

THE HAYES REPORT

ON LOSS PREVENTION

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In This Issue

■ Cargo Thefts – Take PrecautionsPage 1

Over the past five years there has been a rise in cargo thefts during the holiday season. This article provides some security tips and best practices from CargoNet to protect your supply chain, In-Transit cargo, and Warehouses/DCs.

■ Shoplifting Prevention Tips...Page 2

While the holiday season will hopefully bring more shoppers and sales, it's also a busy time for shoplifters. This article gives you several shoplifting prevention tips to help protect those bottom-line profits!

■ Company Shrink Stats & Trends.....Page 3

In this article you will find some additional shrink stats (shrink trend up or down, Avg Case Value, # of retailers reporting increases or decreases in shoplifting and employee theft, etc.) from our 34th Annual Retail Theft Survey.

■ Believe It or Not.....Page 4

The Believe It or Not column lists some crazy thefts including a man wearing nine pairs of pants/shorts, and a man arrested 26 times for shoplifting from 14 different stores.

■ The Bulletin Board.....Page 6

See the Bulletin Board for the latest Pushout Theft Stats (people who roll through a retailer's store exit with a loaded shopping cart of unpaid for merchandise.).

Mark R. Doyle Talks - - -

Holiday Season: The Two Edged Sword . . .



First, let me be very early in wishing you, are valued readers, a very Merry Christmas and/or Happy Holidays greeting. Thank you for being a subscriber to our newsletter this past year and we greatly appreciate your contributions and comments throughout the year.

Now secondly, yes, another holiday season is fast approaching which means more shoppers and hopefully great sales increases for the industry! Unfortunately, the holidays also bring more shoplifters into our stores and therefore we need to be more vigilant in our loss control efforts. Everything from promptly greeting customers, to providing consistent customer service, to ensuring high valued/highly pilferable product is properly secured on the sales floor. Your efforts during this busy season will greatly impact store profitability. Let's all make this a great and successful holiday season! Until next year . . . \$

Thefts Spike During Holidays - - -

Cargo Thefts - Take Precautions

By Mark R. Doyle

Industry experts report over the past five years there has been a rise in cargo thefts during the holiday season. Typically, Food & Beverage, Household Goods and Electronics are the top targeted commodities. However, during the holiday season there have also been spikes in the theft of building materials, industrial products, designer clothing and shoes. Therefore, with trailer thefts and burglaries increasing during the holiday season, we recommend retailers send a reminder message to their logistics



field management teams to take extra precautions to secure assets, buildings and trucks/trailers.

Here are some security tips and best practices from CargoNet you may wish to include in your security reminder message.

Supply Chain Fraud Security Tips:

- Cargo thieves enjoy the holidays

Continued on Page 4

Did You Know

- There are six main locations where cargo theft occurs, with Rest Areas being responsible for much of the thefts.
 - Rest Areas (40%)
 - Unsecured Roadside Parking (14%)
 - Freight Facility (11%)
 - In-Transit (8%)
 - Industrial Estate (7%)
 - Other 20%

TIP Trailer Services

- Positive drug tests for U.S. Workers in 2021 was 4.6%, the highest level in 20 years. More than 11 million samples were examined from both the general workforce and employees in safety-sensitive jobs who undergo federally mandated drug testing (ie. pilots, truck drivers, train conductors, etc.). Industries with the highest overall positivity rate increases were transportation & warehousing, and the retail trade.

Quest Diagnostics

- A recent safety study revealed the following:
 - Only 38% of working Americans strongly agreed that they'd know what to do in the event of an emergency at work.
 - Nearly 4 in 10 employees say that communicating more often would make them feel that their safety is important to their employer.
 - 59% of employees believe it would take an emergency occurring at their workplace for their employer to realize the need for better communication.

The State of Employee Safety in 2022

Holiday Season Approaching - - -

Shoplifting Prevention Tips

By Mark R. Doyle

While our 34th Annual Retail Theft Survey showed a 16.2% decrease in shoplifting apprehensions in 2021, it also showed recovery dollars from both apprehended and non-apprehended shoplifters rose an astounding 30.8%. The survey showed many retailers moved away from apprehending shoplifters and focused more on prevention and recoveries. Survey respondents noted the pandemic environment, staff safety, reduced police response and higher risks as some of the reasons for less shoplifter apprehensions.

In addition, the average shoplifting case value in 2021 for apprehended shoplifters was \$1,178.57, an increase of 26.6% from 2020.

Survey participants noted the following reasons as to why their Shoplifting apprehensions and recovery dollars increased or decreased in 2021:

Increased:

- Progressive District Attorney policies which favor shoplifters
- Understaffed police departments
- Less staff on sales floor
- ORC (Organized Retail Crime) continues to be a primary factor
- More 'hit n run'/fleeing shoplifters

Decreased:

- Focus on staff safety which reduced interactions with potential shoplifters
- Decreased police response

- Shorter store 'open' hours
- Fitting rooms closed for extended periods of time
- Focus on deterrence instead of apprehensions

Shoplifting Prevention Tips

* **Use a Greeter:** Position an associate/greeter at the store entrance(s) to greet all customers and offer assistance.

* **Focus on good customer service and not 'tasks':** Shoplifters want and need privacy; so take it away from them. When they respond, "I'm just looking", teach associates to say, "Ok great, I'll keep my eye on you in case you need any assistance". Honest customers are ok with this, and this is the last thing a shoplifter wants to hear.

* **Have associates walk the sales floor:** Keep visible and keep displays neat and organized (so missing items can be more easily noticed).

* **Have good sight lines on the sales floor:** Do not block the view of high value and highly popular items, and keep these items in sight of associate work areas.

* **Limit item quantity on sales floor:** Limit the number of certain items (high value, highly pilferable) placed on the sales floor. This will reduce vulnerability to large losses of these items and make it easier to identify missing items.

* **Know your merchandise:** Especially highly popular items, high value items, what's stolen most often and what's easily stolen. Study why

Continued on Page 5

34th Annual Retail Theft Survey - - -

Company Shrink Stats & Trends

By Mark R. Doyle

In the Summer 2022 (Vol. 37 No. 3) issue of The Hayes Report newsletter we provided statistics on our 34th Annual Retail Theft Survey which reported on over 200,000 apprehensions taking place in just 25 large U.S. retail companies in 2021. These companies represented 22,751 stores with combined 2021 annual sales of over \$650 billion.

Below are some additional statistics from that survey.

Shrink Trend 2021:

- ▶ 52.0% (13 of 25 retailers) had an increase in company shrink.
- ▶ 44.0% (11 of 25 retailers) had a decrease in company shrink.
- ▶ 04.0% (01 of 25 retailers) had no change in company shrink.

Average Theft Case Values in 2021

- ▶ Total Thefts: \$1,180.39 up 26.0%
- ▶ Shoplifters: \$1,178.57, up 26.6%
- ▶ Employees: \$1,188.46, up 22.6%

Shoplifting Apprehensions 2021:

- ▶ 47.6% (10 of 21 retailers) had an increase in apprehensions.
- ▶ 52.4% (11 of 21 retailers) had a decrease in apprehensions.

(Note: Only 21 participants reported shoplifting apprehensions in 2021.)

Shoplifting Apprehension Recovery Dollars 2021:

- ▶ 61.9% (13 of 21 retailers) had an increase in SL recovery dollars.
- ▶ 38.1% (08 of 21 retailers) had a decrease in SL recovery dollars.

Shoplifting Recoveries Without an Apprehension 2021:

- ▶ 95.0% (19 of 20 retailers) had an increase in recovery dollars without an apprehension.
- ▶ 05.0% (01 of 20 retailers) had a decrease in recovery dollars without an apprehension.

(Note: Only 20 participants reported shoplifting recoveries without an apprehension in 2021.)

Dishonest Employee Apprehensions 2021:

- ▶ 68.0% (17 of 25 retailers) had an increase in DE apprehensions.
- ▶ 32.0% (08 of 25 retailers) had a decrease in DE apprehensions.

Dishonest Employee Apprehension Recovery Dollars 2021:

- ▶ 56.0% (14 of 25 retailers) had an increase in DE recovery dollars.
- ▶ 44.0% (11 of 25 retailers) had a decrease in DE recovery dollars.

(Note: Statistics from the 34th Annual Retail Theft Survey can be found on our website at:

<http://hayesinternational.com/news/annual-retail-theft-survey/>

There is also a downloadable and printable PDF version of the survey which contains some thoughts behind the numbers.) \$

Testing For Success



With the 2022 holiday season fast approaching, and a likely increase in shoplifting on the horizon, take our short anti-shoplifting quiz to see if your store is ready for the crowds and thieves.

1. Will seasonal hires be trained on shoplifting prevention tips and taught what to do if they suspect a shoplifter? **Yes No**

2. Will current associates receive refresher training on customer service and anti-shoplifting techniques to help ensure a safe and profitable holiday season? **Yes No**

3. Will customers be promptly greeted upon entering, and then customer serviced throughout their visit? **Yes No**

4. In high theft stores, will valuable and desirable theft items be displayed in limited quantities on the sales floor, or locked-up to prevent large quantity thefts? **Yes No**

5. In stores with limited sales floor coverage, will more items be protected on the sales floor (ie. EAS/Ink tagged, placed in locked cabinets, located behind register, placed in keeper box, etc.)? **Yes No**

6. Where applicable, will fitting rooms be locked or a FR attendant be present to ensure proper controls are in place? **Yes No**

If you answered "NO" to one or more of the above items, take corrective action now so you will have a more profitable holiday season! \$



Believe It or Not

Man Wears Previously Stolen Property Out of Grocery Store

Store management observed two individuals concealed over \$120 in food/products into a brown paper bag and attempted to exit the store without paying. Police officers arrived and also found additional merchandise from a nearby clothing store in the brown paper bag. The pair was arrested for theft and during the search at the police station, the man was found to be wearing nine (9) pairs of pants/shorts (value \$376) from another store with the price tickets still affixed!

Woman Charged with Felony Theft From Pet Charity

A woman was arrested and charged with felony theft for allegedly taking approximately \$37,000 from a local pet charity. The charity contacted the police about missing funds and an investigation began, which resulted in a warrant for the arrest of the woman. The woman turned herself in when word hit the street of her wrongdoing.

Man Arrested for Shoplifting 26 Times at 14 Different Stores

After four police chases and a foot pursuit, a serial shoplifter is now behind bars accused of shoplifting 26 times at 14 different stores and stealing over \$11,000 in merchandise. The man, who was known to police by two different names, is now facing 38 charges after his two month crime spree.

Continued from Page 1

Cargo Thefts - Take Precautions

because shipping volume of desirable goods increases, as does demand. Freight brokers should be extra diligent during the holiday season as fictitious pickups increase.

- End-of-day transactions should have strict vetting processes; a second look by a supervisor prior to tendering a load to a carrier may prevent a theft.
- A trucker that is willing to take an undesirable load for a lower rate than the industry standard may be setting you up for a theft.
- Fuel advance, hostage load, and line haul scams also increase a few days before a holiday. Prior to issuing the fuel advance, call the shipper to confirm that the load was picked up. Do not accept incoming calls from a shipper trying to tell you the driver is there – it could be the scammers spooling the phone number of the shipper.

In-Transit Cargo Security Tips:

- Make sure that both security managers and drivers have an accurate license plate, VIN and descriptive information for tractors, trailers, containers, and container chassis. Police agencies will need this information to open an investigation in the event of an incident. Drivers should keep this information on them so they can quickly reference it if their truck is stolen.
- Secure all trailers (loaded and unloaded) with high security ISO 17712 complaint barrier seals in combination with hardened padlocks. Use king pin locks for unattended vehicles.
- Secure all tractors with high-

security locking devices, such as air-cuff and steering column locks.

- Remind drivers to arrive at point of pickup well-rested, showered, fed and with a full tank of gas.
- Avoid having loaded trailers sit unattended when employees are not present.

Warehouse / Distribution Center Security Tips:

- Check to make sure the entire facility is in good working order. This should include lighting, backup generators, alarm systems, surveillance equipment, perimeter fencing, and any other type of barrier.
- Remove keys from all facility equipment and place them in a secure location, especially motorized pallet jackets and forklifts.
- Never treat any alarm signal as a false alarm. When targeting warehouse locations, cargo thieves tend to trip facility alarm systems multiple times before a break-in to give law enforcement and facility managers the impression that the alarm system is broken.
- Encourage documentation and reporting of all suspicious activity that occurs in and around a facility to security personnel. This information can be critical to law enforcement in the event of a cargo theft incident.
- Ask local police agencies to make routine checks of facilities during holiday downtime.
(Source: CargoNet.com)

Making sure these and other security measures are in place to help ensure a successful and safe holiday season! \$

Continued from Page 2

Shoplifting Prevention Tips



these items are taken, evaluate their locations and packaging – then make changes as needed.

*** Display Shoplifting Signage:** Research shows anti-shoplifting signage can be an effective way to prevent retail theft. Signs like “Shoplifters will be prosecuted” or “These premises are protected by video surveillance” will alert potential shoplifters that your store is serious about stopping shoplifting.

*** Hire honest and motivated associates:** Train associates to prevent shoplifting (what to look for, shoplifter traits/characteristics, how to respond to a possible shoplifter, etc.).

*** Store Location:** For stores facing parking lots. Keep an eye on the area outside of store for possible get-away car(s) sitting at the curb.

*** Control Fitting Rooms:** Lock fitting room doors and monitor usage (customers and pieces).

*** Use technology:** Remember, technology (EAS: electronic article

surveillance, CCTV, merchandise alarms, ink/dye tags, product tie-downs, Keeper boxes, etc.) must be managed. Also ensure policies/procedures regarding technology are adhered to: EAS tagging 98% or higher, items required to be alarmed or tied-down are done so, etc.

*** High Risk Shoplifting Stores:** Consider use of off-duty police, or guards if necessary.

*** Use Alert at Store Entrance:** Especially suited for small retailers, or stores with single/limited coverage, install a door chime that rings when someone enters the store so staff can acknowledge and greet each person entering. Shoplifters typically don’t want staff to be alerted to their entry.

*** Communications:** Talk with other stores in your center/mall to stay current on local theft issues.

*** Prosecute shoplifters:** Thieves know which retailers prosecute and those that do not. Prosecution can be a good deterrent. \$

ADVISORY BOARD



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Exit sign above door indicates this is a designated emergency exit. Locking this door is an OSHA violation, but worse yet, could result in a serious injury or death in an actual emergency situation.



The sign on the door states; "This door is secured. Use other door."



Jack L. Hayes International is recognized as the foremost loss prevention/inventory shrinkage control consulting firm in the world. They offer a variety of related services and products utilized by hundreds of the finest retail, manufacturing and industrial organizations throughout the world.

Consulting Services & Products:

- ✓ Shrink Control Analyses and Assessments
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- ✓ Annual Retail Theft Survey

For additional information on Jack L. Hayes International's loss prevention/shrinkage control and safety services, including consulting and outsourced LP Services, visit our website at: <http://hayesinternational.com>

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The Bulletin Board



Pushout Theft Stats

(A person or people who roll through a retailer's store exit with a loaded shopping cart of unpaid merchandise.)

Average Pushout Theft Dollar Amount: \$1,494 (up \$526 from 2020)

Percent of Pushout Shoplifters Not Caught: 55.9%

Percent of Pushout Thieves by Sex: Male 65% Female 35%

Average Age of Pushout Theft Shoplifter: 30-39

Days of the Week With Highest Pushout Thefts: Tues. & Thurs.

Average Time of Pushout Theft: 3:00pm

Top 6 Pushout Theft Average By Retail Type: Super Store; Home Improvement; Sports Store; Dept Store; Drug Store; Supermarket

Top 5 Most Pushed Out Items: Food, Electronics, Alcohol, Power Tools, Clothing

Large Dollar Amount Stolen: \$43,000 (FL: Electronics)

(Source: 2021 Pushout Theft Annual Snapshot)

* * * * *

Share your favorite 'Bulletin Board' items. Submissions for "The Bulletin Board" should be addressed to:

The Hayes Report
27520 Water Ash Drive - Suite 100
Wesley Chapel, FL 33544

or emailed to: operations@hayesinternational.com



Shoplifter Caught Stealing, With What Down his Pants?

When store employees noticed two large hunting items were missing, they checked the store's surveillance footage and observed a shoplifter removing and then concealing a large crossbow down the front of his pants. He tried to conceal it with his jacket as he limped to the store exit. The police were called, and the man was soon apprehended in the parking lot of a nearby store. \$