Crime
In
Retailing
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Price $1.10
INTRODUCTION

This booklet reports the results of an analysis of currently available data on the effects of crimes against retailers. It covers only "ordinary" crimes - burglary, robbery, vandalism, shoplifting, employee theft, bad checks, credit card fraud, and arson. Organized crime and extraordinary crimes such as commercial bribery, extortion, and embezzlement have been excluded. Costs of public prosecution and law enforcement services are also excluded, since they are borne by the general public and cannot be related directly to the retail trade.

Firm data on the cost of crimes against retailers are sparse and sporadic in nature. Most crimes against retail store operators are not reported to law enforcement officers, and therefore do not appear in statistical reports on the incidence of crime. In the case of shoplifting or theft of merchandise by employees, the crime is often not discovered until an inventory is taken. In this report, we have estimated the amount of loss suffered by retailers on the basis of information from many sources. Among the sources were trade publications, trade associations, officials of retailing companies and Federal Government agencies.

The report was prepared by the Consumer Goods and Services Division, Office of Business Research and Analysis, Bureau of Domestic Commerce, under the direction of Norris A. Lynch.

CHARLEY M. DENTON
Director
Office of Business Research and Analysis

SAMUEL B. SHERWIN
Deputy Assistant Secretary for Domestic Commerce
Retail merchants lost an estimated $5.8 billion to crime in 1974, an 11 percent increase over 1973. Considering current trends, losses for 1975 are expected to surpass $6.5 billion. All sectors of the industry were victimized, both large and small stores, located in inner cities, as well as in suburbs and rural communities.

Losses to crime result in lower profits and increased prices, and can be a significant factor in the closing of some stores. To counter these losses any crime-prevention program must take into account both internal and external measures since store personnel as well as outsiders are responsible for the loss. The following measures can significantly reduce losses from crime and improve profits if applied conscientiously.

- Adopt professional approaches to property protection.
- Cooperate with industry-wide crime reduction efforts.
- Develop a reputation as a "tough" store by prosecuting apprehended thieves.
- Take advantage of services offered by local police departments.
- Promote local anti-crime campaigns.
- Do not buy merchandise offered at unrealistically low prices from unknown vendors. Such goods are almost always stolen.
- Screen applicants for employment.
- Train employees in crime-prevention techniques.
- Develop a sense of company loyalty.
CHAPTER I

THE ECONOMIC IMPACT OF CRIMES AGAINST RETAIL STORES

In 1974, retailers lost an estimated $5.77 billion to criminals. This is an increase of 11 percent over the $5.21 level reported for 1973, Table I. Expectations are that losses will top $6.5 billion in 1975. Crime-related losses affect stores in all areas, although the frequency varies by type of location, as Table II indicates.

The impact of losses from crime in relation to the size of the firm, as measured by its receipts, indicates, that small business suffers an impact from crime which is 3.2 times that of firms with annual receipts of over $5 million, Table III. Unfortunately, small firms are the least able to absorb these losses, nor can they afford the overhead required for extensive protective measures.

The type of merchandise on the shelves of a retail store has a bearing on the level of inventory shortage experienced. Items with strong buyer appeal that can easily be resold are major targets of theft.

In department stores, costume and fine jewelry, watches, and junior and sub-teen clothing are particularly hard hit, with losses estimated over four percent of sales. Sportswear, young men's clothing, small leather goods, cosmetics, men's casual wear, photo goods and records all suffer higher than average shortage rates.

Drug stores average losses of about three percent of sales due to inventory shortages. In 1974, losses for drug stores were $500 million. The high rate of loss is due, in part, to the nature of the merchandise such as cosmetics, costume jewelry, candy, drugs, toys, and records. This level of loss is about the limit most stores can tolerate, since the profit margin is not much greater.

Crime-related losses for food stores are estimated at $1.2 billion on sales of $119 billion in 1974. These losses result primarily from inventory shortages, bad checks, and truck hijackings, though burglary has become more of a problem as meat prices rise.

The two primary targets for food store thieves are cigarettes and meat, both of which have high value/weight ratios and are readily salable. Quite often small food markets and restaurants are unwitting or knowing purchasers of stolen meat. For example,
one firm in Iowa lost six truckloads of meat, valued at from $30,000 to $65,000 each, to hijackers and frequently the firm's meat trucks arrive at their destinations with part of their cargoes missing.

If the profit margin in a particular establishment were two percent of sales, the store would have to increase sales by $2,500 to compensate for the theft of an article which cost $50.

| TABLE I |


<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Sales ($ billions)</th>
<th>Losses ($ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General merchandise and apparel</td>
<td>81</td>
<td>108</td>
</tr>
<tr>
<td>Drug stores</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Food stores</td>
<td>86</td>
<td>106</td>
</tr>
<tr>
<td>Other</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td>TOTAL</td>
<td>201</td>
<td>259</td>
</tr>
</tbody>
</table>

1/ Estimated by Bureau of Domestic Commerce

2/ Includes home furnishings, furniture, appliances, radio and TV, and hardware stores. Not included are eating and drinking places, automobile dealers, building material dealers, or gasoline service stations.

Source: Monthly Retail Trade Report, Bureau of the Census.

| TABLE II |

Category of Crime

| Percent of Those Reporting At Least One Incident by Location: |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                         | Shoplifting | Checks | Burglary | Robbery | Vandalism |
| Central city             | 14          | 41     | 18       | 3        | available |
| Suburbs                  | 15          | 31     | 16       | 2        | 18        |
| Rural                    | 15          | 36     | 9        | 1        | not       |

Source: Crime Against Small Business, Small Business Administration.

| TABLE III |

Index of Losses from Crime by Receipt Size

<table>
<thead>
<tr>
<th>Business Receipt Class</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>All businesses</td>
<td>100</td>
</tr>
<tr>
<td>Under $100,000</td>
<td>323</td>
</tr>
<tr>
<td>$100,000 to $1,000,000</td>
<td>205</td>
</tr>
<tr>
<td>$1,000,000 to $5,000,000</td>
<td>127</td>
</tr>
<tr>
<td>$5,000,000 and over</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Crime Against Small Business, Small Business Administration.
CHAPTER II

TYPES OF "ORDINARY" CRIMES AGAINST RETAILERS

Shoplifting

Inventory shortages occur when the value of the merchandise on the store's shelves is less than the book value of the inventory. They result from many reasons but the major causes are internal and external theft.

Shoplifting is the most widespread crime affecting retail stores today. In the period 1967-1972, reported incidences of shoplifting rose 73 percent. Approximately 55,000 shoplifters were apprehended each year in New York City alone. In a study of one New York City store, 500 shoppers, chosen at random, were followed and observed closely; forty-two, or one in 12, stole something. Theft has reached such proportions that it has been recognized as a contributing factor in some branch closings and corporate bankruptcies.

A survey of over 6,000 discount department stores conducted by the Mass Retailing Institute revealed that an estimated 900,000 shoplifters and 18,000 employees were apprehended for theft in 1972. One respondent reported that 10 percent of the store's employees were apprehended for theft. The number of shoplifters apprehended averaged 125 per store, with one store reporting 512 shoplifters apprehended.

The Menswear Retailers of America, Newsletter, reports that shoplifting losses ranged up to $100,000 per store in 1972. With higher prices and increased shoplifting activity, this loss figure has undoubtedly risen significantly over the past three years.

People shoplift for a variety of reasons. The true kleptomaniac, an individual with an uncontrollable impulse to steal, is very rare. Others may be classified as either amateur or professional shoplifters, with amateurs being the larger group.

Professional shoplifters "earn" their livelihoods through frequent thefts. They steal in order to resell their loot for cash and take goods of higher aggregate value than the amateurs. Most professionals have standing arrangements with "fences", and will often specialize in a specific type of merchandise or particular type of store. They are hard to detect in operation because of their smooth and efficient techniques.

Amateur shoplifters, on the other hand, include many different types stealing for widely divergent reasons.

The most unpredictable types are the desperate shoplifters whether they are drug addicts, vagrants or others in dire need of money. They steal goods for resale, to support drug addiction, alcoholic addiction or to pay off loan shark commitments. Their methods are often crude and more the result of opportunity than of planning and finesse. With such crude methods their thefts depend on surprise and speed. Since they steal out of desperation they can be dangerous when stopped in the act.

Amateurs who do not fall in the category of desperation are very difficult to classify. They may steal on impulse or because of a real or imagined grievance against the store or its employees. It may be that the shoplifter needs the item but is unable or unwilling to pay the price marked. Or as with youthful shoplifters, they may steal for the thrill or because of peer pressure. Their actions are sometimes a bid for attention and are difficult to understand.

Marketing techniques which make merchandise desirable to a potential buyer also make it tempting to a potential thief and offer opportunities for theft. Imaginative displays of goods, which might be overlooked, at check counters or in gondolas suggest to the customer that he needs them and can easily make his selection. Both sales and thefts increase when customers can handle goods displayed this way because the impulsive theft is triggered by this combination of temptation and opportunity.

Ticket switching is another example of techniques used by larcenous "customers" to bilk retailers. A price ticket is removed from one item and affixed to another, more expensive item allowing the ticket-switcher to check out paying the lower price. Other variations are switching merchandise from one box to another bearing a lower price, fake returns for refunds, collusion with dishonest employees who make deliberate under-rings, and destruction of merchandise by vandals.

Employee Theft

Although shoplifting is receiving much attention from retailers, many authorities think that employee theft is the major cause of inventory shortages due to theft. Evidence to substantiate this assumption is fragmentary. However, retailers in a major urban area recently reported that 3,128 employees had been prosecuted for theft or had been discharged after confessing theft in 1974. The value of stolen merchandise was $857,000, and $623,000 in cash stolen. Dishonest employees were detected in all departments, including management, engineering, and personnel, but the majority of thefts, 80 percent on a dollar basis, occurred in sales, stock and the cashier. Eighty-one
of the discharged or prosecuted employees held positions in security.

Bad Checks

According to a study conducted by the Small Business Administration, bad checks accounted for about 10 percent of all crime-related losses to business in 1967-68. As the use of checks in place of cash grows, the losses suffered by retailers is expected to increase.

The National Association of Food Chain (NAFC) surveyed its members to determine their experience with checks. Replies were received from chains with 5,038 stores cashing over 23 million checks per month. These chains experienced an annual loss of over $5 million from bad checks, averaging $100,000 per chain, with one chain reporting a loss of one million dollars. The Department of Commerce estimates that bad check losses for all food transactions reached over $450 million in 1974.

Burglary and Robbery

Potentially the most violent crimes against business are burglary and robbery.

Robbery consists of thefts in the presence of the victim, usually through the use or threat of force. Robbers are interested in obtaining cash or merchandise with a very high value-to-weight ratio because the situation requires a quick exit from the scene.

Burglary, on the other hand, is the illegal entry of premises with the intent to steal. This type of crime usually occurs after store hours and in unattended storerooms where there is little likelihood of meeting the victim. Burglars, by the nature of the crime, can be more selective in the goods they take and usually take larger quantities.

According to the Law Enforcement Assistance Administration’s Crime in the Nation’s Five Largest Cities, retail-stores are the major commercial targets for burglars and robbers. In all five cities, the victimization rate for retail establishments was substantially higher than for other types of businesses. While burglary or robbery were reported as having occurred by 49.7 percent of all commercial establishments in the five cities, the rate was over 70 percent for retail establishments.

According to Crime in the United States - 1973, published by the Federal Bureau of Investigation, reported robberies of gasoline service stations decreased six percent, but chain store robberies increased 167 percent, bank robberies increased 37 percent, and robberies of all other commercial establishments increased 31 percent.

The same publication reports that in 4,944 reporting cities, 27.2 percent of the reported robberies, and 17.6 percent of the reported burglaries were cleared from police records by the arrest of a suspect.

As indicated in Table IV, both burglary and robbery are more prevalent in stores in ghetto areas and central cities than in those located in suburban or rural areas. In addition, small firms suffer greater proportionate losses from these two crimes than do larger companies.

Credit Card Fraud

The use of credit card plans operated by credit bureaus, banks or other non-store organizations tends to spread fraud-related losses over a large number of retailers. The loss rate due to their fraudulent use has slowed in recent years because of greater regulatory limitations on distribution.

Indiscriminate mailing of bank credit cards in a competitive major market in 1966 and 1967 led to their abuse by persons with poor credit ratings and by criminal groups, who stole them from mailboxes in multi-family housing units. The banks involved estimated their losses at $6 million as a result. Because of experiences such as this, and legislation limiting consumer credit card loss responsibility, indiscriminate mailing of credit cards is no longer a regular practice.

Vandalism

Vandalism can take many forms in addition to defaced buildings and smashed windows, even some shoplifting may actually be vandalism. If the stolen merchandise is an item the thief cannot sell or does not want himself, he will discard it. As an example, in grocery stores, foods might be removed from frozen food cabinets and allowed to spoil by thawing.

Except for the obvious attacks, such as broken windows, deliberate soiling or mussing of merchandise, opening packages and removing parts, and defacing packages are examples of vandalism that resembles normal shelf-wear or the result of customer traffic. Because such vandalism is difficult to identify in retail stores the actual loss to the retailer is hard to determine.
### TABLE IV

**Burglaries and Robberies, by Location**  
(Rate per 100 Establishments)

<table>
<thead>
<tr>
<th>Location</th>
<th>Burglary</th>
<th></th>
<th>Robbery</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Retail</td>
<td>All</td>
<td>Retail</td>
<td></td>
</tr>
<tr>
<td>Ghetto</td>
<td>69</td>
<td>97</td>
<td>9</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Non-Ghetto</td>
<td>38</td>
<td>38</td>
<td>3</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Central City</td>
<td>29</td>
<td>28</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Suburbs</td>
<td>16</td>
<td>12</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>27</td>
<td>28</td>
<td>2</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>All Locations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Law Enforcement Assistance Administration, U.S. Department of Justice

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**Table V. Victimization Rates of Retail Stores, by Type of Victimization and City, 1972**  
(Rate per 1,000 establishments)

| Type of Victimization | Nation's Largest Five Cities | | | | | |
|-----------------------|------------------------------|---|---|---|---|
|                       | Chicago                      | Detroit | Los Angeles | New York | Philadelphia |
| Burglary              | 372                          | 720     | 509         | 429      | 493          |
| Robbery               | 135                          | 370     | 95          | 212      | 734          |
| Robbery and Burglary  | 507                          | 1,090   | 604         | 641      | 1,227        |
| Number of Retail Estab- | 43,500                     | 16,700  | 42,000      | 200,700  | 32,300       |
| lishments             |                              |         |             |          |              |

Selected Crime-Impacted Cities

<table>
<thead>
<tr>
<th></th>
<th>Atlanta</th>
<th>Baltimore</th>
<th>Cleveland</th>
<th>Dallas</th>
<th>Denver</th>
<th>Newark</th>
<th>Portland St. Louis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burglary</td>
<td>1,114</td>
<td>567</td>
<td>466</td>
<td>494</td>
<td>572</td>
<td>946</td>
<td>446</td>
</tr>
<tr>
<td>Robbery</td>
<td>327</td>
<td>225</td>
<td>147</td>
<td>131</td>
<td>156</td>
<td>163</td>
<td>100</td>
</tr>
<tr>
<td>Burglary &amp;</td>
<td>1,441</td>
<td>792</td>
<td>613</td>
<td>625</td>
<td>728</td>
<td>1,009</td>
<td>546</td>
</tr>
<tr>
<td>Robbery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Retail</td>
<td>3,630</td>
<td>14,600</td>
<td>10,100</td>
<td>13,400</td>
<td>6,700</td>
<td>6,600</td>
<td>5,300</td>
</tr>
<tr>
<td>Establish-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ments</td>
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<td></td>
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</tr>
</tbody>
</table>

Source: Law Enforcement Assistance Administration, U.S. Department of Justice.
CHAPTER III
KEEPING CRIME LOSSES DOWN

The most effective way to control crime-related losses is a well-thought-out crime prevention program, managed by a competent director of security with full support of top management. He should report directly to the chief operating officer, so that he is on the same executive level as managers of sales, finance and other important operations. Loss prevention techniques sometimes conflict with techniques for maximizing sales, and paperwork necessary to safeguard cash and merchandise can be time consuming. Therefore, the director of security, must have sufficient status so that his suggestions and instructions will not be ignored.

An aggressive director of security will concentrate on offensive techniques rather than reacting to crime and catching the thieves. He will find and plug security loopholes and uncover loose merchandise and cash control practices before they can develop into major profit leaks. He will devise methods, plans and procedures to be available for implementation when needed.

Crime prevention should be the major emphasis of a security program, since apprehension and prosecution of employees or outsiders is expensive and time consuming. The costs of prosecution, as well as losses to successful thieves can be greatly reduced through a well-designed crime-prevention program. This program should consist of four major efforts; management, cooperation, hiring and training, and prosecution.

Management

As mentioned before, security is a management function, and should be directed by a high-level manager. The manager should be an experienced operator who is familiar with all the store's operations. He needs a charter which gives him the authority and resources to implement required programs. He will be responsible not only for anti-crime programs but for all services designed to protect the store and its customers, employees, and goods. This responsibility will extend to designing and implementing plans to deal with fire, riots and civil disturbance, espionage by competitors, as well as screening applicants for employment.

The director of security, in a large organization, will devote all of his time to security matters, while his counterpart in a smaller firm may have other closely related duties. He should receive adequate training in his duties. Many community colleges and four-year universities offer college-level degree courses in industrial security. Also, the American Society for Industrial Security conducts annual seminars at which the latest security techniques and problems are discussed by recognized experts.

The budget of the director of security must be large enough to provide for equipment and a staff of trained personnel commensurate with the size of the establishment, the location of the store, and the degree of risk inherent in the type of merchandise carried.

Cooperation

Effective anti-crime programs require merchant cooperation on several levels. Some cooperative programs which have been successful are:

1. Merchant's alerting program. This telephone system passes the word rapidly to cooperating merchants when a potential threat to security arises. It can warn of bad check passers, counterfeit bill passers, shoplifting gangs and credit card abusers.

2. Publicity campaigns. This approach has been used extensively to combat shoplifting by teenagers. The multi-media "Shoplifting is Dumb" program of the Washington, D. C. Retail Bureau is considered a model that other cities might adopt. A Campaign - Urbana, Illinois, campaign was built around the booklet Teenagers Beware! Shoplifting is Stealing, developed by the National Retail Merchants Association. The booklet was distributed to students in junior and senior high schools, and was accompanied by a widespread publicity campaign, fully supported by the press, radio and television. The campaign was aimed at teenagers and their parents, since local merchants estimated that 65 percent of shoplifters were teenagers.

3. Cooperation with local authorities. Merchant support of local police efforts whether they be on the effects of crime or drug abuse can be very profitable to retailers. Similarly, school programs on such topics deserve business support, as do programs of local chambers of commerce or merchants' associations. These latter organizations can be influential in coordinating comprehensive city or area-wide programs.

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4. Cooperation with trade associations. Trade associations can provide many services which the small or medium-size firm cannot perform for itself due to lack of resources. The National Retail Merchants Association publishes booklets on combating crime in retail stores. Also, the Mass Retailing Institute's Loss Prevention Council conducts periodic loss prevention conferences on many aspects of crime against self-service general merchandise chains. Other organizations such as the National Association of Retail Grocers of the United States, the Menswear Retailers of America, and the National Federation of Independent Business also publish materials on retail crime.

**Hiring and Training**

Sales people constitute the first line of defense against thefts of merchandise, therefore, the anti-crime training of employees should take two directions. Initially, all store personnel, from the executive level to maintenance workers, should be educated as to how they can make a conscious effort to reduce crime-related losses. Secondly, a sense of honesty and loyalty to the store should be instilled in employees.

Worker involvement in this program should begin when the prospective employee applies for a position. The application form should contain two declarative statements; one, that the background of all applicants will be investigated prior to hiring and; two, that all cases of employee theft will be prosecuted. In addition, the applicant should be asked to sign the statements indicating he fully understands them. These statements alone should deter some applicants who have previously engaged in dishonest activities.

Recent legislation and court decisions limit techniques which may be used in making pre-employment checks on prospective employees. However, an investigation into the background of each applicant should be made, particularly those who will have access to cash or high-value merchandise. The applicant should complete an application for bonding, whether the company intends to bond him or not. Most applicants know that a bonding form should contain two declarative statements; one, that the store's philosophy regarding theft. Executives should be aware that their actions are observed by other employees, who will influence the employee's attitude toward crime prevention. Executives, therefore, should be scrupulous in following procedures covering accountability for goods and cash. An executive who removes merchandise, even of negligible value, for his own use, encourages others to do the same.

**Prosecution**

The cost of reducing crime is expensive, whether money is spent to prevent crime or to prosecute the thief. The cost of prosecuting apprehended thieves must be considered in any security program. The time of executives and security officers involved, as well as legal fees, may cost more than the value of the stolen merchandise. This cost must therefore be measured against the deterrent effect of prosecution. Most businessmen are in agreement that a positive company policy of active prosecution is a strong deterrent to shoplifting. As an example, a Columbus, Ohio store reported their new, tougher policy on prosecution had reduced losses from outside theft.

It is essential that apprehension of suspects be carried out in strict accordance with the law. Disregard or ignorance of proper legal procedures can result in unsuccessful prosecution efforts or even false arrest suits. It is therefore imperative that security personnel be thoroughly familiar with regulations, and although sales people do not ordinarily make arrests, they should have an understanding of the procedure. These arrest procedures should be developed by an attorney fully familiar with the local statutes pertaining to retail crime and arrests.

The prevention aspect is also expensive. One major Washington, D.C. department store chain increased its security budget to $1.5 million in 1974, and its security force to over 150 people in an effort to curb increasing theft losses.

**Merchandise Accountability Program**

An employee who receives custody of merchandise should be held responsible and should have authority to require a receipt from any employee to whose custody it is transferred. Many techniques used to control cash are readily applicable to merchandise control as well. For example, the same employee who...
not check merchandise into, as well as out of, a locked store-
room. The employee responsible for the physical security of a
storeroom should not also hold the inventory control merchandise
records. Small-scale pilferage is likely if the pilferer can
cover his actions by falsifying records.

Strict control over mailing labels, refund authorization slips,
lay-away tickets and other types of forms which can be used by
employees to obtain cash and goods illegally, is essential.
Also employees movement into storerooms, loading docks, and
other non-selling areas should be restricted to those whose
duties take them there.

A program of rewards to employees who report observed thefts or
other violations of company policy can reduce losses. The
program must be tailored to the individual store, and a definite
scale of rewards established. The number and dollar amount of
rewards granted should be publicized, but the workers responsi-
ble for the tips should not be identified.

Combatting Shoplifting

Shoplifting is the other part of the problem of inventory
shortages. It can be minimized by good management techniques
involving training of employees, cooperation with other
retailers, utilization of new technology, and a determination
to prosecute shoplifters.

An efficient, service-minded salesperson can be a strong
deterrent to shoplifting. A cheerful "May I help you?" is
appreciated by a bona fide customer, but these words give
notice to a thief that he has been seen by an alert observer.

Many retailers, association executives, and elected officials
feel that the best way to attack the shoplifting problem is
through a massive public relations campaign. The STEM (Shop-
lifters Take Everybody's Money) program used in Philadelphia
and many other jurisdictions is an example of a commercially
produced public education campaign. Any program should stress
the fact that shoplifting is a crime, that it is not smart, or
"in", and that it results in higher prices for everyone.

New techniques to combat inventory losses are constantly under
development. One of the latest is an electronic merchandise
tag, which can be removed only with a special tool. If not
removed by the clerk, the tag triggers an alarm at the exit
from the department or from the store.

Merchandise with a high value-to-size ratio is particularly
susceptible to shoplifting. Its high value makes it very
tempting, and its small size makes it easy to conceal. Such
merchandise should be kept in counters with glass tops or in
locked cabinets behind counters, where it can be observed
by a sales clerk, cashier or uniformed guard.

Ticket-switching may be combated by making it difficult to
substitute one price mark for another. One approach is to
use price tickets which tear apart when there is an attempt to
remove them from merchandise. On soft goods, price tags,
written in ink should be attached with plastic string or wire,
or with strong staples, which require tools to remove.
Since these methods are not fool proof cashiers should be
familiar with the prices and ticket system used by the store,
so that tampering may be immediately recognized. On goods that
are particularly susceptible to theft, hidden duplicate price
tags or coded prices may be attached, so that the cashier will
know the correct price.

Theft of garments in the fitting rooms of apparel stores is a
continuing problem. A customer may take garments into the
privacy of the fitting room, remove the tags, and wear them out
of the store when the clerk's attention is diverted. To avoid
this loss, stores should note the number of garments a customer
takes into the fitting room, and make a record of it. In
addition, the previously suggested techniques for tags will
also help reduce losses.

Convex and one-way mirrors placed at strategic points, as
well as closed circuit television, monitored from a central
station, are examples of surveillance equipment available.
They enable security personnel to keep all areas in view.
Warning signs stating that apprehended shoplifters will be
prosecuted are effective deterrents, particularly to amateurs.

These approaches often will not deter the professional shop-
lifter. A well-planned foray by a group of expert profes-
sionals is difficult to detect and prevent, but training of
salespeople can improve their deterrent effectiveness in this
field.

Programs for anti-shoplifting training are available from
several sources. These may be adapted to meet the special
problems of a particular store. The film "It's a Crime," by
General Mills, Inc., is an example of such a program.

Effective Stock Shortage Control, published by The National
Retail Merchants Association, can be used by a company security
director as the basis for an employee anti-theft training
program.

The Mass Retailing Institute has conducted research as to the
effect of shoplifting in its member stores. The study should
help sales personnel understand the need for anti-shoplifting
measures.
A training program should familiarize employees with the techniques used by professional thieves. Such techniques include hooks sewn inside coats or other bulky garments, to which merchandise can be attached; shopping bags, knitting bags, umbrellas or bulky packages into which small valuable items can be dropped; boxes with hinged tops, into which small items can be slipped; and "booster bloomers," baggy pants tied just below the knee, with an elastic waist, into which many articles may be dropped. Some women have developed the ability to walk "from the knees down." They are able to grasp a sizeable item, such as a portable radio or a man's suit between the thighs, where it is covered by a full skirt, and walk out of the store.

Many other dodges are used by experienced shoplifters. A bareheaded woman entering the hat department may be wearing a chic chapeau when she leaves, if the clerk is inattentive or not familiar with the merchandise. A man may try on several pairs of shoes, and walk out with a new pair, leaving his old one in a box which the clerk unknowingly replaces on the shelf. On a rainy day, a shoplifter may "palm" the tags attached to an umbrella and walk away with it as if it were his own. Some security personnel have observed a shoplifter who massages his foot, as if his feet are hurting, to disguise the fact that he is near the point of departure.

The techniques used by shoplifters are so varied and numerous that it is difficult to list them all. New techniques are being developed every day, and no single defense will be effective in all cases. Sales people must be alert to any unusual action by shoppers which might indicate an intention to steal. Most customers will examine an item and decide in a short time whether or not to buy it. A shopper who lingers unduly over a purchase should be watched carefully. Similarly, sales people should be suspicious of a shopper who appears to be examining merchandise but repeatedly glances around the department.

Some theft techniques are not as furtive but are nevertheless difficult to combat. Teenagers sometimes will converge in a large group on a particular department and create an uproar. The sales people will not be able to watch all of them, and a theft can be accomplished easily. When a crowd suddenly appears in any department, an emergency call should be made to security immediately.

Most police departments have organized crime-prevention sections that can advise retailers on preventive measures. Furthermore, private consultants, trade associations, equipment suppliers and trade publications can often supply information on shoplifting techniques and ways of combating them.

Managers frequently overlook ingenious means of access apparent to burglars, and trust sturdy locks on the front and backdoors to keep intruders out. Openings, such as windows, ventilation and air conditioning ducts, show windows, sky lights, coal chutes, and attics and basements connecting with other stores can be used to gain access. Store managers should give serious consideration to bricking up or otherwise closing off all unnecessary points of access.

Many local police departments advise store operators with respect to techniques for protecting the premises against burglars. Some even conduct security surveys upon the request of store management, but even the most secure store can be entered. A determined burglar can cut a hole through the roof and quickly lower himself into a store. Or he may hide in the store at closing time, pick up merchandise at his leisure and then depart.

Therefore, some sort of alarm should be installed to deter would be burglars. Alarms which sense the presence of an intruder can be wired to alert a nearby police station or private security service. An alarm which rings a bell outside the store can motivate nearby residents to call police, and scare the burglar away. Generally these alarms are less effective than the direct wire type.

Locks which require keys to be opened from the inside as well as the outside will slow down a burglar's escape and increase the likelihood of capture. These locks will also make it difficult for a child or a very small adult to squeeze through a small opening and admit the rest of the gang through a door.

Consideration should be given to keeping front window displays low and the interior of the store lighted when the store is closed enabling cruising police officers to scan the interior as they pass. For the same reason, empty packing cartons, trash containers and foundation plantings should not be placed so as to furnish burglars a place to hide while they attack the building. Lights of sufficient intensity to enable police to see lurkers should be burning both front and rear between sunset and sunrise. Keys should be safeguarded. Locks and combinations should be changed regularly.

The cash losses from robberies can be minimized by frequent bank deposits. A robber will usually determine how much money can be expected to accumulate in the till. If only a small amount is on hand, the situation is not tempting, and the loss is minimized if a robbery does occur. In taking money to the
bank, it is preferable to make several trips per day than to carry a large sum once daily. Vary the schedule and route to the bank so that a potential robber cannot anticipate the time the messenger will pass any particular point.

If a great deal of cash often accumulates in the cashroom, consideration should be given to constructing an access hallway with an electrically-controlled steel door at each end. This will serve to make a holdup unattractive to robbers and isolate them from the rest of the store.

Store personnel should be instructed to comply with the demands of a robber turning over cash or any other items demanded. The robber is probably armed, may be desperate, and is certain to be nervous. Heroic action by employees or store operators is quite likely to result in serious injury or death.

At the same time, employees should be as observant as possible of the robber's appearance and mannerisms, so he can be described to the police. Generally, it is of great value to the police to know the robber's height and weight, race, type and color of apparel, approximate age, distinguishing marks, voice and accent, and type, make, color and tag number of the get-away car. The direction in which the robber headed should also be noted. Criminal description sheets, such as those illustrated in the appendix, should be posted at each cashier's station. Cashiers will become familiar with the descriptive features which are of use to police and will be better able to note these factors. Employees should record the facts they have observed before they discuss the holdup with anyone else.

Proproriters of very small stores can use a buddy-buzzer. This is an inexpensive electrical circuit installed between adjacent stores. It consists of a hidden switch on the floor near the cash register or under a counter, which can be pushed or stepped on without the robber's knowledge. It will then activate a buzzer, bell, flashing light or other alarm in the store next door, indicating that a holdup is in progress and that the police should be notified.

Silent alarms, wired into police headquarters or into the headquarters of a commercial security service are also available which make it possible to notify police while the robbery is in progress. Speed in picking up the robber's trail is an important factor in apprehension and quick notification will aid the effort. As a minimum, the police emergency number should be posted adjacent to the phone, so police can be called as soon as the robber has left the premises.

Bad Checks

A well planned and rigidly enforced procedure for cashing, and accepting checks in payment for merchandise can greatly reduce bad check losses.

Supermarkets, as mentioned previously, are active in check cashing for customers. Most of them will issue check cashing courtesy cards to customers upon application. The application form is usually quite comprehensive enabling the firm to withhold cards from those with a poor credit rating or history of writing bad checks. In the absence of such a system, the businessman may defend himself against bad checks by demanding adequate identification from the customer offering a check, and by instituting administrative safeguards.

A basic rule of protection against bad check passers is to require adequate identification from the person offering the check. Generally acceptable as proof of identify is the driver's license. In some states, they bear the licensee's photograph and in all cases, they indicate physical characteristics, such as sex, race, height and color of hair and eyes, on which identification can be based. In addition, the issuing authorities make an effort to assure that the data on the license are correct.

Charge plate and credit cards can also be used to identify check cashers if they have been signed by the bearer. These are usually issued after some investigation. Also, employee identification cards and building passes, with the owner's photograph, are generally acceptable for identification.

Business cards, bank books, social security cards, library cards, club membership cards and commercially printed "I.D." cards are not reliable indicators of identity. These are available to anyone, under whatever name and address he offers, since no investigation of the applicant's identity is made.

Whenever suitable identification is presented, the cashier or authorizer should compare the photograph, signature, and physical characteristics with those of the customer. This is an obvious requirement, but one often overlooked.

Good management practices can also minimize check losses. Unless the volume of checks is very large, the manager or supervisor should approve checks before they are accepted. If the volume makes this impractical, cashiers and sales-clerks should be schooled in the store's procedures in how to recognize valid checks. Most banks can furnish leaflets describing the elements of a valid check.
Third party checks should always be examined with extra care. A third party check is one written by one person and made payable to the order of another. The payee then asks a third person, such as the cashier at a retail store to cash the check or to accept it in payment for merchandise. Payroll and Government checks are third party checks when presented at checkout counters of retail stores.

Third party checks are especially susceptible to criminal elements especially in the form of stolen payroll checks or government checks, such as social security payments. It is, therefore, suggested that third party checks be cashed only for those who are familiar to the store management.

There are a number of devices and procedures which will serve to deter some bad checks passers. One such device photographs the check and customer simultaneously while another preventive procedure is obtaining the thumb print of the check cashier. Both these items make identification easier, but do not guarantee that in the end the passer will be caught.

All accepted checks should immediately be stamped "For Deposit Only," to make it impossible for a thief to cash them.

In addition, information on the person cashing a check should also be recorded on the back. As a minimum, this would include his address and telephone number, if these are not already on the face of the check. The description or serial numbers of items presented for identification should also be noted.

In summary, the following lists steps retailers can take to minimize bad check passers. It is reprinted with permission of the Continental Illinois National Bank and Trust Company of Chicago, from the booklet, A Businessman's Guide to Protection Against Crime:

- Limit the cash amount of checks.
- Limit checks to the amount of purchase.
- Cash checks only for people who live in the area and are frequent customers.
- Limit the kind of check that will be cashed. If only personal checks made out to the store are cashed, the risk of taking uncollectible third party checks is eliminated.
- Use photo equipment to take a picture of each person who cashes a check.

Credit Card Fraud

Banks, operating credit card plans, have reduced their losses by more careful screening of applicants.

Most retail firms depend upon these outside credit card plans, rather than their own and can reduce their losses by following certain, specific procedures.

One; compare account numbers with the latest list of stolen, lost, or suspended cards. A card which has been stolen or lost very recently will not show up on the invalid card list for several days or even weeks. Two; amounts which exceed the card plan's floor limit must be verified by phone. Three; as mentioned before, it is imperative that the signature on the card and the signature on the bill match.

Large retail firms which operate their own credit plans have developed techniques for screening applicants for credit and have thus minimized their losses. Credit screening must, of course, be performed within the limits permitted under fair credit legislation. In this case also, clerks must be trained to follow exactly the prescribed screening procedures for the store's own charge cards.

One advantage of the use of the point-of-sale computer terminal instead of a cash register is that it can be programmed to verify the credit card in the case of every credit sale, and notification of the status of invalid cards can be entered into the computer within minutes after the store is made aware of a card's loss. Cards should be promptly returned to customers after use to avoid confusion and prevent theft.

Vandalism

Vandalism during business hours can be reduced through an alert workforce. Vandals prefer to attack while unnoticed, and will usually leave without doing any damage if they realize they are under surveillance. Visible uniformed guards have this deterrent effect on vandals.

If vandalism, particularly at night, becomes a major problem, the store operator should ask the police to pay particular attention to the premises during their rounds. Good burglary prevention techniques will also offer protection against vandals. A well-lit exterior, with no shrubbery or piles of rubbish to mask their movements, will often scare them off. Metal grilles over windows, or panes of break-resistant plastic, will render rocks and other missiles harmless. In addition, exterior paints from which vandals' graffiti can
Items such as trucks and machinery, or bulk merchandise which is generally stored outside, should be enclosed within a sturdy fence. While a thief may climb over such a fence in order to steal, vandals often will look for easier targets.

CHAPTER IV
EXAMPLES OF BUSINESS ANTI-CRIME EFFORTS

In a small Illinois city, the proprietor of a men's clothing store initiated the establishment of a shoplifting clinic in his community. The clinic was sponsored by the local chamber of commerce and the Retail Clerks Union, and was attended by representatives of the local police department, who described ways of apprehending shoplifters, and the evidence needed to convict them. A movie, which depicted many techniques used by shoplifters, was shown, and a store security bulletin with anti-shoplifting tips for clerks was distributed to individual stores.

The Retail Bureau, Metropolitan Washington Board of Trade, Washington, D.C., has mounted a drive to reduce shoplifting by teenagers. Local disc jockeys and police officials appear at schools to discuss the perils of shoplifting, including the effects of having a police record. In addition to the educational portion of the program, individual retailers have stepped up their security systems to prevent shoplifting. Similar campaigns have been initiated in many large cities.

The Mass Retailing Institute has an active Loss Prevention Council, made up of directors of security of member firms. The steering committee of the Council conducts regular loss prevention seminars, where loss problems and prevention techniques are discussed. The seminars are limited exclusively to practicing retail loss prevention executives and their assistants.

The suggestion of Julie Kaufman, sales representative for Londontown Manufacturing Co., to cut thefts of leather jackets is an example of the contribution that an individual can make. He suggested alternating hangers - one facing in, the next one out thereby preventing thieves from rushing in and grabbing an armful of jackets off the racks. Customers, however, can easily take a single jacket down to try on.

The K Mart store in Denver sponsored a program at which three young inmates of the Colorado State Penitentiary urged teenagers to keep away from all types of "smaller" crimes, such as shoplifting and vandalism, since they often lead to involvement in more serious crimes.

Employee theft was suspected by one store's management as the major cause of inventory shortage. To combat this they hired undercover investigators to work as stockroom and dock personnel. As a result, a theft ring of 14 employees was discovered.
Most retail stores require sales people to wear an identifying badge, generally a name tag, in order that customers may pick them out. Some stores go a step further and require special badges or uniforms for employees authorized to have access to storage rooms, shipping docks or other high risk areas.

The New York City Police Department has an established crime prevention program aimed at reducing the incidence of pilferage, hijacking, and burglaries. It is basically an educational program to make merchants aware of the precautions that may be taken. It will conduct examinations of business premises to point out specific weak spots and suggest improvements.

The high price of meat has made it a prime target for supermarket shoplifters and truck hijackers. One large chain is experimenting with an inconspicuous marking system, so that meat hijacked from their trucks can be identified when it appears on shelves of competing markets or in other outlets.

One high quality apparel store has found solutions to their shoplifting problems by having one sales person serve almost every customer. Although most retailers cannot afford the one-to-one solution, it points up the deterrent effect of quick and efficient service by clerks.

To speed the processing of trials the City of Chicago has established a special shoplifter's court. This step should make prosecution of shoplifting cases less time-consuming and reduce the expense for the victimized merchant.

In the audio-visual area, General Mills, Inc., has produced a 21-minute motion picture entitled "It's a Crime," to familiarize food store operators and employees with techniques used by thieves. The film is available, for a fee, to anyone interested in reducing thievery.

CHAPTER V
SOURCES OF ASSISTANCE

Trade Associations

Trade Associations can be helpful to retailers interested in setting up crime-related loss reduction programs. Some associations conduct lectures or seminars on crime prevention at their annual conventions while others make booklets, motion pictures, or other aids available. Certain associations are engaged in gathering statistical data on the incidence and impact of crime, and representing the industry's interests before Federal and State government agencies.

Organizations active in these areas are:

- American Society for Industrial Security
  2000 K Street, N.W.
  Washington, D.C. 20006

- Chamber of Commerce of the United States
  1615 H Street, N.W.
  Washington, D.C. 20006

- Jewelers Security Alliance of the U.S.
  535 Fifth Avenue
  New York, N.Y. 10017

- Mass Retailing Institute
  570 Seventh Avenue
  New York, N.Y. 10018

- Menswear Retailers of America
  390 National Press Building
  Washington, D.C. 20004

- National Association of Food Chains
  1725 I Street, N.W.
  Washington, D.C. 20004

- National Association of Retail Grocers of the United States
  2000 Spring Road
  Oak Brook, Ill. 60521

- National Federation of Independent Business
  150 West 20th Avenue
  San Mateo, Calif. 94403
State and Local Governments

The state law enforcement agencies such as state troopers, highway patrol, etc., usually have specialists who concentrate on preventing and solving crimes against business. The police departments of most large cities have similar specialized staffs. They are often available for consultation with individual store operators or groups of merchants.

Retailers can profit from a close liaison with local law enforcement agencies. The services available to businessmen vary, but generally include guidance on crime prevention programs, alerting merchants to new criminal schemes, and business area patrols during non-opening hours. In some jurisdictions, intrusion alarms are wired from stores to local police stations, allowing police to respond quickly.

Each state has established a State Planning Agency to receive and administer grants from the Law Enforcement Assistance Administration, for the purpose of improving State-wide law enforcement and criminal justice programs. These programs include professional training for police officers, legal guidance for city police, improvement of communications, setting up or improving crime laboratories, drug abuse education and court and institutional improvement. For a list of State Planning Agencies see Appendix B.

Federal Government

Expenditures by the Federal Government to reduce crime were $2,416 million in the twelve-month period ending June 30, 1973 as compared to $1,806 million for the previous twelve-month period. Allocation of these expenditures to specific programs is shown in the following table:

<table>
<thead>
<tr>
<th>Program</th>
<th>1972</th>
<th>1973</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment of Crime</td>
<td>41</td>
<td>74</td>
</tr>
<tr>
<td>Reform of Criminal Laws</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Crime Prevention Services</td>
<td>269</td>
<td>455</td>
</tr>
<tr>
<td>Criminal Law Enforcement</td>
<td>859</td>
<td>999</td>
</tr>
<tr>
<td>Law Enforcement Support</td>
<td>162</td>
<td>230</td>
</tr>
<tr>
<td>Administration of Criminal Justice</td>
<td>162</td>
<td>187</td>
</tr>
<tr>
<td>Rehabilitation of Offenders</td>
<td>273</td>
<td>405</td>
</tr>
<tr>
<td>Planning and Coordination</td>
<td>38</td>
<td>62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,806</td>
<td>2,416</td>
</tr>
</tbody>
</table>

Note: Excludes Department of Defense.
Source: Office of Management and Budget, Special Analysis, Budget of the United States.

Department of Commerce

The Secretary of Commerce has established an "Interagency Committee to Assess the Impact of Crimes Against Business," comprised of representatives of the Departments of Justice, Transportation, Housing and Urban Development, Treasury, and Commerce, as well as the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Securities and Exchange Commission and the Small Business Administration.

The objective of the Committee is to investigate, report, and make recommendations for a Federal Government effort to reduce the impact of crimes against business. To accomplish this objective, it will assess the economic impact of such crimes and evaluate the effectiveness of existing Federal programs.

The first phase of the Committee's work will involve determining (1) what Federal data programs exist in the various agencies; (2) where the data and programs gaps exist, if they do exist; and (3) how to adjust efforts to plug these gaps and build a complete and effective Federal approach to the problem of crime against business.

While the Committee can identify and make recommendations for the main preventive and corrective efforts to be conducted by Federal agencies, a continuing concern for the impact of crime on specific types of commercial activities is needed.
To meet this need, the second phase of the Committee's work will be to release its findings in publications that show the pertinent data and preventive techniques which most affect individual business sectors. The Committee's series of publications will be geared to alleviating crime within these various sectors.

The work of this Committee will help business and government make a substantial contribution by increasing the public's awareness of the problem, and assisting in positive deterrent and protective actions.

Federal Crime Insurance Programs

For many businessmen, the advantages of doing business in urban areas have been offset by the high incidence of crimes such as burglary and robbery. Boarded up store windows along many streets are mute evidence of the toll crime takes on neighborhood shops so essential to all communities. While crime is not unique to cities, in fact, has spread to the suburbs as well, the businessman in the city is particularly exposed to crime. The high incidence of crimes in many areas has made it difficult to obtain crime insurance policies from private insurers at affordable rates.

Recognizing this problem, Congress authorized the Department of Housing and Urban Development (HUD) to make Federal crime insurance available after August 1, 1971, in those states where a critical problem of availability or affordability of crime insurance exists and where the state has taken no action to remedy the situation. The Federal program is administered in HUD by the Federal Insurance Administration and is now available in Connecticut, Delaware, District of Columbia, Florida, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee. The Federal Insurance Administrator conducts a continuing nationwide review of the market availability situation and if he finds a critical problem in additional states which is not being resolved at the state level, he will designate such additional states as eligible for Federal crime insurance.

This significant program requires applicants meet certain basic protective device requirements and combines insurance protection with an upgrading of physical security designed to make insured premises less vulnerable to crime.

Commercial policies are available for businesses in amounts from $1,000 to $15,000 and provide coverage against burglary, safe burglary and/or robbery losses. More specifically, the policies cover:

(a) Burglary and larceny incident thereto, which means the stealing of property from within a premises which has been forcibly entered by means which leave physical marks of such forcible entry at the place of entry.

(b) Robbery, which means the stealing of personal property from the insured in his presence and with his knowledge both inside the premises and outside the premises. The term robbery includes observed theft.

(c) Damage to the premises committed during the course of a burglary or robbery, or attempted burglary or robbery.

(d) In the case of commercial insurance against burglary, the theft from a night depository and burglary of a safe, subject to a $5,000 limit on claims with respect to safes of less than insurance Class E quality.

The Federal crime insurance policies do not cover mere disappearance of property, shoplifting, inventory shortages, or embezzlement. In cases of burglary there must be signs of forced entry, evidenced by visible marks upon, or physical damage to, the exterior of the premises at the place of such entry.

Federal crime insurance policies can be purchased through any licensed insurance agent or broker in the state in the same way as fire or liability insurance policies. To facilitate the operation of the program, the Federal Insurance Administration has selected a servicing company in each state through competitive bidding. The servicing company furnishes information on the program as well as selling policies. The Federal Insurance Administration or the Regional offices of the Department of Housing and Urban Development can furnish the names of the current servicing companies for each state.

Rates for Federal crime insurance are required by statute to be affordable. Furthermore, they are established on a metropolitan-wide basis so that residents and businessmen in urban areas are not charged higher rates than those in the suburbs. Commercial rates vary depending upon the type of store, its annual gross receipts, and options of insurance applied for. Only one-half of the annual premium is payable with the application with additional billings every six months.

A grocery store or a drug store located in most metropolitan areas, having gross yearly receipts of under $100,000 would pay...
annual rates as follows (only 1/2 of the shown amount must be paid in advance):

<table>
<thead>
<tr>
<th>Amount of coverage</th>
<th>Burglary and robbery in equal amounts (Option 1)</th>
<th>Robbery only (Option 2)</th>
<th>Burglary only (Option 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>$100</td>
<td>$60</td>
<td>$50</td>
</tr>
<tr>
<td>5,000</td>
<td>400</td>
<td>240</td>
<td>200</td>
</tr>
<tr>
<td>10,000</td>
<td>550</td>
<td>330</td>
<td>275</td>
</tr>
<tr>
<td>15,000</td>
<td>575</td>
<td>345</td>
<td>288</td>
</tr>
</tbody>
</table>

Option 4 (varied amounts of both coverages): Assuming a selection of $1,000 robbery and $5,000 burglary, the premium would be $60 plus $200 or $260.

The same store having gross yearly receipts between $100,000 and $299,999 would pay annual rates as follows:

<table>
<thead>
<tr>
<th>Amount of coverage</th>
<th>Burglary and robbery in equal amounts (Option 1)</th>
<th>Robbery only (Option 2)</th>
<th>Burglary only (Option 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>$150</td>
<td>$90</td>
<td>$75</td>
</tr>
<tr>
<td>5,000</td>
<td>600</td>
<td>360</td>
<td>300</td>
</tr>
<tr>
<td>10,000</td>
<td>825</td>
<td>495</td>
<td>413</td>
</tr>
<tr>
<td>15,000</td>
<td>863</td>
<td>518</td>
<td>432</td>
</tr>
</tbody>
</table>

Option 4 (varied amounts of both coverages): Assuming a selection of $1,000 robbery and $10,000 burglary, the premium would be $90 plus $413 or $503.

Claims may be reported to the agent or broker from whom the policy was purchased or directly to the servicing company. The commercial deductibles range from $50 to $200 or five percent of the gross amount of the claim, whichever is greater, depending upon the annual gross receipts of the insured. Policies cannot be cancelled because of losses.

To help those insured reduce their vulnerability to crime, the program has minimum protective device standards which must be complied with as a condition of eligibility. To help businessmen understand the requirements in the commercial application, a new inspection procedure enables them to confirm that their stores meet the requirements. Commercial burglary requirements provide the doorways or doors and accessible openings meet the program's standards of protection during nonbusiness hours. An alarm system is required for some businesses exposed to a particularly high degree of risk. There are no protective device requirements in the case of commercial policies which insure against robbery losses only.

By participating in the Federal Crime Insurance Program, urban businessmen can help reduce the threat of crime losses and enjoy the knowledge that the insurance coverage means that they need not suffer the economic losses of crime single-handed.
Appendix A
Criminal Description Sheets

Physical Description

HEIGHT ________________________
WEIGHT ________________________
NATIONALITY (IF KNOWN) ________
COMPLEXION ____________________
EYES — COLOR — EYEGLASSES
(ALERT — NORMAL — DROOPY)
VISIBLE SCARS, MARKS, TATTOOS__
AGE ____________________________

Method of Escape

DIRECTION ______________________
LICENSE ________________________
VEHICLE DESCRIPTION ____________

Remarks _________________________

IN EMERGENCY CALL POLICE IMMEDIATELY
APPENDIX B

STATE PLANNING AGENCIES

ALABAMA
Robert Davis, Director
Alabama Law Enforcement Planning Agency
501 Adams Avenue
Montgomery, Alabama 36104
205/332-6832

ALASKA
Laurel S. Parker, Executive Director
Alaska Criminal Justice Planning Agency
Pouch Ad
Juneau, Alaska 99801
907/465-3530 - Thru Seattle PTS 206/583-0150

ARIZONA
Alfred J. Brown, Executive Director
Arizona State Justice Planning Agency
Continental Plaza Building, Suite M
5119 North 19th Avenue
Phoenix, Arizona 85013
602-271-5466 (PTS 602-261-3900)

ARKANSAS
Ray Biggersstaff, Director
Commission on Crime and Law Enforcement
1000 University Tower Building
12th at University
Little Rock, Arkansas 72204
501/371-1305 (PTS Little Rock 501/370-5011)

CALIFORNIA
Anthony L. Palumbo, Executive Director
Office of Criminal Justice Programs
California Council on Criminal Justice
7171 Bowling Drive
Sacramento, California 95823
916/445-3356

COLORADO
George S. Johnson, Executive Director
Division of Criminal Justice
Department of Local Affairs
326 State Service Building
1526 Sherman Street
Denver, Colorado 80203
303/892-3332

CONNECTICUT
Benjamin Goldstein, Acting Executive Director
Governor's Planning Committee on Criminal Administration
75 Elm Street
Hartford, Connecticut 06115
203/366-3200

DELAWARE
Norma V. Handloff, Director
Delaware Agency to Reduce Crime
Room 405 - Central YMCA
11th and Washington Streets
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