

THE HAYES REPORT ON LOSS PREVENTION

QUARTERLY

SUMMER 2023

VOL. 38 NO. 2

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This is a quick summary of the 35th Annual Retail Theft Survey. Full survey statistics and some highlights can be found within this issue.

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Results of our 35th Annual Retail Theft Survey are revealed comparing 2021 vs 2022 statistics for shoplifting and dishonest employee theft apprehensions and recovery dollars.

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The Survey Says . . .



This Summer newsletter mostly details the results of our 35th Annual Retail Theft Survey (see below and inside). I would like to express a sincere THANK YOU to the 26 large retail companies who participated and made this survey possible. We do this annual theft survey at our own expense for the retail community, and we hope it helps justify budgets, minimize staff reductions, and prompts retail executives to keep in mind the most important role their AP/LP personnel play in helping to improve overall company profits.

I hope you enjoy this issue of The Hayes Report newsletter and have a safe and enjoyable summer! \$

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Shrink Up & Theft Up - - -

35th Annual Retail Theft Survey

By Mark R. Doyle

We recently completed our 35th Annual Retail Theft Survey, and you can find the results on pages 2, 3 & 4 of this newsletter. For additional information, and to download a complimentary copy of this survey with some thoughts behind the numbers, visit:

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

Eighty-One percent of survey participants reported an increase in shrink in 2022 and this is reflected in their total apprehensions and recovery dollars.

Our survey revealed shoplifter apprehensions and dollar recoveries from those apprehensions increased significantly in 2022, up 50.9% and 90.5% respectively. This is mostly due to renewed apprehensions post pandemic; increase in ORC activity; less staff on sales floor; poor economy; and thieves not afraid due to decriminalization, bail reform and progressive DAs.

On the employee side, there was an increase in 2022 in both dishonest employee apprehensions and recovery dollars, 18.0% and 14.7% respectively. This increase was due to: Better trained AP/LP staff focusing on internal theft investigations; Upgraded EBR programs yielding more cases; Associate burnout resulting in DEs rationalizing their thefts; and Associates see shoplifters getting away with theft, so they are trying the same thing. \$

Did You Know

The Top 5 cities/metropolitan areas affected by Organized Retail Crime in the past year were:

- . Los Angeles
- . San Francisco/Oakland
- . New York
- . Houston
- . Miami

The top categories targeted by ORC included:

- . Apparel
- . Health & Beauty
- . Electronics/Appliances
- . Food & Beverage
- . Footwear
- . Home Improvement

2022 National Retail Security Survey

The average Pushout Theft (a person or people who roll through a retailer's store exit with a loaded shopping cart full of unpaid merchandise) loss was \$1,494. In addition, 55.9% of pushout shoplifters are not caught.

2021 Pushout Theft Annual Snapshot

Data breaches open a pandora's box of risks for companies that experience them including:

- . Insurance Premium Increases
- . Civil lawsuits
- . Regulatory Fines
- . Media Embarrassment

Tonic.ai

Identity Theft Stats

- . Around 1 in 15 people become victims of identity fraud
- . American are most likely to have their identities stolen.
- . Credit Card theft accounts for 30% of ID theft cases.

Legaljobs.io

35th ANNUAL RETAIL THEFT SURVEY

SURVEY PARTICIPANTS

- 26 Large Retailers (Dept, MM/Big-Box, Specialty Apparel, Supermarkets)
- 22,182 Stores (representing an excellent cross-section of US)
- \$704,161,733,977 Annual Retail Sales (2022)

TOTAL RETAIL THEFT APPREHENSIONS

	<u>2021</u>	<u>2022</u>	<u>#/\$</u>	<u>Difference</u>	<u>Pct.</u>
Apprehensions	233,864	340,488		106,624	45.6%
Recoveries	\$168,938,568	\$288,090,581		\$119,152,013	70.5%
Avg. Case Value	\$722.38	\$846.11		\$123.73	17.1%

Retail Theft Apprehensions Breakdown

SHOPLIFTING

	<u>2021</u>	<u>2022</u>	<u>#/\$</u>	<u>Difference</u>	<u>Pct.</u>
Apprehensions	195,877	295,654		99,777	50.9%
Recoveries	\$124,502,693	\$237,117,378		\$112,614,685	90.5%
Avg. Case Value	\$635.62	\$802.01		\$166.39	26.2%
Recoveries (No Apprehension Made)	\$336,654,100	\$485,047,395		\$148,393,295	44.1%

EMPLOYEE THEFT

	<u>2021</u>	<u>2022</u>	<u>#/\$</u>	<u>Difference</u>	<u>Pct.</u>
Apprehensions	37,987	44,834		6,847	18.0%
Recoveries	\$44,435,875	\$50,973,203		\$6,537,328	14.7%
Avg. Case Value	\$1,169.77	\$1,136.93		-\$32.84	- 2.8%

Testing For Success

Safety & OSHA Compliance

With OSHA recently increasing their workplace audits, how ready is your location for a surprise visits? Take our short test to find out.

1. Has your Emergency Action Plan been reviewed with all associates so they know what actions to take in an emergency? **Yes No**
2. Are emergency evacuation maps clearly visible and not blocked by cartons/mdse? **Yes No**
3. Are emergency exits clearly marked with OSHA approved exit signage, and aisles leading to exits kept clear ? **Yes No**
4. Are floors, stairs and aisles kept clear with no tripping hazards; and boxes properly stacked to avoid tipping? **Yes No**
5. Is there at least 18 inches of clearance between sprinklers and stock? **Yes No**
6. Are spills cleaned up immediately and are there sufficient clean-up material on-hand? **Yes No**
7. Are all fire extinguishers clearly marked with visible signage; easily accessible; and inspected at least annually? **Yes No**
8. Are extension cords not being used in place of permanent wiring; and no surge protector strips plugged into one another? **Yes No**
9. Are First Aid supplies available and in sufficient quantity? **Yes No**

Less than 9 'Yes' answers means your safety program needs some immediate attention.

**HIGHLIGHTS FROM JACK L. HAYES
INTERNATIONAL'S
35th ANNUAL RETAIL THEFT SURVEY**

TOTAL RETAIL THEFT

Shrink: 81% of retailers surveyed reported an increase in shrink in 2022.

Apprehensions: Survey participants apprehended a total of 340,488 dishonest individuals (shoplifters and employees) in 2022, an increase of 45.6% from the prior year.

Recoveries: Dollars recovered from those apprehended thieves increased 70.5% to over \$288 million in 2022.

SHOPLIFTING

Apprehensions: Survey participants apprehended 295,654 shoplifters in 2022, an increase of 50.9% from the prior year.

Recoveries: Dollars recovered from shoplifting apprehensions totaled over \$237 million in 2022, an increase of 90.5% from 2021.

Recoveries (no apprehension): Dollars recovered from shoplifters where no apprehension was made (over \$485 million) increased 44.1% in 2022.

Case Value: The average shoplifting case value in 2022 was \$802.01, an increase of 26.2% from 2021.

EMPLOYEE THEFT

Apprehensions: Survey participants apprehended 44,834 dishonest employees in 2022, up 18.0% from 2021.

Recoveries: Dollars recovered from dishonest employee apprehensions totaled over \$50 million in 2022, up 14.7% from 2021.

Case Value: The average dishonest employee case value in 2022 was \$1,136.93, a decrease of 2.8% from 2021.

Believe It or Not

Thieves Stop to Charge Their Getaway Vehicle & Get Caught

Two men were observed inside a membership club store with multiple boxes of gaming systems and electric toothbrushes among other items. When they exited without paying witnesses told police they fled in an electric vehicle – the description was promptly broadcast to surrounding officers. About 15 minutes later the two suspects, accused of stealing over \$8,000 in merchandise, were apprehended as they stopped to charge their Tesla getaway vehicle.

Man Robs Bank of \$1 and Waits for Police to Arrive

A man entered a Utah bank and gave the teller a note that stated “Please pardon me for doing this but this is a robbery. Please give me \$1. Thank you.” The teller gave the man \$1 and asked him to leave. But the man told the teller to call the police and took a seat in the bank’s lobby. The man told the police he robbed the bank so he could be sent back to federal prison!

Man Convicted of Stealing Nearing 200,000 Eggs

A man used a metal grinder to break into an industrial unit and steal over 200,000 chocolate eggs and other chocolate products. Upon the theft being reported and a tractor trailer being used in the heist, the police pulled over the man on the highway and arrested him. The police dubbed the case an “eggs-travagent theft”.

35th Annual Retail Theft Survey - - -

Company Shrink Stats & Trends

By Mark R. Doyle

Below are some additional statistics from our 35th Annual Retail Theft Survey.

Shrink Trend 2022:

- 81.0% (21 of 26 retailers) had an increase in company shrink.
- 11.0% (03 of 26 retailers) had a decrease in company shrink.
- 08.0% (02 of 26 retailers) had no change in company shrink.

Average Theft Case Values in 2022

- Total Thefts: \$846.11, up 17.1%
- Shoplifters: \$802.01, up 26.2%
- Employees: \$1,136.93, down 2.8%

Shoplifting Apprehensions 2022:

- 72.7% (16 of 22 retailers) had an increase in apprehensions.
 - 27.3% (06 of 22 retailers) had a decrease in apprehensions.
- (Note: Only 22 participants reported shoplifting apprehensions in 2022.)

Shoplifting Apprehension Recovery Dollars 2022:

- 63.6% (14 of 22 retailers) had an increase in SL recovery dollars.
- 36.4% (08 of 22 retailers) had a decrease in SL recovery dollars.

Shoplifting Recoveries Without an Apprehension 2022:

- 66.7% (14 of 21 retailers) had an increase in recovery dollars without an apprehension.
 - 19.0% (04 of 21 retailers) had a decrease in recovery dollars without an apprehension.
 - 14.3% (03 of 21 retailers) had no change in recovery dollars without an apprehension.
- (Note: Only 21 participants reported shoplifting recoveries without an apprehension in 2022.)

Dishonest Employee Apprehensions 2022:

- 73.1% (19 of 26 retailers) had an increase in DE apprehensions.
- 26.9% (07 of 26 retailers) had a decrease in DE apprehensions.

Dishonest Employee Apprehension Recovery Dollars 2022:

- 84.6% (22 of 26 retailers) had an increase in DE recovery dollars.
- 15.4% (04 of 26 retailers) had a decrease in DE recovery dollars. \$

Advisory Board

Mark R. Doyle

President/Owner of Jack L. Hayes International. For over 35 years has consulted with some of the finest companies in the world assisting them in the design and implementation of programs to control inventory shrinkage and loss.

Jack L. Hayes

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.

David J. Cherrington

Professor of Organizational Leadership and Strategy at BYU; certified SPHR, and recognized authority on employee dishonesty and white-collar crime.

Michael Mershimer

Globally recognized advisor to America's favorite franchised, retail & food service brands. For 30 years, has advised on & designed solutions which improve franchise sales reporting, brand compliance, and inventory shrink.

The Hayes Report is published quarterly by Jack L. Hayes International, Inc. 27520 Water Ash Drive-Suite 100, Wesley Chapel, FL 33544. Telephone (813) 991-5628.

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Popularity Increasing - - -

Booster Bags

By Mark R. Doyle

What is a "Booster Bag"?

. Wikipedia.org defines a 'booster bag' as: "a handmade bag used to shoplift, typically from retail stores, libraries, and any other locations employing security detectors to deter theft."

. UrbanDictionary.com defines a 'booster bag' as: "A cleverly disguised shopping bag that is lined in some manner with aluminum foil so that it renders electronic shoplifting sensors useless. Used by shoplifters to secret their ill-gotten goods out of the store unnoticed."

When was the first "Booster Bag" used?

Historical writings refer to 'booster devices' being used in the early 1700s or before. The first shoplifters criminally convicted for using a "booster-device" could have been Mary Robinson and Jenny Holmes. They were convicted for stealing a silver cup and an eighty-yard roll of Mantua silk on December 24, 1726. Ms. Holmes (34 years old) and Ms. Robinson (70 years old) were both sentenced and put to death for the crime of shop-lifting.

How do I identify a "Booster Bag" when it comes into a store?

Booster Bags take time to make/create so many thieves will use them over and over again. Therefore, look for bags that appear heavily used with wrinkles and creases in the bag. Also, since these booster bags are used over and over again by thieves, many will have their handles reinforced with packing tape or a similar product. The bottom of the bag could also be reinforced since it needs to hold/carry maximum product. Unfortunately, some thieves have recognized these identifying items, so they are now placing their booster bag inside another large newer looking bag to further conceal its identity. Therefore, also be aware of bags inside of carry bags as a thief may be trying to hide the booster bags from store personnel.

What can retailers do to limit their vulnerability to thieves using "Booster Bags"?

- Laws: Work with State Legislators to pass laws that make the simple possession of an anti-shoplifting countermeasure device a felony. The state of Florida has such a law (Florida Statute 812.015(7)).

- Technology: Several security providers offer booster-bag detection devices which send an alert (visual and/or audible) to store management when a foil lined bag is detected entering the store.

- Training & Awareness: Educate associates on the use of 'booster-bags', and remember shoplifters typically want and need privacy to commit their acts of theft, so take it away from them with good customer service. \$



Jack L. Hayes International, Inc. 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
- DC/Whse. LP/Security Reviews
- Custom Designed & Implemented LP & Safety Programs and Audits
- 3rd Party Store & DC/Warehouse LP and Safety Audits
- Outsourced LP Services (Full or Hybrid)
- LP Organizational Review
- The Hayes Report on Loss Prevention Newsletter (quarterly)
- Annual Retail Theft Survey (35th)

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:
<https://hayesinternational.com/>

You can email Mark R. Doyle @ mrd@hayesinternational.com

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The Bulletin Board

Background Screening Summary

. Top Benefits of Background Screening: 67% Better Quality Hire; 49% More consistent safety & security; 44% Improved regulatory compliance

. Most important when choosing a screening provider: 75% Accuracy of results; 53% Speed; 52% Cost

. How screening is conducted by organizations: 74% Use a single screening provider; 14% use different provider for different services; 9% conduct some or all of screening services in-house

. Common pre-employment checks: 85% Criminal; 63% SSN verification; 53% Employment

. Where candidate discrepancies were found:
37% Criminal (previously undisclosed convictions)
31% Employment verification
29% Drug and/or alcohol testing

(Source: Hire Right: 15th Annual Benchmark Report – 2022)

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

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Missing Getaway Car Results in Arrest

A grocery store manager observed a man push a shopping cart full of unpaid merchandise out of the store and into the parking lot. She alerted the off-duty police officer working store security who followed the man pushing the cart up the street. The man began frantically looking around for his getaway vehicle then noticed the vehicle was in line at the carwash next door. Police promptly arrested both the thief and getaway driver.