

THE HAYES REPORT ON LOSS PREVENTION

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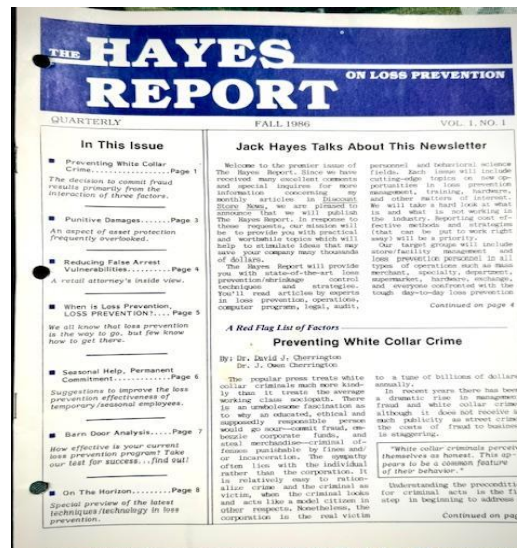
Mark R. Doyle Talks - - -

Saying Goodbye: Our Final Newsletter



After more than 40 years, I've decided this will be the final newsletter from Jack L. Hayes International, Inc. The first issue of *The Hayes Report on Loss Prevention* (Vol. 1, No. 1) was published in Fall 1986 (see photo below), beginning a long and rewarding journey. To all contributors and article writers over the years, Thank You! Your insights, expertise, and dedication made this newsletter possible, and its success reflects your valuable support. It's remarkable to see how production evolved. In the early years, each issue was assembled by hand—articles were printed, cut, and pasted onto boards, then taken to a printer. The finished eight-page newsletter was mailed to subscribers at \$50 per year. In the middle years, production shifted to PageMaker. Files were emailed to the printer, but newsletters were still physically mailed, often in bulk—some retailers ordered more than 1,000 copies per issue. In recent years, the process became fully digital. Each issue was created in Microsoft Word, converted to PDF, and emailed directly to subscribers at no charge. Thank you for being part of this incredible journey! Note: A heartfelt thanks to Jack, Darlene and Cathy for your dedication and hard work over the past 40 years in creating, designing, and distributing this newsletter!

The Hayes Report on Loss Prevention's first newsletter:



Did You Know

Jack L. Hayes served as a detective for the Wash DC Police Dept and the FBI, before holding the positions of Corporate Security Director for Woodward & Lothrop in Wash DC, Jordan Marsh in Boston, and Abraham & Straus in NY City.

In the late 1970s Jack founded his own loss prevention consulting firm, Jack L. Hayes International, Inc., which still flourishes today under the guidance of Mark R. Doyle, President. Mark has been with JLH Inc. for over 40 years.

In September of 1995, Jack L. Hayes International, Inc. opened an office in Buenos Aires, Argentina, performing multiple shrink projects in South America including Quilmes Beer in Argentina, Coca-Cola Paresa in Paraguay, and Lojas Americanas in Brazil.

Beside numerous retail companies, Hayes International has consulted with a variety of other organizations including the New York Stock Exchange, United States Navy, U.S. Marine Corp, Lorimar Telepictures and Cannon, North America.

Jack wrote for Chain Store Age/ Executive Magazine with a regular column titled "Loss Prevention Pays", by Jack L. Hayes.

For 41 years Hayes Intl has published The Hayes Report on Loss Prevention newsletter, and for 35 years published The Annual Retail Theft Survey.

Reader Interaction is Key - - -

Top NL Articles From Past 40 Years

Looking back over four decades of publishing this newsletter, we took time to revisit the articles that generated the strongest response from our readers. By reviewing audience feedback, comment volume, and the level of discussion each piece sparked, twelve standout articles clearly rose to the top. These selections consistently drove engagement, challenged perspectives, and encouraged meaningful dialogue within the industry.

Narrowing the list down to just twelve was no simple task, given the wealth of impactful content produced over the years. However, two articles distinguished themselves above all others, generating significantly higher reader interaction and commentary than the rest. Those leading articles were:

- *Auditing Promotes Honesty* (see page 3)
- *Dude, Where's My Shrink?* (see page 4)

The remaining ten articles, each influential in its own right, include:

- *Back to the Loss Prevention Basics*
- *Shoplifting: An Age-Old Problem*
- *Good Management's Impact on Shrink*
- *When a Person Steals*
- *Self-Checkout and Theft*
- *The Importance of Auditing Retail Stores*
- *The Power of Safety Signage*
- *Dishonesty: The Greatest Threat*
- *Reducing Employee Theft by Limiting Multiple Tasks*
- *Competition's Impact on Shoplifting*

Together, these articles reflect the evolving challenges and ongoing concerns within loss prevention, while also highlighting timeless principles that continue to resonate with readers today. One particularly noteworthy observation is the diversity of authors represented on this list. Rather than a single voice dominating the conversation, the top articles reflected a balanced mix of contributions from Drs. David and Owen Cherrington, Jack L. Hayes, and Mark R. Doyle.

Note: Each of the above articles can be found on Jack L. Hayes International Inc.'s website at:

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

Testing For Success

Are your primary competitors “pushing” shoplifters to your store due to them having better anti-shoplifting controls than you do? Take the short test below to find out?

Does your competition?

1. Have more sales floor coverage and provide better customer service than you do? **Yes No**
2. Have less “blind spots” on their sales floor with better overall sales floor visibility? **Yes No**
3. Utilize anti-shoplifting “tools” that your store does not including: EAS, Ink/Fluid tags, RFID, CCTV system, Customer View Monitors, Locked Showcases, and Anti-Shoplifting Signage? **Yes No**
4. Use fitting room checkers, or locks FR doors, and monitors customer usage of FRs more closely than you do? **Yes No**
5. Use off-duty police, guards or a greeter and you do not? **Yes No**
6. Have a stricter refund policy than your store does? **Yes No**
7. Prosecute shoplifters while your store does not? **Yes No**

If you answered “Yes” to several of the above questions, your store could be known as an “easy mark” to shoplifters. Discuss with your LP contact what steps you can take to reduce your vulnerability to shoplifting losses. \$

Internal Controls are Necessary & Valuable - - -

Auditing Promotes Honesty

By J. Owen Cherrington

As a result of my work as a Certified Public Accountant I have come to appreciate the value of clearly defined systems and procedures within a company. I have learned internal controls are both necessary and valuable. Without them, the integrity of both employees and the company are threatened. During my early career I faced several negative experiences that caused me to start to question whether it was my responsibility to enforce controls. Often I found myself feeling apologetic for many of the systems and procedures, and was sympathetic with people’s basic dislike for them.

Then I had an experience that changed my whole perspective. This incident occurred when I was asked to audit the books for a mid-sized organization. During the audit I discovered that two funds had significant problems, and were missing both money and equipment. I also discovered the person previously responsible for these funds had retired a short time earlier. Our internal investigation revealed that this woman did take the money and assets. It was also decided that this woman would be prosecuted. It took four years to resolve the case, and during these four years between arrest and final disposition, this woman essentially lost everything; her husband, her home, and her many friends. Looking back, this was a situation primarily brought about because of poor internal controls and no systems of accountability. Had that organization had a strong system of internal controls and accountability, all indications were that this woman would have most likely remained on the “right side of the fence”. Opportunity to commit fraud was simply too great.

In the years since this first incident occurred, I have heard about many other similar type tragedies. Although the cast of characters and the setting are different, the same tragic plot has unfolded time after time. Inadequate controls have seduced all kinds of employees from sales clerks and secretaries to comptrollers and financial vice presidents. And although I do not excuse them for succumbing to the temptation, it is equally obvious that the temptation did not have to exist.

My experience with that one organization changed my attitude regarding the importance of any company having a good system

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Believe It or Not

Lawmaker Asks About Studying the Benefits of Shoplifting and Retail Theft

During a recent Minnesota House Workforce and Labor Committee hearing a lawmaker spoke of a recent presentation before another committee he sits on that sought to address solutions to organized retail theft. He stated, "And it actually had not occurred to me to ask - it probably would have been good - to make sure that they would study sort of the benefit of shoplifting, of retail theft since because perhaps people are relying on that and sort of using that maybe it's you know assisting them in some way."

\$800,00 Smoke Detector Theft Ring

Seven suspects in Florida have been busted and face felony charges in a multi-county theft ring that stole smoke detectors from home improvement stores. According to officials, the organized theft ring stole multiple smoke detectors from stores in 17 Florida counties racking up more than \$800,000 in losses.

Raid of Texas Home Linked to \$100 Million Theft Ring

Search warrants state that 98 individuals have been linked to a theft ring with ties to the Mexican cartel. A theft at a Houston area mall initiated the investigation which linked additional theft cases involving boosters who travel from major cities to major cities and typically stay about a week before moving on to the next city.

Identifying a Company's Shrink Source - - -

Dude, Where's My Shrink?

By Mark R. Doyle

For those of us 30 years or older, you may remember the 2000 movie starring Ashton Kutcher, Seann William Scott and Jennifer Garner, titled "Dude, Where's My Car?". In the film two young men find themselves unable to remember where they parked their vehicle after a night of reckless partying. They wander aimlessly encountering all types of obstacles in their quest to find their car. This movie obtained cult status and box office success, even though it was widely panned by the critics. When speaking with colleagues and prospective consulting clients, I often think what they are really asking is "Dude, Where's My Shrink"?

Identifying a company's shrink source(s) is no easy task. We best relate it to a doctor and patient relationship. When you are ill you visit your doctor to tell him your symptoms, he runs a variety of tests to determine what he believes is causing your illness and then prescribes specific medication. If your doctor is thorough, he does not tell you to just eat better, get more sleep, and start exercising (although many of us likely need this!). Your doctor will prescribe specific medicine focused on your exact illness to get you healthy again. Appropriate treatment cannot be prescribed through a cursory checkup, or a face-to-face interview.

Well, the same goes for identifying "Where's My Shrink?". Some have compared it to the famous 'Shell Game' where one has to guess which shell has the pea under it, after someone quickly shuffles around the shells. Here the shells are Internal Theft, External Theft and Paperwork/System Issues. We have learned over the years that the very first step towards effective inventory shrinkage control must commence with an in-depth analysis to accurately identify a company's primary shrink cause(s). This is not a process of a few key executives giving their perceptions of what is creating loss, and then developing some strategies to meet their perceived need. Guesswork usually results in failure! Nor does it involve copying another retailers program, as each company has its own shrink issues based on product type, store locations, clientele, current anti-theft safeguards, effectiveness of internal controls, system accuracy, and so on. Simply replicating someone else's Program, is typically a recipe for disaster!

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Advisory Board

Our Advisory Board over the past 40+ years included:

Jack L. Hayes

Internationally recognized expert on Asset Protection for over 50 years.

Mark R. Doyle

President JLH International, Shrinkage Control Consultant for over 40 years.

David J. Cherrington

Professor of Organizational Leadership and Strategy at BYU; certified SPHR.

J. Owen Cherrington

Professor of Accounting & Information Systems, Brigham Young University.

Marcelo A. Ricci

President, JLH International, SA Buenos Aires, Argentina.

Michael Mershimer

Global advisor to America's favorite franchised, retail & food service brands.

M. David Lacher, Esq

Partner, Lacher & Fox law firm

Sephanie M. Shern

Partner, Arthur Young

Lawrence R. Spivack

Retail Consultant

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Auditing Promotes Honesty

of internal controls. No longer do I feel apologetic when I tell executives they need clearly defined systems and controls or when I tell employees that certain procedures must always be followed to the letter. My attitude regarding these safeguards has made a complete turnaround. Rather than being something unnecessary and/or inefficient, I see them as essential and beneficial to both the individual and organization.

When people tell me they resent their company's controls and find them inconvenient and irritating, I simply ask myself how resentful would they feel if they saw their life destroyed like that woman's life was. \$

Editor's Note: *This article, written by J. Owen Cherrington, was published almost 40 years ago; isn't it amazing how pertinent it is now, as it was then!*

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Dude, Where's My Shrink?

To be successful, management must gain a clear understanding of the role that each contributing factor is playing in the overall shrinkage problem. Rarely, if ever, is there a 'silver bullet' or single major issue that is causing a company's shrinkage. Once the shrink issues/concerns are identified (through a detailed on-site analysis of DC, Store and Home Office operations as they pertain to product movement and accountability), appropriate custom programs and/or strategies which specifically address each primary shrinkage contributing factor must be developed and implemented. In addition, when completing this phase, the company's culture must always be considered and taken into account. What may work in one company may not be so successful in another company, simply due to their culture.

Unlike the ending of the movie "Dude, Where's My Car?", where the young men recover their car which just happened to be hidden behind a Mail Truck the entire time, shrink is usually hidden in the details and not easily identified without a true comprehensive analysis. \$



Jack L. Hayes International, Inc. is widely recognized as the leading consulting firm specializing in loss prevention and inventory shrinkage control worldwide. For decades, the company has provided proven strategies, services, and products that are trusted by top retail, industrial and manufacturing organizations across the globe.

Consulting Services/Products:

- Shrinkage Control Analyses and Assessments
- DC/Whse LP/Security Reviews
- Custom Designed & Implemented LP & Safety Programs and Audits
- 3rd Party 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 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 at mrd@hayesinternational.com

Visit us on Social Media:

- Linked-In
- X
- Facebook

The Bulletin Board

Loss Prevention Resolutions

For Loss Prevention Personnel

1. Embrace Technology, Not Just Equipment
2. Strengthen Communication with Store Teams
3. Stay Ahead of Organized Retail Crime (ORC)
4. Improve Documentation and Case Building
5. Prioritize Ethics and Professionalism
6. Conduct Regular Audits and Store Walks
7. Provide Ongoing Training and Coaching

Tip: Turn these resolutions into a daily practice to elevate your performance and better assist your stores.

For Store Personnel

1. Always Stay Alert and Aware
2. Follow All Store Processes Every Time
3. Promptly Report Issues/Concerns
4. Treat Inventory Like It's Your Own
5. Work as a Team Player in LP/Shrink Control
6. Practice Consistent Customer Engagement
7. Keep Areas Clean and Organized

Tip: Ask your manager about your store's shrink rate, top loss categories, and high-risk zones. The more you know, the more you can help.

The End!