

Retail Criminals Turn Brazen

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WASHINGTON — Larger quantities of merchandise are being stolen by more brazen criminal groups, but the percentage of retailers being victimized has dropped slightly, a National Retail Federation survey said.

The report said criminal activity is “most problematic” in Los Angeles, Dallas, Houston, Miami and New York, which are among areas where organized retail crime flourishes. The others are Chicago, Philadelphia, San Francisco, Tampa, Orlando, Baltimore, Washington, northern Virginia and northern New Jersey.

Increased law-enforcement and new industry partnerships have reduced the percentage of merchants who reported being targeted by crime to 89.5 percent from 92.2 percent in 2009, the study said. Almost three in five retailers, or 58.9 percent, said they had seen an increase in criminal activity, compared with 73 percent last year.

Joe LaRocca, senior asset protection adviser at the NRF, said criminals are stealing “greater quantities of merchandise, and they are becoming more brazen about it....For those being targeted, it’s getting worse, but fewer retailers are reporting being victims.”

Retailers said in the survey that “smash and grab activity significantly increased” and that “criminals are getting more violent, more bold.”

LaRocca cited a recent case in which authorities broke up a large, sophisticated ring that targeted Levi’s apparel products. He said the gang posted lookouts for security and had drivers ready to speed escapes. The thieves used “aggressive tactics” to intimidate store employees, although none were hurt.

Criminal activity is estimated to cost U.S. merchants \$15 billion to \$30 billion annually.

The findings are based on responses in March and April from 124 representing department and big-box stores, discounters, drug, grocery, restaurant and specialty shops.

“In a broad brush, we’re hearing a lot of success stories, and communication and partnerships have never been stronger,” LaRocca said.

Merchants are starting to invest more time and resources on efforts to curb crime in their stores and distribution centers. More than 48 percent of retailers said they are allocating additional resources to deal with organized retail crime, up from 41.8 percent last year.

In addition, 62.5 percent of the respondents said they had “some success” in identifying stolen merchandise at fencing locations such as pawn shops and temporary stores, and 66.1 percent said they identified stolen merchandise through e-fencing operations online.

Retailers have poured thousands of dollars into lobbying lawmakers and the Obama administration for help in cracking down on organized retail crime.

The industry launched a collaborative database called the Law Enforcement Retail Partnership Network, or LERPnet, in 2007 that connects retailers with each other and law-enforcement officials sharing statistics on suspected thieves and criminal activity. It also started the Coalition Against Organized Retail Crime that includes members such as Target Corp., Macy’s Inc., Wal-Mart Stores Inc., the NRF and the Retail Industry Leaders Association.

In March, the NRF announced a strategic alliance with eBay to develop strategies to combat criminal activity.

There are three bills pending in the House and one in the Senate that confront the criminal activity in several ways, ranging from strengthening the federal criminal code to new civil fines, and imposing policies and information-sharing requirements on online auction sites and in flea markets and pawn shops that are often used to fence stolen goods.