

JACK L. HAYES INTERNATIONAL, INC.

Consultants in Asset Protection



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Post COVID-19 Retail Theft & Safety Thoughts/Issues

External Theft/Shoplifting Likely to Increase:

- . With loss of illicit funds during store closings, Organized Retail Crime will hit retailers quickly and frequently, especially in opening days when staffing will be minimal due to unknown sales volume.
- . 'Hit n Runs' thefts will increase.
- . Loss of jobs/paychecks, in addition to the early release of prisoners, will result in increased shoplifting.
- . Limited sales floor staffing, especially when stores first re-open and adjust schedules based on sales volume, will create additional opportunities for shoplifters.
- . Many people entering stores will be wearing masks/facial coverings, thus limiting the chance of identification.

Recommendations:

- . Assign 'greeters' to all entry/exit positions.
- . Focus on customer service and not tasks. Maintain safe social distancing but keep in contact with customers.
- . For select high shoplifting risk stores, consider off-duty police, or guards is necessary.
- . Limit quantities of high theft/highly desirable products on sales floor.
- . For stores facing parking lots, keep an eye on area outside store for possible get-a-way cars setting at curb.
- . Open communications with other stores in the center/mall to stay current on local theft issues.
- . Discuss concerns and opportunities with peer groups.
- . Re-educate all associates on company's anti-shoplifting policies and procedures.

Internal Theft Likely to Increase:

- . Due to reduced store staffing and supervision, there will be increased opportunities for dishonest associates to commit acts of theft/abuse.
- . The financial pressure some associates may be under due to lack of work/paycheck, could result in increased theft.
- . Three things come into play when someone steals: 1) Their personal integrity; 2) Convenient opportunities; and 3) Situational pressures. Two of these three will be elevated when stores begin to open (convenient opportunities - less staff/supervision, and situational pressures - mostly financial) which could lead to more internal theft.

Recommendations:

- . Remind all associates of the company's confidential reporting line, and reward program for reporting theft/abuse.
- . Closely monitor cash deposits, cash over/shorts, and petty cash.
- . Closely monitor POS transactions for possible fraudulent activity
- . Ensure all LP basics (door controls, trash removal, bag checks, etc.) are forefront and taking place consistently - no short cuts!
- . Re-educate all associates on exception-based reporting programs in use to identify and track POS transactions such as refunds, voids, discounts, no sales, etc.
- . Remind all associates of store opening and closing procedures and insist of strict compliance.
- . Audit for compliance. By reducing the opportunity, you reduce the chance of theft/loss.

Safety Issues to Consider:

- . Testing associates upon arrival for work (temp, etc.)
- . Issuing PPE to associates/workers (masks, gloves, etc.)
- . Promote handwashing and use of hand sanitizer
- . Encourage/require covering mouth and nose when coughing or sneezing
- . Regularly clean/wipe down workspaces and equipment
- . Practice sensible social distancing as required
- . Provide masks and hand sanitizers for customers who need them
- . Have adequate cleaning supplies on-hand

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