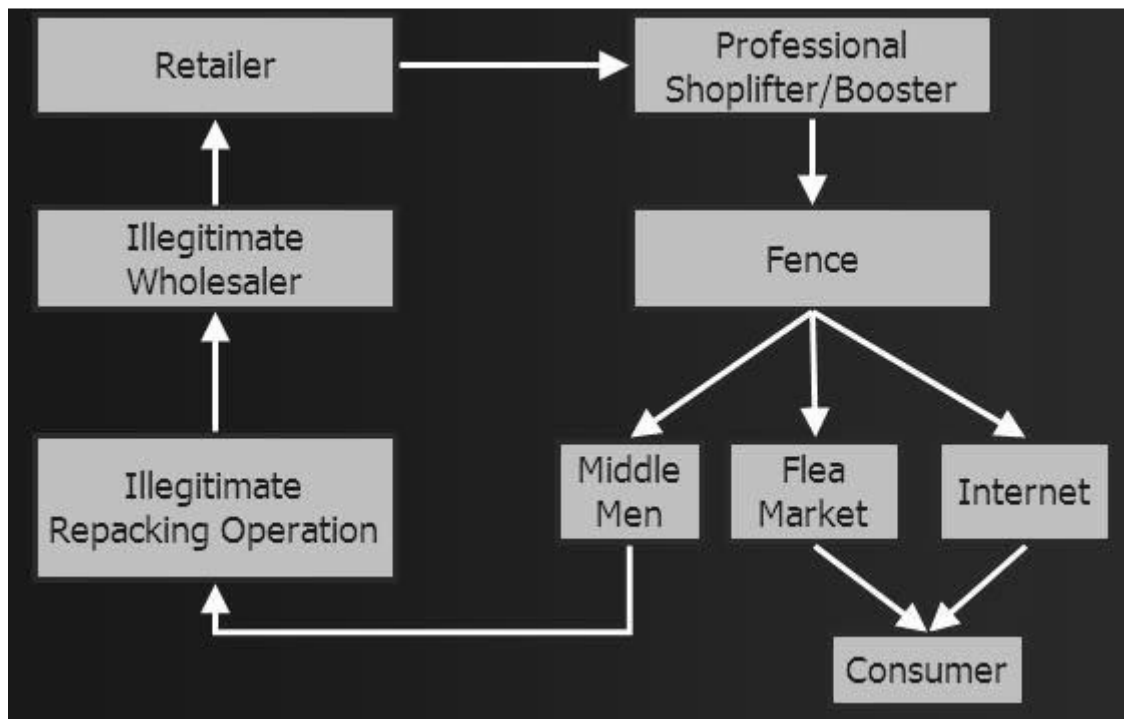


## ORGANIZED RETAIL CRIME

In 2008, shoplifting losses totaled nearly \$13 billion dollars, with 28% attributed to Organized Retail Crime (ORC). While dishonest customers have been stealing from retailers as long as there has been stock on shelves, and many of the thieves have been professionals (they do it for a living), *organized retail crime* has only been around for the past 15-20 years.

Professional shoplifters, also known as boosters and sweepers, make their living by stealing and then selling the stolen merchandise. These boosters steal expensive items and/or large numbers of desirable items (i.e., razors, saw blades, drill bits, etc.) that can be sold at job sites, flea markets, on the Internet, and to large organized theft rings. This flow chart illustrates how these organized groups work;

**Organized Retail Crime**



Merchandise stolen by a professional shoplifter, or BOOSTER, is usually sold to a FENCE, or low-level buyer. Then it often goes to a FLEA MARKET for sale directly to the public, or to MIDDLEMEN who send it on to ILLEGITIMATE REPACKING OPERATIONS, or it's sold on the INTERNET to unsuspecting consumers. If the product reaches a REPACKING OPERATION, any store identification labels are removed and expiration dates sometimes changed. The repackaged goods are then sold to ILLEGITIMATE WHOLESALERS, who commingle the stolen products with legitimate merchandise and sell the product back to retailers – in some cases to the same retailer from which the product was originally stolen.

The people at the “street level” doing the shoplifting are often desperate people who are drug addicts and/or ex-convicts who will do almost anything to get their next fix or who

need a quick buck. They know that the penalties for shoplifting are minor and that they will face little or no jail time. However, not all "street level" boosters are looking for their next drug fix, nor are they desperate. They are integral elements of an organized retail crime group, and some are even helping to fund terrorism.

It is not uncommon to read in news reports that organized groups are stealing merchandise and selling it to fund terrorist organizations. An article in the Cincinnati Post spoke to this problem:

*"More than \$100 million was generated in a money laundering scheme that used a dozen convenience stores in Cincinnati's poorest neighborhoods to sell stolen goods, say police and prosecutors, who believe the money then might have been used to fund terrorism around the globe.*

*In the scheme, police say, organizers paid pennies on the dollar for stolen goods -- such as cigarettes and teeth-whitening strips -- and then re-sold them at a profit in Over-the-Rhine, Northside, Westwood, the West End, Fairmount, Winton Place and South Cumminsville.*

*Police say they can already prove that \$37 million went through the bank accounts of the man they believe is the ringleader; but they estimate that was "only a third" of the total, said Cincinnati Police Chief Thomas Streicher.*

*Much of the money, the chief added, has been sent back to Middle Eastern countries, often in amounts just under the \$10,000 limit that requires the transfer to be reported to the U.S. government."*

The organized retail crime dilemma has led to greatly increased liaison between federal, state and local law enforcement agencies and the retail community. Also, new federal legislation has been, and continues to be, created aimed at imposing stiffer penalties when members of organized retail crime rings are caught.

As the FBI, state and local law enforcement agencies and leaders in the retail industry take steps to track and fight ORC, there are things that store owners, managers and staff can also do to fight this problem. Secure high value displays by using locking peg hooks, alarmed cable systems, and lockable display cases and cages to prevent these professionals from stealing large amounts of expensive, theft-prone merchandise. And if a customer indicates a desire to purchase a high-end item that is in a locked display, carry it to the POS for the customer. If the customer indicates he has more shopping to do, tell him that it will be waiting for him at register. Install annunciators (alarmed motion detectors) in aisles where you find empty packages to alert your staff of customers in those aisles. If you have a severe shoplifting problem, consider Electronic Article Surveillance, available from ADT-Sensormatic, one of our preferred vendor-partners. Upgrade your CCTV system to cover more aisles, and most importantly, instruct your staff to provide great customer service to everyone who enters your store; smother would-be shoplifters with so much attention that they will not feel comfortable and will

leave your store. Also, teach your employees the behaviors to look for that all shoplifters display as they prepare to steal from your store.

***If you have lost significant amounts of merchandise and/or multiple power tools, saw blades, drill bits, etc., at one time, your store just may have been a victim of ORC. For additional recommendations and assistance, call Retail Loss Prevention at 630-972-2670 or e-mail us at [info@acelossprevention.com](mailto:info@acelossprevention.com).***

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