

# THE HAYES REPORT

ON LOSS PREVENTION

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*See the Bulletin Board for some of the most common White Lies people tell. Any of these sound familiar?*

*Mark R. Doyle Talks - - -*

## A New Year and Unfortunately Theft Continues



Out with the old (2021), in with the new (2022), but retail thefts remain the constant. Some of these thefts are getting crazy (ie. woman carrying pick-axe stealing alcohol; brazen midday smash and grab thefts; Flash Mob thefts initiated on social media, etc.). The one positive of all this is that with retail thefts now being constantly in the news, and the public getting informed and educated about retail theft, maybe our elected officials, the courts and some police departments will take retail theft more seriously and begin taking steps to make things better.

On the subject of shrink/theft, how were your 2021 shrink results? Hopefully you met or surpassed your shrink goals and 2022 will be another banner year. If not, give us a call and let's talk about your shrink. \$

*Now Gathering Statistics - - -*

## Annual Retail Theft Survey

By Mark R. Doyle

We are currently in the process of gathering statistics for our 34<sup>th</sup> Annual Retail Theft Survey. *We continue to do this survey for the Loss Prevention/Asset Protection Industry at our own expense - we have no vendor/supplier support or grants.* Therefore, your sharing of statistics / data would be greatly appreciated not only by us, but also by many retailers, especially those LP/AP executives who depend on these statistics to help justify their budgets and minimize staff reductions. We believe this survey also helps retail executives to keep in mind the most important role that their loss prevention/asset protection personnel play in

helping to improve overall company profits.

Survey participants are never identified, information provided is strictly confidential, and always grouped for reporting purposes. Participants also receive additional statistics/results (by Retail Segment) that are not published. Our current Retail Segments are:

- Department Stores
- Mass Merchant/Big Box
- Specialty Apparel
- Supermarket/Grocery

If your company would like to participate in our short 1-page survey, you can contact me via:

Email: [mrd@hayesinternational.com](mailto:mrd@hayesinternational.com)

Send note via our website:

[hayesinternational.com/contact-us/](https://www.hayesinternational.com/contact-us/) \$

**Did You Know**

- For every \$100 in returned merchandise accepted, retailers lose \$5.90 to return fraud?  
*Appriss Retail*
- A woman was arrested for allegedly stealing over \$40,000 in items by using the store’s self-checkout kiosks to scan merchandise, pay just a nominal amount, and then leave without completing the payment.  
*Reuters*
- The cost and volume of fraud has risen significantly compared to pre-Covid periods. Every \$1 of fraud costs U.S. retailers and ecommerce merchants \$3.60 compared to \$3.13 prior to the pandemic.  
*LexisNexis: The cost of Fraud Study*
- Overall retail shrink for the past 5 years is as follows:  
2020: 1.6%  
2019: 1.6%  
2018: 1.4%  
2017: 1.3%  
2016: 1.4%  
*2021 Retail Security Study*
- Seven percent (7%) of annual revenues are lost to theft and fraud; and 22% of occupational fraud cases resulted in \$1+ million in losses.  
*Total Security Advisor*
- Based on small business employee theft statistics, up to 60% of all cases involve ongoing schemes ranging from two weeks to 20 years.  
*National Federation Independent Businesses*

*ORC & Flash Mob Thefts - - -*

## **Stemming the Tide of Shoplifting**

By National Association for Shoplifting Prevention

Stakeholders and communities can no longer ignore the impact that a collective lack of attention to youthful, first time and low-level shoplifting has had on the proliferation of shoplifting in the U.S. and its key consequence – the steady and unrelenting growth of organized retail crime (ORC) and, most recently, shoplifting flash mobs acting with impunity. The current explosion is the direct result of the trend away from accountability for theft offenders in the U.S., which has been evolving over the last 10 years. Now, its consequences are upon us – unleashed by the pandemic and the events of the past 2 years. Until we as a nation, stop underemphasizing first time and low-level shoplifting, and sending a dangerously empowering message to would be offenders, we will never get ahead of the problem.

Much of the disorder we have today is because a generation of now 20-30 year olds have been taught that shoplifting is okay as long as you stay within certain dollar thresholds; thresholds that keep getting raised in the name of reducing incarceration and saving criminal justice resources. While these are both noble and necessary efforts, the failure is that in our haste to act on reform, we removed many of the protective factors like police interdiction, arrest and/or prosecution, without implementing new approaches to offender accountability. The consequence is today’s brazen

disregard for the law and total disrespect for retailers’ property.

Addressing shoplifting only after it has escalated to ORC is the equivalent of trying to stop a rushing waterfall with buckets while foregoing building a dam upstream to stem the flow of offenders. Measures like ORC legislation, ORC Task Forces and the INFORM Act are vital, but they do not address the root or the source of the problem. The flow of empowered offenders will continue until stakeholders proactively address retail theft at the lowest levels and start changing their collective response to seemingly petty offenses.

For more than ten years, the National Association for Shoplifting Prevention (NASP) has seen stakeholders collectively back away from holding shoplifting offenders accountable through apprehension, arrest, prosecution and sanctions. The result is the current torrent that communities and stakeholders are scrambling to address. Unfortunately, we are still not looking upstream to stop the flow. Acting upstream, the first time they offend, and building education and accountability-based “dams” is the most-effective way to stem the tide.

Shoplifting and ORC require different approaches but we need to deal with them both concurrently. While it is true that not all shoplifting is ORC, all ORC grows from and relies on shoplifting.

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*Steal from Rich, Give to Poor - - -*

## **Robin Hood**

By Greg Edwards, CFI

Have you encountered Robin Hood? If you have not, then be prepared, for he is coming. Now, I am not talking about Errol Flynn, Kevin Costner, Cary Elwes or even Taron Egerton. I am talking about your interviewees. Those select number of individuals who steal, not for profit, but to help others. They steal from the rich to give to the poor and it is a cultural phenomenon that has recently been on the rise.

One of my first encounters with Robin Hood was one of my very first interviews. I was interviewing an associate at a big box retailer who would fail to ring merchandise through the register. What made this investigation different was there did not appear to be any consistency in who she gave away merchandise to. At the time, I was trained that there is usually a single thread tying the recipients together whether they are friends, family or whatever. In this case, there was none. Which is why I was selected to do the interview. Having no formal interview training at the time and being the most junior store detective, my manager thought that if (when) I failed, he could throw me under the bus and walk away blaming everything on me.

The time came for the interview and the associate arrived at the security office with her manager. It was typical to interview an associate with their manager present at that time. As we did not have any video evidence recorded (the system used VHS tapes and were so worn they were useless), I recall

starting the interview with asking her if she knew why she was brought to the security office. To my surprise, and elation, she immediately confessed to giving away merchandise. I cannot say that is the only time I have used that technique even to this day it sometimes comes in handy, but on that day, it gave me what I needed to get the conversation started.

After a few minutes of developing the admission, I asked the question that we always ask, "why?" I just asked it out of curiosity. What she said made her the first Robin Hood I encountered. She said she felt bad for them. She went on to explain that when customers would come in her department to shop, she would talk to them about the clothes they were looking to purchase. Occasionally, the customer would have an event they needed to attend but could not afford the entire outfit. It was those customers she would help by failing to ring up some of their merchandise. She said it made her feel good to know she was helping people. She did not think that a big company would miss a few pieces of merchandise.

I had to explain to her, and her manager who at this point started defending the associate's choices, that it was stealing and how it affects the company. She wrote a letter explaining her actions and I called for my boss to come to the office. When he arrived, I told him that "Robin Hood" had been stealing from the rich to give to the poor and that her

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### **Testing For Success**



Shoplifting is constantly in the news these days and the problem does not appear to be getting any better. Statistics show an increase in shoplifting losses and the negative effects it is having on many retailers' bottom-line profits. Take our short quiz to find out if your anti-shoplifting strategies are effective to help control external theft losses.

1. Many shoplifters take the path of least resistance; are your safeguards equal to or greater than your competitors? **Yes No**
2. Most shoplifters want and need privacy to commit their acts of theft; have all store associates been trained and are they practicing effective customer service techniques on sales floor and in fitting rooms? **Yes No**
3. Does your store have open/clear site lines on the sales floor, so high value and popular items can be easily viewed (no blind spots)? **Yes No**
4. Are high value/highly pilferable items displayed on the sales floor adequately secured/protected; and are quantities displayed limited to reduce a large loss? **Yes No**
5. EAS: Are required items tagged and audits completed to ensure proper tagging? **Yes No**
6. CCTV: Is equipment operational, camera placement optimum, and is system managed properly? **Yes No**

***Hopefully you were able to answer "YES" to all of the above questions. If not, you may be an "easy mark" for a shoplifter, so take action now to correct any deficiencies! \$***



**Believe It or Not**

**Man Sets Record for Number of Arrests in a Year**

A thief in New York was arrested 57 times in 2021, and 46 of those arrests were for retail theft! According to the police, his favorite retailer is a drug store chain which he ripped-off 37 times in 2021, and 23 of those thefts were at a single store (must be his favorite). The Store Manager reported that the man comes into the store almost daily to steal, and some of his favorite items are protein drinks, body lotion, baby formula, and toothpaste.

**Woman Caught on 19<sup>th</sup> Shoplifting Trip to Store**

Police said a 60-year-old woman was finally apprehended on her 19<sup>th</sup> shoplifting trip to the warehouse club store. This arrest ended her spree of thefts that focused on joggers, T-shirts, shorts and dresses. Police stated the woman would conceal the items under her own clothing prior to exiting without paying.

**Serial Shoplifter Avoids Jail Time With 20+ Shoplifting Offenses**

A woman on probation for retail theft, and with more than 20 shoplifting offenses on her criminal record, admitted to the judge she violated her probation when she was caught shoplifting AGAIN! The judge decided to give her one more chance and extended her probation instead of giving her jail time.

OSHA's Top 10 in 2021 - - -

**Safety Violations**

By Mark R. Doyle

OSHA recently released their "Top 10" most frequently cited safety violations for FY 2021. Reviewing these issues with your team and analyzing your own operations regarding these frequently cited violations, will help you ensure your locations are in continuous compliance. This analysis should take place soon, in an effort to keep your associates and customers safe and avoid any big fines from OSHA (see two examples below).

The Top 10 safety violations and the top hazard(s) cited for each violation are:

**#1 Fall Protection - General**

Failure to provide adequate fall protection (sides & holes).

**#2 Respiratory Protection**

Failure to evaluate need/use of respirator, fit tests and proper usage.

**#3 Ladders**

Failure of ladder side rails and used only for designed purpose.

**#4 Scaffolding**

Failure to provide adequate fall protection & support.

**#5 Hazard Communication**

Failure to develop/maintain written Haz Comm Program & Training.

**#6 Lockout/Tagout**

Failure to develop/maintain/comply written Energy Control Program.

**#7 Fall Protection - Training**

Failure to provide and train employees exposed to fall hazards.

**#8 Personal Protective Eye/Face**

Failure to ensure affected employees use correct eye & face protection.

**#9 Powered Industrial Trucks**

Failure to operate safely and ensure operator competency and training.

**#10 Machine Guarding**

Failure to provide proper machine guarding and anchoring.

The penalties OSHA assesses for failure to adhere to the above and other safe workplace practices can be significant, especially if there are repeat and willful violations. Two examples:

A discount retail chain was assessed \$394,402 in penalties/fines following a complaint. Major citations:

- \* 3 repeat, 2 willful, and 1 serious violation
- \* Blocked aisles & Exit routes
- \* Improper wiring design
- \* Poor protection and management of compressed gases
- \* Injury & Illness record keeping and reporting

A farm supply wholesaler was assessed \$448,303 in penalties/fines following an incident at the facility.

- \* 3 serious, 3 willful, and 2 other violations
- \* Lockout/Tagout issues
- \* Powered Industrial Truck issues
- \* Lack of fall protection

Let's all make 2022 a safe year! \$

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## Stemming the Tide of Shoplifting

Therefore, the response must be to fight the war on both fronts simultaneously.

- Aggressively arrest and prosecute the violent offenders who use force and fear to commit these organized acts which make them robberies – not shoplifting.

- Proactively use proven-effective education to stem the tide of new offenders who see shoplifting as a risk-free enterprise.

Using education as a sanction to prevent the escalation of shoplifting to higher crimes is a tried and true practice in the criminal justice system. Unfortunately, in today's environment where offenders rarely have contact with law enforcement or the courts, these

necessary guiderails have all but been eliminated. The good news is that offender accountability does not necessarily require traditional arrest and prosecution, it only requires we act the first time an offense happens. If police, prosecutors, retailers and government leaders work together we can effectively use education to change the now widely held perception that shoplifting IS worth the risk and this particular crime DOES pay. \$

*(Editor's Note: This information is from an NASP Press Release. The NASP is the nation's leading provider of shoplifter education programs; and their efforts are driven by one overarching goal-to reduce shoplifter recidivism. For more information: <https://www.shopliftingprevention.org/>)*

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## Robin Hood

manager did not want us to prosecute. I showed him her handwritten letter and she verbally recalled her actions for him to hear.

Since that time, I have interviewed Robin Hoods all over the country. It is their rationalization. Recently, since the Covid-19 crisis started, more and more Robin Hoods have popped up. They succumb to the stories of the customers and feel they are morally obligated to help them. Some of the associates have suffered personal losses themselves and can relate to a customer having a hardship. Others do it just to spite the company (aka: "the rich"). But whatever their reason, however they rationalize it, it is still stealing and

needs to be dealt with according to your company's policy.

Remember, it is our job to discover the truth and, sometimes it means that the person sitting across from you, or on the other end of the telephone, may have started with good intentions. Often, this type of person may be a little tougher to discern a reaction from as they may not view it as stealing rather as helping, charity work even. Let us not buy in to their narrative but remain the true professionals that each one of us are. In other words, do not become the Sheriff of Nottingham to their Robin Hood. \$

*(Editor's Note: Greg Edwards, CFI can be contacted directly at: [HPD748@Yahoo.com](mailto:HPD748@Yahoo.com))*



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.

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You can e-mail Mark R. Doyle at: [mrd@hayesinternational.com](mailto:mrd@hayesinternational.com)

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## The Bulletin Board



### Common "White Lies" Many People Tell

- My Phone Died.
- That was my idea.
- Traffic was horrible.
- I thought I already sent that email out. I'm sure I did.
- I'll call you later.
- I wish I could be at the meeting, but I've got a (Dr. appt, kid's recital, funeral).
- I was almost done, and then my computer died on me.
- I've been swamped lately.

(Source: Best Life online)

\* \* \* \* \*

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](mailto:operations@hayesinternational.com)



### Man Fills Out Job Application Before Stealing From Company!

A man walked into a printing business to inquire about a job offer and completed a job application. Prior to leaving he managed to steal \$300 in cash and a credit card. After spending over \$500 on the credit card, the police reviewed video footage and his job application, which contained up-to-date information and his identification, and it led them directly to the thief. The man was charged with theft and credit card fraud. \$