especially hot right now.

Detectives report that discount retailers are reporting a huge spike in Nike shoe thefts. Instead of being sold online, or out of the trunk of a sedan, box trucks are loaded in the United States and taken across the border into Mexico where even the most basic styles will command a good price.

In another example of the evolving landscape of peddling stolen goods, detectives say they discovered stolen merchandise of all kinds were being sold at a pop-up shop in a rented home in Las Vegas. The goods were stacked neatly on tables, just like in a department store.





**IT'S DIFFICULT
TO GET MANY
PROSECUTORS TO
UNDERSTAND THAT
THIS IS PART
OF A LARGER
ORGANIZED
THEFT RING**

Investigators are also seeing an increase in stolen goods being sold on online marketplaces, but the behaviors have evolved. They say the ads only stay up for a short time, featuring Google Voice numbers as the only form of contacting the sellers. No matter how many times consumers are warned to recognize the signs of a shady deal and only buy from reputable dealers, stolen items still easily exchange hands on both local classified sites and global e-commerce and auction platforms.

In addition to tracking known Romanian ORC gangs, detectives say sex traffickers, drug addicts, serial criminals, and even seemingly normal couples from the suburbs are also involved in ORC.

They explain that these thieves are repeat offenders who know that the reward from stealing from retailers is well worth the risk, especially considering the slap on the wrist they'll face as punishment. There's no jail time. Most accused thieves are out of custody

within six hours. The legal system is trying to catch up. But detectives say, in their experience, prosecutors don't have the time to sift through the evidence of these cases to understand the magnitude.

"It's difficult to get many prosecutors to understand that this is part of a larger organized theft ring, or that multiple businesses and jurisdictions are involved," said the detective.

Most cases are labeled as petty theft or your standard low-level property crime. Investigators say they need more time to build the case against these thieves to truly show the community impact of their crimes.

A partial solution, according to our investigator, is seeking higher bail amounts, implementing a new classification system that correctly reflects the scope and seriousness of organized retail crime, establishing and investing in task forces and agencies dedicated to cutting through bureaucratic red tape, and working with prosecutors to



seek punishments that will deter people from committing these crimes.

A few states have introduced new legislation, understanding that ORC is a growing problem that lawmakers need to get out in front of. But detectives are begging for more states to get involved. It's a waiting game that has serious consequences. The detective said that he's seen a record number of officers leave law enforcement, discouraged by the lack of convictions and exhausted by the Groundhog's Day experience of arresting the same offenders for ORC offenses.

"Communities that create lax laws and look the other way when it comes to property crime are making it very difficult for us to do our jobs. It's frustrating. It's maddening," the detective said.

There is some light at the end of the tunnel. A new wave of cooperation is building among a small group of businesses, retailers, attorneys general, and law enforcement. Recently,

retailers like The Home Depot have created dedicated resources, embedded with local police and sheriffs to curb ORC incidents at problem locations.

This unusual marriage of commerce and crime fighting has helped cut through red tape with corporate leaders, speeding access to evidence and resources to better track ORC suspects, and build a case against accused thieves.

"I can talk directly to that person to access security footage and expedite approvals to respond to crimes at the store," said the detective. "It's been instrumental in tracking thieves and building stronger cases against repeat offenders."

Ben Dugan, President of the Coalition of Law Enforcement and Retail (CLEAR), says that the creation of these positions is key, but perhaps more important is sharing information with other retailers and AP/LP professionals on ORC cases as soon as an incident happens.

"A lot of ORC teams have employees that can gather information across multiple jurisdictions and states," said Dugan. "We've got to build a case with the career criminal in mind."

The partnership has yielded quicker response times, more arrests, and even a few convictions. Police and attorneys general hope more retailers will follow suit in an effort to seek increased support for new laws and tougher punishments.

Another solution is funding blitzes—multiday stings that require around-the-clock manpower, specially trained personnel, and cross-jurisdictional resources. The bills quickly add up with expenses like food, lodging, and overtime for participating agencies. Recent blitzes have netted dozens of arrests of key ORC players and provided the collaboration necessary to make charges stick and convictions more likely.

Blitzes, dedicated resources, more partnerships, and increased vigilance—it's a small price to pay when you consider the consequences of doing nothing. Detectives say we owe it to the victims, like the elderly man, devastated that he unknowingly bought a boosted water heater, or shoppers that now have to travel farther because of store closures and resulting food deserts, and the employees at those stores who are thrust back into an unforgiving job market. Whatever the scenario, action is needed before more communities suffer.

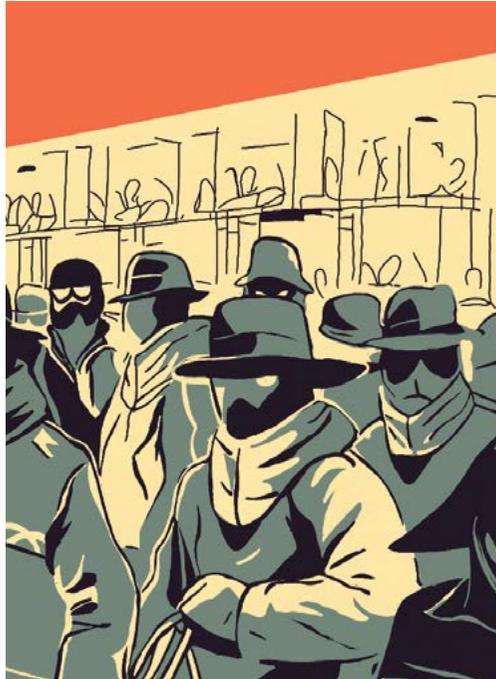


Hear more from Ben Dugan on the evolution of ORC. elevate.lvt.com/hearfromdugan



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Uncover the dark
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