

# THE HAYES REPORT

ON LOSS PREVENTION

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*Numbers from our 33<sup>rd</sup> Annual Retail Theft Survey are revealed comparing 2019 vs Covid-19/Pandemic year 2020. While overall numbers are down, average case values and summary data for “essential” retailers were up in 2020!*

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*Read some highlights from our 33<sup>rd</sup> Annual Retail Theft Survey broken-down into Total Retail Thefts, Shoplifting and Dishonest Employee categories.*

### ■ Top 10 Safety Violations.....Page 4

*This article lists OSHA’s Top 10 Safety Violations in 2020 and the top hazard(s) cited for each violation. In addition, two examples are given of penalties OSHA assessed in 2020 to retail operations for safety non-compliance, with each fine exceeding \$450,000!*

### ■ The Bulletin Board.....Page 6

*See the Bulletin Board for some facts about shoplifting and highlights from NASP research surveys.*

*Mark R. Doyle Talks - - -*

## The 33rd Annual Retail Theft Survey Says . . .



This Summer newsletter is about a month earlier than usual due to multiple requests for the results of our 33rd Annual Retail Theft Survey (see pages 2 & 3). So, what do the results say? Overall numbers (apprehensions and recovery dollars) were down substantially in 2020 with the Covid-19 Pandemic clearly playing a major factor (ie. many non-essential retailers were closed 8 weeks or more during 2020). However, a few surprising numbers included: 1) Average Case Values (Total Thefts, Shoplifting and Dishonest Employees) were all up in 2020; and 2) The survey’s “essential” retailers reported an increase in both shoplifting and dishonest employee apprehensions and the recovery dollars from those apprehensions in 2020.

I would like to express a sincere THANK YOU to the 22 large retailers who participated, as without their continued support this survey would not be possible.  
\$

*For First-Time Shoplifters - - -*

## Second-Chance Education Initiative

By National Association for Shoplifting Prevention

Shoplifting, which often creates unsafe conflict in stores, is a crime in all 50 states and state law defines the expected criminal justice response. Yet, inconsistency in response abounds – leading to dangerous encounters in and around retail stores. Encounters like that which led to the killing of George Floyd by a police officer responding to an alleged retail theft. This tragedy shined a bright light on social inequities and the dangers of our inconsistent and overburdened police and criminal justice resources.

The Second-Chance Education Initiative for first-time shoplifting offenders gives retailers, and their asset protection leaders, an opportunity to make an immediate impact on both social and criminal justice by making NASP education a pillar of its shoplifting prevention strategy as well as its corporate social responsibility plan. Prioritizing opportunity and education for first-time offenders, over police and punishment, is a response that has never been more timely, relevant and reasonable.

*Continued on Page 5*

**Did You Know**

- There is a relatively new consumer product in the marketplace called Apple AirTag. It is a small affordable tracker that you can attach to keys, bags, clothing, cars, pets, etc. There could also be applications for retailers to help them stop theft.  
*9to5mac.com*
- A California man was arrested for allegedly selling fake Covid-19 vaccination cards, in what is believed to be the first thwarted scheme of its kind. The FBI warns faking Covid vaccination cards comes with a harsh penalty of up to \$5,000 fine or five years in prison, because it is a misuse of a government seal (CDC Logo).  
*NPR / kiro7.com*
- The state of Oregon has published a safety & health guide for the cannabis industry. It is intended to help employers and workers in the cannabis industry identify hazards associated with their work and determine how to control them. The guide features seven core requirements for growers, processors and retailers.  
*Safety+Health May 2021*
- As far as motivation goes, employee theft statistics reveal 42% of occupational fraudsters who got caught lived beyond their means, while 26% were experiencing financial difficulties.  
*Association of Certified Fraud Examiners*
- 33% of all business bankruptcies in the US are a result of employee theft.  
*Total Security Advisor*

**33rd ANNUAL RETAIL THEFT SURVEY**

**SURVEY PARTICIPANTS**

- 22 Large Retailers (Dept, MM/Big-Box, Specialty Apparel, Supermarkets)
- 18,594 Stores (representing an excellent cross-section of the U.S.)
- \$507,977,933,327 in Annual Retail Sales (2020)

**TOTAL RETAIL THEFT APPREHENSIONS**

	<u>2019</u>	<u>2020*</u>	<u>#/\$</u>	<u>Difference Pct.</u>
Apprehensions	314,494	184,621	-129,873	-41.3%
Recoveries	\$116,179,408	\$81,321,617	-\$34,857,791	-30.0%
Avg. Case Value	\$369.42	\$440.48	\$71.06	19.2%

**Retail Theft Apprehensions Breakdown**

**SHOPLIFTING**

	<u>2019</u>	<u>2020*</u>	<u>#/\$</u>	<u>Difference Pct.</u>
Apprehensions	281,300	158,158	-123,142	-43.8%
Recoveries	\$77,189,446	\$49,047,059	-\$28,142,387	-36.5%
Avg. Case Value	\$274.40	\$310.11	\$35.71	13.0%
Recoveries (No Apprehension Made)	\$152,870,815	\$87,396,416	-\$65,474,399	-42.8%

**EMPLOYEE THEFT**

	<u>2019</u>	<u>2020*</u>	<u>#/\$</u>	<u>Difference Pct.</u>
Apprehensions	33,194	26,463	-6,731	-20.3%
Recoveries	\$38,989,962	\$32,274,558	-\$6,715,404	-17.2%
Avg. Case Value	\$1,174.61	\$1,219.61	\$45.00	03.8%

**\* Pandemic Year: Many "non-essential" retailers were closed 8 weeks or more, greatly impacting their apprehensions and recovery dollars.**

**HIGHLIGHTS FROM JACK L. HAYES INTERNATIONAL'S  
33rd ANNUAL RETAIL THEFT SURVEY**

*(Note: 2020 was the pandemic year which resulted in many “non-essential” retailers being closed 8 weeks or more, which greatly impacted their number of apprehensions and recovery dollars.)*

**TOTAL RETAIL**

Survey participants apprehended a total of 184,621 dishonest individuals (shoplifters and employees) in 2020, a decrease of 41.3% from the prior year. Dollars recovered from those apprehended thieves also decreased 30.0% (to \$81.3 million) in 2020.

*Note: “Essential” Retailers reported apprehensions and recovery dollars up 7.9% and 9.1% respectively.*

For every \$1.00 recovered by our surveyed companies, \$33.15 was lost to retail theft. Therefore, only **2.9%** of total retail theft losses resulted in a recovery.

**SHOPLIFTING**

**Apprehensions:** Survey participants apprehended 158,158 shoplifters in 2020, a decrease of 43.8% from the prior year.

*Note: “Essential” Retailers reported apprehension up 8.6%.*

**Recoveries:** Dollars recovered from shoplifting apprehensions totaled over \$49.0 million in 2020, a decrease of 36.5% from 2019.

*Note: “Essential” Retailers reported recovery dollars up 15.3%.*

**Recoveries (no apprehension):** Dollars recovered from shoplifters where no apprehension was made (over \$87 million) decreased 42.8% in 2020.

**Case Value:** The average shoplifting case value in 2020 was \$310.11, an increase of 13.0% from 2019.

**EMPLOYEE THEFT**

**Apprehensions:** Survey participants apprehended 26,463 dishonest employees in 2020, down 20.3% from 2019.

*Note: “Essential” Retailers reported apprehensions up 2.7%.*

**Recoveries:** Dollars recovered from dishonest employee apprehensions totaled over \$32 million in 2020, down 17.2% from 2019.

*Note: “Essential” Retailers reported recovery dollars up 0.1%.*

**Case Value:** The average dishonest employee case value in 2020 was \$1,219.61, an increase of 3.8% from 2019.

**Testing  
For Success**



**Customer & Associate  
Safety  
OSHA Compliance**

You say safety is important in your location, but just how important is it really? Take our short test to find out.

1. Has your location’s Emergency Action Plan been reviewed with all associates so they know what actions to take in an emergency?

**Yes No**

2. Are floors, stairs and aisles kept clear with no tripping hazards; and boxes properly stacked to avoid tipping?

**Yes No**

3. Are spills cleaned up immediately and is there a sufficient supply of clean-up material on-hand?

**Yes No**

4. Is each designated emergency exit clearly marked with OSHA approved lighted signage?

**Yes No**

5. Are aisles/passageways leading to exits always kept clear to provide unobstructed egress in case of emergency?

**Yes No**

6. Are all fire extinguishers clearly marked with visible signage; easily accessible; and inspected at least annually?

**Yes No**

7. Are extension cords not used in place of permanent wiring; and no surge protector strips are plugged into one another?

**Yes No**

*Seven ‘Yes’ answers indicates safety really is important in your location.*

*Six ‘Yes’ answers means you need to promptly address a key safety issue.*

*Five or less ‘Yes’ answers - you better hope OSHA does not pay you a visit in the near future! \$*



**Believe It or Not**

**Innovative Thinking When it Comes to Committing a Crime**

- A teenage girl in Florida ordered pizza to her neighbor’s house and then proceeded to steal the pizza delivery guy’s car!
- In Texas, a thief repeatedly stole his neighbor’s van, and returned it each time, after using it as a getaway vehicle when burglarizing nearby homes.
- In California, an Uber driver drove a couple to the airport and then returned and broke into their home.

**Girl Scout Leader “Caught With Hand in Cookie Jar”**

Police investigators were alerted to a potential embezzlement by a group of concerned parents. Upon investigation, a Girl Scout Troop Leader was indicted for allegedly stealing \$12,500 from cookie sales and other GS event fees. Over the course of a few years the GS Troop Leader transferred the money into her personal bank accounts.

**Police Officer Arrested for Shoplifting at SCO**

A New Jersey police officer was arrested for allegedly attempting to steal \$55 worth of groceries from a local store. The officer attempted to under-ring \$55 worth of groceries using the store’s self-checkout (SCO) counter. According to state records, the officer makes just over \$90,000 a year and has been on the police force for several years.

OSHA'S Most Cited in 2020 - - -

**Top 10 Safety Violations**

By Mark R. Doyle

OSHA recently released their statistics for the “Top 10” most frequently cited safety violations during 2020. Knowing these “Top 10” violations should assist you in analyzing your own operations to ensure they are in continued compliance. We highly recommend this analysis takes place in the near future, so you can 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 Hazard Communication**

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

**#3 Respiratory Protection**

Failure to evaluate need/use of respirator, and written program.

**#4 Scaffolding**

Failure to provide adequate fall protection & support.

**#5 Ladders**

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

**#6 Lockout/Tagout**

Failure to develop/comply with written Energy Control Program.

**#7 Powered Industrial Trucks**

Failure to operate safely and ensure operator competency and training.

**#8 Fall Protection - Training**

Failure to provide and train employees exposed to fall hazards.

**#9 Personal Protective Eye/Face**

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

**#10 Machine Guarding**

Failure to provide proper machine guarding.

*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 \$523,745 in penalties/fines following a complaint. Major citations:

- 3 repeat, and 2 willful violations
- Obstructed Exit routes
- Obstructed electrical panels
- Unstable stacks of merchandise
- Overstocked materials creating struck-by risks

A discount retail chain was assessed \$477,089 in penalties/fines following a complaint. Major citations:

- 3 willful, 2 repeat and 1 other-than-serious violations
- Blocked and unmarked exit routes
- Obstructed and unmaintained fire extinguishers
- Unstable stacked merchandise
- Blocked electrical panels

*Let’s all make this a safe year! \$*

*Continued from Page 1*

## Second-Chance Education Initiative

Retailers around the nation recognize the unique opportunity, even social responsibility, for the industry to participate in bringing about social change. As part of a renewed commitment to diversity, inclusion and opportunity in stores and the wider community, it is fitting for retailers to view first-time offenders through a new lens of social responsibility by recognizing that there are social, mental and emotional issues behind shoplifting that are not inherently criminal and do not require police intervention. Shoplifting recidivism can be reduced to <3% with proven effective education vs. 30-40% without.

Partnering with a nonprofit organization to make education and support services available before seeking arrest and prosecution, gives all first-time shoplifters access to the tools needed to change their behavior - before entry into an overwhelmed and outdated criminal justice system. A policy of offering education for first-time offenders affords all members of the community the same one-time, second chance; thus, enriching lives and safeguarding communities.

*The process is simple: At the time of apprehension, first-time offenders are given a one-time, second chance to voluntarily complete a free NASP shoplifter education program instead of being reported to law enforcement. The first-time offender is released with the information needed to complete the education and with the understanding that, if they*

*choose to shoplift again, they will, by their own choice, be treated as a repeat offender.*

Objectives:

- To make an immediate impact on both social and criminal justice by making education a pillar of the retail shoplifting prevention strategy and corporate social responsibility plan.
- To reduce unnecessary offender involvement with the criminal justice system and help reduce incarceration.
- To demonstrate an acute awareness of the challenges communities face in terms of social and criminal justice by providing community-centric services to assist offenders.
- To maximize the value of each apprehension in reducing recidivism.
- To help relieve the burden of misdemeanor shoplifting on local community resources.
- To provide equal value to the retailer's Corporate Responsibility focus, its Government Relations/ Public Affairs efforts and its Asset Protection team.

*Editor's Note: This information is from the NASP's (National Association for Shoplifting Prevention) Executive Summary of Second-Chance Education Initiative for First-Time Shoplifters. For more information on their services: <https://www.shopliftingprevention.org/>*

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Internationally recognized expert on Asset Protection who has consulted for some of the finest retail companies world-wide over his 50 years in the industry.

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## The Bulletin Board



### Facts About Shoplifting and Highlights From NASP Research Surveys

It is estimated 23 million people in the US shoplift – that is 1 in 11 people.

86% of youth know other kids who shoplift; 66% say they hang out with these kids.

60% of adult offenders know others who shoplift.

55% of adult shoplifters started shoplifting in their teens.

70% of both adult and juvenile shoplifters said they did not plan their theft.

39% of apprehended adults and juveniles said they have worked, currently work, or plan to work in a retail store.

(Source: [National Association for Shoplifting Prevention](#))

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

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or emailed to: [operations@hayesinternational.com](mailto:operations@hayesinternational.com)



## Dumb Criminal Returns To The Scene Of The Crime!



A woman was observed bagging merchandise and leaving the store without paying for the items. When store personnel confronted the woman, she ran away. During her getaway she dropped her backpack which store personnel retrieved. Inside the backpack was the woman's social security card and other items. A short time later the woman returned to the store for her backpack, and the police were called, and the woman was arrested. \$