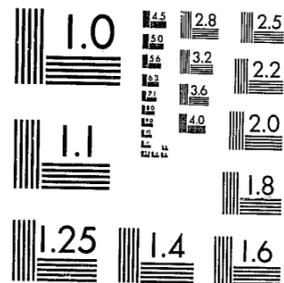


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NATIONAL EVALUATION PROGRAM PHASE I ASSESSMENT OF SHOPLIFTING AND EMPLOYEE THEFT PROGRAMS

Final Report--Programs and Strategies

Volume I: Substantive Findings

73535



Westinghouse Evaluation Institute

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Final Report--Programs and Strategies

Volume I: Substantive Findings

November 1979

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**Westinghouse Evaluation Institute
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Abstract

This project was funded by the National Institute of Law Enforcement and Criminal Justice over a an 18 month period for the conduct of a national evaluation of programs and strategies designed to combat shoplifting and employee theft. The project involves a multistage screening and data collection process, including contacts with: Retail businesses, national and state retail associations, local community and business organizations, educational institutions, police departments, State and district attorneys' offices, State and local crime prevention offices, and the criminal courts.

The multistage design has required deductive, descriptive, and inductive approaches to the problem. The universe of existing programs was defined through telephone and written communication with nearly 400 organizations and individuals in the field. More thorough data collection than was completed through telephone screening interviews with more than 100 anti-theft programs. Finally, criteria were established for selecting a sample of 22 programs that were of greatest interest to the project. These programs were site-visited and the subject of intense data collection.

A multimethod approach was used for site-visit and non-site-visit data collection. Site-visit methods included indepth interviews, systematic observations, and archival searches. Non-site-visit methods included interviews with experts in the field, literature searches, and the acquisition of existing data sets.

The analysis plan was geared towards identifying knowledge gaps that exist concerning both specific programs and the field as a whole. Knowledge in the topic area, both general knowledge and findings of fact, was summarized, assessed, and synthesized. Knowledge gaps were identified by comparing program expectations with empirical evaluation findings. Flow diagrams and measurement tables were generated for each site-visited program to illustrate the level of knowledge about specific anti-theft programs. Possible and actual measures and measurement points were described.

Inductive processes have been used to develop synthesized flow diagrams. These diagrams are a synthesis of information collected from individual programs and represent the underlying commonality of processes and outcomes.

The overall results of this national evaluation indicate that many knowledge gaps are present regarding anti-theft programs, as well as the nature and extent of the theft problem. Measurement problems constitute a major obstacle to knowledge development in this field. Nonetheless, it is apparent that shoplifting and employee theft are significant economic and social problems, costing billions of dollars each year in this country alone. Although there is a paucity of reliable and systematic data concerning any strategy or combination of strategies, because of the economic and social significance of these crimes, millions of dollars will continue to be spent in an effort to combat these problems.

To fill the knowledge gaps identified in this assessment, several detailed measurement and evaluation design plans have been developed. These plans are unique and had never before been attempted in this topic area. The feasibility of these plans is being tested at several sites, and recommendations for full-scale implementation are being made.

This report concludes that, for a variety of reasons, the anti-theft activities in this field have not been scientifically evaluated. Furthermore, it concludes that these strategies are evaluable and that the retail community would welcome such evaluations. The final recommendations are to:

- Conduct research on the extent of the problem.
- Develop accurate measures.
- Conduct scientifically acceptable evaluations.
- Develop an interface between appropriate Government agencies the retail community.
- Develop research, evaluation and dissemination efforts on the utilization of the criminal justice system.

The uniqueness of the National assessment should be emphasized. This project is one of the few Government-funded evaluations of programs that are operated and funded primarily by the private sector. The Westinghouse Evaluation Institute was successful in developing strategies for bridging the gap between the Federal Government and the private sector, and gaining the full cooperation of the business community in this project.

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Preface

This volume is the Final Report of an 18-month project designed to summarize and assess what is presently known about anti-theft activities directed at the problems of shoplifting and employee theft in the retail industry. This national evaluation represents a unique effort to apply scientific evaluation standards to an area that has never received such scrutiny. While the extant data do not withstand a rigorous scientific assessment, this effort has been successful in identifying knowledge gaps and proposing new ways to measure the problem and evaluate anti-theft activities in this topic area.

The Final Report consists of two volumes: Volume I contains the substantive findings and Volume II the appendices. The latter volume includes a bibliography of over 1,000 references. Other reports completed as part of the Westinghouse contract include:

- Preliminary Report. A description of work completed in the early months of the project, including a description of the criteria for selecting organizations and activities being considered for investigation; sources from which lists of organizations were obtained; level of interest in each of the organizations; and preliminary plans for site-visits.
- Interim Report. The results of individual site-visits, including flow diagrams, description of intervention activities, measurement points, actual and possible, program or strategy expectations, external intervening variables, and organizational resources.
- Preliminary Design for Field Feasibility Test and Further Research. Proposal for field feasibility tests of measurement plans and proposed evaluation designs for a Phase II assessment or further research in the topic area.
- Publishable Summary Report. A summary of Volume I of the Final Report, written primarily for retailers.
- Supplemental Report. Results of field feasibility tests and recommendations for further research.

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Finally, we would like to express our deepest appreciation to the retail community. After much groundwork, we were able to gain their trust and establish the credibility of the Westinghouse Evaluation Institute. Clearly, without their cooperation, this project could not have been completed. Unfortunately, because of our pledge of confidentiality and anonymity we are not able to identify the many individuals and corporations that shared their information and their concerns with us. We hope that our efforts and the support provided us by the National Institute of Law Enforcement and Criminal Justice have provided the retail industry with the type of information that is useful. We feel that the application of scientific evaluation principles to an area never exposed to this approach has provided a fresh perspective on retail security. The Westinghouse Evaluation Institute is pleased to have contributed this first step in defining and seeking solutions to this nationally important social and economic problem.

1.0 Introduction

Retail theft is undoubtedly one of the most insidious but significant social and economic problems facing our country. Shoplifting and employee theft are probably the most prevalent and (aside from organized crime) most costly crimes against business and society. Accurate estimates are difficult to obtain, but certainly billions of dollars are lost every year, perhaps costing every American family several hundred dollars in the forms of higher prices and hidden taxes. The prevalence of these problems is highlighted in responses to anonymous, self-report questionnaires, which consistently indicate that approximately half of all employees have stolen property from their employers and more than half of all high school students have shoplifted from a retail store (see Section 3.1 for details concerning the extent of the problem).

Given the magnitude of the problem, it can be asked, "What is being done to understand the crimes of shoplifting and employee theft? The primary objective of this Phase I assessment is to summarize and assess the state-of-the-art of programs and strategies designed to prevent, reduce, or control the retail theft problem. The significance of this Phase I evaluation is perhaps best understood by placing it in the context of previous work related to the topic area. Unfortunately, major efforts to research the problem and assess anti-theft programs/strategies are virtually nonexistent. This introduction begins with a brief analysis of why the public and private sectors have not been fully responsive to this problem, followed by an overview of the major efforts to study crimes against business. The introduction concludes with a description of the objectives and general approach taken in this Phase I National Evaluation.

1.1 Previous Responses to the Problem

In the course of this Phase I assessment, a major discrepancy was recognized between the size of the retail theft problem and the level of interest in this problem that has been demonstrated by the business community, the government, and the general public. The obvious question is, why has such a large problem elicited such a relatively small response? There are several predominant reasons for this discrepancy that should be highlighted at this point.

First, the general public tends to view shoplifting and employee theft at "petty" offenses, if viewed as offenses at all. In fact, research indicates that many people do not even define these events as crime. While shoplifting and employee theft are relatively petty crimes in terms of their individual costs, in the aggregate, they are very costly to retailers and to the American public. Because of their high frequency and pervasiveness, the sum total of these offenses equals a multibillion dollar crime problem.

A second public misconception is that shoplifting and employee theft are "business problems" and concerns that businesses should contend with. While retailers are the direct victims of these crimes, most citizens seem to be unaware that they, themselves, are the indirect victims, as a result of higher prices. If citizens were made aware of their own victimization, perhaps their level of interest in the problem would change.

The retail industry, in contrast to the customers' viewpoint, tends to define these crimes as social problems, for which retailers should not be exclusively responsible. Although retail security divisions are highly motivated to alleviate these problems, top management is not always supportive, because the economic incentive is not always present. Retail companies are not required to carry the full burden of retail theft. Hence, there is some reluctance to invest in research and evaluation of anti-theft programs and strategies when the effects of efforts may not increase profits.

This is not to say that retailers have totally ignored this problem. Vast amounts of resources have been allocated to combat retail theft. As will be documented in later chapters, retailers have devised numerous strategies to prevent and reduce this problem. Millions of dollars are spent each year on personnel, training programs, and equipment designed to deal specifically with shoplifting and employee theft. What must be emphasized is the fact that all of these efforts have proceeded without any meaningful research or evaluation.

The Federal Government has sought to be responsive to the crime needs of the country but has practically ignored retail theft. The majority of Government funds have been directed at crimes of violence, in light of the public's concern over these crimes. Rape, robbery, and assault repeatedly gain the attention of the news media and are indeed major threats to public

safety. Nonetheless, the incidence of such victimizations is very rare in comparison to property crimes, and especially in comparison to shoplifting and employee theft.

Federal funds have also been applied to commercial victimization and have been directed almost exclusively at the problems of robbery and burglary. The attention given to these crimes may be due to the fact that their occurrence is readily apparent to the immediate victim and likely to be reported to the criminal justice system. In contrast, shoplifting and employee theft are insidious crimes that often go undetected and unreported. The absence of any sound documentation of the nature and extent of these crimes makes it easier to deny that these crimes pose serious problems to the country's social and economic status.

Although the Federal Government has not been responsive to the problem of retail theft, it has demonstrated a relatively strong interest in economic or white collar crime in recent years. In the early 1970's, white collar crime emerged as a major topic of concern. As a result, several committees were created to stimulate and coordinate activities directed at economic crime. In 1971, the U. S. Department of Transportation formed the Interagency Committee on Transportation Security. In 1973, the U. S. Department of Commerce created an Interagency Committee to Assess the Impact of Crimes Against Business. The Department of Justice defined a substantive role for itself in 1975, by establishing the Attorney General's White Collar Crime Coordinating Committee. Finally, ideas were translated into research projects in 1977, when the Law Enforcement Assistance Administration (LEAA) created its own White Collar Crime Coordinating Committee to help manage LEAA-funded projects.

Government activities in this area of economics are of interest here because they help to highlight the uniqueness of projects that address the crimes of shoplifting and employee theft. Most projects concerning economic crime have little to do with conventional shoplifting and employee theft, but rather, focus on white collar crimes, such as embezzlement, bribery, kickbacks, computer crimes, anti-trust violations, price-fixing, consumer fraud, and a host of other possibilities. LEAA has recently funded more than a half-dozen major research projects in these areas.

Neither shoplifting nor employee theft satisfy the commonly accepted definition of economic crime as fraudulent practices committed by white collar employees. Efforts to expand the concept of economic crime have allowed employee theft a marginal status within this area. For example, the National Council on Crime and Delinquency (NCCD) has argued that the workplace is what distinguishes white collar crime from other crimes, not the status of the criminal. NCCD (1976) proceeded to define workplace crime as "all property offenses against the employer that occur in the job setting and that are committed by employees." While this definition leaves room for the inclusion of conventional employee theft, shoplifting remains excluded. Thus, when people think of economic crime, shoplifting and employee theft do not immediately come to mind. Nor are these two crimes easily recognized as categories of commercial crime, for robbery and burglary have been the primary targets of LEAA-funded research in this area. Therefore, the question

must be asked, "To what extent have shoplifting and employee theft been seriously studied and in what context?" Both Government and nongovernment activities in this area are briefly reviewed (substantive findings are discussed in subsequent chapters).

1.1.1 Government Activities

There have been several Government projects in the loosely defined area of "crimes against business" that have at least addressed themselves to the crimes of shoplifting and employee theft. In 1969, the Small Business Administration prepared a report entitled, Crimes Against Small Business, representing the first major effort to define the problem, countermeasures, and trends, with respect to crimes against small business. A national survey was conducted as part of this project, providing estimates of losses due to shoplifting, employee theft, burglary, robbery, vandalism, and bad checks. Although there are many problems with the data collection methodology, to date, this project stands as one of the only attempts to collect new information from retail companies on a national level.

Since the early 1970's, the U. S. Department of Commerce has been very active in the general area of crimes against business. Especially noteworthy is its effort to compile estimates of the costs of these crimes. (Key publications include The Cost of Crimes Against Business, 1976; Crime in Retailing, 1975). While the work carried out by the Department of Commerce addresses shoplifting and employee theft, this work should not be misconstrued as a research project in any strict sense. Most of this work involved the compilation and publication of existing data from business sources.

Subsequent to the work of the Small Business Administration (1969), only one major research project has made a comprehensive examination of crimes against business. With funding from the Department of Justice, the American Management Associations (1977) completed a Crimes Against Business project, involving a number of interviews with experts in the field and panel discussions with diverse representation. Essentially, this project identified some of the major problems and issues involved in combating crimes against business and offered a number of tangible recommendations for future research and program development.

Following in the footsteps of the Small Business Administration, a second project was funded to examine crimes against small businesses. The MITRE Corporation (Chelimsky, et al., 1978) studied security measures taken by small business retailers, entitled, Security and the Small Business Retailer. This report represents probably the only attempt to assess the costs and benefits of various security approaches used by small retailers. This should not be considered a research project because of the lack of scientific rigor, however.

While shoplifting and employee theft have been addressed in the above-mentioned general works on crimes against business, there has been almost no major Government-funded project that focuses exclusively on these crimes. The one exception is a recently-completed project on employee theft,

conducted by the University of Minnesota, with assistance from the American Management Associations (Clark, Ho. inger, Smith, Looper, Parilla, Smith-Cunnesen, 1979). This project explored the organizational correlates of employee theft and deviance, primarily through the questionnaire responses of more than 1,400 retail employees and interviews with more than 30 retail executives from nine different companies in the Minneapolis-St. Paul area.

Shoplifting, which may be the most widespread commercial crime, has yet to be seriously studied. A number of small grants have been awarded to various organizations to develop anti-shoplifting campaigns, and in a few cases, to study shoplifting attitudes and behaviors. However, no significant research investigations have been completed.

Previous program evaluations in this topic area are even more scarce than research projects. With the exception of the MITRE project, we are familiar with no other Government-funded assessments of programs and strategies designed to combat shoplifting or employee theft. Hence, the present Phase I assessment attempts to fill a large knowledge gap in this topic area.

1.1.2 Nongovernment Activities

The retail industry has collected its own data on the problem of retail theft and anti-theft programs and strategies. The larger retailers generally keep records on apprehensions, inventory shrinkage, and a variety of anti-theft activities. However, these data are rarely utilized for research or evaluation purposes. That is, they are rarely analyzed to provide information about the theft problem or document the use and effectiveness of anti-theft programs/strategies.

A few exceptions to this general statement are noteworthy. The nature and extent of the theft problem has been studied using existing retail store data and retailers' perceptions. A few national retail associations (e.g., Mass Retailing Institute, 1973; National Retail Merchants Association, 1978) periodically survey their members with regard to the theft problem. In addition, apprehension data and other types of information are collected each year from retailers in the Southern California area (by Commercial Service Systems, Inc.), in Philadelphia (by the Citizen's Crime Commission of Philadelphia) and in Washington, D. C. (by the Retail Bureau of the Metropolitan Washington Board of Trade). Finally, there have been university-based studies (e.g., Geurts, 1978) which summarize loss data from relatively large samples of retailers.

Studies conducted by the private sector which assess the impact of anti-theft programs and strategies are very rare. There have been several surveys of anti-theft activities (e.g., Belt & Holton, 1978; Kaufmann, 1974; University of Dayton, 1974), but these efforts have been limited primarily to measuring the extent to which various anti-theft devices and strategies are known to retailers and used by retailers. Usage patterns provide only one aspect of the evaluation picture. There has yet to be an in-depth assessment of program/strategy expectations, underlying assumptions, actual anti-theft processes, and program/strategy impact. While some of the major

retailers have records which they claim document the effectiveness of certain anti-theft approaches, such information has yet to be identified and critically examined. Again, the need for a Phase I National Evaluation to provide such information is readily apparent.

1.2 National Evaluation Program Phase I Assessment

Recognizing the magnitude of the retail theft problem and the absence of any real assessment of anti-theft programs/strategies, the National Institute of Law Enforcement and Criminal Justice elected to fund a Phase I assessment in this topic area, within the National Evaluation Program (NEP). The NEP process was developed to provide sound information about criminal justice-related projects, their assumptions, expectations, and working components, in a variety of topic areas. The overall NEP approach and the purpose of the Phase I assessment will next be summarized, as they provide the general framework for the present assessment of anti-shoplifting and anti-employee theft programs/strategies.

Barnes (1976) noted that NEP assessments are based on the concept that short-term evaluations, performed in phases, can meet the needs of Federal, state, and local decisionmakers better than longer-term full-scale national evaluations. Thus, the Phase I evaluation was intended as a state-of-the-art assessment of existing programs/strategies. The general NEP approach has been modified since its inception in 1974. According to the most recent statement (Nay, 1977), the Phase I study is an attempt to collect, summarize, assess, and synthesize information that is currently available in the topic area. Thus, the Phase I study allows for little primary data collection, but rather, focuses on the assessment of existing data. The Phase II study, in contrast, is meant to be an actual field evaluation that is designed on the basis of the Phase I results and implemented with the intent of filling knowledge gaps that are identified during the Phase I assessment. Therefore, the NEP process is intended as a sequential information-generating procedure, beginning with the collection of existing information on a short-term basis (Phase I), followed by a more comprehensive, intensive evaluation of programs that is warranted only after a Phase I has demonstrated that there are sufficient knowledge gaps in the topic area and that filling these gaps would be cost-effective.

The Phase I assessment has a number of process objectives:

- To collect, synthesize, and analyze knowledge in the topic area.
- To identify gaps in the present knowledge that could be filled to produce an assessment of the effectiveness of programs in the topic area.
- To estimate the importance and feasibility of filling the identified knowledge gaps.
- To develop a preliminary design for a Phase II assessment to fill these knowledge gaps, and a plan for testing the feasibility of this design.

The procedures and methods by which these process objectives were achieved in the present Phase I assessment are described in Chapter 2 of this report. These procedures and methods were developed within a conceptual framework that specified the types of information to be collected.

Essentially, this framework calls for information about:

- The nature and extent of the retail theft problem.
- The processes involved in implementing and maintaining specific anti-theft programs/strategies.
- The impact of these anti-theft activities.

To identify knowledge gaps, the conceptual framework further divides the above information into (1) expectations and assumptions and (2) findings of fact. The first category is comprised of a variety of information, including theories, hypotheses, opinions, and assumptions about the theft problem or anti-theft programs/strategies. The second category includes any empirical evidence about the problem or anti-theft programs/strategies that can be compared with the former category of information, to identify discrepancies between expectations and actual outcomes. This process of assessment also involves:

- The specification of a measurement framework (including actual and possible measures) for collecting information about existing anti-theft programs/strategies.
- The development of flow diagrams to illustrate the processes involved and points of measurement.

The present Phase I assessment of anti-shoplifting and anti-employee theft programs/strategies is a unique endeavor that stands apart from all current and previous NEP projects. Probably the most unique aspect of this project is that the vast majority of anti-theft activities originated in the private sector and are being funded by private sources. Almost all other NEP projects have been concerned with evaluating programs funded by the Government, primarily through LEAA. Because the locus of most anti-theft activities was within the business sector, there were special considerations that had to be addressed in order to successfully complete this Phase I assessment (e.g., the retailers' sensitivity to Government regulation and confidentiality of retail records). However, Westinghouse was able to overcome these problems and gain the necessary cooperation from the retail industry.

Another unique feature of this topic area is that anti-theft activities cannot be easily conceptualized in terms of "programs" or "projects," as has been done in previous NEP assessments. Anti-theft activities by retailers are better defined and assessed as independent strategies (e.g., closed-circuit television; employee training, environmental design), rather than components of a larger program. Anti-theft strategies are too numerous and are implemented in too many combinations to be treated as a comprehension program.

1.3 Overview of Final Report Format

The remainder of this Final Report is structured as follows: Chapter 2 contains a description of the methods and procedures used throughout the project to collect, synthesize, and assess existing knowledge. Chapter 3 is a summary of what is presently known about the retail theft problem and the limitations of this knowledge base. This chapter covers the extent of the problem, theories about the causes of the problem, the nature of the problem, and the problems and issues associated with measurement.

The anti-theft programs and strategies studied in this Phase I assessment are discussed in Chapters 4, 5, and 6. The division of anti-theft activities in three separate chapters implicitly represents a conceptualization of the topic area in terms of the organizational locus of programs/strategies. Essentially, organizations responsible for the major anti-theft programs/strategies fall into one of three global categories: (1) Retail companies; (2) community, business, and retail organizations, and (3) criminal justice agencies. Chapter 4 covers the anti-theft strategies implemented by retail companies. Chapter 5 focuses on public education and awareness programs, which are the most common type of anti-theft programs implemented by community organizations, business organizations, and retail associations. Chapter 6 covers the major criminal justice programs/strategies, namely, legislative action concerning shoplifting statutes, police activities, court activities, and diversion/rehabilitation programs for first offenders. Finally, Chapter 7 contains a discussion of the major conclusions and recommendations derived from this Phase I assessment.

2.0 Project Methods and Procedures

In this chapter, the methods and procedures used to conduct the Phase I assessment are described. In general, the methodology has many features of the approach suggested by the National Evaluation Program (e.g., defining the universe of anti-theft programs/strategies, screening of candidates, selecting a sample for closer study, collecting information through site-visits, etc.). However, there are several differences between this project and the typical NEP project which should be noted. For example, the procedures for sample selection were different because the number and type of anti-theft programs/strategies at each site could not be known without first contacting specific organizations. Thus, the sampling focused on organizations that were known to be active in the topic area, rather than the universe of "known" anti-theft programs or strategies. This and other differences are noted below, as the methods and procedures are described.

2.1 Identification, Selection, and Screening of Organizations and Programs/Strategies in the Topic Area

2.1.1 Identification of the Universe of Organizations and Programs/Strategies

Typically, the NEP process begins by defining the universe of existing programs. Because the universe of anti-theft programs and strategies was initially unknown, a decision was made to contact a sample of organizations that was believed (or known) to be active in this topic area. Screening was performed on these organizations to determine the universe of anti-theft programs/strategies and the level of interest in specific organizations and programs/strategies.

While a variety of organizations were screened to help identify and define an unknown universe of anti-theft programs/strategies, this process did not begin without direction or limitations. The process of selecting organizations and anti-theft programs/strategies began with some basic restrictions of the definitions of shoplifting, employee theft, and anti-theft activities, in an attempt to specify the scope of this Phase I assessment. These restrictions deserve mention.

The scope of this project was determined by a few simple definitions. Within the boundaries of this project were programs and strategies designed to combat common, conventional shoplifting, whereby a shopper steals merchandise that is on display in a retail store. Similarly, programs or strategies designed to combat common, conventional theft of merchandise or cash from a retail store by the store's own employees are included in the universe of relevant programs/strategies. However, efforts to restrict the more sophisticated forms of employee theft (e.g., well-planned or large-scale embezzlement, or computer assisted fraud) were not appropriate for study. Although most internal theft can be considered embezzlement by definition, the programs and strategies directed at the common internal theft practices were the ones of interest in this assessment. Furthermore, this NEP did not include anti-theft programs and strategies carried out by manufacturers, wholesalers, or cargo transporters. Although programs operated by retailers were the primary focus, the scope of this assessment also included programs and strategies run by nonretailers, as long as they were aimed at retail theft. Essentially, a program/strategy was simply defined as any organized or systematic effort to prevent, reduce, or control common forms of shoplifting or employee theft at the retail level.

While definitions were a first step, the direction of the project was most heavily influenced by the first major task of identifying a sample of organizations believed (or known) to be active in the topic area. These organizations were then screened for information that would help to further focus the Phase I assessment on selected anti-theft programs and strategies. Based on early interviews with experts, previous literature, and staff knowledge, the following types of organizations were identified as active in the area of shoplifting and employee theft:

- Retail companies.
- National retail trade associations.

- State retail trade associations.
- Local chambers of commerce.
- Other not-for-profit business and community organizations.
- Educational institutions.
- Police departments.
- State's/district attorneys' offices.
- Courts.
- City and state crime prevention offices.
- Federal agencies (e.g., LEAA, U. S. Department of Commerce).
- Research and evaluation organizations.
- Private security consultant firms.

Organizations from each of these categories were selected through various methods, as described below.

2.1.2 Selection and Screening of Organizations and Programs/Strategies

The first task in the selection and screening process was to generate lists of specific candidate organizations from the general categories listed above. Lists of organizations were compiled from numerous sources, including national directories, experts in the topic area, numerous published and unpublished articles, computer searches, and organizations known to be active in the topic area. For some types of organizations, the procedure for generating lists of candidates was also used as the screening procedure. For example, information was elicited from national retail associations to satisfy both objectives. Our staff contacted 36 national associations and requested names of companies and security directors who might be appropriate for participating in this Phase I assessment. In the process of seeking these nominations, the staff screened these national associations with regard to their own role in the topic area.

Names, nominations, and self-descriptive information were received from many groups, but the majority came from the three large associations that have worked closely with Westinghouse: The National Retail Merchants Association, the Food Marketing Institute, and the National Association of Chain Drug Stores. Representatives from these and other trade associations were also helpful by nominating security firms, criminal justice agencies, and loss prevention experts known to be active in combatting shoplifting or employee theft. Members of these national groups were also questioned about their own activities in the topic area.

Several additional outreach efforts are noteworthy. Contact was made with not-for-profit business and community organizations that were believed to be the most concerned about retail theft. Personal letters were sent to 73 chambers of commerce in the 50 largest metropolitan areas in the United States. Furthermore, either a personal call or a letter contact was made with the state retail merchants associations/councils for each of the 52 states. These contacts were made to explain the purpose of this NEP project and to request any information they may have had about specific programs/strategies in their proximity. Finally, on the basis of information gained through a computer search, all LEAA-funded programs in this topic area were contacted by telephone. These include district attorneys' offices and police departments, as well as various business/community groups.

As these descriptions illustrate, the actual screening process varied in intensity from a letter or brief telephone call to an extended telephone call, including several call-backs. Written responses that seemed promising were followed up by telephone.

While screening sometimes occurred simultaneously to the development of a list of candidate organizations, a complete and separate screening procedure was necessary for retail companies, as they comprised the organizational category of greatest interest to this Phase I assessment. Retail companies were of greatest interest because of their level of involvement in this topic area. We discovered, from telephone contacts with selected organizations and individuals, that certain nonretail programs/strategies were extremely rare and therefore, fewer screening interviews were conducted.

Finally, there were certain organizations whose levels of involvement did not determine the level of screening. Because only a few Federal agencies and a few research-and-evaluation organizations have displayed an interest in this topic area, all were screened and selection was not an issue. (We should note that these organizations do not typically operate their own anti-theft program/strategy, as defined in Chapter 1. Therefore, the screening served a different purpose, i.e., collecting information about the nature and extent of the theft problem.)

To collect telephone screening information, screening guides were prepared for the different types of organizations. These screening guides detailed a particular line of questioning that was different for each type of organization. The screening guide and procedures used for screening retail companies are described below because of their importance in determining the scope of this Phase I assessment.

During the initial screening activities, we were careful not to discriminate between retail companies on the basis of size, location, structure (chain or independent), type of merchandise, or perceived program/strategy success. However, in order to be included in this NEP project, a store needed to satisfy the following minimum criteria:

- The store must have a security manager or someone clearly responsible for security functions.

- The store must contain an anti-theft program or strategy that was comprised of more than one or two simple loss prevention/control activities (e.g., locks on display cases and a mirror in one corner, but nothing else).

As we quickly discovered through the early screening contacts, these two criteria tended to discriminate against small businesses. While individual strategies employed by small businesses were not totally overlooked in this project, we were hard pressed to justify an extensive examination of activities at these stores. Previous research has examined the theft problem facing small business (Small Business Administration, 1969) and the small retailers' response to this problem (Chelimsky, et al., 1978), while the larger companies have not been studied. More importantly, we discovered that small businesses actually do not have programs or strategies of sufficient magnitude to evaluate through the NEP process. Thus, the focus of attention was turned to the larger retailers, who experience the vast majority of the reported retail thefts, and who have developed comprehensive programs and strategies to combat this problem.

In line with this conclusion, over two-thirds of the 100 largest retail companies in the United States were screened. In addition, a number of medium-to-large retail companies were screened on the basis of nominations made by national retail associations. Informal telephone screening interviews were conducted with security directors/managers from these retail companies. Approximately 100 companies were contacted, representing more than 13,000 separate stores. A wide range of stores was represented, including department, drug, food, variety, and many others.

A screening guide was used to ensure that certain questions were addressed. This guide recommended that security directors be queried about their:

- Use of various anti-theft strategies.
- Relationship to the criminal justice system.
- Efforts to measure the theft problem.
- Efforts to measure strategy impact.
- Willingness to participate further with us.
- Knowledge of other persons or companies relevant to this project.

2.1.3 Outcome of Screening

The outcomes of the retail and nonretail screening activities are summarized below, especially as they affected our level of interest in various organizations and their anti-theft programs/strategies. Certain organizations will be discussed concurrently because they had similar outcomes. Retail companies will be discussed last, as they require more extensive discussion. (Retail companies were the only type of organization

to require a sizable set of criteria for determining level of interest to the project.)

2.1.3.1 National Retail Associations

The initial screening results helped to define the role of national retail associations and determine their importance to this project. National trade associations for retailers are designed to provide a variety of services to their member stores, covering such diverse areas as store operations, research, government relations, lobbying, and loss prevention/control. Our screening results indicate that a few of these associations provide their own anti-shoplifting and anti-employee theft programs/strategies. The following are examples of loss prevention/control activities offered by national retail associations:

- Training sessions for employees.
- Seminars on security topics.
- Research.
- Publications.
- Theft-prevention manuals.
- Films, posters.

However, most of the national retail trade associations have not developed their own anti-theft programs/strategies. Furthermore, these organizations are removed from the day-to-day experiences of their members. These findings have led to the conclusion that national retail associations should not be central to this project. Nonetheless, one such organization was site-visited.

2.1.3.2 State Retail Associations/Councils

Telephone and written screenings of state retail associations/councils produced information which suggested that these organizations were closer to the retail theft problems experienced by their members and were more active in the topic area than most of the national associations.

Contacts with state retail associations indicated that, in many states, these organizations are active in the following areas:

- Legislative lobbying, including changing laws concerning the penalties for retail theft, probable cause for detaining suspects, and victims' compensation.
- Public education and awareness, including mass media campaigns, parent awareness sessions, film presentations, and school programs (e.g., "STEM").

State retail associations/councils have been helpful in providing documentation of programmatic efforts and sharing knowledge of other programs and/or individuals in the topic area. Two of these organizations were site-visited during this project--both recipients of LEAA funds.

2.1.3.3 Not-for-Profit Business/Community Organizations

Volunteer citizen crime prevention groups, chambers of commerce, parent-teacher associations, the Federation of Women's Clubs, the Distributive Education Clubs of America, and other civic and community organizations often coordinate their efforts to educate the public and disseminate information about shoplifting. We have found that most volunteer citizen crime prevention groups are concerned only with crimes against individual community members, but a few are composed of concerned businesspersons and community members, and these programs have dealt specifically with the problem of shoplifting. Chambers of commerce would have seemed to be informed about relevant programs in the major metropolitan areas, but the majority of these large chambers were unable to identify any substantial anti-theft activities in their city. Overall, we concluded that there were few not-for-profit business or community organizations actively involved in this topic area. However, the few that were involved have initiated a national coalition against shoplifting and are, themselves, national organizations. Hence, only the national coalition team was selected for a site-visit.

2.1.3.4 Educational Institutions

Educational institutions in several states were screened because of their known or suspected involvement in anti-shoplifting education. By and large, it was found that most educational programs were initiated and sponsored by outside organizations. This information, combined with our knowledge of school systems and curricula, prompted us to avoid any further screening in this area. Having identified the major organizations responsible for student education, we were able to pursue them independently of any specific school system.

2.1.3.5 Criminal Justice Agencies

As part of the screening process, we inquired about the role of five criminal justice-related agencies in this topic area:

- Police departments.
- District/state's attorneys' offices.
- Office of the Attorney General.
- Special courts.
- Diversion/rehabilitation programs.

With full knowledge that police departments are fairly homogenous in their treatment of certain crimes, we screened a limited number of small and large departments. While police departments typically respond to retail theft calls and sometimes get involved in security checks and training seminars, by and large, they are inactive in this topic area. Noticing some differences between small and large departments, one of each was selected for a site-visit.

A few district and state attorneys' offices, as well as Attorney Generals' offices, were screened directly, but experts in this area immediately forewarned us that these offices, on the whole, are doing very little to combat the problems of shoplifting and employee theft. Complaints involving these crimes have received little attention. However, we did locate a few states where these offices have worked to create, lobby for, implement, and publicize new shoplifting statutes. The seemingly most active office was selected for a site-visit.

With full knowledge of how the criminal courts operate, little screening was necessary for us to conclude that few of these courts would be of further interest to this project. Shoplifting and employee theft cases are handled in a routine manner that is consistent across many locations. We located only one court where shoplifters are presently given special attention. This court was selected for a site-visit.

Finally, we became aware of a few diversion/rehabilitation programs that were designed to help first-offender shoplifters. These programs can be managed by any component of the criminal justice system, or by a community group. While there are many diversion programs in this country, very few have been designed specifically for shoplifters. This subsample was screened and two were selected for site-visits--one for juvenile offenders and one for adult offenders.

2.1.3.6 Private Security Consultant Firms

While the business of selling security devices and security services should not be viewed as an anti-theft program/strategy, the actual provision of security services fits within this topic area. Thus, a few of the major security firms were screened with regard to the services which they provide to retailers, and one security organization was selected for a site-visit.

2.1.3.7 Crime Prevention Agencies and Research Organizations

There are several types of organizations that are active in this topic area, but do not operate their own anti-theft programs or strategies. First, we have screened several research and evaluation groups that have worked or are presently working in the area of shoplifting or employee theft.

The primary purpose of this "screening" was to identify previous and ongoing research activities. Secondly, we have screened Federal, state, and city crime prevention offices to determine what projects in this topic area

they have funded or have been associated with. The conclusion reached from these screenings with research organizations and crime prevention offices was that very little research or program development has been carried out in this topic area. LEAA has been minimally active by funding a few local and statewide anti-shoplifting campaigns, national research studies, and the present national evaluation. LEAA has also provided a valuable reference service for literature searches.

Finally, the Department of Commerce has been active in accumulating and disseminating information about the extent and costs of crimes against business. Such activities are important for increasing our knowledge of the problem. However, knowledge of anti-theft programs/strategies was best accumulated through the screening of organizations that are directly responsible for these activities, especially the retail companies.

2.1.3.8 Retail Companies

Screening interviews were conducted with security directors from the major retail companies. These interviews were useful in several ways. First, we were able to determine a company's level of involvement in a variety of anti-theft strategies. We found that security and personnel departments employ numerous anti-theft strategies, and that stores differ in the emphasis they place on specific strategies. Secondly, we were able to collect information about retailers' relationship to the criminal justice system and problems they have encountered. (This information will be summarized in subsequent sections.) Thirdly, we were able to determine the extent of efforts to measure the problem and program impact. We were initially encouraged by the fact that roughly two-thirds of the companies claimed to have measured and documented the success of their anti-theft activities. (However, their definition of "documentation" differs from ours, as subsequent chapters will reveal.) Fourthly, we became knowledgeable of other persons and organizations in the topic area through recommendations. In addition, we were able to determine the organization's level of interest in the Phase I assessment and willingness to cooperate. We were pleased to discover that virtually every company screened was willing to participate in a two-hour, in-person interview and a more extensive site-visit.

Finally, and most importantly, we were able to utilize the above information to determine our level of interest in various anti-theft strategies and their sponsoring companies. Our level of interest was defined as the extent of future information desired about a particular strategy from a particular organization. This level of interest was operationalized in terms of the level of contact that would be necessary with these organizations, as discussed below.

Using the screening information, and information collected through other means (e.g., expert opinion, previous literature), the following levels of interest were assigned to anti-theft strategies and their sponsoring retail companies:

- Telephone screening interview. For many companies, the screening interview was their last contact with the project. A decision was made to collect no further information about their anti-theft activities.
- Two-hour, in-person interview. For other companies and their anti-theft strategies, more information was desired. An in-person interview was proposed to gather this information.
- Site-visits (beginning with two-hour, in-person interview). Finally, for companies and anti-theft strategies that were of greatest interest to the project, a site-visit was requested to gather yet additional information.

Two sets of criteria were established to help determine which level of interest would be the most appropriate for the retailers who were screened. One set of criteria pertained to the retail companies, and the other set pertained to their anti-theft strategies. First, retail companies of greatest interest to this project were able to meet the following criteria:

- Were willing to cooperate fully with the Phase I assessment.
- Had available records that document the process and/or impact of anti-theft strategies.
- Were located in a geographic area that is different from many of the other companies.
- Employed a security manager of someone responsible for security functions.
- Operated selected types of anti-theft activities.

The last criterion listed above is intentionally nonspecific, for it will be developed in the second set of criteria--those concerning characteristics of anti-theft strategies. Because of the wide range of activities in this topic area, there was need to focus the Phase I assessment on selected anti-theft strategies. Thus, a set of criteria were developed to aid in the selection of anti-theft strategies. Information collected during the early months of the project was compared against the following selection criteria:

- Prevalence of application. Widely used anti-theft strategies were of high interest to the project. Certain strategies have been implemented by a wide range of organizations.
- User expectations. Anti-theft strategies for which users have high expectations for effectiveness were of high interest. We found that certain strategies enjoy current popularity among users and are believed to be "good investments."

- Sufficiency of existing data. Strategies were of high interest if there was some evidence of their success, but the sufficiency of the existing data was unknown.
- Cost/importance. High-interest strategies were also those which typically require a major investment of resources (time and/or money) by users. Thus, high-interest strategies were assumed to be important to users because of this investment.
- Evaluability. Strategies had to be considered evaluable before they were of high interest to the Phase I assessment. Some strategies are too difficult or costly to evaluate, and for others, an evaluation would produce results of minimal importance.

In general, the more criteria that were satisfied by a particular anti-theft strategy and its sponsoring organization, the higher was our level of interest in that strategy, at that site.

Gaining the full cooperation of retail companies was a problem that deserves special mention at this point. In the early months of the project, the staff encountered a very cautious retail community that was reluctant to get involved in this Phase I assessment. This experience highlighted the uniqueness of this particular NEP project. The programs/strategies of greatest interest were operated by retail companies without government funding. Further, retailers oftentimes harbored negative feelings about the government, especially with regard to regulation, and felt that their records were proprietary. Thus, gaining their full cooperation in a government-funded project was a major task.

Certainly, these differences from the typical NEP project affected our style of approach. The Westinghouse staff arranged numerous in-person visits and telephone calls to develop a rapport with retailers and assure them that the ultimate objective of the project was to help improve the state-of-the-art in efforts to combat shoplifting and employee theft. After extensive meetings and discussions, we were successful in gaining the complete support of numerous retail companies.

2.1.3.9 Number and Type of Contacts

Our level of interest in all organizations (retail and nonretail) can be described in terms of the number and type of contacts. A simple illustration of the different levels of interest is provided in Figure 2-1. Three-hundred and forty-seven (347) contacts were made with various organizations believed to be active in the topic area. Our level of interest in selected organizations and anti-theft strategies increases as you move down the flow diagram in Figure 2-1. For example, of the 175 organizations that were screened by telephone, approximately 115 were of "no further interest" to this NEP project, 35 were of "moderate interest" and received telephone interviews, 10 were of "high interest" and received in-person interviews, and 20 were of "very high interest" and received site-visits, in addition to in-person interviews.

Similar to the procedures used for identifying candidate organizations, the "snowballing effect" was used to enhance the literature review. Reference lists for known articles were pursued, resulting in the identification of more articles.

As suggested above, two general types of information were compiled from the literature search: (1) General knowledge and (2) findings of fact in the topic area. General knowledge took a variety of forms, including theories and hypotheses about the causes of retail theft, opinions about the effectiveness of selected anti-theft programs/strategies, expected outcomes for programs/strategies, key policy issues in the topic area and the major issues and concerns. Findings of fact were less diverse and much less frequent. These included quantitative information about the pervasiveness, general costs, and/or impact of a few anti-theft programs/strategies. In addition, the findings of fact included previous research results and retail store documents on the nature and extent of the shoplifting and employee theft problem. Although findings of fact were very scarce in this topic area, nonetheless, they were useful for assessing the state-of-the-art in efforts to understand and respond to the retail theft problem.

The general knowledge and findings of fact that were identified through the literature review were later summarized and synthesized in a systematic fashion. This information will be presented throughout this report in reference to the retail theft problem or to specific anti-theft programs and strategies.

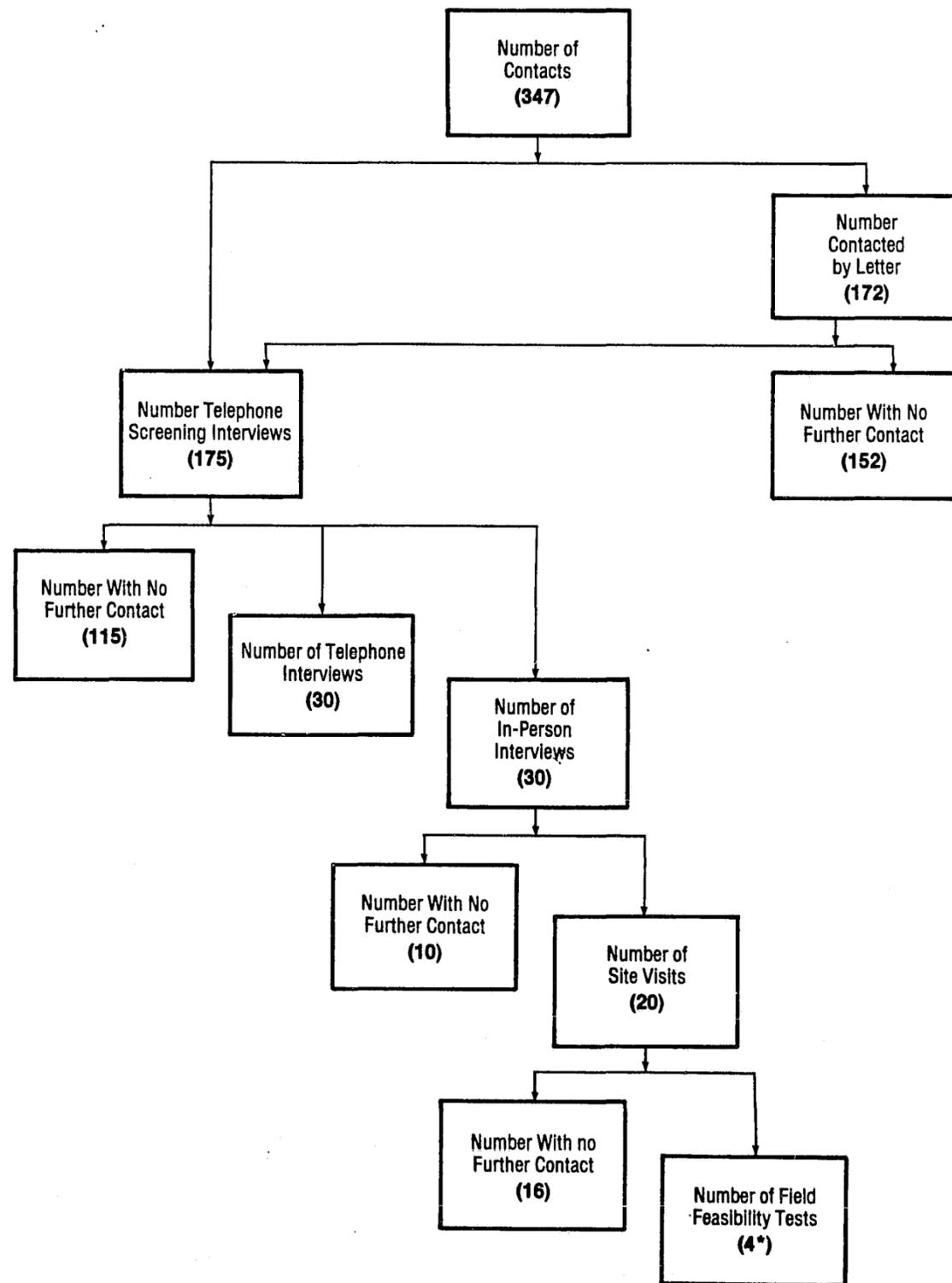


Figure 2-1. Flow and Number of Major Contacts

*Estimated number of sites.

2.2 Literature Search and Review

The literature search was conducted as a multi-stage process. During the first stage, our primary interest was in locating existing programs and strategies for possible screening. Articles on shoplifting, employee theft, or program strategies aimed at these problems were located in nearly 100 different periodicals. In addition, information was obtained from numerous retail security books, government reference documents, previous research reports in the topic area, and materials from individual organizations. This search yielded several popular and/or unique programs that were unknown through other sources. Furthermore, this effort resulted in the development of an extensive library of articles in the topic area.

During the second phase of the literature search, a closer review of the articles, books, and other available documents was carried out with a larger set of questions in mind. Using the conceptual framework for determining the types of information to be collected, staff members took note of any opinions, expectations, assumptions, theories, or research/evaluation findings concerning:

- The nature and extent of the problems of shoplifting and employee theft.
- Any programs or strategies designed to combat these problems.
- The costs and benefits of these anti-theft activities.

Thus, both general knowledge and findings of fact were sought as they pertain to the theft problem, programs/strategies, and evaluation.

To date, a multitude of sources have been utilized to accumulate information in this topic area. For example, in addition to the many journals that were reviewed, thorough searches of the following basic sources have been conducted:

- Business Periodicals Index.
- Criminal Justice Index.
- Reader's Guide to Periodical Literature.
- Discipline-specific periodical sources (e.g., Psychological Abstracts, Sociological Abstracts, Educational Resource Information Center, etc.).
- Computer searches conducted by the National Criminal Justice Reference Service.

In addition, research reports, program evaluation reports, program/strategy descriptions (e.g., brochures, pamphlets), program materials (e.g., posters, curriculum plans) have been reviewed. Furthermore, numerous newspaper and magazine clippings were received in the mail from organizations throughout the country.

2.3 Data Collection: Methods and Procedures

After the screening procedures were completed, the next major phase of the project involved the collection of more in-depth information about selected anti-theft programs/strategies and affiliated organizations. The screening task provided a source of general information from a larger sample of organizations, but more specific information was needed about the operations and impact of selected programs/strategies. Hence, a number of methods and procedures were utilized to achieve this objective.

Site-visits were the primary means for collecting information about programs/strategies. However, a substantial amount of information was collected through non-site-visit methods. Both approaches are described below.

2.3.1 Site-visit Methods

Site-visits were conducted at 20 locations which were believed to hold the most interest and highest probability of pay-off in terms of information gained about selected anti-theft programs/strategies. The site-visit methodology necessarily varied from one location to the next, in order to match the unique characteristics of different organizations and different programs/strategies (e.g., retail companies versus criminal courts). However, in general, the following methods were employed:

- In-person interviews.
- Archival inquiries.
- Observations.

In-person interviews were a very important component of the site-visits. At retail companies, these interviews were conducted with the director of security, the director of personnel, and/or the senior auditor. At nonretail organizations, the program director and his/her staff were the interviewees.

In-person interviews were essential for ascertaining perceptions of:

- The processes involved in anti-theft programs/strategies.
- The objectives of anti-theft programs/strategies.
- The extent and quality of the activities performed.
- The larger milieu in which the programs/strategies operate.
- The effectiveness of selected programs/strategies.

Not only were these interviews useful for determining perceptions of the previous programs/strategies, but they were important for determining how these anti-theft activities were implemented and maintained. Interviews also yielded information about the existence and accessibility of relevant data bases. In-person interviews were usually two hours in length.

Archival inquiries served as another method of data collection during site-visits. An on-site analysis was made of important records to support the information gathered from the in-depth interviews and observations. Whenever possible, existing data sources were utilized, including: Planning documents and memoranda; policy directives; shrinkage figures; apprehension records, evaluation reports or results of internal tests and audits.

Finally, observational methods were used to supplement the primary self-report and archival methods. One of the main advantages of field observations is that they are more difficult to manipulate for the purpose of enhanced self-presentation. In retail establishments, the following sorts of elements were observed:

- Operations used to maintain and monitor anti-theft devices (e.g., closed circuit television), electronic article surveillance.
- Processes involved in applying anti-theft strategies to personnel (e.g., training procedures, apprehension procedures).
- Layout of the physical environment (e.g., visibility of signs and warnings, location of physical barriers).

In each of these areas, observations were found to be useful. One of the primary benefits was a determination of whether anti-theft strategies were operational in a manner consistent with expectations and strategy objectives. The expectations that were checked through observational methods were both process expectations (e.g., frequency and duration of anti-theft activities) and outcome expectations (e.g., perceived visits of apprehension).

2.3.2 Non-site-visit Methods

While site-visits gave the project in-depth information about anti-theft programs/strategies, clearly more information was needed to capture the state-of-the-art in this topic area. Information about major issues and concerns, limitations of certain programs/strategies, previous research, future trends, etc. was obtained through non-site-visit methods, as well as the site-visit approach described above. Two non-site-visit methods were used:

- Expert interviews.
- Existing data retrieval and analysis.

Expert interviews were used throughout this project and with much success. More than 30 experts were interviewed and a diversity of expertise was tapped. The label "expert" was applied to a variety of individuals with special knowledge in the topic area. In some cases, individuals were interviewed because they were experts about previous research on shoplifting or employee theft. In other cases, experts were defined as individuals with general knowledge of a particular anti-theft program/strategy. Finally, a few generalists were interviewed who brought to the project a general knowledge and overall perspective of the field.

Because of the many different experts interviewed, a variety of questions were asked. In addition to the many specific areas that were discussed, the following general areas were covered:

- The major causes of shoplifting and employee theft.
- The problems associated with measuring the nature and the extent of the problem.
- The effectiveness, advantages, and disadvantages of numerous anti-theft programs/strategies.
- The relationship between retail companies and various criminal justice agencies.
- The role of scientific research in this field.
- The major issues and concerns among practitioners and experts.

Experts were used to help identify the knowledge and knowledge gaps in this topic area. This Phase I assessment was an iterative process, where several information-gathering stages were needed to determine what was and was not known about the topic area. Hence, experts were appealed to at different stages of the project, and their contributions were significant.

Experts were most frequently interviewed by telephone. However, meetings were also arranged with certain experts when the topic was believed to be of sufficient importance. Both individual and group meetings were arranged and both approaches were fruitful.

The second non-site-visit methodology that was employed, but to a lesser degree, was that of existing data retrieval and analysis. It was expected that certain organizations would have data on hand concerning the nature of the theft problem and/or the performance of certain anti-theft programs/strategies. Hence, these two types of information were pursued for secondary analysis. This information was sometimes requested during site-visits and other times was requested by telephone or in-person meetings with organizations that were not site-visited.

A number of data sets were located that contain files on apprehended shoplifters. However, there were a number of problems with these data sets. The primary problem, from the viewpoint of this project, was that the data were not in the proper form for computer analysis. Eventually, we located one large data set that was prepared for computer analysis, and secondary analyses will be performed as part of the feasibility tests.

We were somewhat surprised to discover how scarce such data were regarding program/strategy performance. Many organizations kept records of selected program/strategy-related activities. Furthermore, many organizations kept records which contained potential impact measures (e.g., shrinkage).

However, because these data were never collected within an evaluation framework (i.e., with a concern for research methodology or principles of program evaluation), good comparison groups were almost always absent. Nonetheless, we were able to locate performance data for one of the selected anti-theft strategies. These data were subject to secondary analysis and the results are presented in this report.

2.4 Program/Strategy Descriptions, Flow Diagrams, and Measures

The next major task was to summarize and synthesize the information collected through site-visit methodologies, in order to develop detailed descriptions of the selected anti-theft programs and strategies. The information necessary to develop these descriptions was kept in individual program/strategy of interest, including a description of:

- Program/strategy activities and operating procedures.
- Resources and costs.
- Expected outcomes.
- Assumptions underlying program/strategy activities and objectives.
- Measures and measurement points.

From this information, a detailed description of the selected programs/strategies was developed. Essentially, these descriptions were a summary and synthesis of the information collected during the site-visits. Descriptions were illustrated through flow diagrams and accompanying narratives that were developed for all site-visited programs/strategies. Flow diagrams were useful for illustrating the flow of activities and decisions as they lead to particular outcomes. The accompanying narrative described the events shown in the flow diagram and any supplemental information that might maximize the reader's understanding of the anti-theft program/strategy.

The logical extension of this work with flow diagrams was the compilation of measures and measurement points to aid in the description and assessment of specific programs/strategies. We have compiled lists of actual measures that have been used and points at which these measures have been applied. These data points were important for the assessment task described below (2.5) and they were presented, along with the accompanying flow diagrams and narratives, in the Interim Report.

2.5 Assessment of Present Knowledge in the Topic Area

One of the major outcomes of this Phase I assessment was to assess the current state of knowledge in this topic area and to identify the major knowledge gaps. In the most general sense, knowledge gaps are a product of discrepancies that exist between theory or expectations on the one hand, and reality on the other. As suggested earlier, there are knowledge gaps about the nature and extent of the retail theft problem and knowledge gaps about anti-theft programs/strategies. We have developed procedures for identifying both.

To identify knowledge gaps about the nature and extent of the problem, a thorough literature review was first completed. As noted in Section 2.2, this literature review served to summarize the general knowledge and findings of fact in the topic area. Although there are many types of knowledge gaps in reference to the retail theft problem, some of the major gaps were identified by examining discrepancies between theories/opinions about the problem ("general knowledge") and the research findings ("findings of fact").

The process of identifying knowledge gaps about anti-theft programs/strategies was very much dependent on the previous task of summarizing and synthesizing site-visit information (Section 2.4). The expectations that individuals had for particular programs/strategies were compared with the findings of fact about actual program/strategy processes and outcomes. Again, this assessment procedure involved the examination of discrepancies between theory/expectations and practice, between expected outcomes and findings of fact. This comparison process is central to this NEP project and we have exploited it for the assessment of knowledge about anti-theft programs/strategies.

Flow diagrams, measures, and measurement points were useful in identifying these knowledge gaps. Measurement tables were prepared to accompany each flow diagram. These measurement tables contained measurement points (corresponding to flow diagram), possible measures and actual measures of anti-theft programs/strategies. The comparisons allowed between possible and actual measures suggest numerous knowledge gaps and limitations to the existing data base.

The final stage of assessment involved the synthesis of information about programs/strategies studied at individual sites. To achieve this end, synthesized flow diagrams were developed to capture the general process underlying individual programs/strategies, as well as to define their uniqueness. These synthesized flow diagrams are graphic generalizations of the site-specific flow diagrams, which aided in the development of a general measurement model. For each synthesized flow diagram, a general measurement table was created to pinpoint actual measures, possible measures, and measurement points.

2.6 Design for a Phase II Assessment and Field Feasibility Tests

The last major task completed during the first year of the project was to prepare a preliminary design plan for testing the feasibility of instruments and procedures that could be used in a Phase II assessment. We concluded that feasibility tests of instruments and procedures could not be proposed without placing them in the larger context of a Phase II evaluation plan. Hence, the task was divided into several major subtasks:

- Develop a set of Phase II evaluation design plans for selected anti-theft programs/strategies.
- Provide a set of Phase II measurement plans for selected anti-theft programs/strategies.
- Describe a set of procedures for conducting field feasibility tests of Phase II measurement instruments and evaluation design plans.

These subtasks have been completed and are discussed in a separate report (Rosenbaum, Baumer, Bickman, & Perkowitz, 1979). The approach taken to completing these subtasks was to rely on the findings and conclusions of the Phase I assessment and allow these results to shape our thinking about the Phase II assessment. These findings and conclusions are the core of the present report. They were instrumental in shaping our conclusions regarding:

- The need for a Phase II assessment.
- The objectives of a Phase II assessment.
- The scope of a Phase II assessment.
- The designs and measures for a Phase II assessment.

2.7 Summary

To a large extent, the methods and procedures used in this Phase I assessment of anti-shoplifting and employee theft programs/strategies are characteristic of the revised NEP model. Consistent with this revised model, we have identified the universe of anti-theft programs/strategies, screened candidate organizations, collected detailed information through site-visits, developed flow diagrams, specified possible and actual points of measurement, synthesized existing knowledge, and pinpointed the major knowledge gaps in the topic area. However, while the methodology was similar to other NEP's, the topic area was uniquely different from the areas explored in previous NEP projects in terms of organizational support and program/strategy content. These differences should be apparent throughout this report.

3.1 Extent of the Problem

Accurately assessing the prevalence of most criminal behavior is, at best, a difficult task, complicated by many methodological problems (see Section 3.4). Most of these problems are amplified by the nature of shoplifting and employee theft. Except for very large thefts, a single successfully executed incident of shoplifting or employee theft is, for all practical purposes, undetectable. Only in the aggregate do these offenses come to the attention of commercial establishments, and then only in the form of inventory shrinkage--a figure which imprecisely indicates the existence of thefts. Thus, unlike many other crimes, even the victim (retail establishment) is often unaware that a crime has been committed. In addition, the situation is further clouded by the inattention devoted to this area (see Chapter 1) by social scientists.

Reliable estimates of the magnitude of the problem are simply not available. As one recent study of crimes against business concluded:

This review of available crime costs data reveals clearly that we simply do not know the cost of crime against business. The literature yields only estimates which to a significant degree are based upon earlier estimates and adjusted for inflation. What we do know is that more valid data are needed if public and private organizations are to allocate their resources effectively (Gibson & Zunno, 1978, p. 44).

Thus, the figures cited in the remainder of this section (3.1) must be highly qualified and viewed only as estimates. The extent of the problem has been assessed primarily in four distinct forms:

- Estimates of total dollar loss directly attributable to these crimes.
- Inventory shrinkage.
- Number of apprehended suspects (and dollar value of recovered merchandise).
- Number of individuals engaging in these offenses.

Each of these estimates illuminates a particular aspect of the problem and contains its own liabilities. In the following three sections, these figures are employed to draw a rough picture of the problem of retail theft. The first (3.1.1) discusses previous estimates of the extent of retail theft in general. The second (3.1.2) reviews estimates of the extent of shoplifting, while the third outlines the extent of employee theft. In order to avoid overextending the limits of the data, care will be taken to point out the limitations of each estimate.

3.1.1 Retail Theft

Estimating the dollar cost directly attributable to retail theft is a very tenuous endeavor. Not only are the data for a quality estimate absent, but the magnitude of the estimate is directly linked to the crimes included within this category and the date of the estimate. To further complicate matters, many estimates are for crimes against business, of which retail crime is but a part.

Estimates of the total annual dollar cost of retail crime, excluding the indirect costs (e.g., maintaining a security staff, time spent in court), vary widely. The 1969 study conducted by the Small Business Administration estimated the cost of crime to businesses at approximately \$3 billion. This estimate was based upon self-reports by proprietors of small business and was limited to these establishments. The U. S. Department of Commerce (1976) estimated the cost of "ordinary" crime to the retailing community to be in excess of \$6.5 billion for 1975. This category includes offenses such as bad checks, burglary, robbery, credit card fraud, and vandalism, in addition to shoplifting and employee theft. Chelmsky, et al. (1978) estimated annual retail losses due to shoplifting and employee theft at \$10 billion, while Geurts (1979) reached a similar figure, \$12.5 billion, using a different methodology. These figures, spread over a period of 10 years and ranging from \$3 to \$12 billion, indicate the instability of such estimates. However, they are indicative of a belief that crime is a major problem confronting the retail community. As was pointed out in Chapter 1, each incident may be relatively minor, but when viewed in the aggregate, they define a major social problem.

Another means of estimating the magnitude of the problem is to use retail shrinkage figures. This figure is usually calculated using inventory shortages expressed as a percent of sales. Available data indicate that shrinkage may vary significantly, although there appears to be some consensus that the normal range falls between 2 and 4 percent of sales. Astor (1971) reported that shrinkage due to retail theft ranges from 0.7 percent of sales in a "well-managed store," to 4.5 percent in a "poorly-managed" one. According to NRMA, annual shrinkage rates range from 2 percent to 10 percent of sales (Reed, 1977). Geurts (1978) reported shrinkage rates ranging from 0.1 percent to 7.0 percent, with an average rate of 1.9 percent for 1976. Kaufman (1974) reported an average, national retail shrinkage rate of 2.0 percent. For the data reported in Section 4.3, the average shrinkage ranged from about nine percent in 1973 to 3.7 percent in 1978, indicating that large shifts can occur even within a single chain of stores.

The utility of these figures is limited by their composite nature. They include losses due not only to theft, but also to spoilage and poor inventory and recordkeeping procedures. As a result, any attempt to estimate the magnitude of the theft problem from shrinkage figures involves an estimate of the proportion of these losses due to theft.

An important question concerning retail theft involves the relative magnitude of shoplifting and employee theft. Since prevention programs necessarily differ for these two types of crime, the answer to their question holds important policy implications for retail security programs. As with dollar estimates, there are very few data concerning the relative magnitude of these two forms of theft. Although little concrete data are available, recent guesses suggest that employee theft is the greater of the two problems. Based upon a survey of Washington State businesses, Shave (1978) estimated that 40 percent of inventory shrinkage is due to shoplifting. If we assume that nontheft sources of loss (damaged articles, paperwork errors) amount to 15 percent of shrinkage (some reports place this figure at 20 percent, AMA, 1977), Shave's data suggest that slightly over 50 percent of theft is due to employees. In 1977, Geurts (1978) surveyed 121 retail organizations, representing 1,330 individual stores. Overall, these stores attributed 99 percent of their shrinkage to theft. In addition, they estimate that shoplifting was responsible for 63 percent of all inventory shrinkage shortage. A security director for a large Western retail chain suggested that, in 1976, employees accounted for 60 percent of all thefts within his firm (Frantz, 1978). Astor (1978) placed employee theft at two-thirds of all retail theft and Jaspan (1974) claims that employees are responsible for 75 percent of all retail theft. Both Bridges (1978) and Parker (1977) place employee theft at 80 percent of all thefts, while Lipman (1976) and Metz (1971) suggest that over 80 percent of all dollars lost to theft are due to employee theft. Thus, although there is considerable variation in the estimates of the relative magnitude of shoplifting and employee theft, there is some consensus that the latter constitutes 60 to 80 percent of the problem.

Unfortunately, none of the estimates cited above withstand more than the most cursory critique. Most are simply guesses, grounded in experience, while others give the appearance of being more valid (e.g., Shave, 1978), but upon closer scrutiny prove to be little more than composite guesses. Thus, our conclusion concerning the relative impact of shoplifting and employee theft must be highly qualified. Although experts in the field believe that employee theft accounts for the majority of losses due to theft, conclusive evidence for this contention has yet to be collected.

In sum, there is a consensus that retail theft constitutes a major problem in the United States. Experts estimate that the combined monetary totals to be between \$6 and \$12 billion lost each year. Although a \$6 billion discrepancy exists between these estimates, even the lowest figure constitutes a substantial cost to retailers--a cost that is eventually passed on to the consumer. Inventory figures show that losses usually run between 2 and 4 percent of sales. Most experts and researchers agree that employees account for over one-half of all thefts and some authors place this figure as high as 80 percent. Thus, the existing literature suggests that theft is a major problem for the retail community. However, it must be emphasized that much of the data cited on this topic is impressionistic and is seldom firmly grounded in fact.

3.1.2 Shoplifting

Estimates of the dollar cost of shoplifting also vary considerably (by a few billion), but there is some agreement that losses in the mid-1970's were between \$2 and \$3 billion. The Small Business Administration (1969) placed losses due to shoplifting at \$0.5 billion for 1967. The American Management Associations (1977) adjusted this figure for assumed increases in shoplifting and inflation, to produce a figure of \$1.6 billion for 1975. In using a different method of calculation, the AMA report placed 1975 losses due to shoplifting at \$2.0 billion. Using yet another approach, Shave (1978) estimated losses due to this source at \$3.2 billion for 1976. Retail losses due to shoplifting are often placed at 40 percent of all shortages. If the Department of Commerce figure of \$6.5 billion for 1975 is taken as the base, the "40 percent rule" would place the dollar cost of shoplifting at \$2.6 billion. A recent report by Chelimsky, et al. (1978) placed this figure at \$1.9 billion. Thus, although the measures are crude and based upon estimated proportions, there appears to be some agreement that in the mid-1970's losses due to shoplifting ranged between \$2 and \$3 billion annually.

Another means of estimating the extent of the shoplifting problem is to establish the prevalence of theft behavior within the population. This has been attempted by two methods: (1) Estimates of the number of customers engaging in theft while in a store, and (2) measures of the proportion of the population that reports having stolen in the past. Estimates of each will be discussed briefly.

Data concerning the prevalence of shoplifting among customers is very rare and of questionable validity. In the sole study of shopper behaviors, Astor (1970) reported 6.6 percent of the customers in four department stores were observed stealing something. Dornfeld (cited in Shave, 1978) placed this figure at 1.7 percent of all shoppers, while Barmash (1971) suggests that around 2 percent of all customers shoplift. While these figures suggest that a surprisingly large proportion of customers steal while shopping in a store, they rest on a very weak methodological base and should be viewed with caution.

Several studies have relied on self-report data to determine the prevalence of shoplifting in the general population. Overall, these studies show wide variation in the proportions of respondents reporting theft. Using a card-sorting technique (see Section 3.4), the Mid-Atlantic Research Institute (1975) found 17.4 percent of their sample of households reporting shoplifting at least once in their lives. Data collected as part of the evaluation of the Portland, Oregon "Shoplifting Takes Everybody's Money" (STEM) program indicated that around 20 percent of fifth and sixth graders admitted to having shoplifted. Similarly, a Distributive Education Clubs of America (DECA) study of junior high school students found 33 percent reporting that they had shoplifted. Two studies of high school students reported that 47 (Wisher, 1978) and 63 percent (Klemke, 1978) had engaged in shoplifting. El-Dirghami (1974) found that 51 percent of high school students and 40 percent of college students admitted to shoplifting at least once. However, only 29 and 23 percent, respectively, of these two groups reported more than one prior offense.

These self-report studies indicate an interesting paradox. The student studies indicate an increase in such behavior from 20 percent in grade school, to 33 percent in a junior high school sample, and around 50 percent among high school students. However, only 40 percent of college students (El-Dirghami, 1974) and 17.4 percent of the adults in the Mid-Atlantic study reported shoplifting. The reasons for these variations merit investigation.

Finally, some limited data about the extent of shoplifting are available through apprehension records maintained by retailers. These take the form of numbers of apprehensions, estimates of the number of offenders not apprehended, dollar value of merchandise recovered, and number of items recovered. The U. S. Department of Commerce (1976) reports that about four million shoplifters are apprehended each year. Estimates concerning the number of offenses detected range from 1 in 35 (U. S. Department of Commerce, 1976) to 1 in 200 (Barnash, 1971). Using the lowest of these estimates (1 in 35) would indicate that each year, approximately 140 million shoplifting incidents take place (cf., Chelimsky, et al., 1978). For comparison, data from the commercial sample of the National Crime Survey estimated that commercial establishments suffered only approximately 1.9 million robberies and burglaries in 1976 (U. S. Department of Justice, 1976). Thus, in terms of simple frequencies, shoplifting may be about 73 times more common than burglary and robbery combined.

Several authors have developed estimates of the average value of merchandise taken per shoplifting incident. Because high inflation in recent years can affect these figures significantly, only data collected in a relatively short timespan are reported here. In a study of 1,188 stores, the Mass Retailing Institute (1973) found merchandise recovered to average \$9.24 per apprehension. Reed (1977) places the average value at \$5.26, while Chelimsky, et al. (1978) estimated at \$4.00. Shave (1978) has illustrated the wide variations by type of store. The average recovery for four department stores was around \$22, while this figure was close to \$8.00 for the two "drug/general merchandise" stores providing data. Griffin (1978) reports the average value of articles recovered in 1977 to be \$5.99 for supermarkets, but \$16.22 for discount stores.

In conclusion, the direct costs of shoplifting to the retailing community appear to be substantial. Estimates place the total dollar loss at between \$2 and \$3 billion annually. These figures do not include the indirect costs involved in the detection, apprehension, and prosecution of offenders. The magnitude is further emphasized by the sheer numbers of individuals thought to engage in such behavior. By almost any measure, shoplifting is a considerable problem for which the American consumer ultimately pays the bill. A problem of such magnitude deserves serious study.

3.1.3 Employee Theft

Data concerning the extent of employee theft are even more rare than for shoplifting. This is in spite of the data cited above (Section 3.1.1) indicating that the former is probably a larger problem than the latter. In this section, the available data concerning the extent of employee theft are discussed. These figures take two general forms:

- Estimates of dollar losses.
- Number of employees engaging in theft.

Given the widespread belief that losses due to employee theft are greater than those due to shoplifting, we would expect estimates of the cost of the former would exceed the \$2 to \$3 billion range estimated for the latter. A review of previous estimates indicates that this is the case. As with all other dollar estimates cited, inflation may affect the absolute value. No attempt has been made to adjust for this interference. One of the lowest estimates was \$0.38 billion, produced by the Small Business Administration study (1969). After adjusting for assumed increases in the rate of occurrence (but not for inflation), the AMA report (1977) extrapolated this estimate to \$1.3 billion for 1975. The U. S. Chamber of Commerce (1974) estimated losses due to this internal source at \$4 billion for 1974. After considering other estimates, the American Management Associations (1977) produced a "best guess" range of between \$5 and \$10 billion. Lipman (1976) claims that employee theft cost \$7 billion in 1976, while Astor (1978) cites a figure as high as \$18 billion for 1977 and claims this cost may be as high as \$53.7 billion by 1983. It is probable that Astor's figure is as much an overestimate as the SBA study was an underestimate. Given the range of the remaining estimates and the general consensus that employee theft exceeds shoplifting in magnitude, the available data indicate the cost of employee theft to be between \$4 and \$7 billion annually (in 1975-1977 dollars).

Some authors have attempted to delineate the magnitude of the problem through estimates of the number of employees engaging in theft. Some of these figures are based on self-reports of employees, while others are impressionistic "best guesses," based on experience in the field. Unlike many of the other estimates cited above, most authors agree that between 50 and 60 percent of retail employees steal, in one form or another, from their employers. In a study of 98 retail employees, 50 percent admitted to taking merchandise without paying for it (Tatham, 1974). Of those admitting thefts, 33 percent reported the value of the item(s) to be less than \$1.00. As an indicator of the possible reasons for this high rate, fully 67 percent did not view their actions as stealing. Without giving a source, Lipman (1976) cited the same 50 percent employee theft figure, while Dubansky (1978) presented a 70 percent figure.

A recent study conducted by Clark, et al. (1978) investigated both the extent and types of employee theft. Using a self-report methodology, 60 percent of the 1,408 retail employees surveyed reported at least one type of theft. However, only 12 percent admitted to taking merchandise without paying for it. The principal form of theft identified in this study was misuse of the employee discount, with 57 percent of the respondents engaging in this behavior. Thus, although the total figure recorded by Clark, et al. (60 percent) is similar to that reported by Tatham (50 percent), the proportion admitting to theft of merchandise was considerably lower (12 percent) for the former study.

One final study of employee theft must be mentioned. The Mass Retailing Institute (1973) surveyed 1,188 retail stores about shoplifting and employee theft. These stores reported that, in the past fiscal year, they had apprehended an average of 3 percent of their employees engaging in "dishonest acts." These figures ranged from a high of 11 percent to a low of no apprehensions. No frequencies beyond this range are provided. Of those apprehended, the average prosecution rate was only 31 percent, confirming a general belief that employers are reluctant to prosecute employees. The usual course of action is dismissal, with an attempt to recover the merchandise. If these figures are accurate, it might be surmised that a very small proportion of employee theft is detected.

3.1.4 Summary

By all estimates, retail theft is a problem of major proportions. Retailers generally experience inventory shortages that are between 2 and 4 percent of sales. Eighty-five percent of this shrinkage is thought to be due to theft. Nationwide authorities estimate the cost of retail theft to be between \$3 and \$12 billion annually. Although few are grounded in sound data, most estimates attribute a majority of this theft to employees. Specific studies of both shoplifting and employee theft exhibit a broad range of findings but fall within what would be predicted by the above parameters. If these estimates are even minimally accurate, the American public bears a tremendous burden as a result of retail theft.

Measurement issues constitute a major obstacle to knowledge in this area (see Section 3.4). The consequences of poor measurement can be seen in the \$9 billion range between the lowest and highest estimates of the dollar cost directly attributable to retail theft. Similarly, wide variation exists on virtually all major parameters of the problem. Although all indications are that retail theft is very widespread and costly, in a critical assessment of the problem, it must be concluded along with Gibson and Zunno that "...we simply do not know the cost of crime against business" (1978, p. 44)--except in a very general, impressionistic sense.

3.2 Theories About the Causes of Retail Theft

A review of the literature and discussions with numerous experts in the field have allowed us to identify a variety of theoretical statements about the causes of shoplifting and employee theft. The intent of this section is to review these theories and hypotheses, along with pertinent research findings. Unfortunately, most of the existing research on shoplifting and employee theft is atheoretical in nature. That is, the research was not designed to test any particular theory, nor include any theory-based predictions about the results. Rather, most studies simply describe known offenders and their behavior patterns. The bulk of this atheoretical, descriptive research is reviewed in the following section on the nature of the problem (Section 3.3).

The present section is largely a review and critique of existing theoretical statements about why people shoplift or steal from their employers. Because few empirical tests of these theories have been conducted, they generally lack rigorous support and, frequently, fall more appropriately into the category of informed opinion or even speculation. In addition, many authors have simply enumerated possible causes, drawing from several theoretical perspectives, instead of presenting a precise and complete theory of causation. The intent of this section is to capture the state-of-the-art in theorizing, rather than construct a new theoretical model to account for retail theft. Therefore, the positions described in this section should not be taken as valid statements about the factors that facilitate or inhibit retail theft. To the contrary, we conclude that much of this theorizing is grossly incomplete. Nonetheless, the state-of-the-art should be elucidated through the presentation of these theoretical statements.

Retail theft is typically theorized to originate in the individual or in his or her social and physical environment. Most of the existing literature has concentrated on characteristics of the individual--his or her personality traits, motivations, cognitions, perceptions, and needs--as the primary source of the problem. Some authors have recognized that environmental characteristics are also important determinants of retail theft, but in terms of sheer numbers of publications, individual-based theories of causation have received far more attention than environment-based theories. Both individual and environmental orientations are reviewed below, first for shoplifting, then for employee theft.

3.2.1 Shoplifting

3.2.1.1 Individual-based Theories

Before reviewing specific theories and hypotheses, the general approach taken to causal assessments should be noted. Typically, the causes of shoplifting are addressed by classifying offenders into two or more categories and describing the distinctive attributes and motivations which characterize each type of offender. The literature contains numerous typologies (e.g., Angelino, 1953, Holcomb, 1973; Dornfeld, 1967; Cox, 1968; Rogers, Sanz, & Tolosa, 1961). While criminal typologies can be extremely useful if properly constructed, their application to shoplifting has met with limited success.

A "good" typology should simplify the phenomenon and provide some general guidance for the development of hypotheses and theories (see Clinard & Quinney, 1967, for a discussion of the construction and utilization of typologies in criminology). In the present topic area, typologies have been used to separate shoplifters into distinct groups that provide only minimal theoretical guidance. For example, Holcomb (1973) has divided amateur shoplifters into 10 groups: Juveniles, juvenile gangs, housewives, drunks and bums, narcotic addicts, mentally disturbed people, individuals with deep-seated resentment, people who want to be caught and punished, old people, and psychopaths. The problem with such typologies should be apparent. Using these frameworks, shoplifters are not distinguishable from the general population, or from certain segments of the population, except by the fact that they are known to exhibit shoplifting behavior. However, the predictive and explanatory power of typologies is enhanced to the extent that they address the causes of theft. For example, what is it about "juveniles" or "old people" that causes them to shoplift? The most popular typology (Angelino, 1953), involving the division of shoplifters into the familiar groups of professionals, amateurs, and kleptomaniacs, offers some guidance regarding underlying causes. However, the question remains--What causes amateurs to steal? In general, typologies have not been effectively utilized in this topic area.

A number of individual or personological factors have been posited as important causes of shoplifting. These factors can be viewed as needs (motives) and states of the individual that contribute to shoplifting. Essentially, these needs/states are one of two types--those which are temporary and those which are enduring.

Temporary individual needs. In the shoplifting literature, three temporary needs are given primary attention:

- The need to reduce stress/anxiety.
- The need for economic gain.
- The need for excitement and risk-taking.

The need to reduce stress/anxiety is the most commonly proposed temporary factor. A number of authors (Arieff & Bowie, 1947; Edwards, 1958; Holcomb, 1973; Russell, 1973; Shea, 1977) claim that shoplifting can be a means of coping with emotional stress and anxiety. For example, Arieff and Bowie (1947) have argued that most shoplifters are people with a more or less normal personality in whom shoplifting occurs as a result of emotional stress, rather than a consistent act of thievery. Implicit in this viewpoint is the notion that shoplifting may differ from other forms of theft, because many shoplifters do not possess a delinquent/criminal personality or suffer from psychological disorders. (However, some authors prefer to see emotional stress as a "neurotic," rather than "normal" reaction.) Empirical support for the notion that shoplifters are normal individuals comes from retail apprehension records, which suggest that the "typical" shoplifter is an amateur who cannot be distinguished from other shoppers

of similar demographic characteristics. (Studies are discussed in Section 3.3). However, there is little empirical documentation of the stress/anxiety hypothesis.

The second individual-temporary factor is the need for economic gain. While many authors subscribe to the view that shoplifters are normal individuals, they have offered different explanations of the shoplifter's behavior. Some authors maintain that shoplifting is motivated largely by a desire to acquire goods at the least possible price (Kraut, 1976). Shave (1978) suggests that "shoplifting can be viewed as an extension of normal bargain hunting behavior. This is one explanation for the large number of otherwise law abiding people who engage in retail theft" (p. 22-23). While this hypothesis may explain why a large number of people shoplift, it does not adequately explain why others do not shoplift. A variation of this viewpoint is that people shoplift to acquire something they feel they could not otherwise obtain, or at least, justify purchasing (Shea, 1977). Unfortunately, the available data do not appear to support the simple economic gain hypothesis. A large number of apprehended shoplifters have credits and money in their possession and come from middle income families.

The third individual temporary factor is the need for excitement and risk-taking. Several authors (e.g., Little, 1974; Angelino, 1953; Shea, 1977) believe that shoplifting, especially among juveniles, is motivated by a desire or need for excitement and risk-taking. This need for excitement and risk can be either an enduring personality trait (discussed later) or a response that is common among youths and strengthened by specific situations (e.g., social interaction). A study by Belson (1975), involving interviews with 1,425 randomly selected juvenile males in London, revealed that juvenile shoplifters experienced frequent boredom, which the author believes was causally related to their shoplifting. Certainly, adolescents today are bored with many of their available options, and shoplifting may be a good channel for satisfying their need for excitement and risk. However, why would shoplifting be chosen over other channels for excitement/risk? This question is not addressed by this model.

Enduring individual needs. Extant literature has given much more attention to the individual's enduring needs/states. A discussion of these factors introduces the realm of personality traits and transsituational consistencies in behavior. In this topic area, the distinction between temporary and enduring needs/states is perhaps most commonly translated into a distinction between "normal" and "abnormal" persons, although such labels do not fully capture the underlying causes.

Theorists have posited the following enduring individual needs/states as being among the major causes of shoplifting:

- The need for economic gain.
- The need for excitement/risk-taking.
- The need to satisfy psychopathological motives.

The need for economic gain is the basic motive attributed to the "professional" shoplifter, who allegedly chooses shoplifting as a means of making a living (Angelino, 1953). While professional shoplifters are frequently the topic of conversation among security personnel, they are not frequently apprehended and thus, little is known about them. In any event, the possibility for economic gain through shoplifting could be very attractive to certain individuals, because of high opportunity, low risk, and low effort factors. For example, there are at least two anti-shoplifting programs where shopliftings have been staged on numerous occasions over the past three years, and the confederate shoplifter has never been apprehended. The phrase, "crime pays," certainly applies to shoplifting. However, the economic gain hypothesis does not explain why some people choose shoplifting for income, while others choose legitimate jobs, or perhaps other types of illegitimate activities.

The need for excitement or risk-taking is another enduring trait of individuals that has been posited as a major cause of shoplifting. While youth in general may have a need for excitement (as discussed earlier), certain individuals may be extreme on this dimension and better described as high risk-takers. These individuals would have a general transsituational tendency to take risks and seek out excitement in their day-to-day experiences. A study by Farley and Sewell (1976) found that delinquency and high scores on a "Sensation Seeking Scale" were correlated. The authors hypothesize that insufficient stimulation will lead to the seeking of stimulation and subsequently, to crime, if the environment does not adequately meet their needs. Research by Thall (1973) indicates that adolescent shoplifters generally engage in risk-taking behavior more frequently than nonshoplifters. Again, the question remains why shoplifting is the preferred method of risk-taking.

The most commonly discussed explanations of shoplifting are those which hypothesize the existence of various psychopathological motives within the shoplifter. A variety of enduring psychological needs and personality factors have been appealed to as causal factors. Emotional problems and anti-social personality traits are commonly discussed as sources of psychological disturbance. A strong Freudian psychodynamic bent is evident in the literature concerning emotional disorders.

According to the psychoanalytic viewpoint, shoplifting is explained by depression and subconscious motivations, caused by the repression of sexual and aggressive impulses (Fenichel, 1933; Rado, 1933; Rourke, 1957; Moore, 1976). Psychoanalysts have interpreted shoplifting as a manifestation of disguised erotic gratification, fetishism, affective compensation, depression, and innumerable subconscious motives (Russell, 1973). Kleptomania is a commonly discussed disorder, which fits within the psychodynamic framework. According to psychoanalysts, kleptomania should be placed "among the paraphilias, which like pyromania, is presumed to have a sexual etiology" (Angelino, 1953, p. 19). However, like the professional, little is known about the kleptomaniac because kleptomaniacs comprise such a small percentage of the total number of apprehended shoplifters and would be difficult to identify. A collection of hypotheses derived from the psychoanalytic interpretation appear in the literature. They range in sophistication from a

statement by Bersele (1969), indicating that shoplifting is often a symptom of "some kind of frustrated love," to detailed theories postulated by Orthodox Freudians. Several authors have suggested that shoplifting is either a substitute for sex or love (Jobin, 1978; Weisman, 1978 cited in Shave, 1978) or, as mentioned previously, a symbolic expression of a need for sexual gratification (Rourke, 1957; Appelbaum & Klemmer, 1974). For example, based on his analysis of 95 arrested shoplifters referred for a psychiatric appraisal, Meyers (1970) reported that most had experienced sexual problems and had unfulfilled "sensuous" needs. However, it is very probable that an examination of nonshoplifters would reveal similar conclusions.

Rourke (1957), a psychologist who treated a number of shoplifters, suggests that, in cases involving emotional disturbances, the motivation underlying shoplifting is often a symbolic one, but goes beyond the typical sex/love hypothesis to propose several additional motivations for stealing. Drawing upon several viewpoints, he outlines four categories of shoplifting: (1) Stealing as symbolic sexual gratification, (2) stealing as a means of gaining status or acceptance, (3) stealing as a means of satisfying an unconscious need for humiliation and punishment, and (4) stealing as a means of gaining revenge against parents by bringing disgrace on the family name.

Consistent with the psychodynamic approach, Russell (1973) has examined the etiology of these psychopathological motives. Russell proposes that shoplifting is often a symptom of emotional problems, stemming from early deprivation and feelings of unfulfillment. He relates five case histories to demonstrate how shoplifting can be an expression of such emotional problems as matrimonial stress, loneliness, and depression.

Depression is often mentioned as an emotional state which contributes to shoplifting. Arai and Kato (1970) report three cases of shoplifting by women in depressive states who experienced no accompanying feelings of guilt. Badonnel (1968) mentions several causes of shoplifting, including character weaknesses, neurotic flights from reality, and schizophrenia, but indicates that depression is the most common. However, regardless of shoplifting tendencies, depression is generally more common than these other disorders. Woddis (1957) discusses the relationship of depression to crime and gives several case histories of shoplifters suffering from depression who stole irrationally, i.e., they were not motivated by any type of economic gain. Unfortunately, the case study approach to research provides very weak evidence.

Making the assumption that pathology accounts for some shopliftings, the prevalence of pathological motivation becomes an important question, but one that is difficult to answer. Arieff and Bowie (1947) studied a sample of 338 apprehended shoplifters who were referred for psychiatric examination in Chicago between 1941 and 1945 and found that 77 percent of the patients had mental or emotional disorders. However, the authors estimated that the subjects represented only one to eight percent of all apprehended shoplifters and certainly, there were selection biases operating which determined who was/was not referred for an evaluation. The absence of a control group makes such results virtually meaningless.

On the whole, the psychodynamic explanations of shoplifting have not been tested, but many of these Freudian concepts have been discredited through recent psychological inquiry. As noted earlier, the case study approach, without a control group, is a methodology that is no longer acceptable under present-day scientific standards.

The "personality" approach to the problem has provided some information about shoplifting psychopathology and its pervasiveness. A number of theorists have conceptualized shoplifting as indicative of an abnormal or delinquent/criminal personality (e.g., Beck and McIntyre, 1977; Curtis, 1960; Hamblin, Abrahamson, & Burgess, 1964; Hathaway & Monachesi, 1953). The empirical evidence is weak and conflicting. For example, a study by Cameron, involving diagnoses by a court psychiatric service, failed to reveal any trends of personality deviation among the examined shoplifters (Edwards, 1958). However, significant deviations were found by Beck and McIntyre (1977), who administered the Minnesota Multiphasic Personality Inventory (MMPI), in conjunction with a shoplifting questionnaire, to 170 college students. Profiles of the students varied systematically, according to the frequency of shoplifting. The respondent groups, classified according to three frequency categories (never, once, many times), were differentiable on subscales measuring Hypochondriasis, Mania, Sex Role Interest Patterns, and Psychopathic Deviancy. The authors conclude that shoplifting behavior is "symptomatic of general maladjustment." According to their results, the hypothesis that shoplifting is caused by depression was supported only in the case of females who shoplifted once. Beck and McIntyre also claim to have found no support for the hypothesis that shoplifting is due to situational or environmental factors. However, the impact of actual situational factors cannot be established with personality tests. More importantly, one should ask whether abnormal tendencies account for shoplifting in particular or simply criminal behavior in general? Again, the question is whether the personality explanations are uniquely fitted to shoplifting.

In short, there has been a strong emphasis on enduring psychopathological motives and traits of individuals as causal explanations for shoplifting. These approaches suggest that shoplifting is committed by individuals with psychological problems and who thus differ from the typical customer.

In a critique of this criminological approach to shoplifting, Sohler (1969) has asserted that shoplifting is an ordinary crime, committed by individuals who are representative of the general population (apprehension data certainly show a predominance of seemingly normal individuals). By attributing the cause of shoplifting to pathological motivation and other complex reasons, criminologists and psychiatrists have ignored a large number of shoplifters. In short, one could argue that they have made a simple offense into a complicated one and in doing so, they have diverted attention from many potentially productive remedies, such as publicizing the problem of shoplifting and standardizing detection methods, aimed at the general population.

Thus, while simple labels and typologies may not get at the fundamental causes of shoplifting, the above criticisms suggest that searching deep into the thoughts and feelings of offenders also has its limitations. Looking in

a new direction, environmental and situational factors must be given serious consideration in any complete theory of causation.

3.2.1.2 Environment-based Theories

While environmental and situational explanations of human behavior have dominated psychological and sociological research in recent years, they have not been fully applied to the crime of shoplifting. Nonetheless, the following environmental factors have been proposed as causes of shoplifting:

- Opportunity, risk, and frustration factors in the immediate theft environment.
- Consequences of shoplifting.
- Family relations.
- Peer group processes.
- Social structure, norms, and values.
- Economic conditions.

Retail stores provide an environment that is conducive to shoplifting. Physical opportunity has been hypothesized as an important determinant of shoplifting in modern retail establishments (Edwards, 1958; Cameron, 1964; Berthelot, 1968; Curtis, 1975). Theoretically, the concept of "opportunity" includes both access to merchandise and risk of apprehension. Although access to merchandise is an important first step in committing retail theft, this variable has not received any theoretical status as a contributor to shoplifting. Rather, theoretical attention has been directed at the risk of apprehension. For example, several authors (e.g., Sanz & Tolosa, 1961; Fiedler, 1965; Curtis, 1975) claim that shoplifting is invited through open-shelf merchandising, in conjunction with ineffective security measures and a low probability of apprehension.

Finally, the retail setting has the potential to create frustration in the shopper, through high prices and poor service. Frustration, when combined with an easy opportunity for theft and a low risk of apprehension, can produce a situation that is ripe for theft (Feinberg, 1976; Retail Week, 1978). Frustration, opportunity, and risk are believed to be the most important contributors to shoplifting within the retail setting. Kraut's (1976) study of students who admitted to shoplifting revealed that shoplifters attributed their behavior to a desire to have the item, a desire not to pay, and "the opportunity the situation provided rather than to such situational pressures as need, inability to pay, social pressure, or accident" (p. 363).

There is some weak evidence that individual differences in the perception of risk may be related to shoplifting behavior. For example, Kraut (1976) administered a questionnaire to 1,500 university students and found that individuals who engaged in shoplifting perceived a lower likelihood

of apprehension than nonshoplifters. Such data are obviously difficult to interpret.

Other aspects of retailing have been identified as potential facilitators of shoplifting, but the causal links are not always plausible. For example, modern sales methods and advertising promotions designed to entice the American consumer have been suggested as factors contributing to shoplifting (Berthelot, 1968; Jepson, 1968; Jarosch, 1968). The impact of these factors on shoplifting is unknown.

The consequences or penalties for shoplifting is another situational factor discussed in the literature and considered very important to mass media campaigns. Potential shoplifters learn quickly that the crime typically carries very little penalty. Lenient sanctions are a byproduct of the prohibitive costs of prosecution to the retailer and an overloaded court system, which tends to ignore small claims cases. The probability and severity of punishment have long been considered important variables for establishing psychological deterrence, but their real importance remains suspect, especially in the present case, where deterrence has never really been tested.

Family relations constitute another set of variables for predicting shoplifting behavior. Problems in family life have been postulated as causal factors. A study by Miller, Silveria, and Simon (1975) found that low levels of parental regulation, weak parental ties, and a lack of family interactions were significantly related to adolescent theft. This theoretical approach has yet to be taken a step further to encompass the social and cultural environment of the individual. Many people grow up in a world of poverty and crime. For these individuals, crime becomes a way of life (see Silberman, 1978). While shoplifting does not appear to fit the typical pattern of lower class crime, certainly a substantial portion of shoplifters come from low income, poverty-ridden environments within the major cities.

Peer group processes constitute another set of social variables that may operate to increase shoplifting. The presence of deviant subcultural groups is believed to contribute to shoplifting, especially among juveniles and young adults. Several authors emphasize the interaction between the peer pressure exhibited by such groups and the individual's desire for status and acceptance (Holcomb, 1973; Little, 1974). Fully-developed theories of subcultural gangs (e.g., Cloward & Ohlin, 1960) have not been applied. Furthermore, these group processes need not be understood in the context of a deviant subculture. In fact, there are several major theories of juvenile delinquency that could be applied to shoplifting (see Johnson, et al., 1979, for a review).

Changes in the social structure norms and values have also been hypothesized as causes of shoplifting. Increasing depersonalization, competition, disintegration of the family, and a general worsening of the moral climate of the country are cited as examples (Appelbaum & Klemmer, 1974; Retail Crime, 1975; Shave, 1978). Research by Bickman (1975) reveals that many people do not define shoplifting as a crime. One statewide student education program is based on the idea that children need to regain a respect for property and understand the various types and usages of property. Furthermore,

many public education programs emphasize that "shoplifting is a crime" to counter what they perceive as a growing moral decrepitude.

Finally, economic conditions have been suspected of contributing to the shoplifting problem. This macro-level hypothesis posits a relationship between the incidence of shoplifting and poor economic conditions, unemployment, and inflation. Consumers, accustomed to the increased income and purchasing power which accompany economic growth, may shoplift as a means of preserving their standard of living (Retail Crime, 1975; Martin, 1971). These individuals could seek to justify their theft behavior by defining the economic situation as unfair or unjust to the consumer. Retail companies may be identified as one of the sources of economic injustice and therefore, an appropriate target for seeking compensation. A time series analysis of monthly trends in shoplifting apprehensions might provide some interesting data on the relationship between the economy and shoplifting, but this approach has yet to be taken.

In conclusion, a number of individual and environmental explanations have been offered to explain why people shoplift. However, these theories, hypotheses, and speculations have been treated independently, with little attempt to integrate or synthesize the diverse factors proposed. In reality, theft behavior is not a direct function of either individual or situational factors, but rather the result of some combination of these variables. Thus, individual needs and motives for engaging in theft are unlikely to be satisfied unless the proper environmental conditions are present. The literature on employee theft, although much smaller in quantity, has been more sensitive to the interaction of personal and situational factors.

In some cases, the theoretical statements on shoplifting appear as fragments of more general theoretical models in the fields of psychology, sociology, and criminology. The utility of shoplifting theories, as opposed to general theories of criminality, has yet to be demonstrated. At a minimum, authors in the shoplifting literature are guilty of ignoring many of the variables delineated in other literatures. For example, there are numerous theories of juvenile delinquency that could be applied to this topic area (see Johnson, et al., 1979, for a review). The obsession with virtually untestable hypotheses concerning pathological motives is unfortunate and has probably detracted from the development of alternative models. In general, there is a paucity of empirical support for most of the theoretical statements examined, due primarily to the insufficiency and low quality of the existing data bases.

3.2.2 Employee Theft

Many of the individual and environmental hypotheses used to explain shoplifting have also been advanced to account for employee theft. To avoid repetition, an attempt will be made to limit the discussion to distinctive (but not necessarily unique or exclusive) factors hypothesized as determinants of employee theft.

Several theoretical statements have been constructed which are relatively general. The National Council on Crime and Delinquency (NCCD) 1975 has

proposed three explanations for employee theft crimes: (1) The widely touted "bad apple" explanation, which holds that the employee is predisposed to crime and, given the opportunity, will steal; (2) the view that the employee steals in response to unanticipated psychological or economic pressure; and (3) the explanation that the employee who is hostile to his or her work experience, perhaps due to perceived inadequacies in compensation and promotion, steals as a means of revenge. It was also the opinion of the National Council on Crime and Delinquency that businesses contribute to the problem of employee theft by their underreporting and prosecution of apprehended employees and their willingness to pass their losses on to the consumer in the form of higher prices. NCCD goes even further to accuse businesses and the criminal justice system of tolerating upper status employee offenders and if prosecuted, handing down light, insignificant sentences.

The "bad apple" explanation is not really an explanation. To say that certain employees are predisposed to crime does little to identify who these individuals are. Similarly, the second explanation must specify what type of psychological needs contribute to theft. The same type of question can be applied to the third explanation above--if hostility causes internal theft, what factors contribute to hostility?

The hostility hypothesis proposed by NCCD is somewhat similar to the "criminal triangle" model (e.g., Curtis, 1975), which is perhaps the most popular conceptualization among security and loss prevention practitioners. According to this model, three factors precipitate theft--frustration, aggression, and low anticipation of being caught. An employee who is prevented from engaging in some desired behavior will experience frustration. If this employee also perceives a low risk of apprehension, he/she will aggress against the employer by means of theft, using theft as a channel for relieving these feelings of frustration. The criminal triangle model is based upon the notion that frustration leads to aggression--a model developed by social psychologists at Yale in the late 1930's (Dollard, et al., 1939). Again, the critical problem is a lack of specificity regarding causes of frustration.

Another conceptualization worth noting is that proposed by Mersky (1973), who postulates four common elements of "successful" employee theft. The employee must feel an economic or psychological need to steal from his/her employer, overcome the belief that stealing is morally wrong, have the opportunity to steal (i.e., have access to cash or merchandise), and finally, must escape detection. While Mersky's analysis recognizes the role of social norms and opportunity factors, the approach remains very general.

These examples illustrate the state-of-the-art in theorizing about employee theft. The models are frequently too vague and general to generate specific predictions. A more fully developed, detailed conceptualization is needed for identifying the various causes of employee theft. To some extent, such a conceptualization has been developed by Clark and his associates (Clark, Hollinger, & Smith, 1979; Clark, et al., 1979).

To date, Clark and his colleagues have taken the most comprehensive approach to understanding the causes of employee theft. They have conceptualized the causal explanations for employee theft in terms of three major

sets of variables: characteristics of (1) the employee, (2) the formal work organization, and (3) the surrounding community. A number of variables have been specified in each of these categories.

In terms of the employee, Clark, et al. (1977) hypothesize that four sets of variables may be related to employee theft: (1) Basic personal attributes and needs, (2) job satisfaction, (3) perceptions of theft opportunities, and (4) perceptions of security and control mechanisms. For some of these variables, predictions were not possible. However, one would expect that job dissatisfaction, perceived theft opportunities, and a low perceived risk of detection by security would contribute to internal theft.

According to the Minnesota project, characteristics of the work organization that may correlate with employee theft include: (1) Basic demographic characteristics (e.g., size, structure, age distribution), (2) dynamic qualities (e.g., performance expectations, types of supervision, promotion rates), (3) opportunities for theft (e.g., access to money or merchandise), and (4) social controls (e.g., security functions, security equipment, auditing, screening). Again, the same predictions made for perceived opportunities and controls would apply to actual opportunities and controls (with the assumption being that actual characteristics of the work organization are accurately perceived by the employees). Furthermore, one might hypothesize that employees who are dissatisfied with their job status (e.g., low pay, low opportunity for promotion), or have jobs which provide them with the opportunity to steal, would be more likely to engage in theft than employees not holding these positions.

Finally, the characteristics of the surrounding community may contribute to employee theft. The primary hypothesis is that differences in employee theft will be apparent between communities of disparate socioeconomic conditions. Differences in respect for property has been proposed by Clark, et al., as one of the factors contributing to these predicted community differences.

Although the model developed as part of the Minnesota project has specified a variety of factors that may correlate with employee theft, only a subset of these variables have been subject to empirical scrutiny. For example, the first phase of the Minnesota research project focused on two sets of employee variables (i.e., personal characteristics and job satisfaction) and two sets of organizational characteristics (i.e., job characteristics and social controls). The results of this project are summarized in Section 3.3 of this report.

3.2.3 Summary

Many theories, hypotheses, and speculations have been offered to explain why people shoplift or steal from their employers. The causes of shoplifting have been classified as individual-based and environmental-based. Individual-based causes focus on either temporary or enduring needs and states of the offender. While a variety of situational/environmental causes have also been posited, the bulk of existing literature emphasizes the individual enduring needs and states of the offender.

Particular attention has been given to psychopathological motives within the psychoanalytic school of thought. This emphasis runs counter to the profile of the typical shoplifter, generated from apprehension data, seen as a somewhat normal, youthful shopper (to be described in more detail in Section 3.3). Furthermore, it runs counter to the majority of loss prevention efforts, which focus either on educating the general populus or on manipulating the retail setting to reduce the opportunity for theft. Most importantly, it overlooks the fact that behavior is known to be a combined function of individual and situational factors.

There have been very few theoretical attempts to understand the causes of employee theft, perhaps because the magnitude of the problem has only recently been recognized. However, these models show a more comprehensive listing of possible causes, both personal and situational, than those developed to explain shoplifting. Nonetheless, the general conclusion, for both shoplifting and employee theft, is that the empirical support for the vast majority of theoretical statements is conspicuously absent, leaving the validity of these ideas largely unknown. The available knowledge is largely atheoretical in nature. This knowledge will be reviewed in Section 3.3.

3.3 The Nature of Retail Theft

3.3.1 Overview

This chapter focuses on the nature of the retail theft problem--who steals, with what methods, and under what conditions. Environmental and situational factors found to be related to shoplifting and employee theft are discussed. Attention is given to empirical research findings, rather than theories, although the latter cannot be totally ignored. Opinions and speculations are included by necessity in areas where empirical findings are absent. This chapter is a status report on what is presently known about the nature of shoplifting and employee theft.

3.3.2 Shoplifting

3.3.2.1 Introduction

While shoplifting has been viewed as a crime of epidemic proportions in recent years, it is not a crime exclusive to modern times. History indicates that shoplifting has been recorded since the beginning of retail shops around the year 627 a.d. (Edwards, 1958). In the early eighteenth century, shoplifting became a topic of interest to professional writers and researchers. In some of these accounts, the professional shoplifter is reported as working in triplets as early as 1597. Frequent mention is made of the impulsive lady or juvenile lifting small items for personal use. In an 1886 publication (Byrnes, 1886), the first mention of the noncommercial or "kleptomaniac" shoplifter is seen, and the first distinction between the professional and the kleptomaniac shoplifter made. In a later publication (Eldridge & Watts, 1897), the professional shoplifter was distinguished from the amateur, who usually acted on impulse and also from the kleptomaniac.

The primary difference between the crime of shoplifting in the eighteenth century and shoplifting today is the severity of the punishment. In the early eighteenth century, shoplifting became such a problem for English shopkeeper that the death penalty was evoked as a deterrent to the crime. Obviously, shoplifters are no longer executed for their crimes and today, a large percentage of apprehended shoplifters are not even prosecuted. To some extent, this is because juveniles have comprised the largest percentage of apprehensions in the United States for many years--at least as early as 1911 (Edwards, 1958). While the severity of punishment for shoplifting has lessened, the pervasiveness of the phenomenon has become an issue of critical importance within the retail sector.

3.3.2.2 Shoplifter Typologies

The writing of Byrnes, Eldridge, and Watts represent the beginning of a trend toward using typologies to classifying shoplifters. Today, typologies are very popular and the three most commonly used categories are: Amateur, professional, and kleptomaniac. Of these three types of shoplifters, the kleptomaniac is generally considered to be the least common. Experts maintain that the true kleptomaniac is extremely rare and very few apprehensions involve this type of shoplifter. For example, Branham and Kutash (1949)

claim that while true cases of kleptomania "are of great interest to the student of abnormal pathology, they are relatively rare and from the point of view of the police do not constitute a great source of annoyance" (p. 308-309). The authors speculate that there are probably 50 cases of shoplifting, where the motive is pure greed and gain, for every case of kleptomania. Edwards (1958) maintains that there are 100 other apprehended shoplifters for every kleptomaniac that is apprehended. Some security experts believe that in the disposition of shoplifting cases, the claim of kleptomania as a valid defense is highly questionable.

The professional thief, while capable of causing large losses, is believed to contribute relatively little to the shoplifting problem as a whole. According to one study (Shave, 1978), the professional shoplifter is generally young, urban, and involved in other criminal activity. Included with this type of thief is the drug addict who steals to support his or her habit. This drug addict provides an additional threat because addicts' behavior is often unpredictable and drug addicts may be armed with a gun or knife.

The professional shoplifter that is believed to be the most common type is the "California Pro," who generally has received semi-formal training (often obtained in prison). This type of pro is believed to be highly mobile, working in a wide geographical area and having access to a fence who will handle large quantities of merchandise. This type of information is obtained from professionals who have been apprehended.

There have been reports of professional South American shoplifting rings operating in the United States. Some sources believe membership to be as high as 1,000 and that \$150 million worth of merchandise is lost to them each year (Security Systems Digest, 1977). The ring is allegedly comprised of Chileans, Colombians, and Peruvians trained in shoplifting and pickpocketing schools in Colombia, South America. One member of such a gang was apprehended and provided information to U. S. immigration officials indicating that four-member teams work for four hours a day and are each able to earn as much as \$1,000 a day. However, such reports have not been substantiated through other means.

While the existence of professional shoplifting rings can cause substantial monetary loss to retailers, data indicate that professionals comprise a small percentage of all apprehended shoplifters. Based on data from 1943 through 1950 in a major Chicago department store, Cameron (1964) estimates that professionals make up only 10 percent of all shoplifters and 6 percent of all apprehended shoplifters. Other studies (Joblin, 1978; Serhahely, 1977) indicate similar figures. Professional shoplifters, as well as genuinely compulsive (kleptomaniac) shoplifters, might be expected to exhibit a high degree of recidivism. Cameron (1964) found that only 2 percent of all women arrested had prior records, 12 percent of all apprehended men did, and 6 percent of these men were confirmed drug addicts. Cameron contends that this low rate of recidivism indicates that both the kleptomaniac and the professional shoplifter are less common than the amateur, who steals on impulse for personal use. However, such figures may simply indicate that professionals are more difficult to detect and apprehend,

or that existing recordkeeping systems are not adequate for measuring recidivism (e.g., recidivism at a different store).

Finally, the relatively small value of the majority of recovered goods may indicate, as Cameron suggests, that resale for commercial profit was probably not the motivation behind such thefts. A number of authors (Holcomb, 1973; Chelimsky, 1978; Angelino, 1959; Boyd & Harrell, 1975) argue that amateurs appear to be the most common type of shoplifter, since most shoplifting seems to be done on impulse and not premeditated. In general, the data indicate that apprehensions of the professional or kleptomaniac shoplifter are much less frequent than apprehensions of an impulsive amateur.

In the realm of typologies, it is worth noting that consumer theft can be divided into at least two separate types of losses--those due to shoplifting and those due to price tag switching. Sociologist Steiner (Fox & Serdahely, 1977) has conducted interviews with many apprehended price tag switchers in a California study, and concluded that price tag switchers, unlike most shoplifters, come from rather well-educated, religious, and affluent families. When caught, the price tag switchers were generally defensive in manner, contending that the store was "over pricing" everything anyway. Apparently, price tag switchers tend to go after luxury items. Unless actually apprehended in the act, price tag switching is a very difficult charge to sustain and estimates of the extent of such behavior are highly speculative.

3.3.2.3 Demographic Characteristics of Shoplifters

Age. The majority of studies that actually report empirical research findings (Griffin, 1978; Shave, 1978; Cameron, 1964; Boyd & Harrell, 1975) indicate that juveniles make up the single largest group of shoplifting offenders.

For the last 16 years, Roger Griffin, of Commercial Service Systems, Inc. has conducted annual surveys on shoplifting in the southwest region of the country. Store records kept on shoplifters apprehended during the year are collected and analyzed. Data from three types of retail establishments are used: Supermarkets, drug stores, and discount stores. Griffin's work is comprised mainly of descriptive trends and statistics aimed at identifying shoplifting patterns and improving prevention strategies. In 1978, Griffin's data base consisted of 22,533 apprehensions, with 76 percent occurring in 709 supermarkets, 16 percent in 146 drug stores, and 8 percent in 52 discount stores. Griffin found that 70 percent of those apprehended in supermarkets were under 30 years of age, with 36 percent of these being juveniles under 18 years of age, and 9.1 percent being children under the age of 12.

Shave (1978) conducted a study of 24 retail outlets in the State of Washington for the years 1972-1976 and determined that 60 percent of the apprehensions were for juveniles under 18 years of age. The majority of Shave's data was obtained from department and general merchandise stores, although other retail establishments, such as food and drug stores, were

also represented. Shave's data indicate that shoplifting first becomes significant at the age of 11, with 4.7 percent of juvenile offenders in this age group. Fifteen was the peak age, with 19.5 percent of offenses occurring in this age group, and some declination evident at ages 16 (15.96%) and 17 (13.4%). Robin (1963), in a study of shoplifting in three major Philadelphia department stores, found that juvenile apprehensions comprised 58.1 percent of the total apprehension picture.

Prestwich (1978) conducted a consumer survey on shoplifting attitudes at three major shopping centers in Omaha, Nebraska. Consumers were asked to estimate the percentage of people who shoplift. Prestwich noted a relationship between individual estimates and actual involvement in shoplifting activities. Age, sex, education level, and income level were found to be related to their estimates of shoplifting rates. Females, youths, and persons with higher income and educational levels tended to give higher estimates, which Prestwich maintains is further evidence of their personal involvement in shoplifting.

Various other studies have yielded conflicting results with regard to the age category in which most apprehensions fall. A study conducted by Stores Mutual Protective Association in New York City, involving 4,000 apprehensions by six large department stores, found that most shoplifters were under 20 years of age (National Retail Merchants Association, 1976). However, analysis of data from five Pennsylvania supermarket chain stores (Serdahely, 1977) indicate that juveniles 10 to 17 comprised 21.19 percent of the total number of apprehensions, while persons in the 18 to 25 age group comprised 15.5 percent. Thus, ages 10-25 comprised only 36.6 percent of the total apprehensions. In contrast, Griffin's findings noted earlier indicate that 70 percent of all persons apprehended in supermarkets in the Southwest were under the age of 30. Serdahely's findings indicate that the largest group of offenders (30.7%) were over 50 years of age. More recent Philadelphia data are consistent with Griffin's findings. Statistics from the Citizens Crime Commission of Philadelphia (1979) indicate that for the years 1976-1978, the majority of persons apprehended for shoplifting were in the 10-25 age range (a range of 78.0% to 79.5% for the three-year period).

Apparently, shoplifting starts at a rather young age, but may not continue over the years. Boyd and Harrell (1975) attempted to develop a profile of the teenage shoplifter. Questioning of individuals indicated the first shoplifting occurred, on the average, at age 10. However, many subjects reported terminating involvement in shoplifting activities at age 12. This may indicate that the critical point for education of teenagers concerning the risks and consequences of shoplifting may be even younger than the ages which current preventive campaigns are geared toward.

While there are some conflicting data regarding the age distribution of apprehended shoplifters, the majority of studies indicate that juveniles represent the largest group of shoplifters, estimates ranging from 20-50 percent. However, as some security experts point out (Edwards, 1958; Astor, 1970), this may not be a true indicator of juvenile involvement in shoplifting, but simply a fact that juveniles are apprehended 25 percent to 50 percent of the time. The expectations that juveniles as a group make

up the majority of shoplifters leads to closer surveillance of this age group, which may explain the disproportionate number of teenagers apprehended. Furthermore, younger shoplifters may be less skilled at concealment and other behaviors needed to avoid detection.

Sex. Conflicting data have been reported on the relative incidences of shoplifting among males and females. Griffin's (1978) findings indicate that adult male and female apprehensions tend to be closely approximate. However, among juveniles, males comprised 63.8 percent of the total, whereas females comprised 35.6 percent. Data from the Bellingham Police Department in Washington (Shave, 1978) indicate that adult males and juvenile females represent equal proportions of all apprehended shoplifters for the year 1977. These two groups accounted for 56 percent of all police apprehensions. The findings of both Griffin and the Bellingham Police indicate that males predominate in juvenile shoplifting activities, but that among adults, females comprise a larger percentage.

Other research (Robin, 1963) indicates that 60.7 percent of all shoplifting is committed by women. A Honolulu study of supermarket shoplifters (Wan & Yamanoto, 1968) indicates that females committed 59.4 percent of the total known shopliftings, while comprising only 49.2 percent of the general population. Women might be expected to be overrepresented in supermarket shopliftings, since women generally do family shopping. Boyd and Harrell (1975) have found that housewives make up the majority of adults apprehended for shoplifting. Based on a study conducted at the University of Iowa, Holcomb (1973) contends that housewives make up the second largest single group of offenders, next to juveniles. Angelino (1953) quotes a female shoplifting percentage of 70 percent to 99 percent.

Data from the Citizens Crime Commission of Philadelphia (1976) show that male apprehensions comprise 58.3 percent of the total, while females comprise 41.7 percent. 1977 figures show that 61.9 percent were males and 38.1 percent were female. In 1978, males contributed 57.1 percent to all shoplifters and females the remaining 42.9 percent. These data were obtained from department stores, where males might be expected to frequent more than they do supermarkets. Astor (1970), through a study of department store shoppers, found that when women and men shoppers were exposed to identical shopping environments, 7.4 percent of the female shoppers shoplifted, while only 5 percent of male shoppers were involved. This difference was statistically significant. In his doctoral dissertation, Cobb (1973) determined that males spend 16 percent less time per shopping trip than do females. Cobb coupled this fact with Astor's findings and determined that the ratio of female shoplifters per female customer-minute spent in the store is 1.23 times greater than the ratio of male shoplifters per male customer-minute. This difference was also significant. According to both Astor's and Cobb's findings, there are sex differences in shoplifting which are not merely due to the fact that females frequent more stores and shop more hours. Several explanations have been offered for this conclusion.

Arieff and Bowie (1947), in a study of 338 shoplifters between 1941-1945, maintain that shoplifting is predominantly a female activity and that, as such, it can be interpreted as a relatively nonaggressive reaction against or rejection of social restrictions. Cameron, in The Booster and the Snitch

(1964) speculates that female shoplifters may be caught more often than male shoplifters because they are generally not satisfied with stealing only one item--they will pick up additional items. On the other hand, Cameron claims that males tend to steal one item of high value, and unless actual concealment is observed, apprehension is improbable.

In a profile study conducted by Stores Mutual Protection Association (National Retail Merchants Association, 1976), an inverse relationship between age and sex was indicated. A higher percentage of male than female juveniles were apprehended, and female apprehensions increased with age.

In summary, the majority of studies indicate a preponderance of females among apprehended shoplifters, although female adolescent offenders are no more frequently apprehended than male adolescent offenders. The extent to which females are involved in shoplifting is interesting from the point of view that crime, in general, is a predominantly male activity. Explanations of why females are more inclined to shoplift than males are various and conflicting.

Race. Some theorists have posited a connection between race and shoplifting activity. Race is frequently used as a basic predictor of involvement in criminal activity and it has been assumed that there would be more blacks and other minority groups involved in shoplifting. There have been few studies which have actually assessed the effects of race on shoplifting rates. Those studies which have addressed this issue have not supported the contention that race is an effective predictor of shoplifting activity. Statistics from the Seattle Law and Justice Department (Shave, 1978) show that 66 percent of apprehended juvenile shoplifters were white and 34 percent were classified as "non-white." Astor (1970) indicates, in his observations of 1,647 shoppers, that whites and non-whites stole with equal frequency. In Cameron's study of shoplifting in Chicago, blacks and whites were found to participate in shoplifting in proportion to their representation in the larger population. In Robin's Philadelphia study, there was an almost equal distribution of 51.8 percent white and 48.2 black. (Robin makes no comparison to the race distribution within the larger population) The Shave and Griffin studies cited earlier did not have data available on racial attributes of offenders.

In summary, while there are few studies available on shoplifting as a function of race, the general consensus is that race does not seem to discriminate between shoplifters and nonshoplifters.

Socioeconomic status. Socioeconomic status has been recognized as a possible predictor of shoplifting. The available evidence suggests the opposite relationship to what one might expect, given a knowledge of other types of crime. Rather than being a crime particular to lower socioeconomic persons, shoplifting appears to be a middle class phenomenon. Cameron (1964) noted that many apprehended shoplifters were manual laborers and that few were noted as being of an upper income level. Won and Yamamoto (1968) found that shoplifters came from all occupational categories but that approximately two-thirds were found to be manual laborers. Seventy-eight percent of the shoplifters in their sample were persons from the middle income bracket, yet this bracket represents only 37 percent of the entire population.

Many security personnel (Edwards, 1958; Weinstein, 1975) involved in the apprehension of shoplifters have concluded that upwards of 90 percent of all shoplifters have the cash or credit cards to pay for stolen items. This fact, coupled with a large majority of shoplifters coming from the middle class, has been used to suggest that shoplifting may be the result of perceived deprivation of higher quality goods and services. This is consistent with the fact that the majority of items recovered from shoplifters are not practical but added luxuries. Many security personnel blame the need/want tension created by advertising and merchandising campaigns of mass media as significant factors in producing shoplifting and employee theft. While no precise causal explanations have been posited, the data consistently indicate that shoplifting is generally a crime of middle income persons.

3.3.2.4 Behaviors and Methods of Shoplifters

There are probably as many different methods of shoplifting as there are shoplifters. Many articles have been written which describe particular methods for concealing merchandise (National Retail Merchants Association, 1976; Cobb, 1973; Faria, 1977; Shave, 1978). However, some of these methods are more popular than others. The more commonly used methods of concealment include the following:

- The palming of small articles.
- Umbrellas, bags, cases and large purses of any kind.
- Slit pockets in coats to hold merchandise.
- Loose clothing such as large "bloomers."
- The wearing of the stolen clothing under shoplifter's own outer garments.
- Hook and pockets inside coats.
- Jewelry worn out of stores.
- The use of a long coat or skirt to conceal articles between the legs.
- "Grab and Run" technique.
- More than one shoplifter in a team effort to distract store personnel and other customers while the other steals merchandise.
- "Booster Box," a wrapped package with an open flap to conceal stolen articles.
- Packaged items, such as cereal, emptied to conceal smaller, more expensive items.
- Newspapers, magazines or books used to conceal items.

Griffin's (1978) study of 17,326 shoplifting cases indicates that the method of concealment is dependent upon the type of article stolen and the type of retail establishment it is taken from. In supermarkets, the purse was the most common method. Carrying items under clothing and placing items in pockets were the second and third most common methods, respectively. In drug stores, he found that placement in pocket, placement in purse, and wearing under clothing were the top three methods of concealment, respectively. For females, the most common method of concealment was the purse in all three types of retail establishments. For males who shoplifted in supermarkets, hiding items beneath clothing was the most popular method, while concealment in the pocket was the favored method in drug and discount stores.

In a study by Wisner (Astor, 1970) juveniles were found to use a coat 44 percent of the time for concealment of stolen articles and 35 percent of the time used a bag for concealment. Astor's (1970) study revealed that 42 percent used shopping bags, 34 percent used clothing and 20 percent favored purses. The majority of apprehension data indicate that the use of devices such as booster boxes appears to be infrequent, perhaps because the possession of such objects substantiates the intent to steal if prosecuted.

Many security experts (National Retail Merchants Association, 1976; Holcomb, 1973; Faria, 1977; Cobb, 1973; Chelimsky, et al. 1979) have summarized aspects of shoplifting behavior and appearances which provide indications to store personnel that the person should be watched. Faria (1977, p. 38-40) provides the best summary of such behavior. The following characteristics of appearance have been listed:

Clothing:

- Coat over shoulders or arm.
- Unusually loose clothing.
- Unseasonable clothing (coats in warm weather).
- Woman without hat or purse in department where such merchandise is sold.

Packages:

- A person entering store with many packages.
- Empty or open paper bags.
- Obviously used-before packages.
- Newspapers, magazines or school books under arms.
- Knitting bags

- Brief cases.
- Any bags with no store name on them.

The following actions have been listed:

General movements:

- Extreme nervousness.
- Aimless walking up and down aisles.
- Leaving store and returning a number of times.
- Walking around with merchandise in hand.
- Handling many articles.
- Dropping articles on floor.
- Leaving with great haste.
- Examining merchandise in nooks and corners of store.
- Concealing merchandise behind purse or package.
- Placing packages, purse or coat over merchandise.
- Continuously refusing sales person's help.
- Loitering.
- Removing ticket from merchandise.

Eyes:

- Looking right and left frequently.
- Frequently glancing up from merchandise.

Hands:

- Closing hand completely over merchandise.
- Folding merchandise.
- Handling a lot of merchandise
- Holding merchandise below counter level.
- Crumpling merchandise.

At counters:

- Trying on jewelry and leaving it on.
- Taking merchandise from one counter to another.
- Placing merchandise near edge of counter.
- Taking merchandise and turning back to counter.
- Heading for counters without sales help.

In fitting rooms:

- Not wanting sales help in fitting room.
- Using room with previous merchandise still in it.
- Entering fitting room with packages.
- Taking two or more of the same item to fitting room.
- Taking various sizes to fitting room.
- Taking obviously wrong sizes to fitting room.
- Gathering merchandise hastily, without examining it, and taking it to the fitting room.

In departments:

- Sending clerks away for more merchandise.
- Standing too close to racks.
- Placing shopping bags on floor under racks.

Miscellaneous:

- Frequenting washrooms, telephone booths, etc.
- Reaching behind display counters.
- Fussy customers who don't seem to know what they want.
- Keeping one hand constantly in a pocket.
- Perspiring at normal room temperatures. (pgs. 38-40)

Other aspects of the shoplifting behavior have been studied. Robin (1958) found that 70 percent of the apprehended juvenile shoplifters were working in a group. This method usually entails the diversion of store

personnel by one or more members while another member steals. Only 20 percent of the apprehended adult shoplifters participated in group shoplifting techniques. The high percentage of juveniles involved in group shoplifting may be indicative of the peer pressure which many studies cite as a motivational factor.

In general, methods of concealing stolen articles are quite varied. Females do exhibit a general tendency to hide items in purses and shopping bags, while males tend to favor the use of pockets and clothing. However, there are not invariant styles. Juvenile shoplifters are more likely than adult shoplifters to operate in groups and employ diversionary tactics.

Self-perception. A recurring theme in the shoplifting literature is the inability of an apprehended shoplifter to conceive of himself/herself as a thief or criminal. Security and police personnel cite many cases where they have worked to convince the shoplifter that shoplifting is a criminal act and punishable in a court of law. Thus, many psychologists and sociologists claim that a changing moral and attitudinal environment is at the root of this retail theft problem.

Some security experts have suggested that when people are apprehended for shoplifting, they find themselves being defined as a criminal by security and police personnel and this definition is incongruent with their own self-perceptions. The argument put forth by security, police and anti-shoplifting campaigns is that their definition of shoplifting as a crime and oneself as a criminal is necessary before the shoplifter can fully realize the risks and consequences of the act. The value of this labeling process has yet to be determined. Some theorists argue that labeling, particularly in the case of juveniles, initiates a permanent transformation in their definition of self and that criminal or deviant behavior is likely to continue because of this.

Klemke (1978) has investigated this hypothesis by studying the self-reports of 1,189 high school students in the Pacific Northwest. Klemke attempted to determine whether apprehension served as a deterrent to or amplification of future shoplifting activity. Sixty-three percent of the students had shoplifted at some time in their lives. Twenty-five percent had been apprehended by store personnel and 17 percent had been apprehended by parents. Klemke found that 40 percent of those apprehended by store personnel continued to shoplift and 54 percent apprehended by parents continued to do so. This is a much higher percentage of recidivism than the 6 percent reported by Cameron (1964), however, Cameron's study was based exclusively on those apprehended. Klemke concluded that the apprehended were more likely to have a "deviant self-conception" of themselves and when police were involved, were even more likely to persist in shoplifting activities as a result of this "re-definition." Males were found to be more inclined to subsequent shoplifting activities, following apprehension, than were females. However, the above approach does not examine personal or situational factors leading to the first offense nor does it explain why many first offenders discontinue such activities following apprehension. Several studies (Klemke, 1978; Shave, 1978) have shown a leveling off of shoplifting behavior after the age of 17. Thus, while apprehension and/or

labeling may affect subsequent shoplifting behavior, there are other processes operating.

3.3.2.5 Environment and Situational Factors

Neighborhoods. Very little information is available as to the volume of shoplifting per neighborhood or area. There have been some comparisons or urban versus suburban chain stores, but even these have yielded contradictory results. In a 1978 poll of Chicago area department stores, it was revealed that suburban units experience only half the shrinkage problem that urban branches do (Chain Store Age, September 1978). A U. S. News and World Report (1978) quoted a similar finding. A national survey of small businesses (Small Business Administration, 1969) reports that shoplifting losses were dispersed evenly among nonghetto central city, suburbs, and rural areas. However, with regard to the ghetto, there was ten to 11 percent more shoplifting in these areas. Ghetto areas also experienced a larger percentage of all crimes, except the writing of bad checks.

Merchant victims. Shoplifting is a crime which affects all types of retail establishments in all types of neighborhoods. Recent years have seen a steady increase in losses attributed to shoplifting. Evolving self-service stores are believed to be one of the greatest single factors contributing to apparent increases in shoplifting. Self-service stores, designed to minimize the number of personnel required for maintenance and to allow shoppers easy access to merchandise for browsing, may also increase the possibility and incidence of shoplifting. Stores which maintain merchandise in locked cases, such as jewelry stores, make it virtually impossible to steal.

In comparing the type of retail establishment with the percentage of crimes occurring therein, one study (Morton, 1975) found that department stores account for 41 percent of the total retail sales in this country but account for 61 percent of all crimes. Drug stores represent 6 percent of all retail sales and suffer 10 percent of all losses due to crime. Grocery stores comprise 42 percent of retail sales and experience only 21 percent of all criminal losses. Percentage figures pertaining exclusively to shoplifting are not available.

The size of the business establishment is another factor suspected of having a substantial impact on shoplifting rates. Smaller stores generally do not have developed security systems nor the personnel expertise which larger department and chain stores implement and therefore are more susceptible to shoplifting losses. The Department of Commerce speculates that small businesses (receipts under \$5 million) suffer 3.2 times more crime, including shoplifting, than businesses with receipts over \$5 million (Shave, 1978). Since many smaller businesses have a profit margin of only three or four percent, shoplifting losses could conceivably cause a business to fold. However, in a report by the Small Business Administration (1969), small businesses reported relatively few losses due to shoplifting. In contrast larger businesses are generally able to document a portion of their losses through apprehension figures and shrinkage rate. Certainly, the large retail stores in the major metropolitan areas are heavily hit by shoplifting.

Available data have limited reliability in that they are based on actual apprehensions (only a portion of all shoplifting losses) or dollar estimates of shrinkage losses. It is not ascertainable from existing data whether small business actually suffer greater losses from shoplifting because their profit margins are small or if they are in fact victimized more frequently than larger retail establishments.

Time and season. Peak seasons for retail sales also appear to be peak seasons for shoplifting, or at least shoplifting apprehensions. The two busiest shopping periods during the year are Christmas time and back to school time. More shoplifters are apprehended during these periods than any other time during the year (Griffin, 1978; Shave, 1978). Shoplifting apprehensions generally increase in cold weather months. Such an increase could perhaps be attributed to the previously mentioned seasonal events, i.e., back to school, Christmas and the convenience of using cold-weather coats and jackets for concealment.

The greatest percentage of shoplifters are apprehended during the hours of 3:00 P.M. and 6:00 P.M., according to Griffin (1978). Police officials contend that the majority of apprehensions occur in early morning and late afternoon hours (Shave, 1978). Two Washington stores in Shave's study indicated that peak shoplifting hours were between 12:00 P.M. and 4:00 to 4:30 P.M. While there is no clear consensus of peak shoplifting hours, in most studies the greatest volume of shoplifting occurs in the afternoon.

Types of merchandise. Small, easily concealable items are believed to be a prime target for shoplifting regardless of price. Many merchants believe that the locking of more expensive items in display cases has greatly diminished possible theft. Location of small inexpensive items near cashiers or sales clerks is also utilized to prevent theft.

In a survey of Washington State grocery stores (Shave, 1978) meat, cigarettes and liquor were common targets for shoplifting, both because of their high sale price and high re-sale price on the street. Items frequently stolen from department stores include jewelry and clothing with leather goods and expensive sportswear being the preferred choice. Drug stores suffer loss of cosmetics, records, vitamins and toys.

In a department store study (Citizens Crime Commission of Philadelphia, 1979), men's clothing was found to be the type of merchandise most commonly stolen. Theft of clothing in general has been steadily increasing since 1976. In 1976 clothing comprised 65.1 percent of all merchandise recovered in Philadelphia. The years 1977 and 1978 produced increases of 69.9 percent and 73.3 percent respectively. However, concealment of clothing may be more difficult than smaller objects and thus more readily apparent. Shoplifters of clothing and other large objects may be apprehended more frequently than shoplifters of smaller items. This selection bias would result in a distortion of estimated rates for various items.

According to Cameron's (1964) study, most recovered items were luxury items, whose purchase could not be justified in the family budget. Such

items generally included suits, coats, dresses, luggage, radios, cameras, jewelry, small leather goods, cosmetics and stationery. Morton (1975) speculates that those objects with the greatest fashion appeal are the most likely targets for theft. For the professional thief or drug addict, small items with large retail values are desired because of the relative ease of concealment and high fencing value.

Environmental design. The environmental design or layout of a store may be an important contributor to theft. The physical environment may affect perceptions of risk of apprehension and accessibility to merchandise. For example, security personnel are aware of the problems associated with placing high priced items near exits or out of employees' visibility. Areas of the store offering seclusion and nonsurveillance are believed to invite shoplifting.

Although little research has been conducted to assess the impact of various retail environments on shoplifting (and employee theft), much effort has gone into proper environmental design in recent years. This anti-theft strategy is discussed in Section 4.8 of this report.

3.3.2.6 Summary

In summary, the typical shoplifter is most commonly believed to be an amateur who acts on impulse. Data from apprehensions indicate that juveniles comprise a significant portion of total apprehensions, with males predominating in this category. Among adult offenders, females are the majority. Race does not appear to be a significant factor in determining involvement in shoplifting activities. The majority of apprehended persons tends to be in middle income brackets and generally tends to be carrying enough money or credit cards to pay for items stolen.

Particular behaviors and methods involved in shoplifting vary somewhat, however, some general trends can be observed. Males tend to favor concealing stolen merchandise in pockets and clothing, while females generally prefer purses or shopping bags. Juveniles are much more likely to shoplift in groups using diversionary tactics, while adults generally work alone.

Very little data are available on the most common type of retail establishments victimized. While it is generally believed that the self-service store layout is the most inviting to shoplifting losses, large retailers in major metropolitan areas are experiencing heavy shoplifting losses. The threat of shoplifting is always present but seasons where sales are up, such as Christmas or back to school, are prime times for increases in shoplifting losses.

Because the bulk of these results are based on store apprehension figures, there is the real possibility that they reflect nothing more than differences in apprehension and prosecution policies across stores, companies, cities, counties, and/or regions of the country. Without knowing who is not being apprehended and without knowing how representative the stores are where the studies have been conducted, the existing knowledge base on the nature of shoplifting is severely limited.

3.3.3 Employee Theft

3.3.3.1 Introduction

Concern over the pervasiveness of employee theft has deepened during recent years. A considerable portion of shrinkage that was previously attributed to shoplifting is now believed to be the result of employee theft. While the literature contains a number of theories and hypotheses about the causes of employee theft (reviewed in Section 3.2), there are little or no substantive empirical data about the nature of this problem. One exception to this general finding is an LEAA-funded study conducted by Clark and his associates at the University of Minnesota (Clark, et al., 1979). The results of this project are summarized in this section.

Two general trends can be observed in the research literature. The first consists of articles attempting to identify the modus operandi of offenders in descriptive terms (Chelimsky, et al., 1978; Gallo, 1977; Langway & Sciolino, 1975; Lipman, 1976; Stessin, 1979). The second approach attempts to examine the perceptions and correlates of employee theft (Clark, et al., 1979; Hair, Bush, & Busch, 1976; Tatham, 1974).

3.3.3.2 Behaviors and Methods of Employee Thieves

There are specific methods for stealing merchandise and methods for stealing cash. While some methods involve elaborate schemes, Lipman (1976) contends that most goods stolen by employees leave via the same exit as those goods legitimately paid for. A method of stealing merchandise that security experts believe is quite common involves placing the items in trash or disposal areas for pickup at a later time, usually after hours. Goods are sometimes tossed over a surrounding fence or taken through infrequently-used passages, and placed directly into the trunk of a car. Sometimes, sizeable thefts require outside accomplices to execute the theft. Some employees make use of overcoats, shopping bags, or lunch pails, and are known to bring these concealment aids into the work area, in violation of company policy. The use of personal lockers for concealment is also reported quite frequently. However, retail records have not been thoroughly analyzed to develop frequency rates for the various methods of stealing merchandise or cash. Furthermore, the existing investigative reports are probably a biased sample of all internal thefts. In addition, they represent a very small sample of the total theft picture because paperwork is not required for all suspicious activities and most thefts are probably never detected.

There are a variety of methods allegedly used to steal money from the company. The most basic method is simply to take money from the cash register and hope that no one finds out. More sophisticated approaches include misusing the discount privilege, underringing purchases, excessive expense reimbursements, and reporting more hours than worked. There have been few attempts to document the relative frequency of these methods of theft. Apprehension or investigation data are generally inadequate because methods of theft are likely to vary in terms of detectability. However, self-report data from more than 1,400 employees (Clark, et al., 1979) indicate that

misuse of the discount privilege was, by far, the most frequent form of internal theft (57% of the employee respondents), and taking store merchandise ranked second, at 12 percent. Employees were also asked about the other methods of stealing money listed above and these methods were reported much less frequently.

In addition to descriptions of methods of theft, security personnel have taken an interest in employee behaviors that may be indicative of thieves. MITRE Corporation (Chelmisky, et al., 1978) has listed some profiles to look for when seeking to detect possible internal thieves. These are: (1) The conspicuous consumer (who appears to live well beyond his/her means), (2) the financially irresponsible, (3) the alcohol abuser, (4) the drug addict, (5) the moonlighter, and (6) the compulsive gambler, or person who consistently borrows money, requests advances, or writes bad checks. By and large, the extent to which such behaviors reflect a disposition to steal from the company is unknown. There is some evidence that self-reported drug use is positively related to self-reported theft among employees (Terris, 1979; Terris & Jones, 1979), but the other profiles mentioned above are not well-studied. Security and auditing experts believe there are better ways to detect employee theft (e.g., cash register irregularities uncovered through auditing procedures).

3.3.3.3 Perceptions and Correlates of Employee Theft

Because employee theft is a recently discovered phenomenon, there have been few empirical attempts to identify the correlates of this problem and describe the perceptions of employees and employers. Nonetheless, a few studies have examined perceptions of the theft problem and the perceptions of the work environment, as these factors relate to employee theft.

In a study of 100 retail employees, contacted at a downtown shopping mall and through adult education classes in Cincinnati, Tatham (1974) explored perceptions of and reactions to theft on the part of "takers" and "nontakers." In terms of reporting co-employee thieves, "nontakers" were found to be much less reluctant to report employee thieves than were "takers." Consistent with this finding, the line of questioning found in some of the leading written honesty tests is based on the notion that a dishonest person wants to be lenient on other dishonest persons because they are similar to himself or herself. However, Tatham found no significant difference between takers and nontakers in the leniency of punishment assigned to thieves who get caught. Furthermore, it appears that the majority of takers rationalize their theft behavior and do not experience any feelings of guilt.

Tatham concludes that employee theft can be viewed as occurring on three discrete levels, each based on a different rationalization and definition of the act. The first level of rationalization is used by employees who do not define taking property from employers as stealing because "everyone does it, no one cares if we take a few, and the items are not of significant value." The second level includes those who define the act as stealing, but feel "they owe it to me, it's simple to do, and they will never miss it." The third level includes those who have no qualms about stealing because "the managers won't do anything if they catch me and it's my way of

striking back at the company." Tatham recommends preventive solutions at each of the three levels. While the results are interesting, Tatham's small sample size makes it difficult to generalize his findings to the larger population of retail employees.

Employer perceptions of the internal theft problem have also been the subject of research. A mail survey, conducted in the State of Mississippi (Hair, Bush, & Busch, 1976) attempted to assess employers' perceptions concerning: The nature and extent of retail shrinkage, the definition of theft, the extent to which employee theft contributes to shrinkage, preventive tactics used, the appropriate disposition of employees caught stealing, and why employees steal from them. The sample consisted of 254 retail merchants from six different types of retail establishments (i.e., department, clothing, drug, discount department, grovery, and hardware stores). Only 36 percent of all those who received the mail surveys responded, indicating a low response rate. The sample may have been self-selecting, with those having the most serious or the least serious problems responding to the survey. Nonetheless, some of the major findings should be summarized.

The study by Hair, et al. is noteworthy only in that the data on employer perceptions can be compared to Tatham's data on employee perceptions. The overall conclusion is that employers and employees have totally different perceptions of the theft problem. For example, while Hair, et al. found that 80 percent of the responding retailers believed that less than two percent of their employees steal, studies of employees (Clark, et al., 1979; Tatham, 1974) suggest that approximately half of all retail employees are involved in theft. Furthermore, while Hair, et al. found that 90 percent of the employers defined the taking of merchandise valued at one dollar or more as stealing, Tatham's results show that 83 percent of the employees who stole items up to \$74.99 in value did not define their actions as stealing. Finally, in terms of punishment for offenders, 43 percent of the employers in the Hair, et al. study claimed they would fire and prosecute employees caught stealing, while only 21 percent of the employees in the Tatham study felt that this much punishment was appropriate.

Hair, et al. contend that differences between their results and Tatham's results may be due to geographical area. The Hair, et al. sample was drawn from a relatively rural, southern area. Tatham's sample was drawn from large urban areas in northern sections of the country. Furthermore, the Hair, et al. sample contained a disproportionate number of owner-operated stores (63.5%). There is the possibility that larger stores are more impersonal and insensitive to employees' needs and that store size accounts for actual differences in rates of internal theft. Assuming no regional or store size differences, perhaps the most likely explanation for the differences between employers and employees is that these groups differ in the amount of information they have available to them and differ in their motivational biases (e.g., employers may have a need to believe that internal theft is not a serious problem).

While the studies by Tatham and Hair, et al. report some interesting perceptions, they have not investigated any of the major hypothesized causes of employee theft. Some of these causal factors have been studied by Clark

and his associates (Clark, et al., 1979) as part of an LEAA-funded project conducted in the Minneapolis-St. Paul area. The Minnesota project is the only comprehensive study of employee theft to date.

The primary focus of this project was on employee involvement in two general categories of employer deviance: (1) Deviations from production expectations, and (2) the unauthorized taking of organizational property. Only the latter component of employee deviance is of interest here, and only when it occurs in retail organizations.

In the retail segment of this project, mail questionnaires were administered to more than 1,400 employees from nine retail companies. The relationship was explored between self-reported employee theft and four sets of predictor variables.

The first set of variables consisted of personal characteristics of the employee. These variables were cross-tabulated with employee theft and a number of significant relationships were found. Employee theft was significantly higher among employees who were:

- Young.
- Male.
- Caucasian.
- Never married.
- Living in higher income households but contributed less than 20 percent of the total income.
- Concerned about their financial and educational/career situation.

The second set of predictor variables concerned occupational characteristics, especially wages, tenure, and job status. Employee theft was significantly higher among employees with:

- Lower paying jobs.
- Lower status jobs.
- Jobs providing the easiest access to merchandise and money (i.e., sales clerks, cashiers, and managers).
- More numerous and frequent social interactions with co-employees.

The third set of variables focused on job satisfaction. Employee theft was significantly higher among employees who were:

- Dissatisfied with their immediate supervisors.
- Dissatisfied with the organization for which they work.

- Dissatisfied with the opportunities for promotion.
- Dissatisfied with the day-to-day workload.

The fourth set of predictor variables concerned the deterrent effect created by formal and informal social contacts. Employee theft was significantly higher among employees who believed that:

- They would not get caught if they stole something.
- Their employers were unaware of employee theft.
- Employees are infrequently checked for violations of company policies.
- No one would care if certain things were stolen.
- Management and co-workers would not react to theft as a very serious problem.

In summary, employee theft was found to be most prevalent among young, white, single males who were dissatisfied with their low paying, low status jobs, had the opportunity to steal as a result of easy access to cash or merchandise, and perceived a low probability of being detected.

Finally, interviews with 30 retail executives provided information about four types of organizational controls: (1) Anti-theft policy; (2) inventory and financial control systems; (3) pre-employment screening; and (4) security operations. Although only nine organizations were studied, the results indicate that theft rates were higher in those organizations which:

- Did not actively promote anti-theft policies.
- Conducted less careful and less extensive pre-employment screening.

The results did not support the hypothesis that companies with more sophisticated inventory and financial control systems, as well as those having security departments which emphasize the detection of employee theft, would experience lower theft rates than companies which do not emphasize these controls.

Comparing organizational and individual data, Clark, et al. note that employees working at companies that have a greater overall emphasis on control (summing the four types of control noted above) were likely to perceive a higher probability of detection than employees who work at companies that exercise less control. Thus, these data suggest that organizational control can be communicated to employees to create a deterrent effect.

In summary, there has been only one major study on the individual and organizational correlates of employee theft. While the results of this investigation constitute a major first step toward understanding employee theft, clearly, additional work is needed to assess the reliability and

generalizability of these results. Only nine department stores were included in the Minnesota sample. Other types of retail establishments, in other areas of the country, should be studied. Furthermore, an expanded set of variables should be pursued and the combined effects (as well as the independent effects) of predictor variables must be established.

3.4 Measurement Problems and Issues

One of the principal obstacles to obtaining knowledge in the area of retail theft is the lack of development of measures of key concepts. Quality indicators of the extent and nature of the problem at both the national and local levels are essentially absent. The problems created by this void for establishing national estimates were discussed in Section 3.1 and have frequently been delineated by others (e.g., Gibson & Zunno, 1978; U. S. Department of Commerce, 1976). At the level of the individual retail outlet, data concerning losses that may be attributed to theft are usually collected in some form. Unfortunately, these data are idiosyncratic, often unsystematic, and designed almost exclusively for management rather than scientific purposes. As a result, these data were useful for a very limited number of research questions and provide answers that must be highly qualified (see Section 4.3). Before our understanding of the problem of retail theft can improve significantly, new measures must be developed and existing ones refined.

This section addresses many of these problems as they apply to retail theft. The problem of measuring retail theft is described within a broader framework concerning the measurement of criminal incidents. It will be noted that many of the well-known problems of measurement in criminology are simply amplified in the cases of shoplifting and employee theft. The discussion will be divided into two sections. First, some of the general obstacles to measuring criminal incidents with special reference to shoplifting and employee theft will be presented. Then the examination of specific methods of data collection and their particular strengths and weaknesses when applied to retail theft will be discussed.

3.4.1 Measuring Criminal Incidents

There are a number of fundamental impediments to measuring the incidence of any crime, impediments which loom even larger in the area of retail theft. The fact that crime is a furtive activity is perhaps the most fundamental problem, especially in the case of shoplifting and employee theft. Criminals attempt to elude detection to forestall the possibility that victims or bystanders will be able to identify them, and even to disguise the fact that a crime occurred in the first place. When successful, it is difficult to gather reliable and valid data on crimes or offenders of any type. For personal victimizations where the loss is experienced immediately (as in the case of robbery or assault), the victim can often gather a great volume of direct information concerning both the crime and the offender. However, many types of crime, if successfully executed, may never be discovered as crimes, much less yield useful information about offenders and their ways of doing business. Because of the large number of items that may be stolen and the inability to constantly monitor each of them, successful incidents of shoplifting and employee theft are especially likely to remain undetected. At best, these offenses leave a residue of "inventory shrinkage," a measure which itself only inexactly indicates that crimes have occurred.

A second obstacle concerns the rarity of criminal offenses. The low frequency of most crimes means that most sources of data will provide very little information about either crimes, offenders, or victims at a very high cost. For example, in order to reliably study personal victimizations the Census Bureau found it necessary to interview 10,000 individuals per month. The Small Business Administration's (SBA) survey of commercial victimization in the 1960's indicated that less than half of businesses that reported being victimized ever apprehended anyone for shoplifting (Reiss, 1969). This indicates that most commercial establishments will be able to provide no data on this topic while the remainder can provide very little information beyond inventory shrinkage figures and apprehension records.

In addition, not all retail establishments technically are susceptible to shoplifting or employee theft. For example, goods may be locked in cabinets, mounted as display models, or they may be so bulky (like appliances) that shoplifting is nearly impossible. In the SBA survey only 52 percent of establishments identified themselves as susceptible to shoplifting at all. These concerns have led one author to adjust estimates of the incidence of shoplifting by the proportion of goods thought to be susceptible to customer theft (Shave, 1978).

Both victims and offenders may have mixed motives with regard to attempts to measure their activities. Businessmen may fear that the results of studies of crimes committed against them may result in more regulation of their activities, or that probes into the distribution of crime may attract the attention of the Internal Revenue Service to claims about such losses. In addition, inventory figures are often considered to be proprietary information and requests for access to them may be denied. Many retailers fear further increases in their insurance rates, and may be concerned that details about unreported crimes might affect their rates adversely. Finally, many may simply be hostile to government funded research. This hostility was prevalent among small businesses contacted in the SBA study.

Offenders can be expected to have similar concerns regarding any studies of their activities. There is, on the other hand, a long tradition in criminology of offender-based self-report studies of crime and delinquency, and procedures have been developed which seem to encourage reliable and valid reporting of these criminal activities. As we shall see, problems of sampling probably are as great as problems with response error when surveys of offenders are conducted.

The human sources of error in the reporting of crimes are generally well known, especially for offenses included in the FBI's Part I category. Most of these seem magnified in the case of retail theft. A few are highlighted below. First, individuals may not know that a crime has occurred or that a specific act is criminal. Employees may not notice that an item is missing or may assume that it has been sold by another employee. The SBA study concluded that most small businesses do not have the recordkeeping capability to detect losses not directly observed. Second, memory loss regarding minor incidents is rapid, making accurate recall of events by either retail victims or self-reports by offenders difficult to obtain.

Not only will actual incidents be forgotten, but also thwarted incidents and missing items will be overlooked by this method. Third, unless they are recorded, the details of events are often inaccurately remembered. In particular, details like the dollar value of stolen items, the attributes of offenders, and other characteristics of incidents may be confused with the passage of time or be reinterpreted in light of other events or beliefs. When asked to recall specific events, subjects often respond in terms of some "generalization" of similar events as a function of his/her own cognitive patterns. Finally, people tend to present themselves in a favorable way. This probably leads to an over-estimation of the rate at which they reported crimes to the police, discouraged employee theft by others, themselves refrained in the face of temptation, or otherwise acted in a law-abiding fashion.

In attempts to establish incidence rates for particular organizations the above problems are magnified by a diffusion of responsibility and poor records of known offenses. In an organizational sense no one may know of all detected attempts to perpetrate such crimes against the collectivity. Rather, that information is spread among employees across shifts and supervisors, and many attempts are undoubtedly never internally reported in any fashion. This is the organizational equivalent of "not knowing." Things individually known may not be recorded collectively. In a similar fashion organizations may garble their internal statistics on crime, lose records, and otherwise "misremember."

Finally the analysis of any data requires that the same traits be measured for all units to be included in the analysis, whether they be individuals, organizations, or nations. A lack of uniform standards for collecting data on shoplifting and employee theft has produced a wide array of existing data which is not always comparable between companies. These data vary in both quality and content. This variety makes analysis of existing records difficult beyond the many problems of measurement previously cited.

In summary a number of problems have been identified that result in difficulty in measuring criminal incidents. For shoplifting and employee theft the key problems are:

- Furtive nature of the crime.
- Rarity of crime.
- Reluctance of victims and offenders to share information.
- Human sources of error, e.g., memory.
- Poor recordkeeping.
- Lack of standardized measures.

3.4.2 Potential Sources of Data

All of the above concerns shape any effort to measure either the extent or nature of shoplifting and employee theft. At their most abstract they apply to all methods of data collection, ranging from police records to observations of customer actions. In this section the specific sources of data as they apply to retail theft will be discussed. In order to broaden the perspective in this area, several potential data collection strategies, which to our knowledge have not been applied to studies of retail theft, will be discussed as well as the existing strategies. For heuristic purposes these methods of data collection have been divided into three general approaches:

- Existing records.
- Self-reports.
- Observational techniques.

The unique assets and liabilities as well as the specific research questions addressed by the selected methods of data collection within these categories will be presented.

3.4.2.1 Existing Records

Data concerning shoplifting and employee theft can be gleaned from two existing sources: Police records and commercial loss and apprehension figures. Police data have several advantages: They can be cheaply obtained; they deal with a universe of events rather than a sample (but note it is a universe of recorded crime, not of all criminal events), and they are gathered immediately after the events occur, which should minimize problems of forgetting. Reports to the police about shoplifting and employee theft will be ripe with data on offenders, for such crimes are rarely reported in the absence of an apprehension. The problem of the "dark figure" of unreported and unrecorded crime confounds any interpretation of these records as a description of the universe of crime, however. Further, since we know that participation in programs to prevent crime increases the rate at which victims report them to the police, and probably encourages (at least temporarily) police recording of claims, it is difficult to use official statistics to evaluate the results of such interventions.

General criticisms of the use of official crime reports as research and evaluation data abound. These include such charges as not being an accurate representation of the actual crime situation and being composed of inadequate or incomplete samples. Deficiencies in the data can be attributed to two major sources, citizen crime reporting and police crime recording practices. At the reporting end it is apparent that the majority of crimes against businesses remain undetected and for those which are identified many are never brought to the attention of the police. Police deal with crime reports in a variety of ways. At various times the police have been charged with underrecording, overrecording, misrecording, and nonrecording of crimes. However, these problems are probably less critical for retail theft than for many other crimes.

Police data suffer other important liabilities. Official incident reports gather only a limited amount of data on victims, and in this case the type of victim establishment, its physical circumstances, guesses about offenders (which may be useful estimates of offender attributes), reports of indirect costs, and details which emerge long after the incident occurred (like insurance claim payments) go unmeasured by the police. More fundamentally, the police gather their information only from victims. But to understand victimization and to gauge the impact of programs we need to know a great deal about nonvictims.

In addition to police records, most commercial establishments maintain records that can provide specific information about shoplifting and employee theft. The two most common types of commercial data are inventory shrinkage figures and apprehension records. Most businesses make regular estimates of their inventory. These figures are then compared to records which estimate what should be on hand. The difference between these figures is either shortages or overages. The former is most critical as an indicator of theft. Although most businesses assume some inventory shrinkage due to various sources such as spoilage or damage, excessive shrinkage (defined internally) is usually interpreted as due to theft. In a business sense these figures are most important to retailers because they indicate dollars lost. An added advantage of inventory shrinkage figures is that they are collected at regular intervals allowing for a careful study of trends and the identification of major shifts in these figures.

Inventory shrinkage figures also have several characteristics which limit their utility for scientific purposes. The most critical of these involve the omnibus nature of shrinkage figures. While such data allow for summary statements about losses, they provide no clue as to the source of these losses. Not only can theft not be separated from losses due to book-keeping errors or careless inventory procedures, but losses due to particular types of theft cannot be isolated. In practice, this means that the retailer may have evidence that a problem exists but few clues as to potential remedies for this problem. The composite nature of shrinkage figures also limits their utility as indicators of the program impact of particular security strategies. For example, the amount that shrinkage figures can be affected by a program designed to reduce shoplifting is limited by the proportion of total losses due to this source. If shoplifting accounts for only a small proportion of losses, then even a completely successful program will have a minor impact on the shrinkage figures. Unfortunately, as noted above, inventory figures provide no clues as to what this proportion might be.

Many large retailers also maintain records of the characteristics of customers apprehended as shoplifters, employees charged with theft, and, when applicable, descriptions of the merchandise recovered. These apprehension records are typically completed during or immediately following interrogation of the subject, effectively eliminating the problem of forgetting. As Hindelang (1974) has demonstrated, they are a rich source of data about

suspected offenders and their crimes. In addition these data can be quantified and analyzed in-depth. Within the limits described below these records can provide much useful information.

The three major hinderances to using apprehension records to study shoplifting and employee theft involve the external validity of the data, and wide variations in the type and quality of information collected. Because these records are of apprehended individuals suspected of shoplifting, they cannot be employed to represent either shoplifters or their crimes. The apprehension of both shoplifter and employee thieves is not a systematic endeavor which is subject to a number of influences not the least of which are the beliefs and expectations of security personnel. To the extent that these data are used to guide security activities they can become self-fulfilling. A second limitation involves the generally low quality and variability of the data contained in these records. Minimal information is usually collected and is seldom comparable between individual companies.

In summary, existing records from the police and retailers impose considerable restrictions and require many qualifications when used to study the problem of retail theft. These are not restrictions imposed by the subject matter but rather general characteristics of analyses employing existing records. While some attempt can often be made to improve the content of these records, researchers have traditionally turned to the collection of original data that attempt to correct many of the deficiencies inherent in the existing records. These other sources of data are discussed below.

3.4.2.2 Self-Reports

As an alternative to existing records, self-report data, either in the form of questionnaires or interviews, have often been employed. These data can be obtained from either offenders or victims. Both sources of data employ specific techniques and provide unique data. The characteristics of each as they have been applied to retail theft will be discussed separately.

High quality offender-based methods for gathering reports of victimization would make a substantial contribution to our understanding of the problems of shoplifting and employee theft. Self-identified offenders could be asked to describe their targets, their modus operandi, how they dispose of stolen goods, their experiences regarding apprehension, their perceptions of the balance of rewards and punishments surrounding retail crime, and other features of their profession's economic structure. It would be very difficult, however, to translate these data into reliable estimates of rates of victimization from the perspective of individual stores. Unlike the police records, offender's reports of criminal activities would also be scattered across stores and jurisdictions; to produce estimates of victimization rates for areas it would be necessary to place each reported act in a geographical location. Finally, retrospective data gathered from samples of offenders would in effect be multiple "time series" data, while area estimates of victimization of necessity reflect events only in a narrow cross-sectional band of time. This would involve further conversion efforts--and errors.

Most fundamental, however, would be the sampling problems involved in such studies. John Clark and his associates at the University of Minnesota has demonstrated the feasibility of conducting anonymous self-report studies of employee theft. Shoplifting presents more complex problems, however. A study of shoplifting in Honolulu (Reinmuth & Geurts, 1977) quizzed samples of shoppers encountered in a self-contained shopping mall about their activities in that mall. This research did not produce data on either a sample of shoplifters or a sample of offenders striking stores in the mall, however. The best data on offenders would flow from self-report studies of general population samples. People could be quizzed in some threat-free way about their shoplifting proclivities, and descriptions of their targets could be gathered. However, victimization rates for specific stores or areas would be difficult to assemble from such data, for the relatively few reports of offenses that would be assembled presumably would be spread widely over the metropolitan area. This specific information would be required for any evaluation or planning effort, however. The best data on stores or areas would come from interviews with people who frequented them, weighted by the frequency with which they enter the store or area. However, listing, contacting, and interviewing casual users of public spaces is difficult, time consuming, and typically suffers from high refusal rates. The topic of interest here could not easily be broached in casual curbside interviews.

Research on crime rates based on interviews with offenders may take two forms: Open self-report studies and anonymous data-gathering. Each has its presumed advantages, although few enjoy as much confidence as we would hope for in a workable data-gathering methodology. Employing different sampling procedures, these techniques can be used to study the incidence and nature of both employee theft and shoplifting.

Briefly, open self-report studies gather data on the commission of particular kinds of offenses by establishing trust and guaranteeing anonymity in interview situations. Many of these are done with samples of known offenders, in part, because they have little to lose by confessing these acts to researchers. The RAND corporation has employed interviews to gather data on the criminal careers of prison and jail populations in three states, while Martin Gold regularly conducts interviews concerning delinquency as part of his National Survey of Youth. In both studies specificity is used to enhance the reliability and generalizability of the data. Respondents are asked sequentially about specific kinds of crimes, described in concrete lay language. They are asked about their behavior in a relatively recent and narrow band of time. In each case they are asked to estimate the frequency with which they did the act during that reference period. They are then quizzed about the details of the acts to gather offense-specific data. The RAND study compared self-reports of criminality with the official records of their respondents, searching for overlaps of reports of arrests, in an attempt to document the validity of at least part of the data. In a recent study for LEAA, the Mid-Atlantic Research Institute experimented with techniques for improving the quality of this recall data, and validated their work using the formal records of an arrestee sample.

This strategy was also employed by Clark, et al. (1979) in a recently concluded study of employee theft. However, no validations were performed, and this study suffered from unusually low response rates.

Anonymous data gathering techniques may be more appropriate for non-identified populations and/or more serious crimes. Two approaches are popular, the randomized response probe and the card sort. Both gather data on offending rates, but have draw-backs not associated with open self-report studies which limit their utility. It is presumed, however, that the increased validity of the responses compensates for these shortcomings.

In randomized response probes respondents are asked to answer one of two questions, the choice being determined by a random procedure. One question concerns the act under investigation, while the other is an innocent one (e.g., "are you female?"). The answer given is recorded, but the interviewer does not know which question was being answered. This grants anonymity to each individual respondent concerning the sensitive act. The general distribution of "yes-no" responses to the item of interest later is statistically teased out of the overall distribution. Reinmuth and Geurts (1975) used this technique to study shoplifting in Honolulu, and found that 20 percent of all shoppers in a large commercial area admitted to shoplifting there "in the past 12 months." The card sort technique insures comparable anonymity by asking respondents to check "yes or no" on cards describing offenses, after which the cards are placed in a secured box. This is similar to the old "ballot box" technique used by early pollsters to study voter preferences, while assuring them individual anonymity.

The price of these techniques, of course, is that they break the connection between respondent and response. In neither case is it possible to analyze even the demographic correlates of offenders, because "who did what" is sacrificed for presumably better data on the "yes-no" distribution of offending. The procedure also does not allow for the ready collection of details about specific incidents. In effect, most of the data is lost for the sake of good knowledge about the prevalence of offending.

In order to sidestep some of the problems associated with offender surveys, the Small Business Administration, the Census Bureau, and others have gone directly to representatives of individual establishments to gather reports of victimization. Victim surveys have been utilized to evaluate a number of notable community crime prevention efforts, including those in Seattle, Portland, Hartford, and Kansas City. They will be used to monitor the success of LEAA's new commercial security experiment in three major cities. Properly conducted, those surveys have many advantages. They can gather information about crimes which were not reported to the police, they can probe for details about incidents and their consequences in ways in which the police routinely do not, and they can gather this data within a larger context of information about the experiences, perceptions, and attitudes of victims and the physical setting in which victimization occurred.

There remain several fundamental problems in applying victimization survey technology to the areas of shoplifting and employee theft, however. As we indicated above, the problem of "who knows" is a difficult one in large

organizations. This approach is best suited to smaller retail establishments where owners or managers are relatively fully informed about events which take place during store hours. The technique cannot, of course, yield data about specific incidents which go undetected by employees or managers. In fact, almost by definition all loss from these crimes goes undetected, for apprehensions usually result in the seizure or recovery of stolen goods.

Surveys of victimization also involve complex sampling problems. Shoplifting and employee theft, for example, are crimes which require different units of analysis for data collection and analysis. The difference is that between the organization and the establishment. Where businesses are conducted in more than one location (as in a chain or branch-store organization), the target for shoplifting is the individual retail outlet, a physical place. Employee theft, on the other hand, is an organizational concept, and may take place in a variety of different locations, including off-premise entirely. While sampling frames for studying the two problems probably could be meshed, the locus of information about the two kinds of incidents is quite distinct.

Once they have been located, interviews with the representatives of retail establishments suffer in addition all of the problems associated with human cognition outlined in Section 3.4.1: People forget, misremember, and reinterpret events in ways that independently shape the data. As Reiss (1969) noted in his methodological report on the SBA survey:

To measure both the occurrence of crimes and losses from them is no simple matter. Even when this information is measured only for the previous year, such factors as memory, the reliability of business records, and the willingness of businessmen to report their losses are factors affecting the validity and reliability of data on crimes and losses from them.

These problems are exacerbated in the case of shoplifting and employee thefts. Most crimes seem to be undetected, and frequently the details of individual incidents may be fuzzy by the time an interviewer arrives. Thus rather than gather reports of individual events, most surveys focus instead on the prevalence of victimization from these types of crime. It might be noted that when this becomes the goal of a commercial victimization survey the source of the reports given by the respondents will often be the apprehension records discussed earlier.

3.4.2.3 Observational Methods

The final measurement strategy to be discussed involves observations of customer and employee actions. Surveillance has always been part of retail security programs, but has usually been employed only as an investigative tool. The application of these techniques to scientific questions concerning the extent and nature of retail theft has been extremely limited, however. Because of the furtive nature and rarity of most criminal acts, observational methods are not usually considered a viable alternative in the measurement of these incidents. This reservation is very applicable to employee theft.

However, for shoplifting, the public nature and greater frequency (at least in some large stores) of the acts suggest observations as a potentially viable measurement strategy. The purpose of this section, then, is to discuss briefly the principal procedural components, potential data that might be produced, and problems that may be anticipated.

The use of observational data for the study of shoplifting involves the constant surveillance of customers from time of entry to exit in order to identify acts of theft. The observers would have to be extensively trained in covert observational techniques such that they can reliably collect the data without being detected. Sampling would be very important to this technique with reference to both the number of customers observed and the method of selecting them. If the researchers plan to discuss prevalence then a sample of adequate size must be selected from each store. Although this requirement would also apply to self-report data, the manpower required by this method would be considerably greater for the observational data. Great care must also be exercised in ensuring random selection of subjects. The lack of such procedures seriously damaged the credibility of the one previous study that employed this method of data collection to study shoplifting (Astor, 1970).

Successfully executed, this method of data collection could provide much valuable information about both shoplifting incidents and offenders. Most important, observational data could provide "true" incidence rates for specific stores, free of the many restrictions imposed by other methods. As noted in earlier sections some methods can provide incidence rates that cannot be practically linked to a given store, while others can provide store-specific data based only on apprehensions. By noting the type and value of each item taken, this strategy could also produce an empirically based estimate of total losses attributable to shoplifting. Profiles of both offenders and their method of operation could also be produced without the fetters associated with self-reports by either offenders or security personnel. If stores with different security programs were studied, the above data could serve as outcome measures of program effectiveness. Thus, retailers could base implementation decisions on data that directly estimate losses due to shoplifting rather than employ inventory figures that only inexactly indicate the magnitude of the problem. In sum, observational data are potentially very useful in the study of shoplifting.

Of course, problems can be anticipated for the use of this measurement strategy. Major threats can be classified into two categories: Methodological problems and level of effort. The methodological problems concern the ability to train personnel at such a level that they can reliably observe customers and accurately identify acts of theft. To our knowledge these skills have yet to be tested, leaving the viability of this measurement strategy unknown. A second major problem concerns the amount of time that would need to be invested in such an endeavor. It seems unlikely that the requisite investment would be greater than that for an in-person survey with a comparable sample size. However, in-person surveys are very costly. While a large government funded project may be capable of utilizing this technique on a one-time basis it is unlikely that it could ever be employed by retailers either routinely or for periodic evaluations of security programs.

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3.4.3 Summary

Many of the knowledge gaps in the area of retail theft are a direct result of the generally low level of measurement. Much of this problem is due to the difficulty encountered in measuring any criminal event--difficulties that are often magnified by the circumstances surrounding retail theft. In addition, most retailers do not possess the capacity to adequately assess the problem. If progress is to be made in this area, the initiative must come from the federal government. What is called for is a concerted effort to improve existing measures and to develop new ones that rectify many deficiencies. This section has discussed the problems and potential surrounding both existing and promising methods of data collection.

4.0 Selected Anti-theft Strategies by Retailers

4.1 Overview

This Phase I project has identified a large number of strategies employed by retail companies to prevent, reduce, or control shoplifting or employee theft. These approaches to the problem range from very simple strategies, such as using locks on merchandise display cases, to rather complex strategies, such as implementing an electronic article surveillance system or operational auditing procedures. Because of the large number and variety of anti-theft strategies operated by retailers, there existed a clear need to determine which strategies were of greatest interest to the project. By focusing attention on only these important strategies, Westinghouse was able to collect detailed information about them.

As noted in Chapter 2, five major criteria were used to select anti-theft strategies. Of greatest interest to the project were anti-theft strategies that:

- Have received widespread application.
- Have high user expectations.
- Have unknown impact.
- Have required a substantial investment of resources.
- Could be evaluated.

A strategy did not have to meet all of these criteria to be included in this assessment, but the more criteria satisfied, the higher the level of interest assigned to a particular strategy. With the guidance of these criteria, a number of anti-theft retail strategies were selected for closer study in this Phase I assessment. This chapter focuses on anti-theft strategies that were assigned the highest level of interest, which means that these strategies were the focal point of site-visits and other attempts to gather in-depth information. The anti-theft strategies covered in this chapter are the following:

- Closed-circuit television to monitor the behavior of shoppers and employees.
- Electronic article surveillance to notify store clerks or security of attempts by shoppers to leave the store or defined areas with tagged (unpurchased) merchandise.
- Pre-employment screening procedures to identify theft-prone job applicants.
- Training programs to educate sales, management, and security personnel in anti-theft strategies.

- Auditing procedures to detect irregularities in operational procedures and financial records.
- Environmental design activities to construct a physical store setting that minimizes theft opportunities and maximizes surveillance.

These anti-theft approaches constitute the bulk of this chapter. Strategies not included here were not addressed with the same intensity. However, it should be noted that the large majority of anti-theft strategies in this topic area were studied at one level of interest or another. (For example, information about certain strategies was collected through telephone interviews, in-person interviews, and literature searches, but a site-visit was not warranted).

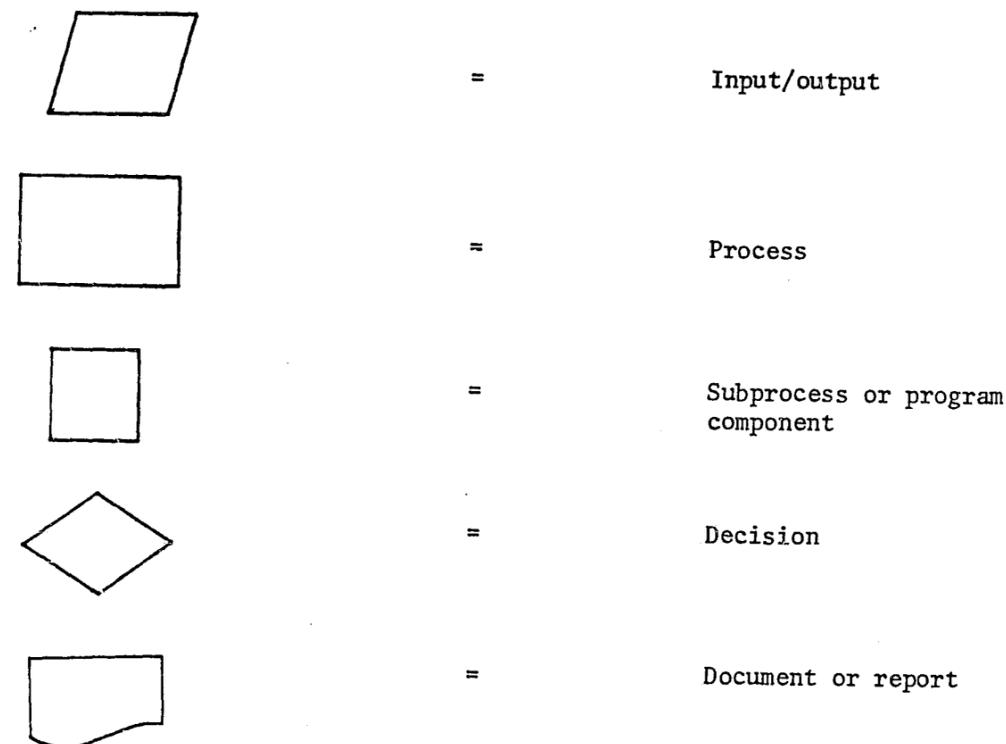
Several commonly-discussed strategies are not found in the above listing of strategies. For example, the deployment of security personnel and management policies are two approaches that were not intensely studied. While these approaches are covered indirectly through other strategies, they are not focal points in this chapter for several reasons. First, because they are general and encompass a multitude of approaches, they are not conducive to a meaningful assessment within the context of the Phase I assessment. Much of what can be said about these strategies has already been stated in the literature. (For example, there is a considerable body of literature of private security. Furthermore, the need for better management policies is a topic that is covered frequently in published articles.) Providing new insight and information would require an in-depth evaluation that would be beyond the scope of this project.

The selectiveness of this project should not be taken to indicate that the above-named strategies have been completely excluded or that general approaches to the problem are not considered useful. To the contrary, several anti-theft approaches have been selected that are considered generic strategies. (In fact, they sometimes incorporate the concern for effective security personnel and management policies.) The strategy of training clerks, management, and security personnel in anti-theft techniques is a good example of a generic approach to the problem. Other examples of generic strategies included environmental design and auditing, both of which cover a wide range of possible anti-theft activities.

A standard format was used to present information in a way that would be maximally beneficial to the reader and ensure consistent coverage of the major questions. Each anti-theft strategy is discussed in a separate section having the following three subsections:

- Strategy description.
- Expectations and assumptions.
- Evaluation results.

The first subsection contains a description of the anti-theft strategy and how it operates. A generalized model of the strategy is illustrated through a synthesized flow diagram. The symbols used in each flow diagram have been defined according to standard programming language. The most commonly-used symbols were defined as follows:



The second subsection examines the expectations and underlying assumptions for each strategy. The objectives of each strategy are specified and the many assumptions that must be met to achieve these objectives are delineated. Whenever a strategy has been discussed in published or unpublished articles or documents, this literature is reviewed and summarized. Hence, the total literature in this topic area has been divided according to anti-theft strategies. Thus, in addition to the literature review on the nature and extent of the retail theft problem (Chapter 3), each anti-theft strategy has its own literature.

The last subsection summarizes and discusses any available evaluation data, in order to assess the impact and costs of the strategy. This subsection also identifies the major knowledge gaps that exist and specifies a measurement scheme. The measurement scheme is presented in the form of a measurement table. Three columns are provided for each measurement table. The left column contains a list of possible measurement points, i.e., specific points in the process where measurement is possible. The numbers in this column correspond to the flow diagram noted earlier. The middle column contains a list of possible measures that could be taken at the measurement point specified. Finally, the right column in the measurement table indicates whether or not data are actually available on the "possible" measures listed.

Thus, an asterisk (*) is provided in this third column, addressed to actual measures, if information is available on the measure in question and this information can be retrieved. However, the reader is cautioned that the expense of retrieving this information is a factor unrelated to the question of whether or not the information exists. Hence, in some cases, records have been kept on certain variables (and an asterisk will be indicated), but the data may be very difficult to retrieve in their present form.

Respecting the request of private companies to remain anonymous, we have not identified them by name, unless they are responsible for publications that are being cited. However, other organizations (e.g., criminal justice agencies, educational institutions, retail associations, civic groups) are identified when necessary to cite examples that illustrate general findings.

This is the longest chapter because it represents the primary thrust of this Phase I assessment. Retail companies are not only the direct victims of shoplifting and employee theft but, more importantly, they are the primary sponsors of anti-theft strategies. Hence, their work in this topic area has received the most attention during this project.

4.2 Closed-circuit Television

4.2.1 Strategy Description

Surveillance has always been a major component of commercial security programs. Until recently, however, these observations required the physical presence of security personnel. The effectiveness of these efforts was limited by the observational skills of security agents and limitations on the extent of coverage created by the need to be present. In order to cover, even partially, the floor space of a large establishment, a sizable staff was necessary. In addition, recognition of security personnel by other employees served to reduce the effectiveness of surveillance in the detection of employee theft, although aids such as one-way mirrors could counteract this effect somewhat. More effective surveillance depended upon the ability to overcome these limitations.

One alternative solution was the use of photographic equipment to extend the surveillance capabilities of the security staff. Initially, this strategy involved the use of still or motion pictures of the areas of interest. This approach allows continuous or timed-interval observation of critical areas, but, due to the time required to develop the film, it does not provide immediate feedback, and if used continuously, can become very expensive. As a result, the use of these devices is not practical for the identification of shoplifters, because of their transience, or for relatively rare events like robbery, unless some means of activation is employed.

During the 1960's, with the many advances in the electronic industry, the use of closed-circuit television for surveillance became a possibility. Until this point, these cameras had been simply too large and too expensive for practical application in a field setting. The reduced size and lighter weight produced by this new technology allowed cameras to be placed almost anywhere. Since the introduction of closed-circuit television (CCTV) to the security industry, its use has expanded tremendously. Recent estimates place sales for this industry at or near \$100 million for 1979 (TV "Eyes" Cut Theft, 1978; Shoplifting, Employee Theft, 1979). The versatility, high expectations, and widespread application of closed-circuit television has prompted our attention in this report.

At its most basic, a closed-circuit television surveillance system involves a fixed camera connected by cable to a monitor or display screen. This equipment provides a view of a specific area of concern to designated employees. These systems also may include a video recording system to provide a record of the observed events. Beyond these basic components, a wide variety of equipment capabilities and modes of implementation exist. The major variations are discussed below.

The principal differences in equipment concern the images received and ability of store personnel to alter or control them. Cameras may provide a stationary image or they may be designed to pan a wide area. For some systems, the cameras can be designed to rotate almost 360°. This movement can be automatic, remote controlled, or some combination of the two. Very sophisticated systems can allow for almost total directional control. Many

systems also include a zoom lens which can be controlled from a remote location rather than a lens with a single focal length. A third variation concerns the mobility of the camera. Although most systems are designed with cameras in a stationary location, they can be installed with mobile cameras. This is usually accomplished by the installation of "jacks" in various locations, which allow the user to manually move the cameras. However, in some installations, a more sophisticated system may be employed which allows for remote movement of cameras along tracks. In this latter situation, the cameras can be moved at will to provide a better angle.

Additional equipment can be added to most systems, either to improve their effectiveness or to modify their purpose. For example, large systems often include more cameras than can be practically monitored at one time by a single employee. The amount of space required by a large number of monitors to present numerous images can also prove impractical. For these situations, sequencers have been developed which automatically rotate images from various cameras to given monitors at preselected intervals. These sequencers contain a manual override so continuous observation of a specific area can be maintained when deemed necessary. In this way, the area observed by a single employee can be greatly expanded. Various additions may also be made to adapt these systems to other purposes or to produce a dual purpose system. For example, video alarms that detect motion in the recorded image or photoelectric beams can be added to a system. These components can be used after hours to activate a videotape recorder and/or an alarm system as part of a burglary prevention system. Many other optional components are available; some of these will be discussed in relation to applications of CCTV to specific goals or problem areas.

As for any program, the specifics of implementation depend on many considerations, the most prominent of which are purposes or goals and cost. The use of CCTV for varying ends will be described in the following section. However, there are several major variations in the implementation of these systems which merit presentation at this time. These variants involve the:

- Extent of coverage.
- Visibility of the system.
- Observation/recording schedule.
- Staffing needs of the system.

A basic variant for every system involves the amount of area in view of the cameras. This decision rests on the stated purpose of the system. In general, the wider the desired coverage, the larger and more costly the system. For those CCTV systems directed at a particular area or department, relatively few cameras will be needed, but many cameras are required for surveillance of an entire department store. Prior installation of a CCTV system requires a careful site-visit to determine optimal coverage of key areas. Placement of cameras must be checked for blind spots--areas not in full view.

A second major characteristic of CCTV systems concerns the visibility of the equipment. Some systems will have hidden cameras, while others will not only have them placed in full view of customers and employees, but also will have signs identifying the system and often live monitors will be placed throughout the store. This decision is directly linked to the stated goals of the system. Hidden systems are thought to be more effective for the apprehension of offenders, while the visible systems are believed to serve more as a deterrent to theft. This characteristic is discussed more fully in relation to program expectations.

A third critical characteristic concerns the observation/recording schedule. A system that is seldomly or never observed and has no provision for recording the observed events is useful only as a deterrent. Even here, the deterrent effect can be severely limited if the potential offender knows how to test the system. The need for constant observation often makes CCTV impractical for small businesses. When continuous observation is not necessary, observation or video recordings may be made on a demand basis. This is the procedure usually employed in banks, where the purpose of the system is to record robberies. Most of these systems are normally inactive, but employees can activate them to record any suspicious behavior within the bank. CCTV systems employed to reduce burglary or theft in restricted areas are similarly activated by photoelectric beams or video alarms. In order to be effective in the detection and apprehension of offenders, however, the system must be observed constantly.

Closely related to the observation schedule is the staffing requirements of operating the system. If a CCTV system is installed to combat shoplifting and employee theft, it must be monitored constantly. A member of the security staff or some other employee must be on duty in the CCTV control room at all times. Depending on the operating hours of the business, this means that at least two employees must be assigned to this job. In addition, floor personnel must be available to respond to incidents detected by the observation staff. The use of CCTV in this way limits its applicability to large volume businesses. Smaller operations may employ CCTV, but the observation time must be reduced or the task assigned to employees with other duties. It is usually assumed that such modification greatly reduce the ability to detect criminal offenses.

Although specific characteristics and procedures may vary across CCTV installations, most systems installed for general surveillance purposes have a common core of procedures that may be combined to produce a synthesized description. This synthesized description of closed-circuit television systems is presented in Figure 4-1.

Once the decision to install a CCTV system has been made (1), it is implemented in the specified area. The cameras can be either hidden (2a) or visible to the general public (2b) and "dummy" cameras (2c) (i.e., units that look like a camera but are nonfunctional) may be employed. Hidden cameras are usually deployed to apprehend offenders while visible and "dummy" cameras are directed more toward deterring potential offenders. These alternative strategies are discussed in more detail below. If a system is

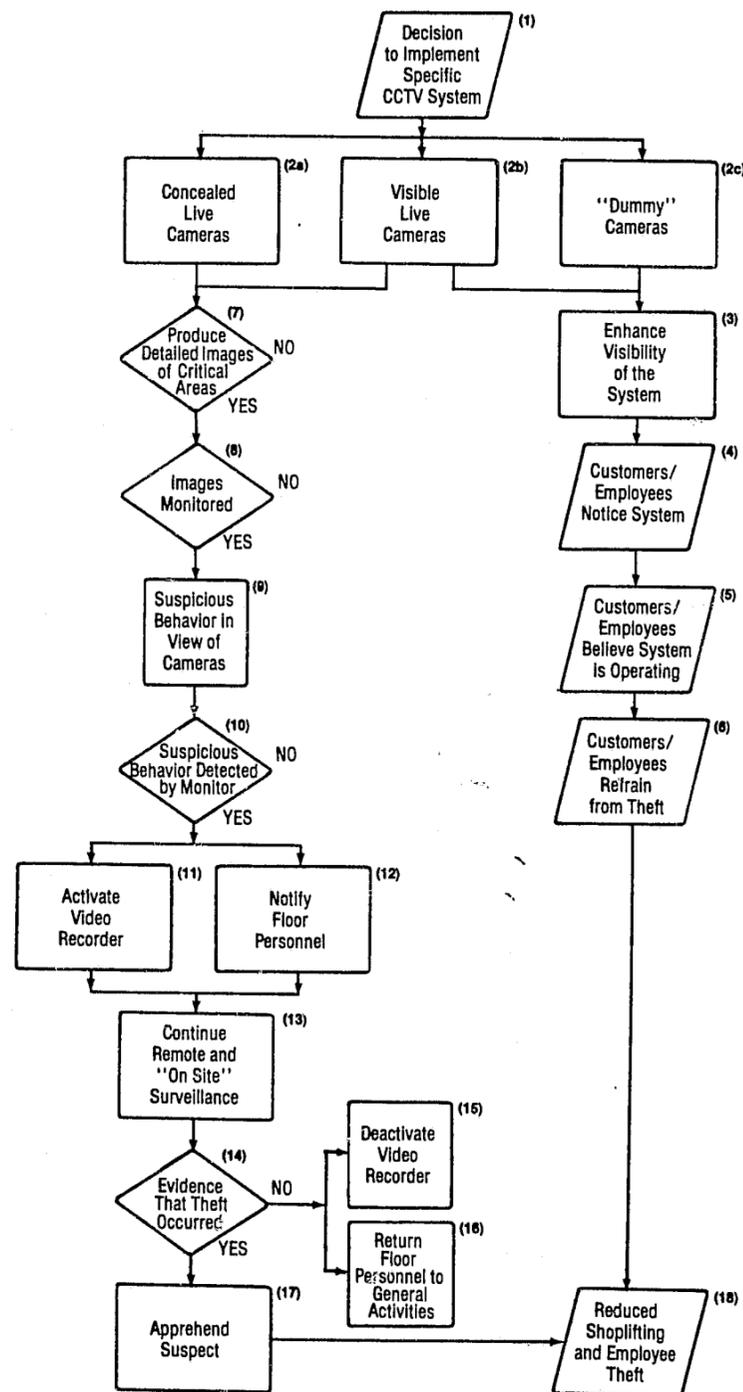


Figure 4-1. Flow Diagram of Closed-Circuit Television Strategy

designed to act as a deterrent to theft, steps are usually taken to enhance the visibility of the system (3). The existence of cameras (live and non-functional) will announce the system to experienced shoplifters and observant shoppers, but other aids may be used to draw attention to the cameras. These may include television monitors distributed throughout the store, signs announcing the system, or a flashing light near each camera. To the extent that customers and employees notice the cameras (4) and believe their actions are being observed by security personnel (5), it is believed that they will be deterred from theft (6), thereby reducing losses (23). The signs and live monitors employed to draw attention to the system can also serve to reinforce a belief that it is operating.

An alternative strategy involves the use of hidden (2a) or visible (2b) live cameras to detect and apprehend shoplifters and/or employee thieves. In order to be effective, these cameras must be operating in such a position as to produce high quality images of the area to be surveilled (7), and the system must be constantly monitored (8). If suspicious behavior occurs within view of the cameras (9) and is identified by the monitor (10), usually a video tape recorder will be activated (11) to produce a record of the incident for evidence and security personnel will be dispatched to the area (12). Surveillance will continue until the monitor and floor staff reach a conclusion about the existence of a theft (13). If they conclude that they don't have enough evidence to detain the suspect, the video recorder will be deactivated (15); the floor personnel will return to their normal duties (16); and the monitor will resume normal surveillance (8). However, if it is concluded that a theft did occur, an attempt will be made to apprehend the suspect (17). A significant number of apprehensions is thought to reduce shoplifting and employee theft (18) both directly through recovery of merchandise and criminal prosecution and, indirectly, through an increased knowledge of the system and a belief in its effectiveness. Through a constant surveillance system, concerted efforts to apprehend suspects, a vigorous prosecution policy, and a deterrent effect discussed above, CCTV is designed to reduce shoplifting and employee theft.

The above description was limited to CCTV systems deployed as an aid to general surveillance, because of the widespread use of these systems for these purposes. There are two other general uses of CCTV which will be discussed below. The first involves using a CCTV system in a way similar to that described above but as an aid to intensive investigations of specific areas or employees. The second usage is to provide coverage and to limit access to sensitive areas of a building. This latter function may be either a standard part of a general surveillance system or may include special equipment.

4.2.2 Expectations and Assumptions

Closed-circuit television is very versatile as an anti-theft strategy and can be applied to a wide variety of problem areas. The rapid growth of this industry, mentioned above, bears testimony to the belief that CCTV is effective in deterring or detecting a wide variety of behavior, from

criminal incidents to unsafe procedures. These systems can have several goals in reference to shoplifting and employee theft. The three broad goals to be discussed here are:

- Deterrence.
- Detection.
- Unauthorized entry.

Each of these goals will be discussed in terms of the mode of implementation typically employed to achieve the goal. In general, expectations for this type of security system are high, although, as will be shown in the last subsection, there is little solid evidence to support these expectations.

In its broadest application, the manifest goal of a CCTV system is to deter potential criminal acts. This is evident in the slogan of a major supplier of this equipment: "It is more profitable to prevent a theft than to catch a thief" (Shoplifting, Employee Theft, 1979:25). This presumed deterrent effect is based upon public knowledge of the existence of the system, a visible presence, and a belief by those being observed in the effectiveness of the system. In this type of application, the company publicizes the existence of the system. This is achieved by placing the cameras in visible locations and, very often, using well-placed signs to announce the presence of the cameras. Other techniques used to draw attention to the system include placing television screens connected to certain cameras throughout the store or attaching a small strobe light to the cameras to catch the subjects' attention. In order to be effective as a deterrent, the subjects also must believe they are under constant surveillance. This can be accomplished by placing cameras such that at least one is visible from all points in the store or through the use of dummy cameras. This latter strategy may employ live cameras in strategic locations, but also add dummy cameras, identical in appearance, throughout the store such that an image of constant surveillance is presented.

Finally, in order to deter theft, the objects of the surveillance, whether employees or customers, must believe in an increased certainty of apprehension due to these cameras. In general, the above two characteristics (knowledge and visibility) reinforce this belief. For employees, a belief in the increased probability of apprehension may be fostered by a constant or variable interval observation schedule such that they know that the surveillance is constant or taking place at random but unknown periods. Since employees constantly interact, apprehensions due to the system can also be used as a deterrent to criminal acts. For the general public, another means of deterring theft is to reinforce a belief in the certainty of apprehension through the use of the news media. Retailers and CCTV distributors periodically release "success stories" about these systems (e.g., Bonner, 1979; O'Shea, 1979). These stories serve both as sales testimonials and as evidence of the effectiveness of CCTV to the general public.

Of course, CCTV systems installed largely for deterrence can also serve to apprehend offenders. The simple existence of the system expands

the surveillance capability of security personnel. Not all people will be aware of the system, nor will all believe they are actually being observed; thus, offenses will still take place, thereby opening the possibility of apprehension.

A second and less frequently employed goal of CCTV systems is the apprehension of offenders. Those systems which have this as their principal goal usually employ hidden cameras. To combat shoplifting in this way, CCTV is usually used to expand the surveillance capability of the security staff. When an incident is detected, it may be videotaped and another security officer dispatched to the scene. Through the use of both the hidden cameras and floor personnel, constant surveillance of the subject can be maintained throughout the store and, if appropriate, the suspect is detained. A video recording of the incident can be used both as evidence and to help obtain a confession. Although the entire tape of an incident may be of high quality and detailed enough to be used for evidence, single frame prints from these tapes are of generally low quality (National Institute of Law Enforcement and Criminal Justice, 1974).

CCTV can be used to identify employee theft in the above manner or in a more intensive, investigative fashion. Several retailers, contacted during the course of this research, use this latter approach. When an employee is suspected of dishonest activity, an investigation is initiated. One phase of this investigation may involve the installation of hidden cameras in the employee's work area. Surveillance is constant and video recordings are made of suspicious activity for evidence.

Closed-circuit television also may be used to control access to secure areas. Use of CCTV for this purpose usually requires additional equipment. To limit access to certain areas, this system may be combined with a remote lock release to act as sort of a "video doorbell." A security officer views everyone attempting to enter the area and admits only authorized personnel. This system greatly reduces staff needs because one person may control several entrances. This type of system can also be combined with video alarms that activate a video recorder when motion is detected in the camera's field or photoelectric beams that activate the cameras and recorder when they are disrupted. Access to these sensitive areas also can be controlled by providing deactivating keys to authorized personnel. Use of these systems in this way can allow a surveillance system during the day to serve as a burglar alarm at night.

Finally, we might add that many companies also use this type of equipment for supervisory purposes. Since the area in view is also the work area, supervisory personnel can use CCTV to cover more effectively the personnel assigned to them. They can detect unsafe practices or variations in established procedures more effectively and take measures to improve the safety or effectiveness of the work areas.

The use of CCTV to combat shoplifting and employee theft entails several assumptions. These can be placed in three broad categories, involving:

- Coverage.
- Implementation.
- Effects on customer and employee behavior.

The first assumption concerns the ability of the equipment to present images that identify illegal incidents. This involves the placement, direction, angle, focus, and maintenance of the system. In order to observe these incidents, the cameras must be in working order, capable of covering the store and properly adjusted. Cameras with panning and zoom capabilities must be in working order. Those systems with fixed camera positions must have them properly adjusted to provide an adequate view of the area under surveillance. Video recorders must also be in good working order. To the extent that these conditions are not met, the capability of the system is diminished.

The second set of assumptions concerns the gap between potential application and actual implementation. A system employing continuous observation must have someone at the monitor constantly. In addition, it is assumed that the person charged with this task is able to detect illegal acts and is alert at all times. When a shoplifting incident is observed, floor personnel must be available to respond.

The third assumption involving the use of CCTV concerns the deterrent effect on customer and employee behavior. In order to serve as a deterrent to theft, it must be assumed that most people will be aware of the cameras. Further, given an awareness of the system, it must be assumed that people will believe they are being watched and refrain from illegal acts while in the store.

4.2.3 Evaluation Results

As with so many of the security strategies, solid data concerning the impact of closed-circuit television are simply not available. The available data are predominantly in the form of "success stories" or testimonials from satisfied customers. Our activities have not identified a single evaluation of CCTV that involves an experimental design or a comparison group. In spite of this, sales of CCTV systems continue to grow.

Unlike the ready availability of data concerning electronic article surveillance (Section 4.3), neither suppliers nor retailers we contacted had available data concerning the impact of CCTV on losses. One shopping center indicated that they are currently in the process of evaluating a CCTV system, but the results are not available at this time. This reluctance could be due either to our failure to contact cooperative companies or to a general lack of confidence in the ability of this strategy to reduce losses. Our experience with one major supplier would suggest that the latter is the case. The only data this company would provide concerning their CCTV systems was a packet of public relations materials containing several "success stories," two glowing newspaper articles about the company, and a letter from a client praising the company for its service.

Table 4-1 presents measures, both existing and potential, that could be employed in an evaluation of specific CCTV systems. In general, the type of data that are currently collected concern system characteristics (e.g., number and type of cameras, number and type of system announcements) and gross measures of program outcomes (e.g., number of apprehensions, proportion of suspects prosecuted). As can be seen, measures, relating to many of the assumptions of the system (awareness, belief in effectiveness), program requirements (ability to monitor screens and identify illegal acts, proportion of assigned time spent actively monitoring screens, response time of floor personnel), and detailed outcomes (proportion of undetected thefts, proportion of thefts resulting in an apprehension) are not routinely taken. The quality of data could be improved greatly if records were made of many of the details of the system's operation. Below we present two potential research designs which might employ these measures.

The potential does exist for collecting data to evaluate the impact of CCTV on losses due to shoplifting and employee theft. The basic components of a quasi-experimental design are present. An intervention (implementation of a CCTV system) is either present or absent and outcome measures (inventory shrinkage) are taken at regular intervals, both before and after implementation. However, the implementation is not consistent across companies or even for stores within a given chain, nor are the security programs within a control group likely to be similar, making conclusions about the effects of CCTV difficult. In addition, CCTV systems are very expensive and installed on the basis of need. As a result, the researcher is likely to have no control over which stores receive the treatment--a critical component of an effective evaluation.

These problems are not insurmountable. Although not ideal solutions, there are two means of overcoming them. The first, and most desirable, would require a commitment from a large retail chain currently employing this strategy. Random assignment across all stores is probably not a possibility, but other methods of assigning the "treatment" could be arranged. For example, because resources are often limited, the retail management might agree to define a pool of candidate stores with similar loss figures and existing security systems and allows random selection of the stores to receive the treatment in a given year. Given a commitment to the concept of quality evaluation and adequate technical assistance, such a venture should not be difficult to undertake for large chains with many stores to select from (e.g., Penney's has approximately 1,500 retail outlets and Sears has over 600). A second solution might involve an outside researcher organizing a group of independently owned stores to cooperate in a similar evaluation. However, many retailers consider inventory data to be proprietary information, making the success of this strategy questionable.

4.2.4 Summary

In the area of retail security, closed-circuit television is a recent phenomenon, owing its existence to the many technological advances made in the past two or three decades. As a specific strategy, it is part of a group of photographic systems designed to aid surveillance. In practice, CCTV

systems show a wide range of sizes and sophistication. Their broadest application has been to expand the surveillance capability of security personnel. It is thought that their greatest impact on shoplifting is as a deterrent to potential thieves, rather than as an aid to apprehension. When used as an investigative tool, security personnel report that this strategy can be very helpful in apprehensions. Another application of this technological tool is the surveillance of controlled access areas. Very little published information is available about the impact of this strategy on retail theft. What little data are available usually take the form of testimonials or "success stories," data which provide no solid grounds to assess the impact of the strategy.

Measurement Table 4-1
Closed-Circuit Television Security Systems

<u>Measurement Points¹</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
2a	Number of concealed cameras.	*
-	Customer and employee aware of hidden system.	
2b	Number of visible cameras.	*
2c	Number of simulated cameras.	*
2b, 2c	Ability of subjects to distinguish between simulated and live cameras.	
3	Number and type of system announcements.	*
4	Customer awareness of visible systems.	
5	Employee belief in effectiveness of system.	
6	Dollar value of merchandise stolen without the CCTV system.	
	Dollar value of merchandise stolen with CCTV system.	
7	Extent to which cameras present clear view of areas to be covered.	*
	Quality of images.	
	Percentage of time system not fully operative.	
8	Proportion of time system is actually monitored.	
	Ability of assigned staff to monitor all television screens.	
10	Ability of assigned staff to recognize thefts in progress.	
	Proportion of thefts undetected.	

Measurement Table 4-1 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
11	Number of times video recorder activated.	*
12	Ability to notify floor personnel.	
13	Response time for floor personnel.	
14	Number of "false alarms."	
17	Proportion of attempted apprehensions.	
18	Number of suspects actually apprehended.	*
19	Value and types of merchandise recovered.	*
	Proportion of apprehensions resulting in recovery of merchandise.	*
20	Proportion of suspects prosecuted.	*
21	Proportion of actual thefts resulting in apprehension.	

¹Numbers in this column refer to Figure 4-1.
 *denote actual measures available.

4.3 Electronic Article Surveillance

Electronic article surveillance is an anti-theft strategy which helps the retailer to monitor the movement of thousands of tagged articles of merchandise. Evaluation of article surveillance has proved difficult due to study designs and the tendency to implement the strategy when shrinkage rates are at their peaks. However, electronic article surveillance strategy has the best available operational and impact data of those strategies researched.

4.3.1 Strategy Description

The basic strategy of electronic article surveillance calls for the tagging of all relatively expensive property with tags containing a passive resonant electronic circuit, that elicits a response from frequency matched sensors when the two are within a specified range of each other. Soft electronic tags, plastic-encased wafers, or adhesive backed tapes are attached to or hidden in articles of merchandise. In most cases, these tags cannot be removed without significantly damaging the item. A plastic case system is also available whereby cassette tapes can be enclosed to allow open merchandising. All systems are designed to activate an alarm mechanism whenever the sensing screens detect a tagged item passing between them.

There are currently two sensing techniques used in electronic article surveillance. The first uses radiation in the U.H.F. or microwave regions. In this system, the tag encloses a small printed circuit containing a passive semiconductor that, when energized, radiates at a present frequency in the U.H.F. or microwave bands. When the tag passes a sensor screen, a radio transmitter-receiver and antenna tuned and filtered to receive the same harmonic frequency, is activated. When the receiver detects the tag's signal, it amplifies the signal to activate an alarm system of some type.

The second system utilizes a sensor screen that is a magnetometer. This device closely resembles those used in metal detectors. In this system the tag contains a magnetized iron strip. When the tag passes within the active field of the magnetometer, the tag produces a voltage in the sensor's circuit which, in turn, triggers an alarm.

Most alarms used in electronic article surveillance systems are remote lights, cameras, or meters. Some systems use prerecorded messages that, when the system is activated, request the person leaving the store to please return and ask a sales person to remove an "inventory control tag."

When the alarm is activated, a security operative or sales associate can approach the suspect. In most cases, a properly trained employee extends the offer to remove the tag while dismissing the occurrence as an employee's oversight. It must be emphasized that this operation almost never results in an accusation of theft. The possibility of law suits which are both costly and tarnish the retailer's reputation virtually prohibit the apprehension approach. In most cases, if the suspect refuses to produce the merchandise when stopped, they are allowed to leave without further confrontation.

Most tags and all tape cases can only be removed with the assistance of specially designed devices. These tools remove the sensor tags without damaging the articles of merchandise. The plastic cases which house cassette tapes can be opened and the tape removed only with the designated device. Attempts to open the case in any other manner almost guarantee damage to the tape it contains.

Those systems not requiring removal of tags must be deactivated to allow exit from the store without activating the warning system. Deactivation can be accomplished in two ways. If the sensor tag is of the magnetic type it is demagnetized by the clerk at the point of sale. If the article surveillance system functions on microwave principles, most often, a deactivating, adhesive-backed tag is placed on top of the original tag. The second tag neutralizes the first, allowing the customer to exit the sales area without triggering the sensor screening device.

There are two basic varieties of tags in use today. The first is easily concealed in the garment. In most cases these tags are deactivated at the point of sale and removed from the store. In one system the tag must be inserted in the cash register before the register will function. It is deactivated by inserting the tag into the register.

The second type of tag is composed of large, plastic strips. These are most often attached to the article of merchandise by means of an integral pin or locking system. These tags are removed at the point of sale when an item is purchased and are reused by the retailers. Some of the larger plastic tags may be one inch by four inches.

The theft prevention strategy to which electronic article surveillance is applied may be defined by the type of sensor tag chosen. Large plastic tags that are highly visible tend to act as a deterrent to shoplifters. This strategy is often augmented by posting signs warning potential thieves that the store is electronically monitored. The anticipated outcome is a reduction in shrinkage resulting from deterring potential thefts rather than increased apprehension rates.

A choice of thin, easily hidden sensor tags may result in a strategy geared toward apprehension. Since the tags are not readily visible and because, in most cases, no signs are posted, the electronic article surveillance system offers little deterrent effects. As a result, the intended reduction of shrinkage may be arrived at through an increase in apprehension rates. However, as noted earlier, this approach carries some real legal risks.

The two tagging systems can also be used in conjunction. In this way, if the obvious tag is removed in some way, the hidden tag can serve as a backup system. This third tagging strategy is more apprehension-oriented than deterrence-oriented in nature.

Electronic article surveillance offers a relatively sophisticated means of monitoring a large number of articles with a minimal investment in manpower. The variety of system alternatives available to retailers

allows them to tailor the system to fit their individual needs. The screening units can, in most cases, be customized to complement store decors and some manufacturers offer units that can be mounted above entrances and exits. In addition, the wide variety of sensor tags available allows the retailers to integrate the system's intended effects into their individual security design. This allows the system to be used as either a deterrent to theft or in an apprehension-oriented nature. Electronic article surveillance provides a multifaceted addition to retail security programs or a pragmatic alternative to more conventional methods of shrinkage control.

A review of electronic article surveillance strategies results in the synthetic flow diagram presented in Figure 4-2. The comprehensive diagram proceeds as follows: The electronic article surveillance system is installed (1) and, if the article of merchandise is of sufficient value (2), a sensor tag is attached (3). Once the item is on the selling floor it may be purchased by a customer (4), after which a salesperson may or may not remove the sensor tag (5). At this point, the customer attempts to leave the store (7) which may or may not result in the sensor alarm being activated (8). If the alarm is activated the person may or may not be approached by a monitor (9). If the individual is not approached (9), he/she may leave without interference (10). However, if the person is approached (9) the monitor will request the merchandise (11), at which time, the person will either provide the merchandise or not (12). If the customers do not provide the merchandise, in some cases, they are allowed to leave the store without interference (10) or they may flee the store (13). If the customer flees the premises (13) store security is notified (17) which may lead to an apprehension (19) of the subject. This, in turn, results in reduced shrinkage due to shoplifter apprehension increasing.

On the other hand, if the person does produce the merchandise (14) and if it is paid for (15), the tag is removed (15), at which time the customer may leave the store without interference (10b) or may complain (16) which, in turn, results in the manager being notified.

Should the person provide the merchandise (12) and it is not paid for (14) store security is notified (17). Notification may result in the suspect being arrested (19) which results in reduced shrinkage resulting from shoplifting.

Another possibility is that the shoplifter is able to defeat the sensor tag system (6) by either removing the tag, or by shielding it with metal foil or a part of the body. The person then attempts to leave the store (7) and since no alarm should be activated (8) the person leaves the store without interference (10a).

As mentioned earlier electronic article surveillance strategies may be viewed, almost exclusively, in terms of its deterrence value. The deterrence-oriented strategy begins with the installation of the electronic article surveillance system (1). If the item of merchandise is of sufficient value (20) then it is tagged (21) with a large highly visible tag. The high

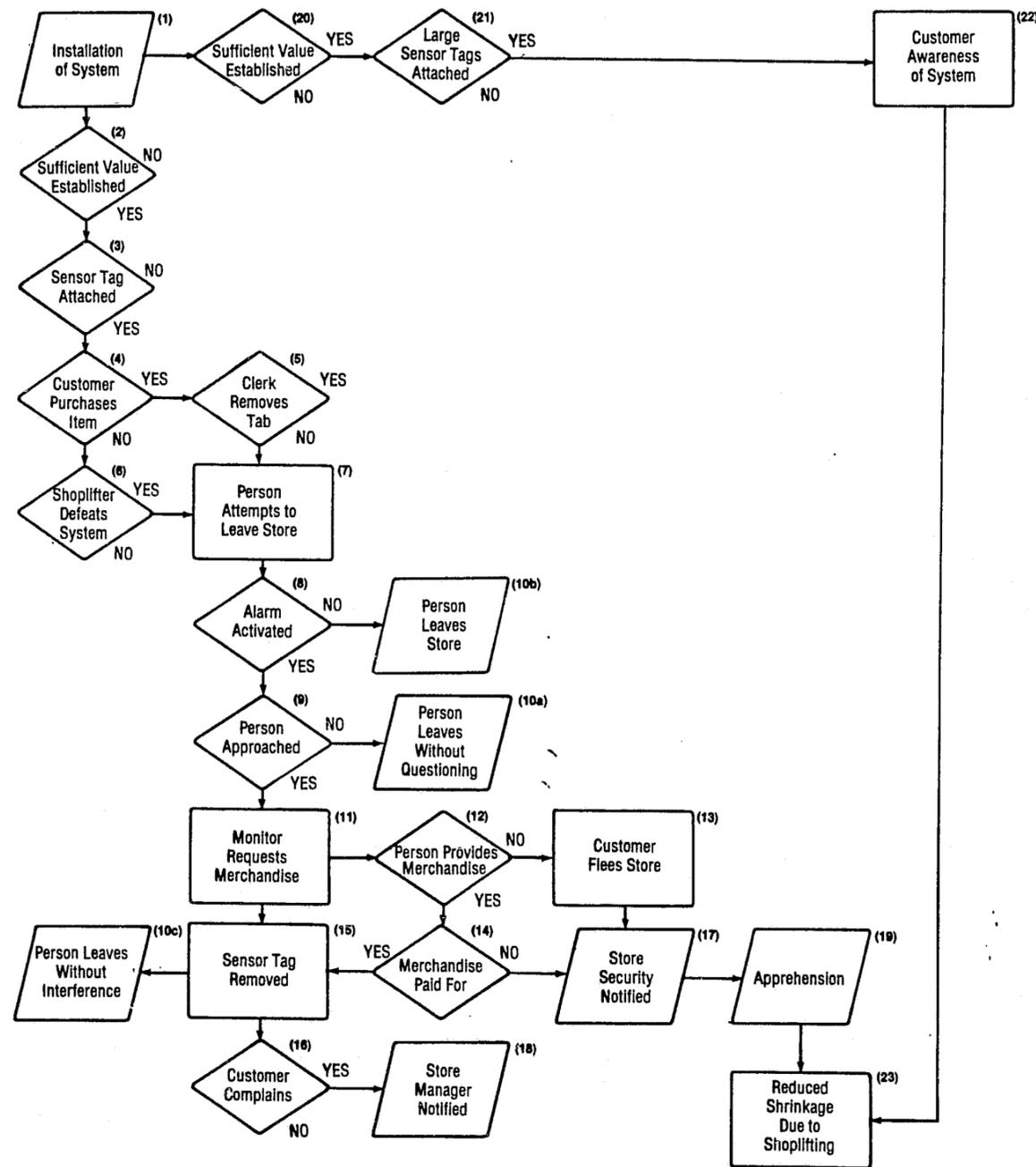


Figure 4-2. Flow Diagram of Electronic Article Surveillance Strategy

visibility of the tag functions in such a way as to deter shoplifting resulting from the customer knowledge of the system (22). The result is reduced shrinkage due to shoplifting (23).

Regardless of the orientation of the strategy electronic article surveillance is aimed at reducing shrinkage resulting from shoplifting. Although this strategy may be conceived of as both apprehension-oriented and deterrence-oriented and due to the realities of both the legal system and the inherent problems of the system, it is effective, almost exclusively, in the deterrence mode.

4.3.2 Expectations and Assumptions

There are two, coincidental, primary expectations of a properly implemented and accurately executed electronic surveillance strategy. First, it is expected that the surveillance system will reduce shoplifting losses. Secondly, it is expected that the electronic article surveillance system will, in fact, be cost effective.

These expectations are founded on a number of implicit, as well as explicit, assumptions. It is assumed that the system will result in the deterrence of those shoplifters who, without the system, would normally remove items of merchandise from the store. In addition to this, the presence of the large plastic tags combined with signs warning of their existence is expected to deter shoplifters, by increasing the likelihood of being caught.

Harbin (1975), a vice-president of a major firm which manufactures article surveillance devices, feels that the major reason for the strategy's success is due to the system's altering one side of a hypothetical shoplifter's mental triangle. The three sides of the triangle are frustration, opportunity, and low risk of being caught. Harbin claims that when all three sides of the triad are realized even the least likely individual could become a shoplifter. Harbin claims that the deterrence factor of visible electronic article surveillance systems increases the risk of being caught, the third leg of the triangle, significantly enough to reduce theft. Simply put, an individual's tendency to shoplift decreases as the likelihood of being caught increases.

A second assumption upon which the success of article surveillance rests is that the system responds only to the passage of a tag within critical range of the sensor screens. This assumption denies the possible triggering of a system by devices such as pacemakers and remote paging devices. Such false alarms may severely reduce the effectiveness of any electronic surveillance system.

A closely related assumption is that the tags are removed from legitimately purchased merchandise by sales associates at the point of sale. However, this is not always the case. Failure to remove tags from purchased merchandise is among the central problems associated with the electronic article surveillance strategy.

A fourth assumption is that the electronic article surveillance system is not easily defeated by possible shoplifters. For example if the sensor tags were easily removable the effectiveness of the system would be vastly decreased. If the retailer assumes that the surveillance system cannot be defeated, there may be a tendency to relax additional precautions. By reducing attention to such simple procedures as watching possible thieves, a shoplifter who has successfully defeated the article surveillance system may be faced with substantially less problems in removing articles from the store. In this matter an over reliance on a defeatable system may result in additional, hidden problems.

Defeatability is a key issue in electronic article surveillance technology. Three of the leading manufacturers, Sensormatic, Checkpoint, and Knogo, claim that their systems cannot be defeated by body detuning or shielding of tags. This is an important component in determining the effectiveness of any system. The claims of the manufacturers, however, are disputed by Mandelbaum (1973) who feels that the ability to defeat the system is a key limitation. Mandelbaum claims that if a resonant type tag is shielded in metallic foil the wafer will not respond to the radio receiver. He notes that the same may happen if a magnetic wafer is screened by a piece of ferrous metal.

In addition, it is assumed that when an alarm is set off it will be responded to by a member of the store's security or sales staff. The apprehension value of an article surveillance system is easily nullified without the immediate response of a qualified individual. Due to most sensor screens being placed in close proximity to store exits, prompt response by trained personnel is of great importance. This is probably one of the key weaknesses in systems site visited by Westinghouse.

A further assumption upon which the success of electronic article surveillance rests is the belief that use of the system will not have a detrimental effect on the flow of legitimate customers. In some cases, however, the placement of sensor screens at exits poses some problems. Mandelbaum (1973), for example, feels that electronic article surveillance systems are also limited by the close proximity at which the sensor units must be placed. In most cases they can be no more than four feet apart. This limits the flow of traffic. It also can result in detection problems when more than one customer is within the detector's effective range at the same time.

This problem may be reduced, to a degree, by application of new sensor units. These can be mounted above an exit and cover up to a twelve foot wide area. However, this system does not resolve the problem of pinpointing a possible thief in a crowd of people.

One final assumption, vital to the success of an electronic article surveillance strategy, is that the surveillance system will result in a reduction in personnel once used to fulfill this function. This assumption is founded on the belief that electronic strategies greatly increase surveillance and free vital personnel for service in other areas.

Bill Rickard of Check Mate Systems (1976) contends that article surveillance has proved superior to older methods because it permits surveillance of thousands of articles compared to the relatively small, limited number that can be covered by direct observation. Rickard also implies that more sophisticated means of shrinkage control are needed to combat the rising tide of losses due to shoplifting. Electronic article surveillance seems to fit the increased need.

Harbin (1975) also makes a variety of claims concerning the benefits of electronic article surveillance. He asserts that automation of the surveillance process allows sales personnel to better serve their customers rather than occupy their time by watching for shoplifters. It also frees security personnel, Harbin claims, to spend more time on internal theft and to check audit and procedural controls.

The installation of an electronic article surveillance system is expected to result in a reduction in shrinkage due to decreased shoplifting. Success is dependent upon a number of assumptions, some of which are obvious and others which are hidden. Close attention must be paid to all assumptions if the expected decrease in shrinkage is to be realized.

4.3.3 Evaluation Results

The evaluability of the electronic article surveillance strategy is high. The data base is extremely rich. There is information on the cost of the system and a cost-effectiveness ratio can be produced. In addition almost all stores keep records on false alarms, false arrests, and possibilities of defeat.

One of the major problems in evaluating electronic article surveillance strategy is the lack of research designs under which data are collected. Even when a comparison group has been established the number of variables left uncontrolled tends to create difficulties in interpretation. For future evaluations of this strategy, the establishment of an experimental design to sample data from both a group using article surveillance and a control group where the strategy has not been implemented is strongly suggested. In addition to this, the sample period should be of sufficient duration to allow for measurement both before and after implementation.

As a result of the lack of strict measurement controls, the effectiveness of electronic article surveillance systems is not certain. There are a number of occurrences which coincidentally may aid the illusion of such a system appearing to be successful in reducing shrinkage. For example, expensive strategies such as electronic article surveillance tend to be implemented when shrinkage is at its peak. There is evidence that shrinkage fluctuates between periodic highs and lows in a cyclical manner. As a result, implementing an article surveillance strategy at the peak may result in inaccurate attribution of changes to the system because its implementation would correspond with the natural decline in shrinkage. It is a possibility that shrinkage would decrease without the system being imposed. The result may be a biased measurement sample. In statistical terms this is known as a regression effect.

A second, associated problem is that accurate evaluation quite often is not conducted for a sufficiently long period of time. As a result the measurement does not take into account the eventual possibilities of the system's effectiveness decreasing over time as ways to defeat the system become formulated. It is a possibility that measurements may be biased by the initial impact of an electronic article surveillance system.

Of those retail outlets we surveyed, 30 percent responded positively, stating that they used electronic article surveillance. Our survey also showed that 49 percent of those responding to the question stated that they did not use such a strategy. Several of the reasons given for not using an article surveillance system were the high cost of implementation and difficulties inherent in tagging and removing tags from articles of merchandise.

From our interviews with experts in the field of retail security several problems concerning the use of article surveillance were noted. Those most often mentioned were false alarms and the fact that the systems seem to be defeatable.

The possibility of false alarms is a major problem for those retailers using electronic article surveillance. A system may respond in one of three modes: Either there is no theft and the system is activated, or a theft occurs and the sensor device does not detect the passage of a tag. The third possibility, of course, is that a theft does occur and the alarm system does respond accurately.

Of paramount importance to the store are the times when the sensor responded and no theft actually occurred. If the response to the alarm is not properly conducted the incident may result in false arrest charges being filed against the retailer. Several cases have resulted in cash remunerations being awarded to customers who were inaccurately detained, searched, or openly accused of shoplifting.

In regards to evaluating the article surveillance strategy, the false alarm phenomenon is also of interest. Data already exist concerning false alarms in two of the three mentioned modes: Positive response in the presence of attempted theft, and positive response in the absence of a theft. However, no data exist concerning the lack of sensor response to an actual theft. This tends to make the existing data less accurate and at the same time poses a problem for future evaluation. However, many stores check the reliability of their detectors each day.

A second problem is the defeatability of the electronic article surveillance systems. Despite manufacturer's claims to the contrary, experts in the field still cited this as a major problem. Some claim that the systems may be defeated by body-detuning or shielding the tags. Another claimed means of defeat is wrapping the tags in metal foil or bending the tag to break the printed circuit. Finally the system can be defeated by removing the tag from the article of merchandise. Many stores keep records on the number of broken or loose tags. These data can be used to provide an index of the severity of the problem.

There is clear-cut opposition in this area between the claims of the manufacturers and some retail security experts, researchers and retailers. There is little doubt that more measurement is needed in this area and this is one situation that can be examined rather easily.

In addition to the high initial cost of an electronic article surveillance system there are a number of less obvious expenses. In most cases the retailers have been forced to increase their insurance policies due to the possibility of a law suit resulting from a false arrest. In this case the additional insurance expenses are a direct, but hidden, result of the implementation of an article surveillance system.

There are several other hidden costs associated with electronic article surveillance strategies. The installation and service costs of the system must be considered as must the down time of the system. Due to the cost of the sensor tags, those tags not being used, or those in storage represent an additional hidden expense. This is most critical when the tags are being rented or leased because of renewed rental charges. Finally, the increased cost of additional manpower to monitor the system, tag articles, and remove tags must be added to the initial installation cost of any electronic article surveillance system.

Site visits have revealed several recent trends and additional findings. For example, one of the central arguments in favor of electronic article surveillance is that the system substantially increases surveillance capabilities while reducing the necessary manpower.

Recent findings, however, indicate that this may not be the case. A well implemented article surveillance system may not result in a decrease in manpower. It was thought that the surveillance system would negate the need for fitting room checkers. Many retailers who use electronic article surveillance systems have found that such checkers are still necessary. A second problem is that pragmatic utilization of a surveillance system all but demands an employee at every exit to respond to an activated alarm.

In reaction to these findings retailers are altering the use of the article surveillance systems in an attempt to establish the most cost effective mix of manpower technology, and surveillance. Many retailers have moved the sensor screening devices away from the exits and have relocated them at the exits of the department where the tags are used. One of the nation's largest retailers is now using a screening device suspended above the boundaries of intensively tagged areas to control movement of tagged items out of the area.

These changes attempt to reduce the expense of additional personnel to monitor exits. However, it does not necessarily result in increased response of surveillance capabilities. The new placement depends on the actions of the sales associates located in the monitored area. Because of the small number of sales floor personnel the present system placement does not necessarily result in increased responses to the system's being activated.

This situation is further complicated by the tendency of most shop-liftings to take place at peak traffic periods when natural observation potential is at its lowest point. These periods also coincide when the least experienced sales associates are on duty. As a result of these factors the expected increase in effective utilization of the electronic article surveillance system may not occur.

Despite the lack of proper design and sampling procedures the effectiveness of electronic article surveillance systems could be ascertained if Westinghouse were able to acquire performance data.

An analysis of inventory data relating to article surveillance systems as installed by two large department store chains is presented below. These companies were referred to the Westinghouse staff by a major supplier of this equipment as having "the best data concerning article surveillance in the country." After a long negotiation period, these companies were willing to supply the data for the following analysis. Because the data were not in comparable form, they are analyzed separately. In both cases the data analyzed are inventory shortages expressed as a percentage of sales.

The data from Chain A were presented in the form of inventory shrinkage figures by department combined for several stores (the exact number of stores was not provided). For this reason departments rather than stores are the unit of analysis. Shrinkage figures were available for each of the 34 departments at each of twelve biannual inventories conducted between 1973 and 1978. For each of these stores an article surveillance system was installed between 1975 and 1976. Thus, the six year period may be divided into before and after periods. An initial test for seasonal variation indicated no significant differences between the spring and fall shrinkage figures for any given year. As a result the biannual figures for each year were combined and the remaining analyses were conducted using the six annual figures.

Figure 4-2a presents the average shrinkage per department by year. As can be seen shrinkage decreased dramatically between 1973 and 1978. In 1973 the average shrinkage per department was 9.0 percent; by 1978 this figure had been reduced to 3.7 percent. This amounts to a 58.9 percent reduction in shrinkage over the period of six years, a considerable change for any retailer operating on small profit margins.

The next question to be asked concerns the statistical significance of these differences. Two tests were performed: The first was a test for differences between the subgroup means and the second concerned the form of these differences if identified. The appropriate test for differences between the means was a trend analysis for repeated measures. This analysis, as might be expected, indicated a significant trend across the six years. We then performed a test for linearity of the trend, using orthogonal polynomials to estimate the fit of various trends. This analysis is important because, if installation of the article surveillance equipment affected the existing trend, these data would be expected to have a significant nonlinear

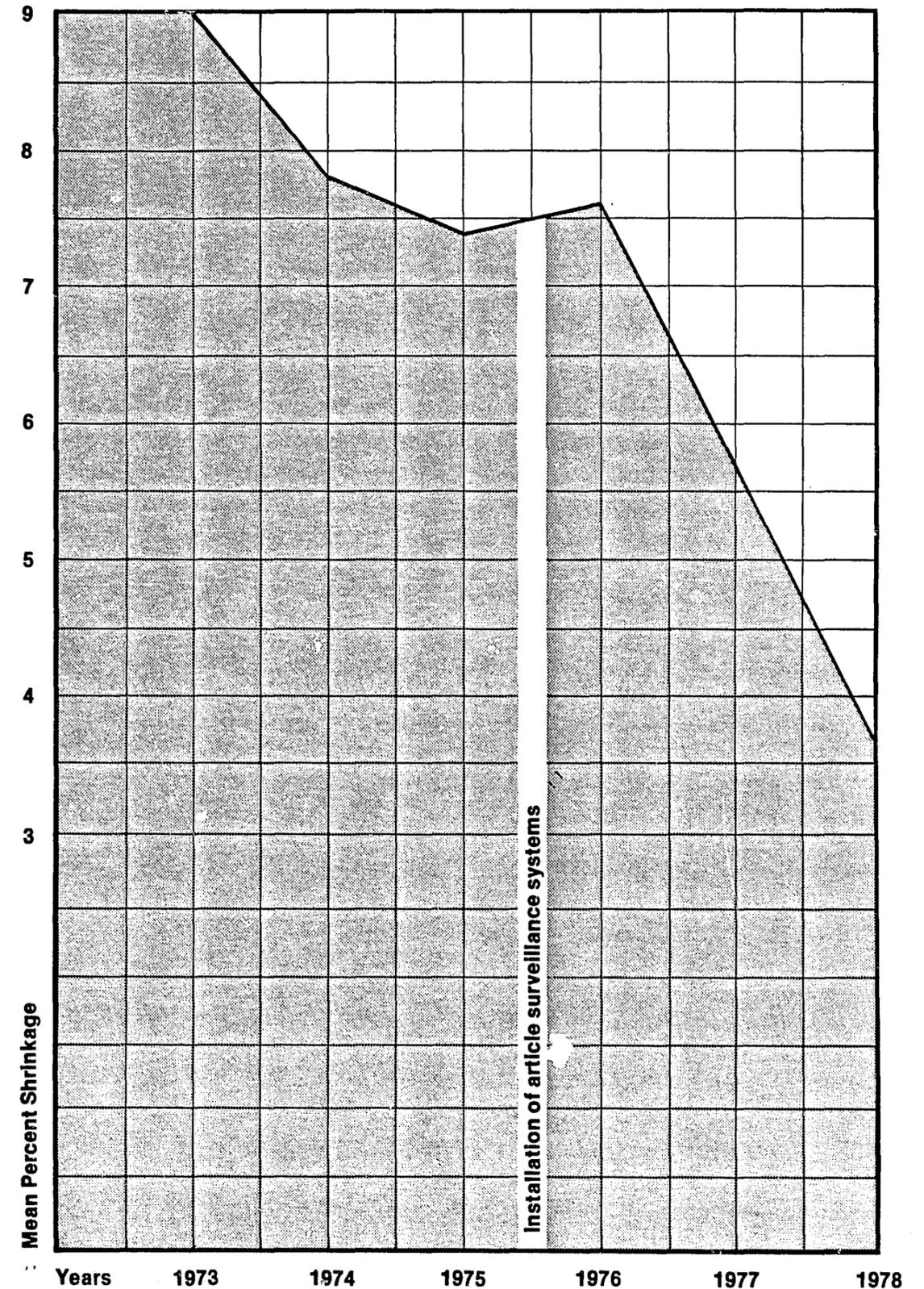


Figure 4-2a. Inventory Shrinkage Figures for Chain A, 1973-1978.

component. This test indicated that the best fit for the overall trend is a straight line, i.e., the trend is linear. This would suggest that the reduction in inventory shrinkage over the six years was the result of a general linear trend and probably not due to the installation of the article surveillance equipment. We might note that both reported crime and victimization rates also peaked around 1973 or 1974 and have been declining annually since then. Thus, the decreases observed in these data could be simply a reflection of a general national trend.

One final test of these data was performed. In order to test for the effect of the article surveillance systems, a test of significance for the difference between the average pre- and post-installation figures was performed. For the three years prior to installation the average shrinkage was 7.5 percent of sales while after installation it was only 5.4 percent. However, a t-test of significance indicated that this was not a significant difference ($p > .05$). Thus although shrinkage was lower after installation of the systems, this difference could be attributed to chance variation.

In sum, shrinkage in Chain A did decrease between 1973 and 1978, but these changes cannot be attributed to the article surveillance system. The analysis indicated the presence of a significant linear trend. This suggests that the decreased shrinkage was part of a larger trend in this chain. An additional test failed to demonstrate any differences in average shrinkage before or after installation of this equipment.

The above data are clouded by several deficiencies. The addition of a control group, that is, similar departments without the article surveillance systems, would add considerably to the analysis. In addition, the decreases could represent a regression effect--the tendency for extreme groups to "regress" toward more moderate figures without intervention. It could be that these data were from departments and stores with inordinately high shrinkage in 1973 and the observed changes are due to a naturally expected decrease.

The data from Chain B were drawn from 14 departments located in eight stores. The departments in four of the stores were equipped with article surveillance while those in the remaining four were not. Thus comparisons can be made between shrinkage (inventory shortages expressed as a percent of sales) in departments with and without article surveillance equipment.

Table 4-1 presents the average inventory shrinkage figures for two inventory periods, Fall 1978 and Spring 1979. For each of these inventory periods the differences in the average shrinkage for each group was tested for statistical significance. This test proved to be significant ($p < .05$) for both periods. In both cases shrinkage was significantly lower in the departments with article surveillance equipment. For example, in the Spring of 1979, departments without this equipment had an average shrinkage of 11.3 percent of sales while those with it had only 3.1 percent shrinkage. These data would appear to support, in a tentative manner, the conclusion that article surveillance systems significantly reduced shrinkage for this chain.

Table 4-1
Shrinkage Data for Chain B, With and Without Article Surveillance, Fall 1978 and Spring 1979

Groups	Mean Shrinkage	Standard Deviation	t-value
Fall 1978:			
Without article surveillance	7.4%	5.5	
With article surveillance	1.2	5.6	2.96*
Spring 1979:			
Without article surveillance	11.3	13.3	
With article surveillance	3.1	5.1	2.16*

* $p < .05$

Due to characteristics of the data and design considerations, the above conclusion must be qualified. The principal concern involves the method of selection, or in experimental terms, assignment to the treatment group. The decision to implement is not random but rather a balance of need and cost effectiveness. Thus, stores with the equipment could be new and/or located in low crime areas (unfavorable results) or they could have been stores with initially high losses (favorable results). A non-random method of selection with no pretest means that any interpretation of the results can be only tentative. In addition it is unlikely that the article surveillance system was the sole difference in security programs between the two sets of stores. What is more likely is that article surveillance is an expression of a general concern for security. This would imply that stores with such equipment might also have a larger security staff and several other types of systems.

In sum, the data obtained from two retail chains presented mixed results concerning the effects of article surveillance. Data from one chain indicated a significant decrease in shrinkage over the period of six years. However, our analysis suggests that these changes are attributable to a general trend rather than to the impact of article surveillance. In the second chain statistically significant differences were found between those stores with and those without article surveillance systems. Unfortunately, due to data characteristics and design deficiencies these differences cannot be attributed solely to the article surveillance systems.

The measurement table, 4-2, illustrates the possible measures and the actual, available measures of electronic article surveillance systems. The first column denotes the measurement points and corresponds to the flow diagram in Figure 4-2. The center column represents the possible measurements and the third column the actual measurements.

Measurement table 4-2 also confirms the wealth of data available on electronic article surveillance systems. Of exceptional note are the lack of data pertaining to the hidden costs inherent in the strategy. For example the cost of tags used (3b), percentage of tags removed by shoplifters (6a), and percentage of total tags removed (5) are not available.

Additionally, measures are lacking concerning the impact of electronic article surveillance strategies on retail customers (22a). This impact measure is of vital interest and is essential to proper evaluation of the total strategy. As such it is desperately in need of sampling.

At present there is a movement beginning which may result in increasing the direct, apprehension potential of electronic article surveillance systems. Lobbying efforts are attempting to influence changes in the law that would allow activation of a surveillance system to constitute probable cause. If such a measure were adopted retail security agents would be endowed with the legal right to detain and search any customer whose passage, within critical range, triggered the surveillance system. As a result electronic article surveillance systems would become an active apprehension-oriented strategy.

There is one additional trend which needs to be mentioned: The increasing movement toward the use of small, easily concealable sensor tags. Due to the major impact of electronic article surveillance resulting from its deterrence effect increased development, production and utilization of these new tags appear to be in direct contradiction to the most effective application of the surveillance systems. Special note should be taken when future decisions concerning the use of the smaller tags are made.

The high evaluability of article surveillance systems is due to the presence of a rich data base. However, due to problems in the collection procedures and designs the accuracy of the results may be suspect. In addition there is a need for basic research to clarify the claims of manufacturers and those who hold opposite opinions. Finally, when evaluating the cost-effectiveness of the electronic article surveillance strategy the number of hidden expenses must also be considered.

4.3.4 Summary

Electronic article surveillance strategy presents retailers with a system whereby thousands of items of merchandise may be monitored. Despite its apparent apprehension-oriented nature, legal problems have effectively made this strategy a deterrent one.

A potential rich data base exists for analysis. However, application is restricted due to measurement biases and design problems. In actuality, the effectiveness of the electronic article surveillance strategy has not been statistically demonstrated. Despite its apparent shortcomings use of electronic article surveillance by retailers is increasing.

Measurement Table 4-2
Electronic Article Surveillance

<u>Measurement Point</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1a	Total cost of installation or lease.	*
1b	Cost of tags.	*
1c	Cost of replacement tags.	*
1d	Amount of time and costs needed to affix and remove tags. Amount of time and cost of monitors and guards.	*
2	Number of items.	*
3a	Number and percentage of tags used.	*
3b	Cost of tags used.	*
3c	Types of tags used.	*
4	Number of items purchased.	*
5	Percentage of tags removed.	*
6a	Percentage of tags removed by shoplifters.	*
6b	Number of loose tags found.	*
6c	Location of loose tags.	*
6d	Number of garments damaged.	*
8	Number of times system is activated.	*
9	Number and percentage of times person is approached.	*
10	Number of times person leaves without interference.	*
11	Number of times monitor requests merchandise.	*

Measurement Table 4-2 cont'd.

<u>Measurement Point</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
12a	Number of times person refuses to provide merchandise.	*
12b	Number and percentage of times person provides merchandise.	*
13	Percentage of times customer flees store.	*
14a	Number and percentage of times merchandise is paid for.	*
14b	Number and percentage of times merchandise is not paid for.	*
15	Number of tags removed.	*
16	Number and percentage of customer complaints.	*
17	Number of times store security is notified.	*
18	Number and percentage of times store manager is notified.	*
19	Number of apprehensions.	*
20	Number and percentage of items.	*
21a	Number and percentage of tags used.	*
21b	Cost of tags used.	*
21c	Types of tags used.	*
22a	Customer attitude toward system.	*
22b	Customer knowledge of system.	*
22c	Impact on shoplifting behavior.	*
23	Total dollar amount and percentage decrease in shrinkage due to shoplifting.	*

¹Numbers in this column refer to Figure 4-2.
*denote actual measures available.

4.4 Pre-employment Screening

4.4.1 Strategy Description

The screening of job applicants is a widespread and multifaceted anti-theft strategy. One of the main objectives of screening in the retail business is to prevent the hiring of "theft-prone" individuals. While screening procedures in general are used for other purposes, such as job placement, only their anti-theft function is relevant to this project. Furthermore, while screening can include periodic or selected inquiries with existing employees (to detect and/or deter theft), the focus of this chapter is on pre-employment screening. This latter type of screening practice was found to be more widespread and consistently applied, thus lending itself to this assessment.

The screening procedures used by retailers to detect high risk, theft-prone applicants can be classified into three major categories:

- Background checks.
- Lie detection tests.
- Written honesty tests.

Each of these categories is described below, followed by a delineation of the assumptions and expectations associated with these screening procedures (Section 4.4.2) and a discussion of pertinent evaluation data (Section 4.4.3).

4.4.1.1 Background Checks

Investigating the personal backgrounds and work histories of job applicants is a screening procedure that many retailers use, at one level or another. This procedure involves following up information obtained from interviews with applicants and/or completed application forms. References and former employers are called, visited, or contacted in writing. In addition, retail credit bureaus, police departments, and even private investigators have been used.

The objective of these follow-ups is to check the accuracy of information provided by applicants and to obtain additional information about their backgrounds. For example, previous employers are able to clarify the reasons for leaving and referenced individuals may be able to provide insight into the applicant's personality. Credit bureaus sometimes offer a wealth of data, including information about credit problems, contact with the police, employment history, and evaluations. Police departments have been an important source of information about the applicant's criminal record, until recent government moves to safeguard confidentiality. Viewing background checks as a theft prevention strategy, the employer's hope is that information pertinent to the applicant's likelihood of stealing from the company will be uncovered.

Information collected during site-visits and interviews indicates that background checks are used more by large retailers, but the extensiveness of these checks varies from one company to the next. Typically, clerks and salespersons are not screened through background checks. However, applicants being considered for various positions of trust usually receive some level of background investigation. As one might suspect, the higher the risk associated with the position, the more extensive and costly the background check. We have found some companies who pay as much as \$150 for a thorough background investigation when hiring individuals for specific high risk positions.

When the collection of background information has been completed, it is used to make a judgment about the applicant's theft-proneness. In other words, relevant information concerning the applicant's past behavior is used to predict the likelihood that he/she is honest and will not steal from the company, if hired. If the applicant is judged to be honest and not theft-prone, and also meets the other requirements of the job, then he/she is likely to be hired.

4.4.1.2 Lie Detection Devices

There are two major "lie detection" devices that retailers have used for pre-employment screening--the polygraph and the voice stress analyzer. While these devices (especially the polygraph) have a history of use in police and military investigations, as well as retail interrogations of suspected thieves, they have also played a critical role in the screening of job applicants. Both devices are described below, based on information obtained through interviews with representatives from some of the leading testing firms, researchers in this topic area, and a review of the literature.

In the context of pre-employment screening, these devices have been used most frequently to check the accuracy of background information provided by the applicant and determine whether he/she has stolen from previous employers. Lying is presumably detected through stress experienced by the applicant during questioning. Both devices seek to detect stress by measuring certain autonomic psychophysiological responses of the applicant. The polygraph typically measures four physiological responses: Respiration, pulse rate, blood pressure, and electrogalvanic skin response. However, as many as eleven different measures have been taken. The voice stress analyzer measures inaudible fluctuations in the vocal response, presumably caused by "microtremors" in the vocal muscles. Both devices record any changes in these autonomic responses that occur during questioning, and these results are then scored and interpreted by a trained observer or examiner. This trained individual makes a judgment as to whether any changes in autonomic responses were due to attempted deception by the applicant or to other factors (e.g., general anxiety about testing).

The polygraph has a 50-year history of usage in the United States and today, it is estimated that between 300,000 and 500,000 tests are given each year in the private sector (Security Systems Digest, 1977; U. S. News & World Report, 1978). While the level of usage for retail pre-employment screening

remains unknown, a survey by Belt and Holden (1978) of the 50 largest retailers revealed that half of them used the polygraph in some capacity. The Westinghouse screening of 79 major retail companies found that approximately one-third (32.9%) were using the polygraph, and this proportion was fairly consistent across food, drug, and department stores. The cost (typically \$25 to \$50 per test) is one factor that prohibits widespread administration.

The voice stress analyzer, based on military research during the Vietnam War, did not reach the private sector until the early 1970's. While the level of usage in the retail community is unknown, numerous retailers report being users (see Rice, 1978). Usage patterns and costs are similar to the polygraph. Costs run from \$25 to \$150 per test, again depending upon the length of the examination (10 minutes to several hours).

For pre-employment screening, the polygraph is usually administered to only a sample of general applicants or to applicants for high risk positions. Security personnel, salespersons handling money or expensive merchandise, store managers, and departments heads are likely candidates to pre-employment screening with either the voice stress analyzer or the polygraph. While these devices are more expensive than written tests, they are less costly and certainly quicker than a thorough background investigation.

4.4.1.3 Written Honesty Tests

Predictive testing has a long history in psychology and sociology, where attempts have been made to predict a proclivity toward delinquency using a variety of tests and questionnaires (see Ash, 1976, for a review). However, it was not until the 1950's that a substantial effort was made to use psychological testing for employee screening purposes. Through the Phase I assessment, we have identified a number of widely-used written tests that were constructed specifically to predict employee theft (e.g., the Reid Report, the Stanton Pre-Employment Survey, the Trustworthiness Attitude Survey, the Personnel Security Inventory-5, the Fact Test, the AIMS Review).

These instruments contain a diversity of questions, but they consistently attempt to measure attitudes toward theft and previous theft behavior (Unlike most psychological tests, the questions are fairly direct and the intent of the questioning is relatively transparent to the applicant). The instrument may have several components (e.g., the Reid Report covers attitudes toward punishment, self-reflective attitudes and behaviors about theft, biographical information, and admissions of theft). Other variables are oftentimes included in the questionnaire (e.g., family relations, drug usage, emotional stability), but are not always included as items in the prediction scale.

Once the applicant completes the honesty test, it is either scored by the personnel office or sent to the testing firm for scoring and analysis. When the analysis is completed, the firm provides feedback to the client, either recommending that the applicant be hired or not.

A significant number of retailers use standard psychological questionnaires. The Westinghouse survey showed that overall, one in four retailers were using these instruments (What percentage of this was pre-employment screening remains unknown). Drug store usage was slightly higher (1 in 3) than either food or department store usage (1 in 5).

Written tests are less expensive than lie detection devices, costing the retailer anywhere from \$5 to \$15 per test. Nonetheless, this price is often sufficiently high to restrict the screening of all applicants.

The flow diagram in Figure 4-3 is provided to illustrate and summarize the three screening procedures described above. This flow diagram displays the general process of obtaining and utilizing information about the applicant to draw conclusions about his/her theft potential as a future employee. Attention is given to the sources and types of information obtained.

4.4.2 Expectations and Assumptions

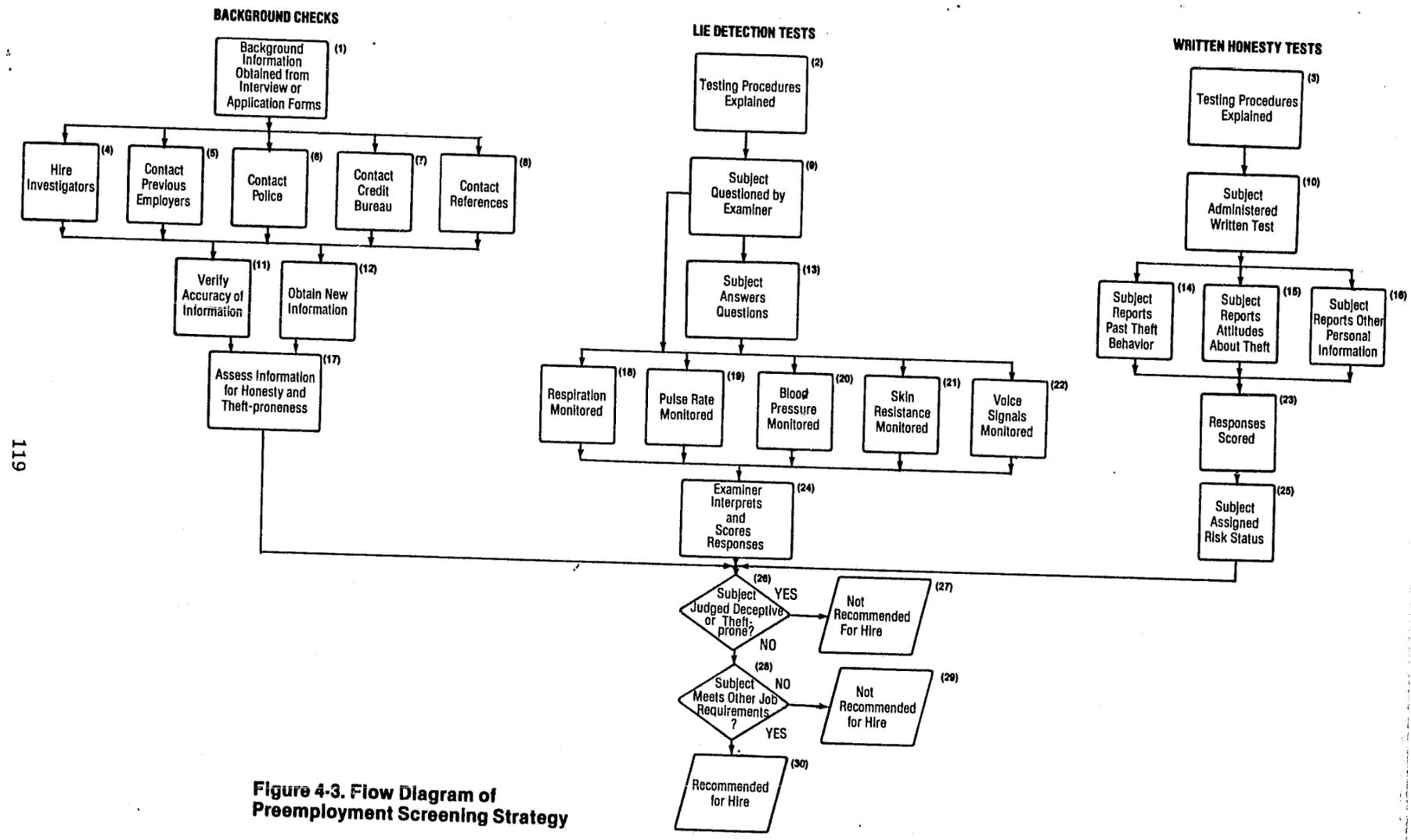
The expectations that people have for the above-mentioned screening procedures are rather simple and straightforward. Pre-employment screening is expected to decrease the percentage of theft-prone individuals who are hired by the company, and ultimately, decrease the amount of internal theft. Furthermore, screening procedures are expected to achieve these objectives at a cost that is substantially lower than the cost of any thefts which they prevent.

To achieve these objectives, a number of assumptions must be satisfied. Each screening approach is based on specific assumptions about people and screening procedures in general, and these assumptions should be made explicit. For background checks, the following basic assumptions are made:

- Follow-up contacts (e.g., referenced persons or previous employers) are able and willing to provide accurate information about the applicant.
- Inaccuracies in information provided by the applicant are indicative of deceptiveness.
- New information obtained from background checks can be used to accurately judge theft-proneness and predict future theft behavior.
- The background investigator knows what information is useful for prediction and what information is not.

The fundamental assumptions underlying the use of the polygraph and the voice stress analyzer are similar to each other and can be stated jointly as follows:

- Lying produces emotional stress.
- Stress can be measured through the specific autonomic responses of pulse, blood pressure, respiration, skin resistance, and fluctuations in a microtremor voice signal.



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Figure 4-3. Flow Diagram of Preemployment Screening Strategy

- The polygraph and voice stress analyzer can accurately measure certain of the above autonomic responses.
- Test examiners or trained observers can differentiate autonomic responses due to guilt knowledge (lying) from responses due to other factors, such as generalized anxiety.

The truth value of the fourth assumption has been a main source of debate for both devices, as discussed in the following section. For the polygraph, there is a fair amount of expert opinion and research to support the first three assumptions. However, the theory of microtremors at the foundation of voice stress analyzers is still debated.

Written honesty tests also rest on several basic assumptions that must be valid before this screening approach can be effective. These assumptions include the following:

- Applicants are able and willing to accurately recall their previous involvement in crime and, in particular, employee theft.
- Applicants are able and willing to accurately report their attitudes about crime and employee theft.
- Previous theft behaviors and present attitudes toward theft are good predictors of future theft behaviors.

For each of the screening procedures covered, there exist a wide variety of additional assumptions that could be discussed. However, the assumptions listed above are the most fundamental and ones which must be closely examined when attempting to understand and explain any gaps that exist between the expected and actual impact of these anti-theft strategies.

4.4.3 Evaluation Results

With the exception of background checks, Westinghouse was able to identify a fair amount of research that can be used to assess these screening procedures. These results are summarized below. A general assessment of each procedure is also provided.

4.4.3.1 Background Checks

Although we did not locate any empirical evidence regarding the effectiveness of background checks, observational and anecdotal information led to some general conclusions. Security and personnel representatives from retail companies have mixed feelings about the value of this screening procedure. Some believe it is too costly in terms of time and effort, and often does not yield useful information. For example, referenced persons and former employers are frequently unwilling or afraid to provide negative information about the applicant. Police departments are no longer able to share information about criminal records. However, other retailers believe that a good background investigation is indispensable, and multiple sources of information should be pursued.

These mixed opinions concerning the effectiveness of background checks are reflected in the variation in usage we have observed. However, in general, we would conclude that background checks are not being exploited by retailers. Very little is being done to check on regular employees. At present, there are insufficient data to conclude that a comprehensive approach to background screening would be cost-effective or that certain sources consistently yield value information about the applicant. The main problem is that the value of background information for predicting future theft has not been determined. This would require a complex evaluation design (focusing on predictive validity) that has yet to be implemented.

4.4.3.2 Lie Detection Devices

The evaluation of lie detection devices is an extremely controversial area. We have encountered some very strong and conflicting opinions about the effectiveness and usefulness of lie detection devices. These opinions and relevant research findings are briefly summarized below as they pertain to the reliability and validity of the polygraph and voice stress analyzer.

Polygraph validity is certainly one of the most hotly debated topics in the field. The central question concerns how accurate the polygraph is in discriminating between truthful and deceptive subjects. Proponents consistently claim that the polygraph is 90 to 95 percent accurate in detecting deception, while opponents estimate accuracy in the 60 to 70 percent range. The evidence is mixed. In experimental situations, accuracy has ranged from the low 70's to the high 90's (see Walsh & Healy, 1978, for a review). Polygraph examiners claim even higher accuracy in real life situations, where the fear of punishment is believed to play an important role in eliciting confessions (e.g., Bersh, 1969; Horvath & Ried, 1971; Hunter & Ash, 1973).

However, there have been numerous criticisms of the polygraph validation research (see Lykken, 1979). A variety of issues have been debated, but two stand out as particularly important. First, there is the question of what constitutes "accuracy"? Traditionally, accuracy has been defined as the percentage of deceptive subjects who are correctly identified. With this definition, 100 percent accuracy can be achieved by failing everyone who takes the exam. Lykken (1979) has argued strongly that the polygraph is biased against the truthful subject, meaning that some of the reported high accuracy scores are due to "false positive" judgments, in which truthful subjects are labeled deceptive. Indeed, there have been several recent studies in which one-third to one-half of the truthful subjects were falsely identified as deceptive (Barland & Raskin, 1976; Horvath, 1977). However, more research is needed.

The second, and most fundamental, criticism of polygraph validity concerns the subjectivity and interpretation involved in the scoring procedures. Critics argue that polygraph charts should be valid on their own merit, without the additional information that is known to the examiner (e.g., admissions of prior theft). When polygraph charts are scored blindly by a second polygrapher in real life circumstances, accuracy seems to range from 64 to 71 percent (see Lykken, 1979). Of course, polygraphy advocates

claim that a skilled examiner is a legitimate and necessary component of the examination, and that accuracy is much higher when his/her knowledge and inference are applied. Data concerning the reliability of the polygraph have been collected both within and between examiners (see Ash, 1976, for a review). While agreement ranges from 75 to 95 percent, critics have argued that similar training will account for the findings. Again, the desire to separate the contribution of the machine from that of the examiner is readily apparent.

Data on the reliability and validity of the voice stress analyzer have been reviewed by Brenner, Branscomb, and Schwartz (in press). The evidence concerning validation is equivocal, at best. In five studies using lie detection tasks, the voice stress analyzer has generally been unable to discriminate between truthful and deceptive subjects beyond what would be expected by chance. However, in numerous studies using non-lie detection tasks, the voice stress analyzer has received more support. For example, changes in voice stress scores have been shown to correlate with the Stroop color/word conflict task, questionnaire scales, and ten-minute relaxation periods. The most appropriate conclusion at this time is that the validity of this lie detection device remains unknown.

The reliability of this instrument is closely tied to one of the main criticisms of this screening procedure. Similar to the polygraph, the subjectivity of the scoring procedures is one of the major sources of debate. Brenner, et al. (in press) note that this subjectivity is reflected in low interrater reliability for a number of studies.

Finally, we should note that critics have questioned the microtremor explanation. However, the only two studies to test this hypothesis have yielded conflicting results (McGlone & Hollien, 1976; Inbar & Eden, 1976). In summary, the existing evaluation data are equivocal at best, similar to the results of studies assessing the polygraph.

4.4.3.3 Written Honesty Tests

Finally, a number of research studies have been conducted to examine the validity of honesty tests. We have contacted some of the major testing firms in the country and have requested that they provide us with any validation results pertinent to their testing instruments. We have also queried many retail companies about possible internal tests they have conducted using any of the standard honesty tests. Our results are summarized below.

Typically, the research is referred to as test validation, and it has taken several forms. Although this research is not frequently described in strict validity language, this language will be used here to help synthesize and describe the existing validation efforts. Essentially, testing firms and affiliated researchers have sought to examine four types of validity:

- Convergent validity.
- Known groups validity.

- Construct validity.
- Predictive validity.

By far the most common type of validation research is that which focuses on convergent validity. Convergent validity refers to the extent to which two or more measures of the same thing produce similar results. Presumably, similar results suggest that the instrument is measuring what it is supposed to be measuring. Several approaches have been taken with written honesty tests: (1) Comparing written test scores to polygraph scores ("recommended" or "not recommended") and (2) comparing written test scores to admissions of previous theft obtained through in-person interviews or polygraph tests.

In general, the existing research on convergent validity has demonstrated substantial correlations between written test scores and the above-mentioned comparison variables. For example, correlations above .43 (Ash, 1970) and .60 (Ash, 1971), have been reported between written test scores on one major test and polygraph recommendations. Similarly, scores on another major test have been shown to correlate .76 with polygraph "trust-risk" scores (Strand & Cormack, 1975). In this same vein, other studies (e.g., Reed, 1977), have shown that written tests can correctly classify subjects as "low" "marginal" or "high" risk on polygraph scores with 73 percent accuracy (33% expected by chance). Classification into the "high" risk group achieved 90 percent accuracy.

However, researchers have recognized the problem with validating written tests against a lie detection device that has, itself, been the source of much controversy over validity issues. To avoid the interpretation problem associated with the polygraph, the next step for researchers has been to examine admissions of previous theft behavior as the criterion. Several studies have found significant correlations between admissions of previous theft and overall test scores. Using one of the major written tests, Ash (1975) has reported a low to moderate relationship ($r=.29$) between admissions and test scores. Another major test has been shown to correlate .80 and .85 with admissions of previous on-the-job theft in two separate studies (Perman, in Klump, 1976).

However, in some validation efforts, admissions were still not totally independent of the polygraph. Admissions were taken during a polygraph examination (e.g., Reed, 1977; Strand & Cormack, 1975) or immediately before a polygraph examination (e.g., Perman, in Klump, 1975) under conditions where the subject knew that the polygraph would be used to check the accuracy of his/her responses. Reed (1977) has demonstrated how the polygraph will significantly increase theft admissions, but admission rates were relatively high without the threat of the polygraph. Thus, advocates of this validation approach see prior admissions as a valid criterion for written tests.

A second problem with the use of prior admissions is that such information is almost always obtained in close proximity to the written test responses. In fact, admissions are typically requested on the same questionnaire

used for the test items. Not only do people have a desire to give consistent answers, but the ordering and type of questions may encourage confessions. For example, the attitudinal items comprising the test are often worded in such a way that theft seems like a normal behavior, and they typically precede the items concerning theft admissions. Such facts may inflate the correlation between test scores and admissions.

The second type of validation research examines the construct validity of written tests. Construct validity concerns the extent to which measures are actually tapping the underlying theoretical construct they were intended to measure. Although limited work has been done in this general area, it has taken two forms: (1) Efforts to improve the measurement instrument, and (2) efforts to assess the internal consistency or reliability of the instrument. Hence, the major questions here are--what should these instruments be measuring and what are they measuring? Most people would agree that attitudes toward theft are meant to be the central construct which these written tests are seeking to identify.

Under the first approach of seeking to improve the measurement instrument, Terris (1978) has questioned some of the items that are being used and the present practice of incorporating certain nonattitudinal items into the subject's test score. Some of the major testing instruments include nonattitudinal items that are sometimes used to "adjust" the person's score (e.g., numerous changes in jobs and home addresses). Thus, these test scores include more than attitudes. Given these concerns, Terris (1978, 1979) has sought to isolate the attitudinal component of a major written test and examine the relationship between theft attitudes and theft admissions. In one study (Terris, 1978) attitudes toward theft were found to correlate .56 with polygraph admissions--the more theft-related admissions, the higher the score on the dishonest attitude scale. In another study, Terris (1979) conducted internal analyses of a written test and found that the dishonest attitude scores were strongly correlated with total employee theft admissions in two samples ($r=.61$; $r=.81$).

While these results are interesting, we should emphasize that subjects are giving self-reports of attitudes and past theft activity. Actual theft behavior is not being measured, and the problems with self-reports are too numerous to be listed here. Furthermore, the desire to give consistent responses throughout the test may inflate the correlation between admissions and attitudes.

The second type of construct validity work that should be mentioned are those studies which assess the internal consistency of particular tests. Measures of internal consistency will indicate the extent to which responses are due to individual differences in subjects, as opposed to measurement error. Consistent responses across a variety of items is often taken to indicate that the items are measuring the same underlying construct, thus suggesting construct validity. Our review indicates that the major written tests are internally reliable, with coefficients ranging from .85 to .95.

Finally, we should note that some tests have been subjected to item analysis in an attempt to determine which items within the test are the best indicators of the individual's overall attitude toward theft. For some

tests, a set of critical items have been identified. These items account for a major portion of the variance in scores and, consequently, have been used to compute a critical score. Thus, for some tests, only the best items are used to compute individual scores, and the others are not used. Certainly more work of this nature is needed, for it can make these tests more efficient and valid.

A third area of validation research has focused on known groups validity. The assumption behind this form of validity is that if a written test can accurately measure attitudes toward theft, it should be able to discriminate between groups that are known to be different in their theft-related attitudes or theft behaviors. To our knowledge, there have been very few studies addressing this type of validity.

The research by Ash (1975), discussed earlier, showing a significant relationship between admissions of previous theft and overall test scores, has been subsequently described as a test of differences between groups of "honest" and "dishonest" applicants (Ash, 1976). However, this research is better described as evidence of convergent validity. Prior theft admission was used to determine membership in "honest" and "dishonest" groups, but this membership was not known until the study was conducted. Stronger definitions of group membership can be obtained. For example, Ash (1974) found that incarcerated felons scored significantly below the norm on the written test in question. In addition, Mansfield (personal communication, 1979) has designed a written test which has been able to discriminate between long tenure employees ("known" to be honest) and new employees who admit to previous thefts. More research of this nature is needed to establish the validity of these tests.

The fourth, and from our viewpoint, most important approach to test validation focuses on predictive validity. This type of validity concerns the extent to which a measure can predict future responses. We have heard numerous claims that the major written tests are able to predict who will and will not steal from the company after they are hired. Unfortunately, we have found virtually no studies to support this claim. A few predictive studies have been conducted in nonretail settings without success. Ash (1975) has tested the predictive validity of a leading written test with bank employees, but the instrument was unable to predict any of the five criteria, including theft from the bank (the length of the study was unspecified). In another study of applicants at a radio and television manufacturer (Ash, 1971b), the same test was unable to predict terminations between six months and a year later, using the conventional level of significance ($p>.05$). Through our site-visits, we came across one large retail company that has tested the predictive validity of two leading tests over a one-year time period. The results indicate that neither of the tests were able to predict future dishonesty better than chance. However, similar to Ash's work, the study was not carried out for a sufficient length of time to be considered an adequate test of predictive validity (e.g., only 29 or 900 employees screened were suspected of, or known to be engaged in, theft activities during the one-year timeframe).

There are some major problems associated with conducting a good predictive validity study in a retail company. First, there is the problem of employee attrition. In the study mentioned above, approximately 60 percent of the sample left the company during the year for personal reasons or company overhiring. Second, there is the problem of being able to identify theft behavior. Undoubtedly, most theft goes undetected. There is also the possibility that supervisors or security personnel reveal biases in their assessments of whether or not employees have engaged in suspicious or theft behaviors. Nonetheless, predictive validity studies are essential for establishing the value of these written tests. Certainly, much more could be done in the way of researching the predictive validity of these tests.

To aid in the evaluation of this anti-theft strategy, Measurement Table 4-3 has been prepared, corresponding to flow diagram 4-3 discussed earlier. As this table indicates, there are numerous measures that can be taken in pre-employment screening procedures, and there is presently a fair amount of information pertaining to many of these measures, as shown by the asterisks in the right column. However, actual measures are most frequently absent for perceptual/judgmental information and for procedural information.

4.4.4 Summary

The major pre-employment screening procedures used by retailers to detect theft-prone applicants are background checks, lie detection tests, and written honesty tests. Background checks are rarely conducted on regular employees, but are commonly used when screening for high risk positions. Retailers have mixed feelings about the value of this screening approach, and to our knowledge, there are no empirical data on the effectiveness of this procedure. Lie detection tests are widely used and believed to be highly effective. However, empirical validation results for both the polygraph and the more recent voice stress analyzer are equivocal, at best, and are the source of intensive debate in this field. Written honesty tests are also widely used and believed to be effective in weeding out theft-prone individuals. Nonetheless, the validation results are generally weak, especially because of the absence of data supporting the predictive validity of the major tests.

A number of assumptions regarding each screening procedure have been delineated and many of these have yet to be tested. The most critical untested assumption, and one that applies to all three screening approaches, is that the information collected through screening can accurately predict future theft behavior beyond what would be expected by chance. Devising and implementing tests of this assumption should be a topic research priority in the area of pre-employment screening.

Measurement Table 4-3
Pre-Employment Screening Procedures

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of references.	
	Number of previous employers.	
	Types of information provided.	
	Completeness of information.	
	Informativeness of information.	
2	Percentage of information followed-up.	
	Clarity and simplicity of instructions.	
3	Psychological impact of instructions (e.g., belief in lie detection effectiveness).	
	Clarity and simplicity of instruction.	
4	Psychological impact of instructions (e.g., perceived intent of test).	
	Type of investigators.	*
	Investigation procedures.	
5	Type of feedback.	
	Investigation costs.	*
	Amount of information obtained.	
6	Usefulness of information.	
	Problems obtaining information.	
	Amount of information obtained.	
7	Usefulness of information.	
	Problems obtaining information.	
	Amount of information obtained.	

Measurement Table 4-3 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
8	Amount of information obtained.	
	Usefulness of information.	
	Problems obtaining information.	
9	Type of questioning technique used (e.g., control-question, peak-of-tension, guilty knowledge).	*
	Order and content of specific questions.	*
	Subject perceptions of questioning procedure.	
10	Length of testing.	*
	Number of missing responses.	*
	Number of refusals.	
11	Percentage of time able to verify accuracy.	
	Percentage of information that is accurate.	
12	Types of new information.	*
	Completeness of new information.	
	Informativeness of new information.	
	Amount of information desired but not obtained.	
13	Hesitations in answering.	
	Types of responses.	*
14	Amount of past theft behavior.	*
	Type of past theft behavior.	*
15	Type of theft attitudes.	*
	Extremity of theft attitudes.	*

Measurement Table 4-3 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
16	Type of personal information.	*
17	Methods used to assess honesty.	
	Objectiveness of assessment methods.	
18	Standard physiological readings.	*
19	Standard physiological readings.	*
20	Standard physiological readings.	*
21	Standard physiological readings.	*
22	Standard physiological readings.	*
23	Items used to compute score.	*
	Scoring procedures.	*
24	Procedures used for interpreting and scoring responses.	*
	Information used by examiners other than printouts and theft admissions.	
	Weight placed on various types of information.	
25	Procedures for assigning risk status to subject.	*
	Distribution of risk scores in the tested population.	*
	Percentage of subjects judged deceptive vs. truthful.	*
26	Percentage of false positive identifications.	*
	Percentage of false negative identifications.	*
	Percentage of accurate identifications.	*
27	Percentage of cases where applicant judged honest, but not hired.	*

Measurement Table 4-3 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
28	Percentage of cases where honest applicant doesn't meet other job requirements. Relative importance of honesty and other variables in hiring process.	*
29	Percentage of cases where applicant judged honest, but not hired.	*
30	Percentage of screenings that result in hiring.	*

¹Numbers in this column correspond to those presented in Figure 4-3.
*denote actual measures available.

4.5 Employee Training

4.5.1 Strategy Description

Employee training programs are education and motivational systems initiated under the assumption that a retail workforce, security, nonsecurity, and managerial personnel constitute a frontline defense against both internal and external theft. It is commonly accepted that no anti-theft strategies can be expected to be effective without the aid and cooperation of these individuals. To fully use the resources offered by employees, they need both an information base on which to operate and the interest and involvement in the company to participate in these activities. Training programs provide the awareness of procedures used by thieves, the way to identify them, and the appropriate course of action should a theft be detected. A secondary effect thought to be associated with training programs is the creation of awareness that theft is a concern of the company and active attempts are being made to prevent its occurrence.

Employee training is often conducted in two steps: Primary training/orientation, and review programs. Our surveys show that 92 percent of all retail companies use some type of employee training. This figure, however, only reflects the percentage of initial training sessions, and it is not representative of review programs.

The employee training strategy may be viewed as dealing with three individual, yet complementary, groups: Managerial personnel programs; security personnel programs; and nonsecurity personnel programs. The material presented and the expected results of these three types of training programs differ. The intended outcome, however, of the three strategies is to enlarge the potential security force of a retail unit beyond the scope of security personnel by the addition of an educated sales and managerial staff.

4.5.1.1 Managerial Personnel

Managerial personnel are trained in three security-related areas:

- Security operations.
- Employee operations.
- Inventory control operations.

The essential goal of security-related, managerial training programs is to increase the management's knowledge in these specific areas in an attempt to bolster the retail unit's security potential. In addition, by educating upper-level management to the problems faced by the store's security forces, it is possible that better working relationships can be established between the two.

Unlike the training programs for security personnel, sales associates, and stock personnel, which rely heavily on situational, on-the-job training,

managerial programs take place, almost exclusively, in classroom settings. Walk-through tours and site surveys do augment the formal education process to some extent. However, due to the essentially theoretical approach that the managerial program follows, the situational aspects serve mainly as a means of integrating the material presented in the classroom.

The educational program for managerial personnel dealing with security operations covers two basic areas: Understanding the scope of the retail security problem and understanding the store's security strategy. The former is aimed at increasing the management's knowledge of the problem in an attempt to increase their cooperation and involvement in combating retail crime. The latter phase focuses on expanding the management's knowledge of the store's security strategy and, coincidentally, to train the management in ways to identify criminal activity. If properly executed, this portion of the managerial education program seeks to integrate the trainee into the security strategy of the retail unit.

The second major educational endeavor of the managerial training program is to educate the trainee in the proper operational procedures to be followed by sales associates. That is, the trainee is presented with a working knowledge of the standard operating procedure established, by the store, that each sales associate is expected to follow. This includes the topics of proper cash register operation; credit transactions; handling of sales, inventory, stocking, and tagging procedures; and personal conduct. Increasing the management personnel's knowledge in these areas allows them to identify and locate procedural irregularities which may denote employee thefts. As such, the educational process tends to augment security operations by allowing input in the form of managerial oversight.

The final major area of security-oriented training presented to managerial personnel involves the operational procedures of the backline personnel, receiving personnel, stock, maintenance, and display personnel. As in the case of the sales procedures, knowledge of inventory control procedures allows the managerial personnel to detect and isolate irregularities in the operational proceeding. Irregularities may be the result of oversights or a lack of knowledge on the part of the sales associate. On the other hand, irregularities may also denote the existence of criminal behavior. As such, this phase of the managerial training program tends to result in a possible decrease in inventory and procedural errors which affect shrinkage figures. In addition, training results in the knowledge necessary to aid the management in detecting criminal behavior on the part of sales associates and related personnel.

4.5.1.2 Security Personnel

The security personnel training program evolves through two basic phases: Classroom training and on-the-job training. In addition, if the security operative is to be armed, to carry or use any form of firearm, a third phase of training is included.

Classroom training for security personnel consists of four general topic areas: The surveillance and apprehension of suspected criminals;

state and local statutes applicable to the retail security operation; the necessary forms and how they are filled out; and how to appear as a capable witness in court. The goal of these topics is to provide the security operative with a working knowledge of the job prior to entering the on-the-job phase of the training program.

The first area of concern, the surveillance and apprehension of suspects, covers a wide range of material. A personality profile of shoplifters is presented as are training films that illustrate common shoplifting and employee theft techniques. In addition, the various procedures for apprehending suspects, detaining suspects, and proper notification of the police are reviewed.

Due to the liability of the retail outlet and the security operative for breaches of a suspect's civil rights, it is also necessary that the security trainee be informed of and understand legal statutes pertaining to any situation likely to arise. These statutes include state and local, as well as Federal, laws.

Finally, training programs for security personnel also include instruction on how to appear as a viable witness in court. This, once considered as nonessential, has become an increasingly important phase of security training. Since most security operatives are evaluated in terms of how many apprehensions and convictions they make per month, the importance of these tasks has increased.

If the security operative is to be armed, the initial classroom instruction is followed by weapons class. This course of training covers the topics of when and how to use the weapon, as well as the Federal, state, and local laws which outline the legal use of firearms. In addition, this part of security training also includes target practice. This is to allow the operative to learn to properly display and fire the weapon without endangering the safety and well-being of innocent bystanders.

Firearms are not extensively used in retail security operations. Due to this, this phase of the security training program is a peripheral issue. However, armed retail security operatives are used in some large cities and high crime areas and, because of this, weapons training is a necessity in these situations.

Following the initial classroom education and the alternate weapons class, the security operative undergoes a period of on-the-job training. This period allows the new operative to integrate the knowledge acquired from the classroom. As such, this final phase allows for both a shorter initial training period and rapid addition to the security staff of new recruits. In addition, on-the-job training reduces the cost inherent in lengthy classroom education programs.

The goal of the security personnel/training program is to increase the effectiveness of the security operatives. This expected result is achieved by increasing their knowledge of store operations, shoplifting tactics, and sales procedures and thereby increasing their ability to detect and apprehend shoplifters and employee thieves.

4.5.1.3 Nonsecurity Personnel

The training of nonsecurity personnel consists of three complementary areas of education: Sales and interpersonal skills, operational skills and techniques, and a security briefing. While presented and conceived independently, these three areas result in more efficient employees who, through performing their jobs properly, are able to assist customers and serve as deterrents to criminal behavior.

Sales associates who actively serve their customers may act as a deterrent force to potential shoplifters. Their presence on the sales floor and attention to all potential customers restrict opportunities for concealment of merchandise. Their presence may also act as a psychological barrier to theft by increasing the perceived chances of being apprehended. Thus, the presence of an active, personal sales staff may serve as a deterrent to shoplifting.

The deterrent effect, coupled with the potential of increased sales, are the intended results of the first area of nonsecurity personnel training, sales, and interpersonal skills. This area takes into account ways to approach, assist, and sell to customers. Most importantly, it stresses the need for the sales associate to greet the customers when they enter the respective sales area and to actively pursue the sale. The personal attention stemming from this approach may serve to deter shoplifting.

Secondly, nonsecurity personnel are trained in operational procedures and skills. These encompass such diverse skills as proper use of cash registers, credit transactions, and inventory controls.

Finally, the training programs for most nonsecurity employees include a cursory overview of the security strategy. Most often, this is a short presentation by a member of the security staff and consists of a concise talk and perhaps a movie. Emphasis is placed on surveilling customers as a means of identifying shoplifters. In addition, the lecturer also discusses the store's policy concerning nonsecurity personnel's role in detection and apprehension of shoplifters.

The expected results of the educational process for nonsecurity employees is to increase their knowledge of retail sales, operational procedures, and retail security. Ultimately, it is expected that a more effective employee will act as a deterrent to shoplifting and employee theft.

When the retail training strategy is synthesized into a flow diagram, the result is the model illustrated in Figure 4-4. The numbers in the following narrative correspond to the appropriate operation illustrated in the flow diagram. These numbers are also used in the Measurement Table that follows the Evaluation Results in Section 4.5.3. The numbers in the table refer to the particular operation in the flow diagram and the asterisks in the third column denote the actual measurements available.

The retail training strategy may be conceptualized in a comprehensive, synthetic model. The model proceeds as follows: All new employees (1) are channeled into their respective training programs, managerial personnel

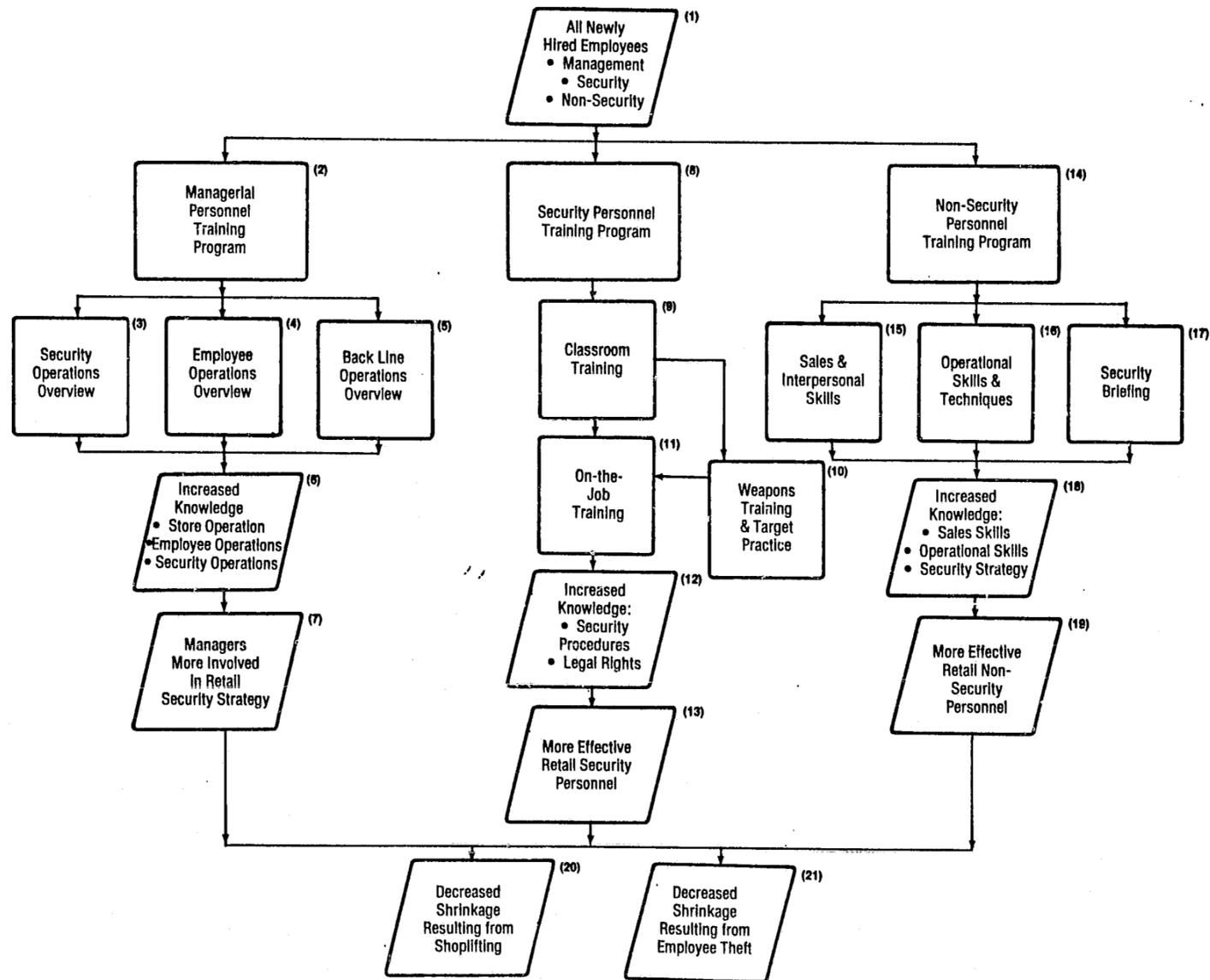


Figure 4-4. Flow Diagram of Employee Training Strategy

training (2), security personnel training (8), and nonsecurity personnel training (14). The management-level personnel receive the training with the broadest application. It includes a system's overview of the retail security operations (3), an overview of employee operations (4), and an overview of backline operations (5). Theoretically, the managerial training program results in increased knowledge in the three areas covered (6). The result is a managerial-level operative who is able to oversee the operations and procedures of the subordinate security and nonsecurity personnel. These personnel are more involved in the retailer's security strategy (7).

The security trainees attend the security personnel training program (3). The program consists of formal classroom sessions (9) that cover surveillance techniques, apprehension, and interrogation procedures, and how to be a witness in court. If the security operative is to be armed, he or she attends classes on weapon training and target practice (10). If the operative is to be unarmed, weapons training is by-passed and the final part of the program consists of on-the-job training (11). The result of this program is a security operative who is an effective and knowledgeable agent in the field (12). The final result of the security personnel training program is a more effective retail security staff.

The nonsecurity personnel are channeled into the proper training program (14), where they are educated in sales procedures and interpersonal skills (15), operational skills and techniques (16), and a briefing on the security procedures relevant to their position (17). The initial result of nonsecurity training is increased knowledge in the three general areas covered (18) and, ultimately, more effective nonsecurity personnel (19).

The ultimate result of the comprehensive employee training strategy is twofold: Decreased shrinkage resulting from shoplifting (20) and decreased shrinkage resulting from employee theft (21).

Employee training programs are, essentially, educational and motivational systems. They are initiated under the assumption that a retail workforce, security, nonsecurity, and managerial personnel, properly educated, constitute a frontline defense against both internal and external theft.

4.5.2 Expectations and Assumptions

The long-range expected outcome of a training systems strategy is decreased shrinkage rates due to employee theft and shoplifting. More specifically, expectations are relative to the type of training and the target group to which it is applied.

A managerial-level employee, trained in security procedures and applications, is expected to have a general understanding of security problems and knowledge of the comprehensive security systems application. In addition to this, a manager is expected to know how to spot inventory errors and even what tactics to look for in potential shoplifters. The expectations are simply more comprehensive in scope than those of either security or nonsecurity employees.

Most of the experts in the field agree that employees must be trained to participate in store security. Cassell (1977) carries this a step further and claims that employees, from executives to maintenance workers, should be trained in identifying shoplifters. This is an example of how the education of managerial and supervisory personnel can improve a comprehensive security system. A knowledgeable manager can provide a second line of inspection in control systems' accuracy and applicability. The latent potential of a trained supervisor may also have certain theft deterrent qualities. Employees who are aware of the fact that their superiors understand an inventory control system and know what to look for as warning signs of theft may be less likely to be involved in criminal behavior.

Current literature reflects a trend in security-oriented educational programs toward a more comprehensive approach. Rather than just instructing security personnel, training programs are being expanded to encompass both managerial and sales personnel. Some experts feel that store manager seminars are the most productive single force for shortage reduction of all loss prevention strategies. Astor (1975) and others claim that by either moving security personnel into managerial positions or educating existing management in security techniques and problems, security programs become an integral part of any retail strategy. Such an approach enlarges the target group beyond frontline employees to encompass employee theft in backline areas (Green & Farber, 1978).

The education of management may also result in a smoother security operation. This is due to increased information flow as a result of a better understanding of the problem by all involved. Expanded knowledge may also result in cooperation in expansion of present security systems, as well as in the introduction of new programs. It also reflects a movement toward the acceptance of security personnel and programs as an important component of a comprehensive retail operation (Beesing, 1976).

Walsh and Healy (1974) suggest that management and supervisory personnel should be educated in all security-related areas. This encompasses surveillance and detection strategies, as well as techniques used by both security and frontline employees. In addition, management education should include extensive knowledge of inventory and control methods, which, when strictly adhered to and monitored, may result in tighter security and less chance for employee theft.

It is expected of security personnel to acquire a less comprehensive but a more specific working knowledge, as a result of a training program. Security personnel are expected to know how to detect shoplifting. As an extension of this, the operative is also expected to learn the proper apprehension, booking, evidence gathering, and court appearance procedures. They are also assumed to have a working knowledge of avenues for forestalling employee theft.

Training for security personnel takes a different tact than for nonsecurity employees. Again, the literature only supplies outlines and hints as to possible avenues of approach to the training problem. Brindy (1970) and Astor (1977, 1978) provide some cursory outlines and suggestions. Two

LEAA-funded studies Law Enforcement (1972) and Private Security (1976) supply the majority of relevant information. These reports suggest that security personnel training consist of ways to spot thieves, how to apprehend and interrogate, what the local laws governing due process are, how to use force, how to detain, and procedures to follow after conducting an arrest. In addition, they suggest that the security force be instructed in how to appear in court as a reliable, believable, and capable witness. Further training and practice time is mandatory if the security operative is to carry a weapon.

The expected results of nonsecurity personnel programs are the least comprehensive and most specific in nature. Training basically provides them with knowledge of inventory and cash register procedures, sales techniques, and tips on spotting shoplifters. The central focus of most nonsecurity, frontline personnel is on sales techniques. It is considered, by most experts, to be one of the most effective means of reducing shoplifting.

Experts expressed the need for these employees to be trained in the detection of shoplifters, as well as in proper inventory control methods. In this manner, every employee may provide a two-fold security function: The prevention of shoplifting by being alert to detection methods and the reduction of employee theft by accurate application of inventory techniques that result in more accurate stock and transfer controls.

Experts in the field agree that the most effective ways to sell are also the most effective means of preventing theft. An employee who is well trained in interpersonal sales techniques, such as prompt attention to customers and surveying of sales area, will also act as an effective deterrent to shoplifting. Likewise, alert employees may be more apt to notice both shoplifting and employee theft. Edwards (1958) recommends teaching employees what to look for, such as suspicious people or individuals with "booster accessories." Green and Farber (1978) echo this advice, as well as add that employees should be trained in handling of various crisis situations, such as witnessing shopliftings or handling hold-up situations.

In addition, it is recommended that frontline employees be trained in various inventory and pricing systems, so that they can provide a possible way of spotting backline employee theft. Possibly, the best example of such training is in price-switching situations, where a lower price is put on a high-price item (Brindy, 1970).

There are several major explicit assumptions underlying all training programs. Two of the assumptions deal with the basic motivation for acting. First, it is assumed that by educating employees, security, nonsecurity, and managerial personnel to the complexity and expense of the theft problem, they will act in such a way as to reduce theft. Secondly, it is assumed that any employee who feels committed to his or her employer will not steal and will not tolerate stealing by others.

The first hypothesis contains a hidden assumption. It presupposes that the employer, by providing information, thereby provides the employees

with the motivation necessary to ensure their cooperation in detecting and reporting employee theft and shoplifting.

The second hypothesis also contains an implied assumption. It is based on the hidden assumption that if a person feels a sense of commitment to an organization, he/she will act in such a manner that is sympathetic to the organization. Moreover, it is assumed that the training program can help develop this commitment. In this case, retailers assume that because an employee feels a sense of loyalty toward a merchant, the employee will not steal or allow others to steal from the merchant.

Both of these hidden assumptions presume that motivation resulting in a sympathetic action can be increased by a training program. In the two assumptions, the variables are communicated knowledge and a sense of commitment or loyalty. However, the assumptions appear to be founded on theoretical principles or expectations, rather than on the outcome of tested programs.

The third assumption, on which most training programs are based, is also implicit in nature. The retailer assumes that, by training employees in anti-theft strategies, the employee will know how to respond to the specific incident. This, in turn, assumes that the individual is able to act in a situation as a result of the knowledge acquired through a training program.

Due to the short length of time spent in formal training and the extent of knowledge to be acquired, it is doubtful whether an employee can function satisfactorily solely as a result of formal training. Many retailers have found that a period of on-the-job training is necessary for the employee to assimilate the knowledge from the training program and be able to act confidently, using what has been learned. The short training initial period is also responsible for the need of follow-up educational programs.

The literature strongly suggests that a single, primary training course is not sufficient, on any level, to assure a continued, high quality security operation. Walsh and Healy (1974) point out that private security employers should ensure that security personnel are given ongoing training. It is suggested that ongoing education be in the form of informal "roll call" meetings. Other alternatives are periodic formal refresher courses or the distribution of bulletins and other training media. Astor (1978), who feels that reinforcement is essential to the learning process, advocates a checklist system, whereby the operative can memorize and review his/her duties in a concise manner. In this system, each security employee is supplied with a printed list detailing the duties to be performed and procedures to be followed. This system is also readily available to second party verification. A supervisor can periodically quiz the employee, as a means of ascertaining his/her level of knowledge concerning the studied job. A third possible means of educational review is formal meetings, at which special training films are shown (Jaspan, 1970).

Finally, the literature emphasizes the need to educate private security personnel to their proper role in relation to the general public, as well as the police. In The Law and Private Police, it is cautioned that

private security forces, due to the existence of uniforms and misunderstanding of their real roles, tend to exercise their implied authority more often than is needed. The 1976 LEAA study warned that private security must be educated to a proper understanding of their role.

In Private Security (1976), the task force recommended that many of the problems related to private security (personnel and training) can be eliminated by improving the goodness of fit between the knowledge demanded by the operative's position and the actual training process. This can be achieved by first developing a detailed description of the job and then tailoring the training process to fit the description. Such an approach to developing educational programs may also serve as a second line of defense against later security personnel-related problems.

As a result of the abundance of implied or hidden assumptions, a gap exists between the expectations concerning training impact and the actual impact. This, in turn, implies the existence of a knowledge gap between what is theoretically assumed and what is empirically shown to be the case.

4.5.3 Evaluation Results

Several sources in the literature (Chain Store Age Executive, 1975; Astor, 1978) express that the trend in retail store security is toward increased training at all levels of store security and away from reliance on hardware approaches. In reality, both training and hardware are on the increase.

From interviews with experts in the field, Westinghouse found that a 14.3 percent discontinuation rate in the use of security guards by retail drug outlets. Such a decline, of course, reflects a proportional decrease in the overall training of employees and a specific decline in the training of security personnel. Of the stores we surveyed, 73.7 percent claim to have training programs that instruct employees in ways to detect and respond to shoplifting and employee theft. The survey results also show that 6.3 percent responded by stating that they had no training program and 20 percent of the sample did not respond to the question. Of those responding positively, 17.5 percent have formal programs, either in-house or outside, which included seminars and film presentations. Of those stores having training programs, 7.5 percent are for management and security personnel only. Other responses concerning program specifics were too small to be statistically meaningful, however, one last figure is of note. Of those stores which had no organized training program, 16.3 percent had verbal or written communication to their employees concerning shoplifting and employee theft.

Interviews with experts in the retail security field revealed a general consensus concerning the state-of-the-art, the need for improved training, as well as similarities between existing programs.

Those experts interviewed agreed that most in-house security training is, at best, mediocre. Reasons for this include a lack of experienced

personnel who are able and willing to teach programs; little in the way of teaching aids, films, and manuals; and a lack of support and understanding on the part of upper-level management. In at least two cases, extensive primary and secondary training were also felt to be cost-prohibitive.

It was also generally agreed that the education of upper-level management was a key to improving both the training of security and nonsecurity personnel, as well as the acceptance of security as an intricate component of any retail strategy. One expert interviewed expressed the feeling that the store security director should be a top-level management position and if it were, most in-house obstacles could be overcome.

The expectations and, ultimately, the orientation of the training program depend on orientation of the individual retail company's security program. If, as in the majority of cases, the goal of the security program is to apprehend thieves, then the major emphasis is placed on apprehension and prosecution techniques. If, on the other hand, deterrence is the goal, then the training program is oriented toward prevention strategies.

The expectations of each program are relative to the program orientation. Apprehension-oriented programs expect apprehensions and prosecutions. On the other hand, deterrence-oriented systems expect a lower shrinkage rate, due to the high visibility of security personnel, and other similar strategies. However, the ultimate expectation of either school is always a decrease in the shrinkage rate.

The central problem in evaluating training programs is the lack of success indicators related to training. Data are lacking relating the program to any changes in knowledge or attitudes; how knowledge relates to detection and apprehension; and how attitudes can affect the employee desire to detect and apprehend thieves.

Measurement Table 4-4 illustrates both the possible measures and the actual measures available in the employee training strategy. The first column denotes the measurement points which correspond to the flow diagram in Figure 4-4. The center column represents the possible measurements and the third column the actual, existing measures.

The table brings to light the lack of data necessary to properly evaluate the strategy. Of particular note in this case is the absence of expense statistics. As a result of this absence, cost/benefit analysis is not possible.

4.5.4 Summary

Employee training programs are essentially educational and motivational strategies. The programs include the education of managerial, security, and nonsecurity personnel and are aimed at increasing the specific security capabilities of these three groups.

Despite shortcomings in educational aids and consistent application, the training strategy is used by a majority of retailers. Its effectiveness is yet to be verified by accurate measurement and offers an opportunity for further evaluation.

Measurement Table 4-4
Employee Training

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number and percentage of newly hired employees.	*
2	Number and percentage of management personnel trained. Test existing security knowledge.	*
3	Test understanding of security operations.	
4	Test understanding of employee operations.	
5	Test knowledge of inventory procedures.	
6	Test comprehensive knowledge of: Store operations, security procedures, employee operations, inventory procedures.	
7	Percentage increase.	
8	Number and percentage of security personnel trained. Test existing security knowledge.	*
9	Test understanding of classroom material.	
10	Test ability/accuracy of target practice. Test knowledge of weapons use.	
11	Test for retained classroom knowledge and newly acquired knowledge resulting from on-the-job training.	
12	Test comprehensive knowledge of: Store operations, security procedures, employee operations.	

Measurement Table 4-4 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
13	Percentage change.	
14	Number and percentage of non-security personnel trained. Test existing security knowledge.	*
15	Test sales and interpersonal skills.	
16	Test of knowledge and skills in inventory techniques and cash register skills.	
17	Test acquired security knowledge resulting from security seminar.	
18	Test comprehensive knowledge of: Store operations, sales and cash register skills, inventory techniques, security procedures.	
19	Percentage change.	
20	Dollar amount and percentage decrease in employee theft.	
21	Dollar amount and percentage decrease in shoplifting.	

¹Numbers in this column refer to Figure 4-4.
*denote actual measures available.

4.6 Theft Reporting Programs

4.6.1 Strategy Description

Theft reporting strategies are primarily communication and incentive programs targeted at both employees and shoppers. The strategies are attempts to encourage participation in the reporting of shoplifting and employee theft by reducing obstacles to reporting and increasing motivation to report.

Reward programs. These strategies are essentially management systems in which employees and/or customers are given monetary rewards for either identifying shoplifters or employee thieves. Rewards may be contingent upon apprehension, and in some cases, conviction.

Some theory-based programs, using the principles of behavior modification, have been implemented. Customers have received sales credits and discounts for reporting shopliftings. However, the major thrust of reward strategies is increasing employee participation, as opposed to increasing the involvement of the general public.

Communication strategies. These strategies are systems aimed at decreasing difficulties in reporting both employee theft and shoplifting. In most cases, these systems are coupled with a reward strategy to provide incentive for action. A large retail company, headquartered in Boston, comprised of 230 outlets, uses a WATS TIP Line system which allows anonymous reports and offers up to \$1,000 reward to employees.

The Broadway Department Store chain, in California, utilizes a similar system. Their Silent Witness Incentive Reward Program uses both a confidential, toll-free telephone line and an anonymous letter system. Rewards ranging from \$10 to \$2,500 for apprehension of shoplifters and employee thieves are offered.

Reporting mechanisms. The availability and ease of communication appear to be vital adjuncts to any retail theft reporting or prevention strategy. Several alternative systems are presently in use. They all contain the distinct features of attempting to speed the actual reporting of a crime, as well as attempting to reduce the difficulty of initiating the communication.

There are three major forms of reporting mechanisms: Electronic, anonymous tip lines, and verbal communication. Security personnel use additional reporting devices, such as radios, but consideration of these systems is outside the scope of this section.

Electronic reporting mechanisms are tools, such as hidden alarms and POS (Point-of-Sales) terminal systems. The former system is comprised of a hidden switch, usually located in the cash register area, connected to a communication system. The communication system is typically a location-coded, light panel in the security department that can be monitored by someone who dispatches security personnel. An alternative system rings a telephone in the security office and then plays a prerecorded, computer activated tape message, relating the location of the problem.

The computerized POS terminals function along a similar line. As a result of additional computer terminal facilities, remote terminals may be strategically located. Tied into the entire computer/register system, an emergency button pressed on any register can result in a visual read-out on the terminal. This notes the time and place of difficulty and allows for the rapid dispatch of security personnel to the area. These systems must be monitored in order to be effective.

Electronic communication systems like those cited can result in significantly reducing response time to an observed or potential crime. In this manner, these systems are preventive in nature, rather than necessarily being apprehension-oriented. Using these reporting systems, it is possible that suspicious activity can be terminated before the intended theft occurs. Electronic systems are almost exclusively used by employees in reporting shopliftings and alerting security personnel to potential problems. However, there is little applicability to the reporting of employee theft, although such potential does exist. Electronic communication systems can also help reduce the difficulties of reporting, such as speed of response and the desire for anonymity. Thereby, they reduce the intrinsic blocks to crime reporting.

Tip lines are another reporting mechanism that are believed to be successful. Most tip lines use toll free telephone numbers that are confidential and guarantee the caller's anonymity. However, some tip line systems also use a mailing address in conjunction with a code number system for correspondence. Such a system guarantees the absolute anonymity of the reporter, which seems to be positively correlated with increased reporting behavior.

Tip lines are used by both employees and customers, alike, and are applicable to shoplifting as well as employee theft reporting. The major target group, however, is shoplifters. Ensuring anonymity appears to be a necessary condition for the success of this strategy. This should effectively alleviate much of the anxiety in reporting thefts, despite the lack of support for this assumption found in the only study in the area (Bickman & Helwig, in press).

The use of signs as communication and education devices is an integral part of both tip line and verbal reporting systems. Signs are designed to alert the public to the existence of such channels of communication, as well as serve as reminders to employees. In the case of employees, however, proper training is a more thorough and perhaps successful mode of communication.

Verbal reporting must also be considered. Such approaches tend to be slow and inefficient ways to report shopliftings, but is the major channel for reporting employee theft. There is evidence that most such reporting is conducted verbally and is further support for the development of good employee-management relations and working environment. This is supported by Bickman and Helwig (in press), who found neither rewards nor anonymity to be important variables in manipulating reporting behavior. This seems to

contradict the claim that anonymity is the reason for the high success rate of most tip line systems studied.

When the theft reporting strategies are synthesized, certain overlapping characteristics or similarities arise. The resulting system (see Figure 4-5) proceeds as follows: A reward/reporting system is developed and implemented (1). The program is then communicated to employees via training programs (2), and in some cases to customers, by strategically placed signs and/or media campaigns (2a). With this knowledge at hand, either the employee (3) or the customer witness a theft and make the decision whether or not to report their observation (4). If they decided in the affirmative, an avenue by which to report is chosen. The witness uses either a tip line (5a), verbal communication (5b), or an electronic communication device (5c). As a result of the report by a customer (6) or an employee (6a), a suspect is apprehended. Stolen merchandise (8, 7a) may or may not be recovered. A decision is made, most often by a security supervisor, whether or not a reward is to be issued (8) and, if the decision is in the affirmative, an amount is decided upon (9). If an award is issued to a reporter who chose to act through public channels (10), a cash reward is issued (11). Often, this takes place at an award ceremony (12). A confidential report then becomes a part of the reporter's permanent personnel file (13). If the reporter acted in an anonymous manner (10a), a cash award is issued through an anonymous channel. The outcome of reward/reporting strategies is decreased shoplifting (14) and decreased employee theft.

These strategies are recovery oriented, rather than preventive in nature. They also tend to be directed toward shoplifters, rather than toward employees. As such, the theft reporting strategies may ignore a substantial portion of the target population.

4.6.2 Expectations and Assumptions

The expected results of reward strategies and reporting strategies are, ultimately, reduced shoplifting and loss due to employee theft; however, coincidental to this are a number of implicit assumptions. Fruition of the expected results is, in actuality, dependent upon the success or failure of these hidden assumptions.

The primary assumption is that by offering rewards and by reducing the complications involved in alerting authorities to a crime, it is possible to influence individuals' reporting behavior. This is the key postulate upon which reward and reporting strategies are founded. If it is not possible that the entire strategy may be of little value.

While retailers feel that they cannot count on the general public to act as watchguards, research data supports the opposite perspective. Of the students Bickman (1975) questioned, 85 percent indicated that they would ignore a theft they had witnessed. However, adults had a very different perspective. Most thought it was their responsibility to report this crime and thought highly of those who took this action. While most shoppers reported

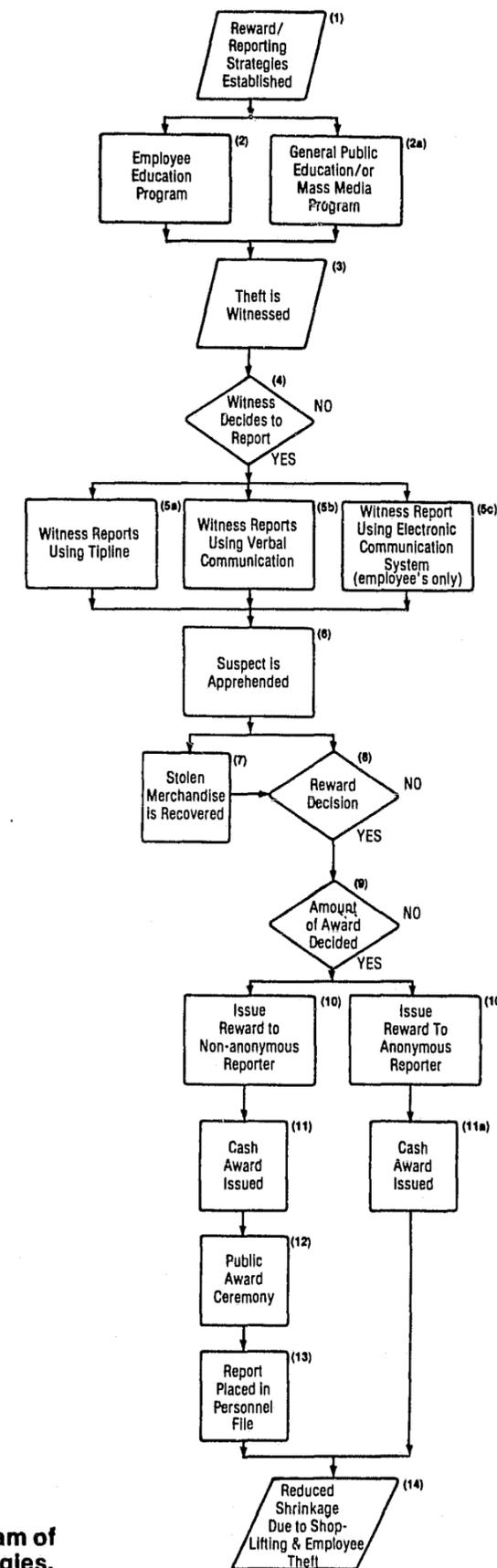


Figure 4-5. Flow Diagram of Theft Reporting Strategies.

they would report a shoplifter, they thought most others would not (Bickman & Helwig, 1979). The rate of reporting staged shoplifting ran between 30 and 50 percent. Apparently, shoppers will report this crime under certain conditions. Thus, the question of specifying the proper variable or variables within a target population that affects reporting is critical. In short, success of the reporting strategies may be dependent upon isolating the group which most often reports shopliftings, discovering why they behave as they do, and then applying the findings to the strategy.

Age and socioeconomic status were found to be relevant variables. Gelfand, et al. (1973) found better educated, upper-middle class individuals were more inclined to report theft than subjects of lower-middle class status. These findings were confirmed by Bickman (1974) and Bickman and Helwig (1979). Both studies also found that the middle-aged were more apt to report customer thefts. Thus, both age and student status are strongly related to reporting. Young people, especially if they are students, are least likely to report a staged shoplifting.

A correlation was also found between reporting and persons raised in rural environments (Gelfand, et al., 1973; Bickman, 1974; Bickman & Helwig, 1979). As a possible explanation for this finding, the Gelfand study cited the rural dweller's early training in taking responsibility for acting, as opposed to the city dweller's tendency to yield action to specialized authorities.

The influence of the reporter's sex on behavior appears to be inconsistent. A study by Gelfand, et al. (1973) found a high correlation between reporting rates and the sex of the shoppers, with males more likely to report than females. This was felt to be a reflection of the cultural expectations that males are both more punitive and more able to handle certain emergency situations (Wispe & Freshley, 1971). In contrast to the findings of Gelfand, et al., a study by Dertke, Penner, and Ulrich (1974) found that female shoppers tended to report shoplifting more frequently than male shoppers. In addition, Steffensmeier and Terry (1973) found almost no relation between the sex of the shoplifter and the reporting behavior of a customer who witnesses a staged shoplifting. Contrary to expectations, a later study found no difference between the reporting levels of male and female shoppers (Steffensmeier & Steffensmeier, 1977). The authors attributed the conflict between their results and those of Gelfand, et al. to methodological differences.

Dertke, et al. (1974) cited the existence of yet another important variable--race. They found that shoplifters were generally reported and/or confirmed differentially as a function of the offender's race. This difference was most notable in respect to theft confirmations, solicited verifications following staged thefts and apprehensions, by blacks confirmed significantly more often than whites.

The effect of the shoplifter's appearance on the rate of reporting has also been found to play a role in reporting behavior. "Hippie" shoplifters were reported more often than "straight" shoplifters (Steffensmeier & Steffensmeier, 1977; Steffensmeier & Terry, 1973).

Mace (1972) also found that grooming had some impact on reporting behavior. The length of the shoplifter's hair, as well as sloppy style of dress, were correlated with the rate of reporting, such that the longer the shoplifter's hair and the more dishevelled his or her appearance, the greater was the tendency to be reported.

These findings tend to support the conclusion that the thief's general appearance elicits either a sympathetic or unsympathetic judgment on the part of the reporter. It is believed that such moral and social interpretations of the thief's activities play an important part in motivating reporters to act. It was found that, as the social distance between shoplifter and subject increased, the likelihood of being reported also increased such that those judged to be "hippies" by "straight" subjects were most likely to be reported. Dogmatic attitudes, however, did not correlate with actual increased reporting behavior (Steffensmeier & Steffensmeier, 1977; Bickman & Helwig, 1979).

Appearance has not always been found to play a decisive role in influencing reporting behavior (Deseran & Chung, 1978). This may be partially accounted for by changes in social attitudes toward dress. There is also evidence that a mediation process is active in decisions to report, which takes into consideration assessment of future consequences as a determinant of acting. In this process, it is felt, the reporter decides whether the shoplifter should or should not be caught (Steffensmeier & Terry, 1973; Deseran & Chung, 1978). The mediation process may account for some of the discrepancy between stated intentions and action.

A split between intentions and behavioral activity was apparent in a mass media campaign study (Bickman, 1975). Results showed the campaign to be successful in communicating information and increasing intentions to report, but not in increasing actual intervention behavior. This may have been partially due to in-group loyalty. Students were found to express a reluctance to report a peer. Additional related factors were operating here, however, namely the subjects' level of victim sympathy and their willingness to define the action as a crime.

In contrast to the 1975 findings, Bickman and Helwig (1979) found a significant relationship between the subjects' behavioral intentions and reporting behavior. It was found that subjects who stated they would report a shoplifting if they saw one generally did report it. Those who indicated they would not intervene reported much less often when the staged shoplifting occurred.

Reward strategies are founded upon the critical assumption that rewards, both monetary and simple acknowledgement, are adequate incentives to the desired behavior. In addition, many reward strategies are founded on the belief that the desired behavior is elicitable by guaranteeing the reporter's anonymity.

There is some research which indicates that reward and anonymity may not be as effective as was previously believed. Bickman and Helwig (in press) indicate that reward and anonymity do not affect the reporting of shoplifting.

Bickman and Helwig found no significant increase in reporting behavior when a reward was offered. This lends tentative support to the position that reporting behavior is intrinsically motivated at a high level and is, therefore, not initially affected by the presence of an external reward. If individuals feel it be their duty to report shoplifting, and that this behavior is expected regardless of the intended reward, it may be the case that offering a reward is not an effective factor in increasing reporting behavior. In fact, offering rewards may be detrimental in the long run.

However, none of the studies, to date, have tested a full range of rewards. Therefore, Bickman and Helwig concede that it is possible that, with a sufficiently large reward, more people would intervene. It may be that reward strategies only need offer larger rewards to improve results.

The primary assumption on which all reporting mechanisms are founded is that reporting increases as the simplicity of reporting increases. Regrettably, this is based on further assumptions which research shows to be of little effect in shaping behavior. For example, tip line systems, like those previously mentioned, attribute the majority of their success to the security the reporter feels as a result of guaranteed anonymity. However, current research indicates that such anonymity is not significantly contributive to increased reporting behavior (Bickman & Helwig, 1979).

It may be possible to explain the nonsignificant relationship between anonymity and reporting behavior, in part, by an incomplete perception of anonymity on the part of the subjects. Despite the fact that most reporting systems allow individuals to report without having to identify themselves by name, many still have to report the crime in person. For example, the level of anonymity assured an individual by a tip line system differs from the level of anonymity guaranteed when an individual must report a crime directly to the security personnel. The resulting perceptual and de facto difference in anonymity may, in some manner, affect the reporting behavior of individuals. This may also account for the findings in the study by Bickman and Helwig (1979).

Another implicit assumption is that both customers and employees define shoplifting as a serious criminal offense. Research illustrates that young people fail to see shoplifting as a serious crime (Bickman, 1975) and older people may have problems with interpreting the reality of a situation as an actual theft (Gelfand, et al., 1973). Further definition and reinforcement of an action as a crime by verbal communication had a strong positive influence on the shoppers' reporting behavior (Bickman & Rosenbaum, 1977). However, evidence showed that the presence of a comrade positively influenced the behavior of the reporter. This result is at odds with the findings of Dertke, et al., who found solitary individuals more likely to report crimes than members of a group. The inhibiting nature of groups on an individual was further substantiated by Lenga and Kleinke (1974) and discussed by Bickman and Helwig (1978).

A large percentage of the success of reward and reporting strategies is dependent upon ample communication of the strategy's existence to both employees and the public. In many cases, this function is fulfilled through the use of signs. As a result, in these situations, it is assumed that the signs operate as a pragmatic avenue of communication.

Printed signs fulfill two basic functions: To inform the public and to remind employees. In the information mode, signs are used to notify the general public of the existence of a reward program. They may also be used to educate the public on how to report a theft they observe. Most employees are alerted to these procedures in training classes and signs are considered to be of little value in that area. However, signs are also used as a means of reminding employees to watch for shoplifters and to report what they see.

There are little data concerning the effectiveness of signs. Nevertheless, signs are widely used. This, in part, is due to their low cost. Bickman (1977) found signs to be an ineffective means of shaping behavior in comparison to verbal cueing. These results tend to highlight the desirability of interpersonal communication. However, the generalizability of findings are somewhat limited by the short time span of the signs' postings.

Most of the research data in this area suggest that reporting behavior is situation-specific. That is, the decision whether or not to report an observed incident is dependent upon the variables active within the parameters of the actual situation. As a result, the reporter's actions may be inconsistent from situation to situation. This may help account for ambiguities in the research findings.

4.6.3 Evaluation Results

Our research indicates that a sizable percentage of companies use some type of reward program. Twenty-five percent of the retail food stores, 45 percent of the drug stores, and 65 percent of the department stores surveyed reported using some reward system. On the average, companies with fewer numbers of locations tend to use reward systems more frequently than those companies with more than 60 locations. However, the Stop and Shop Company of Boston, with 230 outlets, claims to have had success with its reward incentive program.

There is presently a trend away from the use of reward systems, so Stop and Shop is not indicative of a change of direction. This company simply illustrates the possibility that an integrated system, if properly constructed, can be successful in dealing with a large number of stores.

Overall, our sample showed 45 percent of the stores reported using some form of reward system. Most rewards are monetary in nature and, when applied to employees, are often accompanied by some form of recognition. For example, a large Chicago retailer augments its cash award with a letter of commendation that becomes a part of the employee's personnel file. The retailer also reported that they are investigating possible channels for public honors as an addition to their present system.

A large West Coast retailer holds special award presentations where employees are honored for reporting shoplifting and employee theft. Attendance for these ceremonies, by management and employees, is actively promoted. Such recognition functions both as an additional reward and as a means of positively reinforcing a desirable activity. However, in many cases, such recognition is not considered advantageous by the award recipient because of the exposure and the sense of security that anonymity allows. Many retailers feel that anonymity must be guaranteed for the reporter in order to build a successful program. Thus, many reward systems are established in such a way as to ensure the reporter's privacy. These strategies help reduce the cost of acting to the reporter, as well as provide a sense of security. The Stop and Shop Company and the Broadway Stores systems are excellent examples of this strategy. Both offer the reporter confidentiality and the latter's mail system of reporting assures virtually total anonymity. However, the mail system was rarely utilized by employees.

For the most part, customer participation in reward strategies is not actively promoted. There are several reasons for this, in addition to the unwillingness of the general public to get involved. Shoppers often do not notice illegal activity by other shoppers and when they do, they seldom feel responsible for reporting it. A Chicago-based retailer rewards customers reporting shopliftings with gift certificates. The low rate of customer involvement is reflected by the four certificates issued in the last two years.

We have noted an apparent gap between theoretical speculation and empirically verified systems in this area. While the research of Bickman and Helwig shows no significant relationship between the key postulates of the strategy and reporting behavior, 45 percent of those retail establishments surveyed continue to use this strategy. The present movement away from reward strategies may reflect a convergence of theoretical and empirical rationale. However, the applicability, success, and continuance of pragmatic reward systems may ultimately be situation-specific.

Many experts in the field do not believe in customer reward programs. Some feel that most customer information cannot be trusted and that such reports are of little value unless provided by trained security personnel. They feel that experience has shown that customers' testimony does not hold up in court. There are also reports of customers working in teams to set up a false arrest situation that results in a cash settlement for the two customers to split.

Some experts in the field feel that employee reward strategies are a poor substitute for good management and good work environments. Internal theft is believed to be the major problem. With proper working conditions and good employee-management relations, the assumption is made that the problem will decrease and theft reporting will increase. Concerned, well-treated employees will tell management of theft, while some will only act under substantial payment.

Most retail security experts conceive of and construct their reward programs in such a way as to appear, on paper, to be prevention oriented.

In reality, data available show reward strategies to be recovery oriented in nature. In most cases, rewards are dependent upon the retail value of merchandise recovered. Several experts admit that reward incentive programs result in little deterrence, stemming from a lack of prosecution, but rather, provide a channel for recovering merchandise.

Survey information about theft-reporting strategies was derived primarily from data collected by the retail outlets. This has presented some evaluation problems due to insufficient data, measurement ambiguities, and imprecise measurement points. Because reward strategies are aimed at merchandise recovery, rather than at actual theft prevention, no data exist concerning cost/benefit expectations.

Available data show the average reward for reporting a theft to be between \$25 and \$50. The largest reward offered was \$2,500 for internal theft; however, no data are available regarding measurable differences between rewards for shoplifting and rewards for employee theft. In general, rewards for reporting employee theft tend to be higher, perhaps because the amount recovered or prevented, per case, is substantially higher and the cases are much fewer in number.

Actual costs and benefits are also difficult to measure, due to a lack of data. The best records are from a study by a large department store chain on the West Coast. For the year of February 1, 1978 to January 31, 1979, they gave 1,108 awards, 53 for internal problems and 1,055 for shoplifting reports. The rewards total \$21,548.16 on \$126,290.14 in merchandise recovered. Although no figure was given, this was felt to be a substantial portion of the 4.6 percent annual reduction in shrinkage.

The use of reward and reporting strategies poses a potential problem to the already complex topic of employee morale. It appears to disturb morale in two distinct fashions. On the one hand, the existence of a reward and reporting system carries overtones of an Orwellian "Big Brother," who is always watching. Such strategies may actually work to destroy the trust among co-workers and, eventually, cause friction between employees. Employee efficiency may suffer as a result and lead to increasing labor costs. In this case, the mere existence of reward and reporting systems may contain the additional hidden expense of lower productivity while not substantially reducing employee theft.

On the other hand, if, as recent research shows, reporting behavior is intrinsically motivated, the presence of extrinsic rewards may discourage reporting. As in the previous case, the implementation of reward strategies may actually contain a number of hidden expenses.

The problems and limitations of evaluating reporting mechanisms are similar to those of reward systems. The retail outlets have compiled little data and what scant amount exists has not been properly analyzed. From available data, it can be concluded that the same gap exists between theoretical speculation and empirical rationale as is present in reward systems evaluation.

In general, two dominant features of reward/reporting strategies are noteworthy. To begin, these strategies are recovery oriented rather than preventive in nature. There is little to show that they serve to substantially reduce either shoplifting or employee theft. Some attempts have been made to relate these strategies to an overall decrease in annual shrinkage figures but fail to provide a breakdown as to the amount attributed to reward and reporting systems. In addition, the systems are never implemented with an evaluation perspective.

Secondly, the main target population of these strategies is shoplifters rather than employees. Few applications have been made to employees, and this should be considered in future applications.

Measurement Table 4-5 illustrates both possible measures and existing measurement points. The table illuminates the sampling bias created by overdependence on apprehension data. Evaluation of the data, in this case, tends to overstate the value of reporting strategies by confining analysis to the apprehension-related data, rather than to analyzing the data in light of the total shrinkage rate.

The measurements taken at measurement 7 provide an excellent illustration of the analysis problem. The values indicated at these two points are of real value only when compared to the total shrinkage figure for the retail unit. However, in most situations, this comparison is either not possible or simply not pursued. As a result, the data tend to justify the claim by security officers that any amount of recovery, no matter how small, justifies the reporting strategy's existence.

Finally, the existing gap between theoretical beliefs and empirical data should be noted. Although the research findings are ambiguous, they tend to illustrate that the variables which retailers seek to manipulate in these strategies may be of little, long-run consequence to the group. Shopper and employee actions in reporting situations appear to be situation-specific. That is, each decision to report a theft is made based on a set of variables governed by the parameters of the situation. The same may also be true of the individually applied reward and reporting strategies. Their success may be situation-specific and simply justified by theoretical assumptions.

4.6.4 Summary

Theft reporting strategies are essentially communication and incentive programs for both employees and shoppers. The goals of the strategies are to encourage participation in the reporting of shoplifting and employee theft by reducing obstacles to reporting and increasing motivation to report. Use of theft reporting strategies is common among retailers but appears to be declining. Evidence concerning the effectiveness of the strategies is inconclusive but tends not to support reporting strategies. Recent findings indicate that the use of monetary incentives to increase reporting behavior may, in fact, be counter-productive. If this is the case, it may be that reporting behavior is situation-specific and thus, not readily open to shaping.

Measurement Table 4-5
Reward and Reporting Strategies

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
2	Number of employees at each training session.	*
2a	Number of signs printed and distributed. Measures of mass media campaign.	*
4	Number and percentage of customers who report theft. Number and percentage of employees who report theft.	*
5a	Number and percentage of witnesses who use verbal communication to report.	*
5b	Number and percentage of witnesses who use verbal communication to report.	*
5c	Number and percentage of witnesses who use electronic communication.	*
6	Number of suspects apprehended due to customer reporting.	*
6a	Number of suspects apprehended due to employee reporting.	*
7	Total dollar amount and average of merchandise recovered as a result of customer reporting.	*
7a	Total dollar amount and average of merchandise recovered as a result of employee reporting.	*
8	Total number and percentage of rewards voted yes or no.	*
9	Total number, total dollar amount, and average dollar amount of rewards.	*
10	Total number and average number of awards issued publicly.	*

Measurement Table 4-5 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
10a	Total number and average number of awards issued anonymously.	
11	Total dollar amount, average dollar amount, and percentage of amount issued publicly.	
11a	Total dollar amount, average dollar amount, and percentage of amount issued anonymously.	
12	Number of people attending ceremony.	
13	Total number and percentage of reports filed.	
14	Percentage of total shrinkage decrease. Total dollar and dollar percentage of decrease.	
14a	Percentage of total shrinkage decrease. Total dollar and dollar percentage of decrease.	

¹Numbers in this column refer to Figure 4-5.
 *denote actual measures available.

4.7 Retail Auditing

The retail auditing strategy is a multifaceted evaluation tactic that combines accounting procedures and operational reviews to assess the accuracy and effectiveness of the entire retail operation. Accounting techniques are used to verify the accuracy of the retail units' financial records and, thereby, establish their legitimacy. Operational audits review, assess, and critique the physical environment, the standard procedures established by the retailer, and store systems. Following these evaluations, comprehensive reports are completed and possible alterations in the store's operation are considered. The final document is then presented to the appropriate management personnel. This final report supplies the retail management team with an accurate portrait of the existing retail operation.

Due to the extensive nature of retail auditing, much of its application is outside the parameters of this report. However, to properly evaluate the applicable areas, a brief overview of retail auditing procedures is necessary. Because of this, first a general review of retail auditing procedures and responsibilities is presented. This is followed by a more detailed assessment that is specifically oriented toward an examination of auditing's application as a means to reducing both internal and external theft.

4.7.1 Strategy Description

In the most general sense, retail auditing is an evaluation strategy that takes into consideration every department and every procedure of the retail entity. By systematically assessing these areas the auditors are able to verify the accuracy of financial statements, review operational procedures in regards to efficiency and cost effectiveness, and provide the possible means to identify inconsistencies or irregularities that may be the result of internal theft. In addition, operational audits serve to identify and correct areas of potential theft as well as provide evaluations of employee performance. In the retail setting auditing is a service to management that, from an independent position, reviews procedures and records, develops data based appraisals, and reports the findings to the appropriate level of management.

Almost all auditing methods consist of two components. The first component is the procedure or record that is being evaluated. The second is a standard or benchmark against which the first can be compared. The standard of comparison is devised in a number of ways. For example, in the case of the financial audit, the standard of comparison is a historically-based model that draws on comparable historical financial records. In this case, if the figures being reviewed are substantially different from the archival records it may signal an area to be investigated. Potential sources of differences might be: Accounting errors, loss resulting from employee theft, or loss resulting from shoplifting.

In the case of operational audits, the standard of comparison is either the retailer's standard operating procedure or, as in the case of the physical environment, an idealistic model representing optimal effectiveness and

efficiency. The goal of standard operating procedure is to ensure universal responses and operations. As a result, deviation from the accepted norm may denote criminal behavior.

Once the relevant data are collected and analyzed they are compared to the model. In this manner inconsistencies in measurements, as well as deviations in operational procedures, can be identified. These variations, once pinpointed, may in turn serve as areas for further in-depth investigation and analysis. The result of the investigations may be a correction in the operation, a correction in bookkeeping, or an investigation leading to prosecution for internal theft. There is also the possibility that the standard may be changed to more accurately reflect the reality of the situation and the capabilities of store personnel. However, this type of restructuring is uncommon due to the possible repercussions the changes may have on the rest of the model.

A third evaluation tool used by retail auditors is cost/benefit analysis. Simply put, this is an accounting formula whereby the total dollar costs of a strategy or system are compared to the total dollar amount of benefits accruing from the system or strategy. If properly executed, the comparison results in either costs or benefits being numerically superior and, thus, a dollar value is assigned to the strategy.

As briefly mentioned above, retail auditing considers two general areas of review: financial and operational. While individual retailers have their specific, detailed approaches to each operation in an audit, there is a general, systematic approach which is used almost universally. The financial audit is used to verify the accuracy of the retailer's financial status by assessing the data from operational records. The intended result of this applied auditing system is a statement which accurately reflects the total financial picture of the retail entity.

The initial step in the financial review process is, in actuality, an accounting procedure. The majority of large retailers, when conducting a financial review, operate on the assumption that the accounting data presented is accurate. This, then provides the basis for the financial review. However, if in the process of conducting the financial review, inconsistencies are discovered in the accounting records the auditor will investigate the data in more depth.

Inconsistencies or possible errors in the accounting records are easily identifiable when they are compared to the original standard of comparison. Retailers have found that inventory figures fall within certain expected ranges. In most cases, when a figure is outside the historical range by a substantial percentage, the auditors will investigate the figures' accuracy. In this way, a model based on previously established figures and percentages serves as a benchmark against which current financial figures may be measured.

Operational auditing is, by far, the most active area in retail auditing. This area covers every possible transaction, order, procedure, and course of action within a single retail unit. In these situations an outside auditing team is brought to the unit for purposes of examination and

evaluation. These auditors may be representatives of the parent corporation or from an independent firm. Either course is an attempt at an impartial, unbiased assessment of the retail unit's performance.

The method of evaluation used in operational auditing is similar to that used in the financial audit. That is, the procedure, record, or system being evaluated is compared to an existing model in an attempt to identify areas that vary significantly from the norm. Other programs are reviewed in terms of cost effectiveness, that is, in terms of a cost/benefit analysis. Both methods of evaluation are used by retail auditors, however, assessment in terms of operational comparison is more widely used than cost/benefit analysis.

Perhaps the best way to illustrate these auditing strategies is to show how they are used to assess an area of operation that has direct bearing on shoplifting and employee theft.

One of the areas most vulnerable to internal theft is the receiving area of the retail unit. In an attempt to better control the movement of both merchandise and paperwork, retailers have established a series of procedures to be followed whenever new merchandise is received. If the employees follow the operational instructions properly, the result is an accurate record of what is received, the condition it is received in, when it is delivered and to what department it is transferred. In addition, this written record, or audit trail, allows for a step-by-step assessment of the operation. The audit trail may, in addition, provide the information necessary to identify the existence of internal theft as well as pinpoint the step in the procedure at which the theft takes place. By concentrated investigation of the operational procedure and by using the information contained on accounting forms it may be possible to identify the employee responsible for the theft.

Failure to conform to the operational procedures established by the retail company may also serve as an indication of internal theft. Lack of compliance may be due to a number of considerations other than theft. Such common causes as lack of knowledge, forgetfulness, and apathy toward the job may all be reasons for deviation from the retailer's system. However, the possibility always exists that failure to comply to the operation may be an intentional oversight designed to disguise an internal theft. Failure to conform to designated procedures, in this case, serves to indicate the existence of a possible cover-up of an employee theft scheme. Established avenues of operation may provide consistently accurate source of data for inventory control and cash flow in addition to supplying a model against which procedural discrepancies may be judged.

Another evaluative function performed by retail auditors is the assessment of the general environment in relation to both internal and external theft. This form of evaluation judges the actual physical plant against an ideal model. The model is presumed to be an arrangement that results in low theft. The expected result of such an evaluation should be modifications that produce a more theft-proof operation than the one existing at the time the audit was performed.

The models, the standards of comparison in this case, are objective standards for optimum environmental design. These design standards include assurance of easy observation from natural and organized sources; control of traffic flow to reduce congestion in vital areas; reduction of blind spots to surveillance; and arrangement of display racks to allow optimum security capabilities. These design components are elaborated in more detail in Section 4.8.

Operational auditing is used in evaluating virtually every area of the retail unit. Receiving and shipping areas are examined for ease of access that may aid an employee in removing store merchandise. The store, in general, is checked for places where merchandise may be hidden so it may be removed later. Other environmental areas that are reviewed include shelf visibility, blind spots where potential shoplifters may stop to conceal items, cash register location and access, as well as the security of records and valuable files. In other words, this type of review takes into consideration the entire environmental format of a retail unit and evaluates it in terms of efficiency, traffic flow, effective merchandising space, and preventive security measures.

Retail auditors also evaluate security strategies and related systems through the auspices of cost/benefit analysis. Simply put, this avenue of assessment measures the results or actual benefits accruing from implementation of a strategy by translating those benefits, as accurately as possible, to a dollar figure. This dollar amount is, in turn, compared to the actual cost of implementation. The second figure takes into consideration all direct and indirect costs and also is stated in a dollar figure. The result is two figures that can readily be compared to each other.

On paper this cost/benefit analysis appears to represent a clear cut, empirically sound evaluation result. In reality this form of assessment is dependent upon the process of converting certain costs and benefits into dollar amounts when, in reality, they did not appear in this form. This means that auditors must make a number of value judgments concerning the monetary worth of the many costs and benefits that are not traditionally presented in monetary values. The result of this process is a convincing argument on paper but, ultimately, an analysis that is founded upon values and beliefs that may actually misrepresent either side of the cost/benefit ratio.

Cost/benefit analysis is most often used in evaluating programs and strategies that easily lend themselves to the process of translation into dollar amounts. For example, the final decision on whether or not to implement electronic article surveillance may be based on a cost/benefit analysis of a pilot program. In this case, all the cost of implementing or expanding the system are calculated. Such surface expenses as the actual cost of the inventory tags and screening device are easily established. In addition hidden costs, such as increased staffing to monitor the alarm system and to attach sensor tags to merchandise, must also be calculated. Both explicit and hidden costs of the system are totaled and compared to the total estimated benefits of the strategy.

Benefits, in the case of electronic article surveillance, are more difficult to measure. The major benefit accruing from the use of article surveillance is a reduced shrinkage figure resulting from shoplifting. In this case it is all but impossible to measure the reduction in theft directly resulting from the use of the surveillance system. The number of variables active in these situations make accurate, controlled measurements a cost prohibitive venture. As a result the monetary value of the system's benefits must be estimated.

The total benefits stated in dollar amounts are then compared to the total costs which are also stated in a similar fashion. The result is an arbitrary, yet numerically significant foundation upon which to base decisions concerning implementation, expansion, reduction, or withdrawal of the strategy being assessed. However, the intangible beliefs upon which the dollar amounts are based must also be kept in mind when the final assessment is made. In addition extraneous circumstances such as long term effects, possible future price increases, necessity, and the quality of the pilot program must also be taken into account when the final decision is made. The results of a cost/benefit analysis must be assessed in terms of the wide range of circumstances which surround and influence the actual measurement process.

There are additional areas, relevant to this study's subject matter, in which cost/benefit analysis may be applied. These include the size and training of the retail security staff. The implementation of environmental design as a theft reduction strategy may also be evaluated by cost/benefit analysis. In addition, strategies such as closed-circuit television cameras, locking cases, back-line employees, and alarm systems may also be evaluated by cost/benefit analysis. It must be noted, however, that the resulting dollar ratio alone is not often sufficient in itself to make the final decision. In most cases the cost/benefit figure is accompanied by other forms of assessment that are used to place the cost/benefit figure in its proper perspective.

When applied as an anti-theft strategy, retail auditing utilizes three basic evaluation formats: Procedural reviews, physical plant inspections, and cost/benefit analysis. The first two formats use models against which the actual operation is measured. When applied to accounting or bookkeeping systems the model is a procedural system that all employees are expected to follow.

When applied to the physical plant, the retail unit and all its departments, fixtures, and support areas, the model used for evaluation is an idealized, perfect retail unit. The existing unit facilities are then appraised in the light of the ideal model. Finally, cost/benefit analysis is also used to evaluate strategies and programs in the retail setting. These auditing systems are used in conjunction with each other. In this manner, the ultimate assessment of the retail operations being examined becomes a gestalt of measurements, opinions, and observations.

Retail auditing exerts a number of direct effects on shoplifting and employee theft programs. However, the most pervasive impact upon retail theft is the result of indirect effects.

Directly, retail auditing influences internal and external theft prevention by assessing the strategies that may be used in the retail unit. For example the auditors may decide whether electronic article surveillance or closed-circuit cameras are too costly to use. Another area of direct impact may be upon the size of the security force and the number and types of hardware they are allowed to use. In this sense retail auditing has some direct effect upon programs designed to inhibit internal theft and shoplifting but it does not act directly on the problem of theft.

The major influence on theft resulting from retail auditing programs is indirect in nature. Because the evaluation reports flowing from the auditing system may cover any area, process, program, or procedure in a retail unit they may, ultimately, influence every aspect of a shoplifting and employee theft program. For example, an audit may result in a change in an established procedure that in the long run may influence the store's security program. As a result of the expansive application of retail auditing, the scope of potential indirect effects is almost unlimited.

Retail auditing may also function as an apprehension oriented strategy. When examination of an audit trail is used to identify and pinpoint active internal theft the result in most cases is the eventual arrest and conviction of the suspect. When auditing procedures are used in this fashion it is being used as an apprehension strategy. However, this function is not frequently followed by the auditors and, when this course of action is assumed, it is most often carried out by store security. As such the apprehension orientation of the retail auditing strategy is largely a peripheral issue.

In its most general application, however, retail auditing strategy serves as a deterrent to theft. The effect is somewhat indirect, though the deterrence of criminal behavior is a byproduct of an effectively conceived and efficiently executed retail operation. The goal of retail auditing is to help create an effective operation and, as a result, is a deterrence oriented strategy.

The scope of retail auditing is so far-reaching that, even within the narrow limits of this project, a brief description is all that can be presented. As an evaluation oriented service to management, an auditing staff may conceivably examine every procedure, system and physical area of a retail unit. While the individual sequences and approaches to review are, for the most part, peculiar to the auditing firm, there does exist a general synthetic format to the actual evaluation process. That is, the auditor's review the program system or procedure, develop rational, unbiased appraisals, and then report the conclusions to the appropriate level of management.

Within this framework most evaluation is accomplished by either comparing the operation to a known, pragmatic model or by comparison with an

idealistic model. These approaches are often accompanied by, or supplemented with, a cost/benefit analysis. The impact of assessment procedures may result in some direct effects upon internal and external theft. However, the major impact of retail auditing upon the reduction of employee theft and shoplifting is indirect in nature. In a similar, dualistic fashion auditing may be viewed as an aid to apprehension while its major impact, though more removed, may actually be as a deterrent.

When the retail auditing strategy is synthesized into a flow diagram the result is the model illustrated in Figure 4-6. The numbers and letters in the following narrative correspond to the appropriate operation illustrated in the flow diagram. These numbers and letters are also used in the Measurement Table that follows the Evaluation Results in Section 4.7.3.

The retail auditing process begins when the auditing team approaches the retail unit to be audited (1). This audit may take two basic forms, the financial audit (2) and the operational audit (7). The financial audit is essentially a verification process where the auditors review the financial records for intrinsic consistency (3) and the compare the figures to past records and ideal or projected models (4). This process results in placing the financial statement in a historic and developmental perspective. It may also result in identification of an area for further, in-depth investigation. If all the figures are in order, the final comprehensive report (5) is constructed (6) and sent to the auditing department.

If, however, the checking process (4) reveals inconsistencies an audit search (29) may be initiated. In this process first the specific area of discrepancy is identified (30) by a systematic inspection of records. Once the area is identified, similar systematic processes are used to identify the employee or employees involved in the incongruous procedure (31). If the discrepancy is the result of bookkeeping or related faults the employee is alerted to the fact and the error in the operation is corrected (32).

If the employee is identified as a suspected thief (31) evidence is collected (33) and the suspect is apprehended (34). At this point a decision is made whether or not to prosecute the suspect (35). If the decision is made not to prosecute a second decision, whether or not to dismiss the employee, must be made (36). The result of this decision-making process is reduced shrinkage resulting from employee theft (39). The data resulting from the procedures all become incorporated in a report to the auditing department (40).

The second major phase of the auditing process is the operational audit (7). In this phase there are three basic areas of evaluation, the physical plant (8), procedures (15), and systems (20). In addition to these three primary areas of evaluation, should some irregularities be discovered, an audit search may be initiated.

The first area of review is the physical plant (3). The premises of the retail unit may be examined to identify problem areas that may result in or aid in a possible theft. This phase is similar to and the model for crime prevention surveys now offered by many police departments (see Section 6.2).

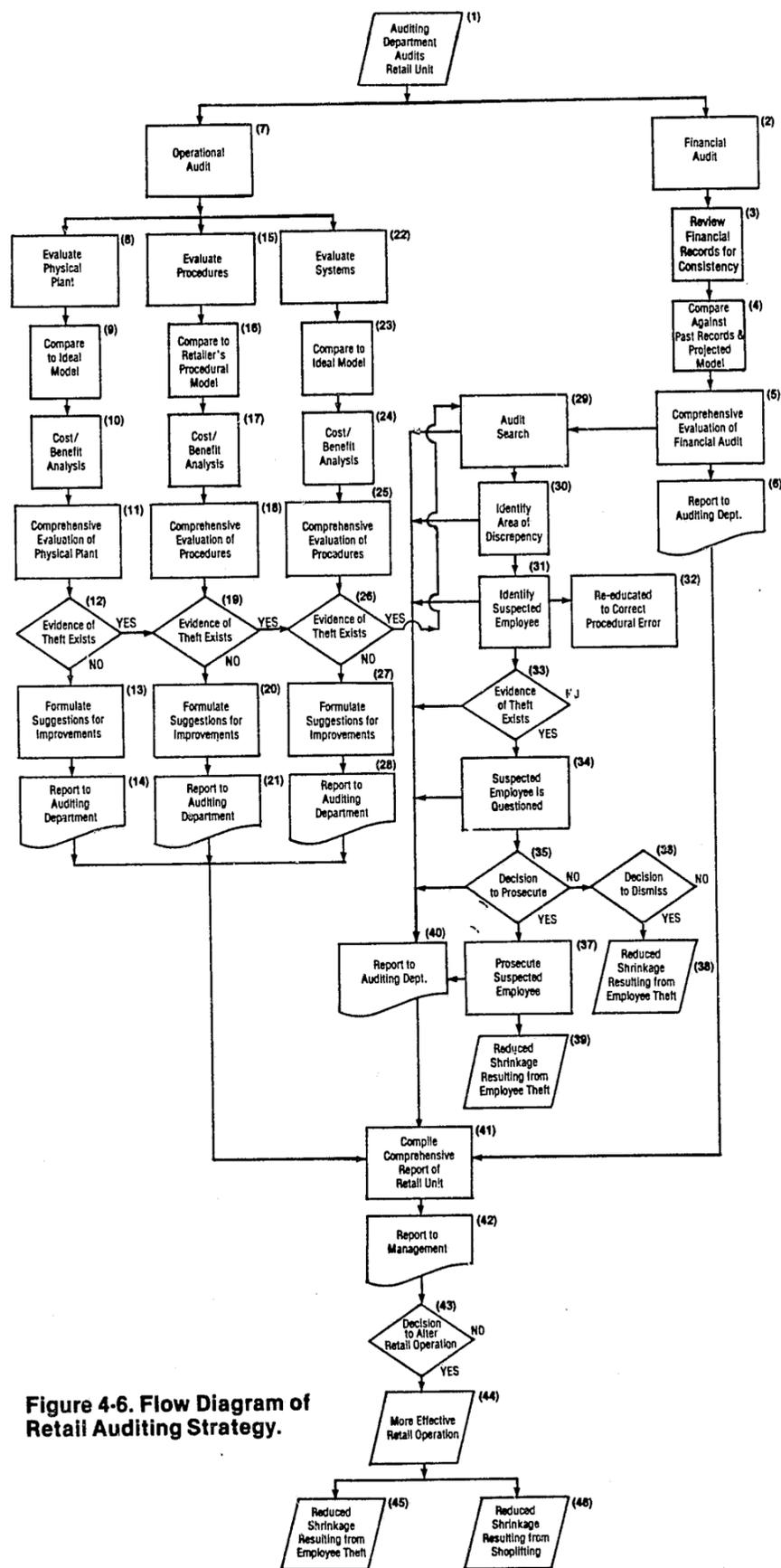


Figure 4-6. Flow Diagram of Retail Auditing Strategy.

Evaluation is accomplished by comparing the actual physical circumstance to an ideal, perfectly function model (9). The existing physical plant is subjected to a cost/benefit analysis (10). All of the data are compiled into a comprehensive assessment (11). If evidence of theft irregularities exists (12), an audit search (29) is initiated. The auditors then formulate possible alternate suggestions for improvements in the physical plant (13) at which time a report is submitted to the auditing department (14).

The second phase of operational auditing concerns the evaluation of the procedures used in the retail unit (15). Observed procedures are compared to those prescribed by company policy (16). These activities are then assessed in terms of costs and benefits (17). This evaluation attempts to establish whether or not the value of following the procedures is of sufficient benefit to offset their cost. From these data a comprehensive evaluation is compiled (18) from which it can be determined whether or not deviations exist in these procedures (19). If some irregularities exist which indicate theft an audit search is initiated (29). Following this, alternative suggestions are formulated (20) and reported to the auditing department (21).

The third phase of the operational audit evaluates the systems used in the retail unit (22). These include such devices as closed-circuit television cameras, electronic article surveillance systems, employee training operations, security employees, and other systems aimed at decreasing employee theft and shoplifting. The systems are first evaluated by comparison to see if they are actually being applied the way they were intended. This is achieved by comparing the actual operation against the ideal operational model (23). The systems are also evaluated by cost/benefit analysis (24) to determine if their benefits offset the expenses incurred by their application. A comprehensive evaluation is then formulated (25). If there is an indication of theft (26) an audit search is initiated (29). Following this, possible alternates and suggestions for possible improvements in the systems are formulated (27), and all the data are reported to the auditing department (28).

The five reports resulting from the various phases of the audit process (6, 14, 21, 28, 40) are compiled to create a comprehensive picture of the retail unit being audited (41). From this a comprehensive final report is presented to the upper level management (42). Any decision to alter, and possibly to improve, the assorted operations of the retail unit (43) are made in response to this report. The direct result of these alterations is a more effective retail operation (44), and presumably, one that is less prone to internal and external theft. The indirect effects of the application of retail auditing is reduced shrinkage resulting from employee theft (45) and shoplifting.

4.7.2 Expectations and Assumptions

The expected results of retail auditing are as multifaceted as its scope of application. In terms of this study and its stated parameters the expected outcome of auditing is a reduced shrinkage rate resulting

from lower rates of employee theft and shoplifting. As stated earlier, this eventuality is usually an indirect result of a retail auditing strategy.

The immediate, expected results of an auditing strategy are a more efficient operation and, for management, greater control. Improved efficiency may result from management altering their operations as a result of the suggestions of the auditors. In a similar manner, the auditor's reports and, in fact, the results of the entire audit process give management more control over operations simply from knowledge of the systems and how well they are being adhered to. Using this knowledge, managers are able to exert more control over employees and merchandise by manipulating the system. In actuality, the dual results of increased efficiency and control work together. Both previously mentioned expectations rest in turn, on a number of primary and secondary assumptions.

The accuracy of the final auditing report is totally dependent upon the accuracy of the data collected by the auditors. If the evaluations are founded on biased data, the final report will not accurately reflect the true state of the retail unit. Thus, one of the most important primary assumptions is that the auditors are, in fact, impartial and unbiased in their evaluations.

Improved efficiency of operation implies several working premises. First, it is assumed that based on the audit, management is capable of making the proper decision as to what to add or detract from an operation in order to make it more efficient. The possibility always exists that the wrong decision may be made concerning operational changes. The result of such an improper decision would most likely be a less efficient operation or one which would continue to operate at a similar level of efficiency even after changes were implemented.

Secondly, it is assumed that when, and if, the procedure is change, the employees will comply with the changes. Needless to say if the employees fail to comply with the alterations or, for some reason, are unable to adhere to the new procedures or systems the level of efficiency will decline rather than increase. These hidden assumptions have a direct impact on the expected outcome of an audit.

Still another critical assumption upon which auditing is based is "need." It is quite possible that if an auditor is looking for something wrong in the system something will be found. An evaluation founded on this assumption may be colored by the feeling that there is something wrong with the system and this may result in a less than unbiased assessment. It is quite possible that something may be seen as wrong or in need of correction when, in fact, no problem exists. In this manner it is possible that a pre-conceived belief may sacrifice one of the most valuable features of retail auditing--its impartial point of view.

The assumptions, both primary and hidden, upon which the expected results of an applied retail auditing strategy rest are of vital importance to the success or failure of the strategy. Knowledge of these assumptions

may allow for a more effective and accurate implementation of the strategy. On the other hand, failure to consider these assumptions may result in an auditing strategy that neither aids in reducing shrinkage or presenting an accurate picture of the retail operations to management.

4.7.3 Evaluation Results

The evaluability of a retail auditing strategy is very high. Measurements of cost, number of personnel involved, changes made, increases or decreases in performances, alterations in efficiency, number of losses identified, and number of apprehensions may all be made. Some data are currently collected, but the data necessary for a substantial evaluation of auditing strategies are not presently available. However, this does not detract from its potential evaluability.

The results of the Westinghouse survey revealed that auditing, in some form or another, is used by most retailers. Sufficient deviation among programs does exist as a result of the varying scope of the retail operation and the nature of resources available for the program. The multi-faceted nature of auditing programs may pose a problem, however, for future evaluations. Interviews with experts in the retail auditing field revealed that most large scale retail organizations have drastically increased the size of their auditing staffs in the last five years. Several of the top ten retailers in the United States have developed their auditing departments to the point that they now compete with the big eight accounting firms for outstanding personnel. This growth reflects the confidence of retailers in the effectiveness of this strategy.

Although the retail auditing strategy is highly evaluable it suffers from several faults. The most problematic of these stem from the very nature and scope of the strategy. However, the rapid growth of retail auditing indicates that the strategy is meeting with increasing success. This trend only serves to emphasize the need for proper evaluation of this widely applied strategy.

Measurement Table 4-6 illustrates both the available measures and the possible measurements of the retail auditing model. The numbers in the first column correspond to the appropriate operation in the synthesized flow diagram, Figure 4-6. The second column denotes the possible measures and the third column, the existing figures.

The measurement table echoes the lack of relevant data needed to evaluate the auditing strategy. It clearly reveals the need for collecting further measurements before accurate evaluation is possible.

Evaluation of the auditing strategy, itself, is accomplished in terms of cost/benefit analysis. As illustrated by the measurement table, no data are available concerning the actual costs of the strategy (6, 14, 17, 21).

Measurements concerning time requirements are also of note in evaluating auditing. Since the time-related measurements (2, 3, 4, 5, 7, 8, 9, 11, 14, 15, 17, 18, 21) denote members of the auditing staff, they are

Measurement Table 4-6
Retail Auditing

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Size of auditing department.	*
	Financial allocation to auditing department.	*
2	Number of auditors involved in financial audit process.	*
	Time allocated to accomplish audit.	
3	Number of statements reviewed.	
	Time required to review statements.	
4	Number and percentage of irregularities in financial records.	
	Time required to compare records.	
5	Time required to compile and analyze data.	
6	Total cost of financial audit.	
	Total time required to compile audit.	
7	Number of auditors involved in operational audit.	*
	Time allocated to accomplish audit.	
8	Number of auditors involved in physical plant audit.	
	Time allocated to complete physical plant audit.	
9	Number and percentage of irregularities in physical plant audit.	
	Time required to complete comparison.	
10	Number of auditors conducting cost/benefit analysis.	
	Time required to complete cost/benefit analysis.	

Measurement Table 4-6 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
10	Results of cost/benefit analysis	
11	Time required to compile and analyze data.	
	Number of auditors necessary to compile and analyze data.	
12	Number and percentage of discrepancies discovered in audit.	
13	Number and percentage of suggestions for alternate systems or improvements.	
14	Total cost of physical plant audit.	
	Total time required to complete audit.	
15	Number of auditors involved in procedural audits.	
	Time allocated to complete procedural audits.	
16	Number and percentage of irregularities detected in procedural audit.	
	Time required to complete procedural audit.	
17	Number of auditors conducting cost/benefit analysis.	
	Time required to complete cost/benefit analysis.	
	Results of cost/benefit analysis.	*
18	Time required to compile and analyze data.	
	Number of auditors required to compile and analyze data.	
19	Number and percentage of discrepancies discovered in audit.	
20	Number and percentage of suggestions for alternate procedures and improvements.	

Measurement Table 4-6 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
21	Total cost of procedural audit. Total time required to complete audit.	
22	Number of auditors involved in system's audit. Time allocated to complete system's audit.	
23	Number and percentage of irregularities detected in system's audit. Time required to complete system's audit.	
24	Number of auditors conducting cost/benefit analysis. Time required to complete cost/benefit analysis. Results of cost/benefit analysis.	
25	Time required to compile and analyze data. Number of auditors required to compile and analyze data.	
26	Number and percentage of irregularities discovered in audit.	
27	Number and percentage of suggestions for alternate systems and improvements.	
28	Total cost of conducting system's audit. Total time required to complete audit.	
29	Number of auditors involved in audit search.	
30	Number of documents reviewed in search. Time elapsed.	
31	Number of documents reviewed in search. Time required to conduct audit.	

Measurement Table 4-6 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
32	Type of process required to correct error.	
33	Type and amount of evidence compiled. Total number of auditors necessary to discover and compile evidence. Total time required to discover and compile evidence.	
34	Number and percentage of apprehensions.	*
35	Number and percentage of decisions to prosecute.	
36	Number and percentage of decisions to prosecute employees.	
37	Number and percentage of actual prosecutions.	
38	Total dollar amount and percentage of employee theft reduced resulting from audit search resulting in dismissal.	
39	Total dollar amount and percentage of employee theft reduced resulting from audit search resulting in prosecution.	
40	Total cost of conducting audit search. Total time required to complete audit.	
41	Time required to compile and analyze data. Number of auditors required to compile and analyze data	
42	Total cost of conducting operational and financial audits. Total time required to complete operational and financial audits. Total number of auditors required to complete financial and operational audits.	

Measurement Table 4-6 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
43	Number and percentage of alterations in retail unit's operation.	
44	Percentage of improvement.	
45	Total dollar amount and percentage.	
46	Total dollar amount and percentage of reduced shrinkage resulting from shoplifting.	

¹Numbers in this column refer to Figure 4-6.

*denote actual measures available.

directly translatable into dollar values. These missing measures add to the previously mentioned points and serve to further complicate the cost/benefit analysis problem.

4.7.4 Summary

Retail auditing is a diverse evaluational strategy that is a service to management. During the course of an audit, virtually every area of the retail operation is reviewed and evaluated. The result of this process is then compiled and forwarded to the appropriate management personnel, where the report serves as an accurate, objective evaluation of the retail strategy. In addition, the improvements in the retail operation that occur as a direct result of the audit process have a deterrent effect on criminal behavior in the retail setting. Thus, a retail auditing strategy within the parameters of this report may be conceived of as a deterrent to both shoplifting and employee theft.

4.8 Environmental Design

Prevention of crime through environmental design is a relatively new strategy that developed from the theoretical work of Oscar Newman, Ray Jeffery, Jane Jacobs, Elizabeth Wood, and others. This strategy further matured in the demonstration activities of three applied environmental design programs. These programs were executed in Portland, Oregon (redevelopment of the Union Avenue commercial strip), Minneapolis, Minnesota (the Willard-Homewood neighborhood), and Broward County, Florida (public high school system). These projects were funded by the National Institute of Law Enforcement and Criminal Justice (NILECJ) and carried out under the auspices of the research center of the Law Enforcement Assistance Administration (LEAA) by a consortium of firms headed by the National Issues Center of the Westinghouse Electric Corporation.

While the major thrust of research and development in the area of environmental design has been in application to areas outside the retail area, the basic premises upon which it is constructed are highly applicable to crime prevention in the retail setting. In recent years, this approach has been increasingly applied, in part due to the progressively comprehensive security strategies that most retailers have.

4.8.1 Strategy Description

The environmental design strategy is a prevention-oriented, managerial tool for combating retail crime. It combines, integrates, and unifies diverse security strategies into a comprehensive, retail security system. These strategies result in alterations in the physical environment and spatial relationships of the retail store. The essential objective of the environmental design strategy is to minimize or eliminate the opportunities for criminal behavior and to increase the risk, either real or perceived, to those who attempt to commit criminal acts. This is achieved by imposing real structural constraints and by creating psychological constraints through the use of symbolic territorial boundaries and activities. In addition, through activity support and motivation reinforcement, employees may become a more active component of the overall security strategy. The unique nature of this strategy is its all-embracing approach to reducing employee theft, shoplifting, and associated retail crimes.

Whereas environmental design strategies result in changes in the physical plant, their ultimate goal is to alter the behavior of the individuals using the environment. Environmental design strategy is, therefore, more than target-hardening, the use of locks and alarms to restrict entry, and manipulation of store design or sales floor layout. This strategy considers the complete retail environment and evaluates how each aspect contributes to or detracts from the retail security operation. Therefore, in addition to physical design alterations, environmental design takes into consideration all elements of the retail facility including traffic flow, personnel placement, surveillance, security patrols, and mechanical security assistance devices.

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2 OF 4

The success of an environmental design strategy is contingent upon the fruition of four proximate goals:

- Access control.
- Surveillance.
- Activity support.
- Motivation reinforcement.

Limiting access to sales areas and merchandise is, perhaps, one of the most effective methods of preventing retail theft. Likewise, increased article and customer surveillance is also effective. However, these approaches must be introduced with the knowledge that the primary purpose of the retail establishment is not to prevent crime but to sell merchandise at a profit. Security strategies must be consistent with this principle in order to be adopted by the retail community.

Access control is primarily oriented toward decreasing exposure to criminal activities. In essence, it restricts access to particular locales to those individuals who have legitimate claims to admission. For example, in the retail setting, counter space restricts to cash registers and locked stockrooms duplicate the same measure. In addition to restricting physical penetration, access control also encompasses such devices as display cases and hardware used to secure expensive merchandise. Locking glass show cases and devices chaining expensive jackets to the display racks are good examples of this portion of access control strategies. However, access must not be restricted to the degree that it becomes an annoyance to customers. Any strategy that fosters access control is also likely to have impact upon egress. Therefore, careful consideration must be given to access control strategies. They may tend to limit the mobility of law abiding shoppers, while at the same time, restricting emergency egress situations. For example, limiting the number of entrances and exits may tend to reduce the possibilities of removing merchandise from the retail unit. It may also result in a possible disaster in the event of a fire or some similar emergency which demands rapid exit from the store.

Surveillance aims at keeping individuals, both employees and shoppers, under observation. Surveillance increases the perceived risk to offenders, and the actual risk, if the observers are willing to report when acts of theft are witnessed. A distinction can be made between organized surveillance and natural or spontaneous surveillance. Organized surveillance is that which is provided by a source, whose major functions include the activity of observation. This function, in the retail setting, is most often fulfilled by the store's security staff. Knowledge of their presence, by potential thieves, increases the risk factor involved in criminal activity. An alternative, and possible complement, to this approach is the use of sales floor security personnel, wearing clothing which makes them highly visible. This approach tends to convey to the potential offender the impression that surveillance is highly likely at any given location. The resulting illusion of omnipresence may tend to influence the thief's perception of being apprehended and, thereby, reduce the likelihood of the crime taking place.

Organized surveillance is also assisted by technology. Noteworthy among these are closed-circuit television (CCTV) and electronic article surveillance devices. Utilization of these devices greatly expands surveillance capabilities of the retail security staff.

Natural surveillance is provided by nonsecurity personnel. It may be achieved by a number of design techniques, such as channeling the flow of customers to place additional observers near potential crime areas, creating greater observation capacity by widening and straightening aisles, or raising cash register platforms to allow increased observation. Proper attention to the design concept may lead to a reduced number of conventional security operatives while greatly enhancing retail security.

Environmental design strategies ensure that traffic routes and design of facilities support the use of security surveillance activities. Provisions are also made for electronic and other nonhuman means of article surveillance support during store design or renovation. In its most general application, environmental design strategies support the use of organized surveillance.

Activity support involves methods of reinforcing new or existing activities as a means of complementing the effective use of the entire environment of the retail unit. This strategy attempts to utilize the potential in existing groups, as well as that of organizations formed for specific purposes. Support of these activities may result in unifying the groups into a coalition which may, ultimately, lead to the detection of numerous social and physical gaps that tend to permit criminal behavior. For example, a large West Coast retail chain has an in-store club for top sales personnel. The retailer has found this organization to be instrumental in policing the retail unit for employee theft. In this way, activity support is utilized, by extension, to complement the store's anti-theft program.

Unlike the more mechanical concepts of access control and surveillance, motivation reinforcement attempts to affect criminal behavior as a result of environmental restrictions; to alter motivational behavior by increasing the risk, either real or perceived; and by reducing the potential payoff from the crime. For example, territorial concern, social cohesion, and a prevailing sense of security may result from the reinforcement strategy of altering the perceived scale of the retail unit from that of a large, impersonal corporate giant to that of a centralized, personalized business organization. Changes in perceptions such as these may result in the actual behavioral modification of employees and customers, alike. In this example, success of the motivational reinforcement is dependent upon the belief that it is easier to justify stealing from an abstracted, depersonalized corporate entity than from the more personalized store.

Motivation reinforcement has active input into each of the heretofore mentioned proximate strategies. In actuality, the four proximate goals are not mutually exclusive. Increased surveillance also increases access control; increased activity support lends itself to increased surveillance and access control; while increased motivation reinforcement provides support for

increases in its three predecessors. As a result, the hybrid environmental design theory tends to be an interrelated complex of strategies and goals.

Increased access control, increased surveillance capabilities, improved activity support, and finally, increased motivation reinforcement are the four major conceptual tenets of an environmental design theory. To translate this theory into a functional retail security strategy, it is first necessary to integrate these design concepts into physical, psychological, and personnel-oriented programs.

When environmental design strategies are incorporated into the retail setting, their specific application can be divided into two distinct areas: Physical plant and store personnel. Application to the physical plant encompasses target-hardening techniques, as well as actual changes to the physical facilities of the retail unit. When applied to the retailer's personnel, it extends to both security and nonsecurity personnel.

4.8.1.1 Target-hardening

Target-hardening strategies include a broad range of tactics from simple locks to elaborate display case systems. This strategy aims at restricting access to merchandise and specific areas of the store. In the retail field, locks offer perhaps the least expensive security investment. By installing locks on display case doors, cash register drawers, doors to inventory storage areas, and as a means of anchoring expensive articles of merchandise to display racks, access to merchandise can be effectively restricted.

Locks may also be considered delaying devices that increase the time, effort, and expertise demanded for access. Given the proper situation, a shoplifter may remove a locking chain from an expensive garment or an employee can learn how to defeat a showcase lock and gain access to the cases' contents. However, the longer a thief is forstalled, the greater the chance of discovery and apprehension. In this situation, the presence of a target-hardening device, such as a lock, imposes an immediate physical barrier, while also presenting a psychological obstacle. The existence of a lock on a cabinet increases the possibility of being caught and thus, tends to act as a deterrent to criminal actions.

Another target-hardening device that is widely used in retail application is the common display cases. These, most often, have glass tops and fronts to allow open visibility and inspection of large numbers of small, expensive, or hard-to-control items. The most notable example of how display cases are used is in merchandising fine jewelry. Use of this target-hardening technique allows for secure, high density merchandising of expensive items. In some applications, these display cases are reinforced by the addition of burglary resistant glass. The sliding doors on the back of the cases are, most often, lockable, to provide yet another restriction to access by unauthorized personnel. This further reduces the possibility of access, without jeopardizing the retailer's merchandising effort.

Doors may also serve as target-hardening devices. While, for the most part, doors are used to control access and traffic flow, they are also target-hardening tools. Most doors in this category are of the locking variety and serve to restrict access to both merchandise and the designated areas. Locking doors of this type present an added psychological barrier to a would-be thief.

Locking security doors are used in a variety of applications. Doors are used to restrict entry to cash register locations and to block off entire areas from traffic. The latter is most aptly applied to locking in-store inventory locations. Perhaps the most common use of doors is at entries and exits to the retail location. When used in this manner, the locking doors serve to effectively restrict access to the entire store.

The employment of alarm systems protect against access to vital areas and merchandise in the event that physical barriers and guards are circumvented. Alarm systems are most often used to provide an added measure of protection to costly merchandise, such as fine jewelry, watches, and stereo components. Most drug retailers lock narcotics and other potentially dangerous stock and then reinforce the deterrent with alarm systems. Some large retailers are now displaying hand-held calculators on top of cases by securing them with locking chains. If an attempt is made to remove the item, an alarm is triggered. In the event that an alarm is sounded, the criminal attempt is immediately made known and the appropriate security personnel are alerted.

Alarm systems permit a more economical usage of security personnel and serve as substitutes for potentially costly physical barriers. In addition, they are also used to augment barriers of lesser impregnability. It is also viable to apply alarm strategies when security personnel are too costly or otherwise impractical.

The effective number of tools used in the target-hardening strategy are as numerous and varied as are their applications. However, the essential premise of the strategy are universal: to restrict access to merchandise and specific areas of the retail unit while increasing the available means of surveillance. This is achieved by implementing both physical and psychological barriers as deterrents to criminal behavior.

4.8.1.2 Space Design

The second, physically-oriented aspect of environmental design strategy deals with the actual manipulation of space in the retail unit. This includes such varied actions as the construction of walls, display units, or other physical boundaries to restrict access and influence crowd flow. The use of floor space is designed in such a way as to allow a high degree of visibility for security and nonsecurity personnel, alike. Planning of this sort includes both frontline and backline space utilization.

When environmental design tactics are applied to the manipulation of sales floor space, the goal is twofold: to restrict access to critical areas and to allow for open surveillance of the sales floor.

On the sales floor, there are three critical access points to control: Access to cash registers, access to display cases containing high value merchandise, and access to stockrooms. Easy or simplified access to any of these three target areas may result in the loss of cash and merchandise as a result of both employee theft and shoplifting.

Although the cash drawer on cash registers lock access to the immediate location, it may still result in thefts of cash. This problem even exists with many of the new electronic POS terminals. To further reduce the potential of cash theft by customers, most cash registers are located behind display counters or in centrally located facilities constructed expressly for this purpose. In most cases, restriction of access via locking doors or similar means is unrealistic for a variety of reasons, such as cost and employee mobility. As a result, most of the restrictive ability of cash register locations are in the form of symbolic boundaries. Placing the register behind showcases or in specially adorned locations symbolically sets the register apart from its surroundings. These factors, compounded by the presence of sales people, serve to effectively restrict access to the cash register to all but authorized personnel.

In a similar fashion, the necessity exists to restrict access to show cases used to display expensive items. Free access to a case displaying fine jewelry could result in a substantial loss to a shoplifter or even a dishonest employee. For this reason, access to these areas must be constantly restricted.

As with access to the cash register area, restricting accessibility to show cases is also achieved in a substantially symbolic fashion. In most situations, the case is only accessible from behind. When several cases are arranged in a grouping, access to the rear of the cases is additionally restricted by allowing entrance to the grouping via only one opening. These factors, coupled with the generally impenetrable appearance of most show cases, and the presence of sales personnel, serve to effectively delineate a symbolic, as well as physical, boundary that serves to control access to the area.

The stockrooms surrounding the sales floor are also areas in need of access control. These, as the previously mentioned areas, are restricted mostly through the application of symbolic boundaries. Very seldom is it possible to use locking doors on the majority of stockroom entrances. The very nature and pace of the retail business does not allow for maximum security, such as locking doors. Perhaps the most notable exception to this case is that of pharmaceutical storage, which demands both accurate inventory and careful locking.

Due to the nature of the business, access control to stockrooms is attained largely through symbolic means. Most merchandise is stored out of the main flow of traffic and in areas presumed, by unauthorized personnel, to be restricted. Stockroom entrances tend to be large, doorless passages, designed to complement the easy movement of merchandise. As such, access control is maintained primarily through the psychological illusion of defensible space. This, coupled with the seeming omnipresence of sales and

stock personnel, present the illusion of a secure, restricted area. The existence of symbolic barriers tend to restrict access.

Surveillance capabilities, of both the sales floor and the backline areas, is a vital component of the environmental design strategy. Proper design allows for effortless observation through the use of organized and natural means. The elementary goals of the strategy are to increase visibility and to avoid secluded areas that are difficult to survey.

Visibility of the sales floor is maintained by following some very simple procedures. To begin with, all aisles of tall merchandise racks are straight and wide enough to allow observation the length of the aisle. If this is not possible, as is the case in many clothing stores that use rounder clothing racks, it is important that the racks not be tall enough to impair observation. Secondly, blind spots are eliminated by rearranging racks, rounders, or gondolas. If this is not possible, the blind spots are eliminated by accurate placement of convex mirrors or closed-circuit television cameras. Thirdly, in areas with high density merchandising of small items, sales personnel are positioned in close proximity to the displays. Fourth, entrance and egress are controlled by reducing the number of entrances and exits or by installing one-way turnstiles that allow egress only by passing the cash register or POS terminal. By following these procedures, observation of the sales floor by security and nonsecurity personnel is greatly enhanced.

Covert observation of the sales floor may also be augmented by the installation of special hiding places and observation aids. For example, hiding places may be built into pillars where security personnel are able to survey the sales floor or cash register stations. Different versions of this technique include two-way mirrors, walkways secluded in the ceiling to allow overhead surveillance, and peep-holes in fitting areas. The aim of these covert installations is to expand and simplify the surveillance procedures of retail security personnel.

A final area to be considered in floor plan design is the fitting room area. Historically, fitting rooms have presented a major problem for retailers. The privacy of these rooms allows a shoplifter the opportunity to conceal merchandise without the threat of observation. The dual approach of access control and increased observation are applicable to solve this complex problem.

Approaches to the problem of fitting room security are as varied as the number of applications. Some retailers keep their fitting rooms locked and unlock them only upon request. This approach allows precise control of access and garments brought into the dressing room. Another possible approach is to replace the full doors of the dressing room with cafe doors that only conceal the users' torsos. Yet another means of controlling access to and increasing observation of dressing rooms is to place the facility in the open, where entry and egress to the individual rooms may be closely monitored. These strategies all have in common the desire to control access while increasing the ability of surveillance.

Employment of these strategies does, however, present a complex ethical problem: the right of privacy. Surveillance of dressing rooms is dependent upon the user foregoing progressive degrees of their personal privacy. As surveillance and access control increases, customer privacy decreases.

In more pragmatic terms, treatment of dressing room surveillance and access also pose a sales-related problem. The relinquishing of personal privacy may inhibit the use of dressing rooms by some customers and, as a result, reduce sales. There is always the possibility that the customer may choose to shop at a store that allows them more privacy when it comes to fitting clothes. In essence, the ethical question of loss of privacy is, ultimately, transformed into a question of sales. This point illustrates the trade-off between security and sales that is a continual variable in environmental design strategies.

The backline areas of the retail unit are organized along similar design lines as is the sales floor. The stock and receiving facilities should be orderly and arranged in a manner that allows easy surveillance but not necessarily easy access. The floor space should be arranged so that no blind spots or potential hiding places exist. Surveillance capabilities may be increased by placing a manager's office in the central receiving area and equipping it with windows to allow observation of the immediate surrounding area. The thrust of these tactics is to increase observation of the receiving and stock areas, in an attempt to increase the psychological barrier to employee theft.

Environmental design strategies also include specific use, placement, and motivation of security and nonsecurity employees. Employment of these personnel are essentially aimed at increasing psychological barriers by increasing observation abilities. As an additional quality, a truly comprehensive environmental design strategy also encompasses motivational strategies, in an attempt to improve the performance of employees.

Surveillance capabilities of the retail sales personnel are greatly enhanced by placement. Since most sales associates are intended to remain near the cash register, employees' placement is coincidental to cash register location and customer flow strategies. As a result, cash registers are usually centrally located or placed near exits. Often, they are installed in raised areas that allow an extended view of the sales floor. The placement of the sales personnel is also associated with the design and floor plan of the sales floor, in an attempt to increase surveillance potentialities.

As a comprehensive approach to strategies aimed at defeating employee theft and shoplifting, the environmental design strategy is essentially a preventive strategy. That is, prior action attempts to keep thefts from occurring or to make shoplifting and employee theft impossible. This strategy attempts to alter the physical environment and spatial relations of the retail store. In addition, the properly applied strategy also deals with placement of employees and motivation to improve their performance. Simply put, the environmental design strategy attempts to create physical and psychological barriers as a deterrent to shoplifting and employee theft.

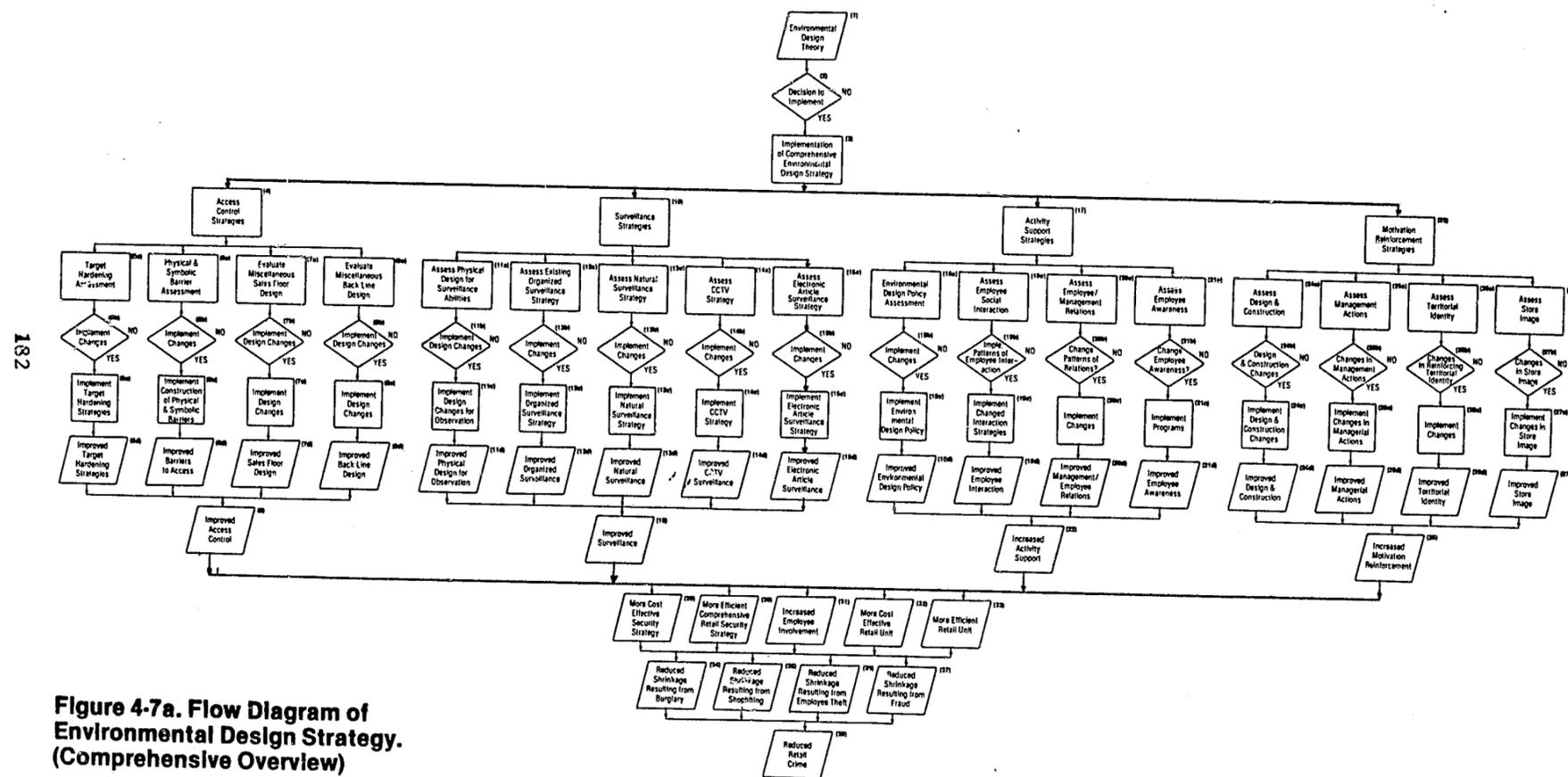


Figure 4-7a. Flow Diagram of Environmental Design Strategy. (Comprehensive Overview)

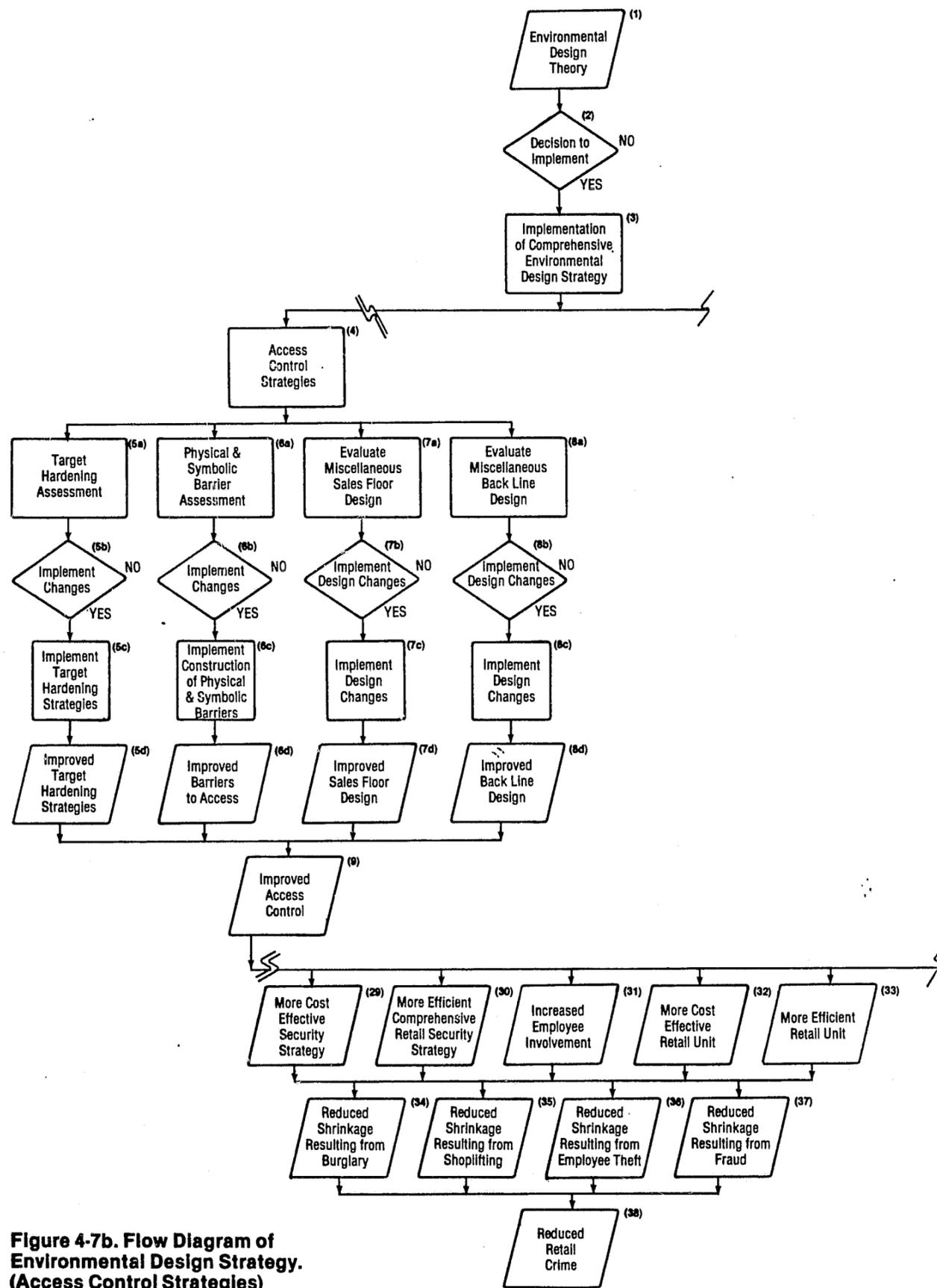


Figure 4-7b. Flow Diagram of Environmental Design Strategy. (Access Control Strategies)

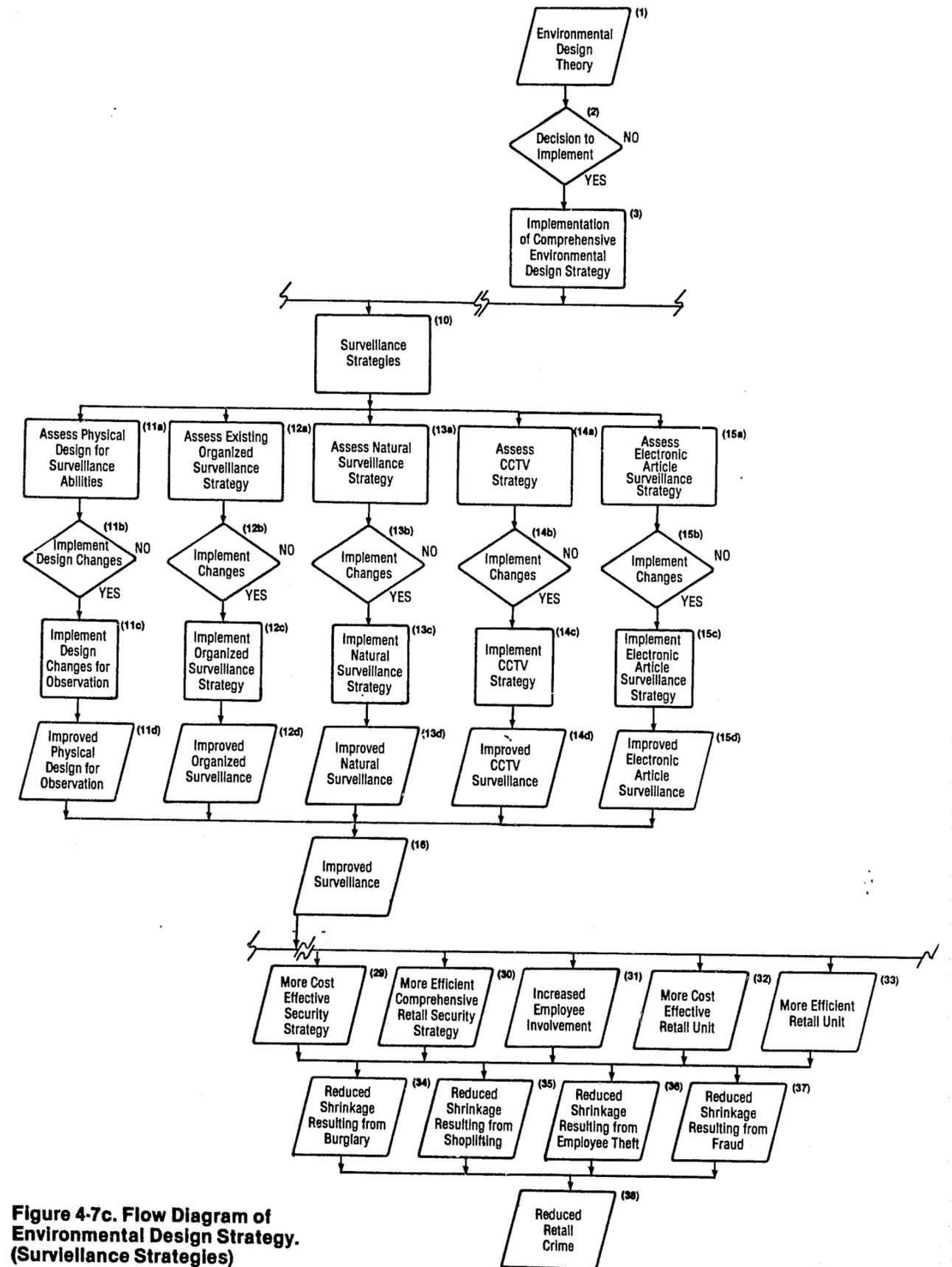


Figure 4-7c. Flow Diagram of Environmental Design Strategy. (Surveillance Strategies)

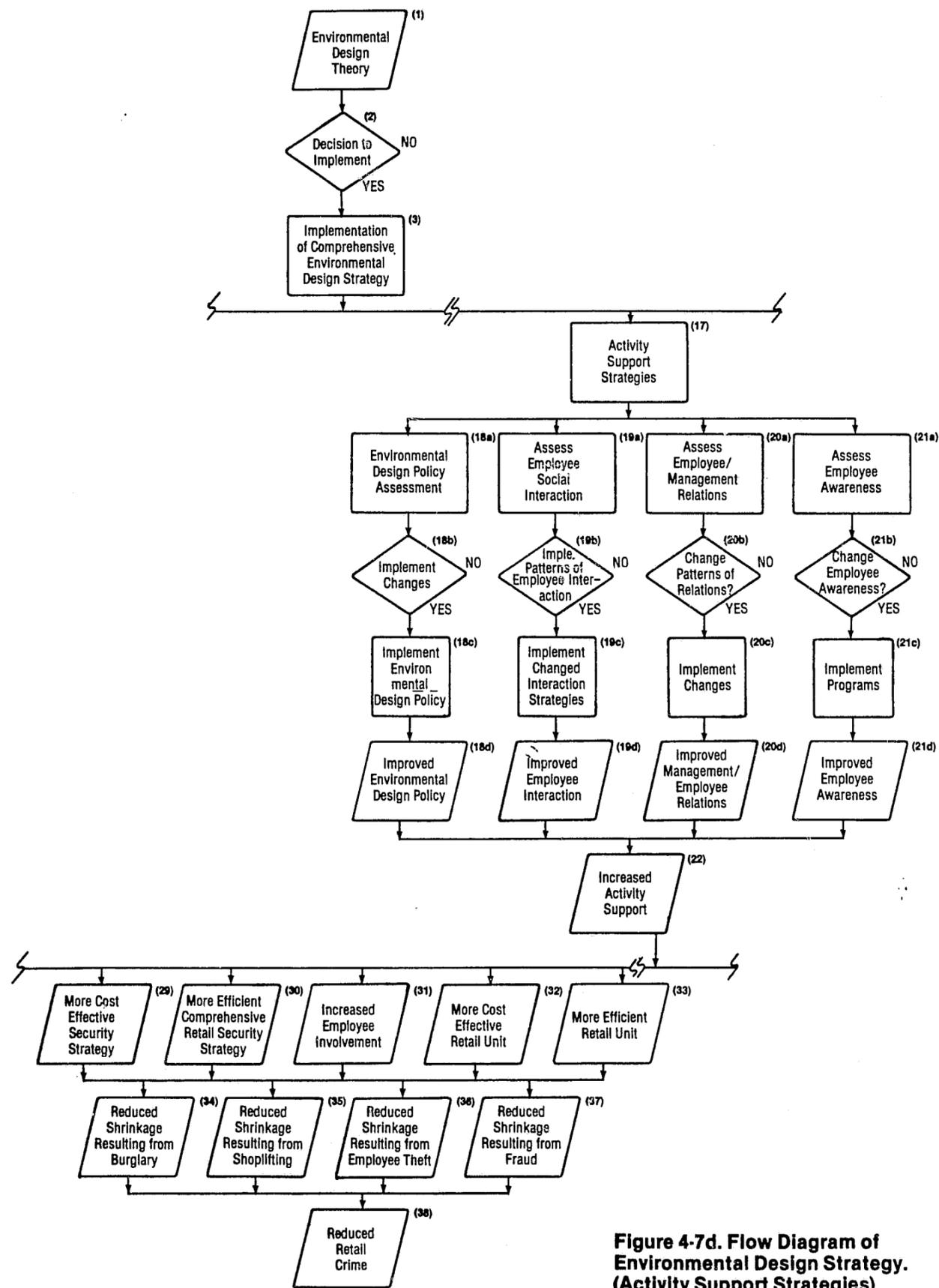


Figure 4-7d. Flow Diagram of Environmental Design Strategy. (Activity Support Strategies)

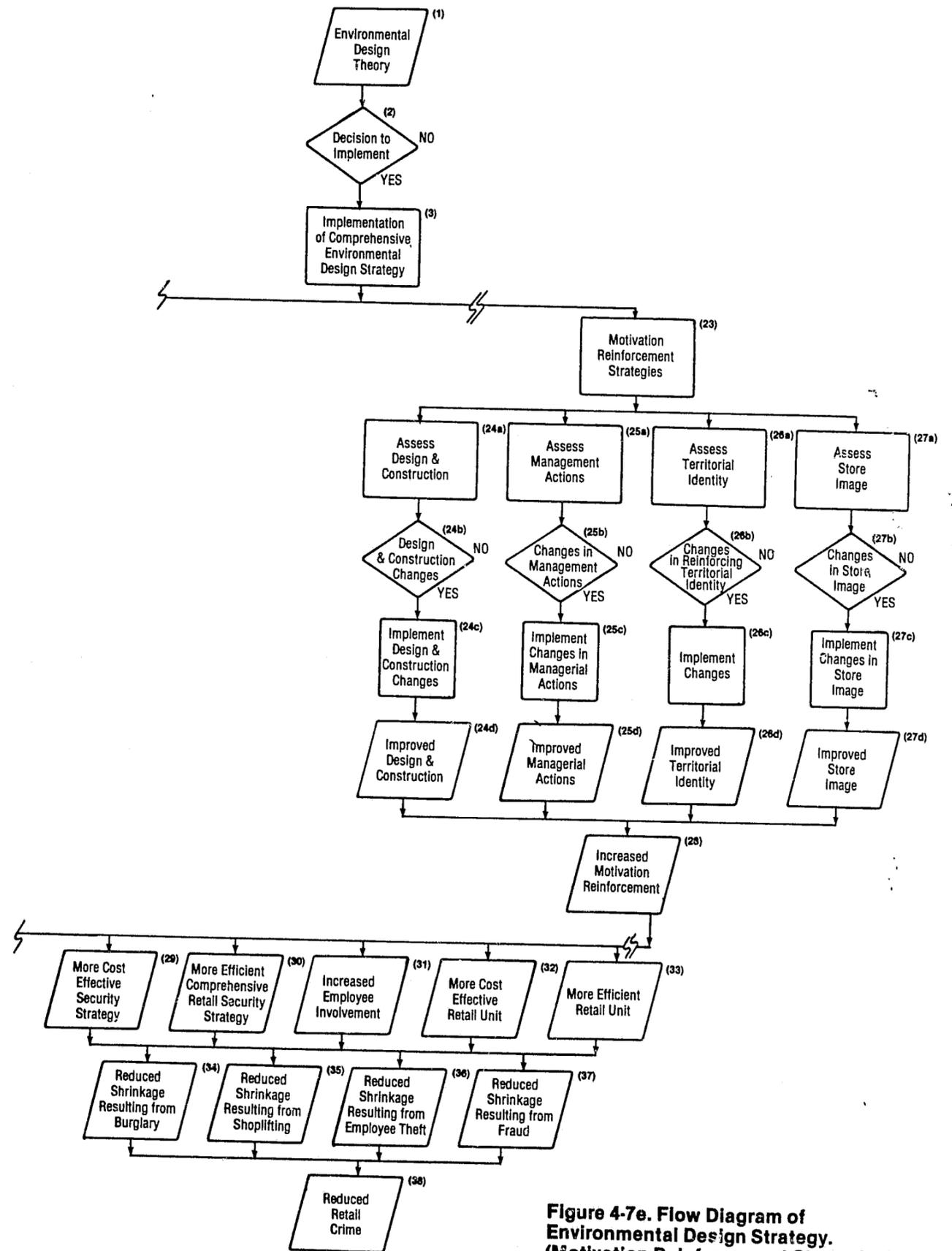


Figure 4-7e. Flow Diagram of Environmental Design Strategy. (Motivation Reinforcement Strategies)

When the environmental design strategy is synthesized into a flow diagram, the result is the model illustrated in Figure 4-7a. This model represents an overview of the entire strategy. Figures 4-7b through 4-7e illustrate, in greater detail, the four proximate strategies and their supporting auxiliary functions. Figure 4-7b illustrates the access control techniques, Figure 4-7c shows the surveillance strategies, Figure 4-7d depicts the activity support methods, and Figure 4-7e the motivation reinforcement strategies.

Each proximate strategy is illustrated in such a way that the input and results of the entire environmental design strategy are represented in each of the four illustrations. It is crucial to remember that the inputs and outputs illustrated are not specific to the single depicted strategy, but represent the inputs and results of the entire environmental design avenue.

The numbers and letters in the following narrative correspond to the appropriate operation shown in the flow diagram. These numbers and letters are also used in the measurement table that follows the Evaluation Results section. The numbers and letters refer to the particular operation in the flow diagram; the asterisks in the third column denote the actual measurements that are available.

The environmental design strategy may be conceptualized in a comprehensive, synthetic model. The result is a complex process that is comprised of the four proximate strategies, access control (4), surveillance (10), activity support (17), and motivation reinforcement (23), and their respective auxiliary strategies (5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 24, 25, 26, 27).

Each of the auxiliary strategies undergo an evaluation and implementation process. For example, the process involving the target-hardening strategy proceeds as follows: Initially, the target-hardening strategy of the retail unit is assessed (5a) to determine what are the strengths and weaknesses of the strategy as it is applied to the store. (In some instances, it may be the case that the respective strategy had not been actively utilized by the retailer.) After the existing situation has been evaluated, changes and alternatives to the target-hardening strategy are decided upon (5b). If it is decided that nothing needs to be changed, the strategy remains unaltered. However, if it is decided that the strategy needs to be changed, the alterations are implemented. In the case of target-hardening (5c), changes in the systems are implemented. These changes may be additions, alterations in the existing system, or deletions from the strategy. The result of this process is an improved strategy, with goals that are consistent with the comprehensive, environmental design approach to store security. In the example, the result of the evaluation/implementation process is an improved target-hardening strategy (5d). The resulting strategy would be integrated and implemented in such a way as to maximize effectiveness without jeopardizing the effective use of other associated strategies.

Each auxiliary strategy evolves through an evaluation/implementation process similar to the one illustrated in the target-hardening strategy. Therefore, each auxiliary strategy proceeds through steps a, b, c, and d. Due to the complexity and length of this flow chart, the associated evaluation/implementation process will not be detailed for each strategy.

The environmental design approach to reducing retail crime proceeds as follows: First, the comprehensive design theory exists (1) and an executive decision is made to implement the design plan (2). The environmental design strategy is then implemented (3). Implementation, in most cases, takes place over an extended period of time. Thus, the flow diagram illustrated in Figure 4-7b tends to condense the actual process.

Implementation (3) is achieved through the assessment/development/implementation process of the four proximate strategies: Access control (4), surveillance (10), activity support (17), and motivation reinforcement (23). These four individual strategies are comprised of supporting auxiliary functions which undergo an assessment/development/implementation process.

The access control strategy (4) is aimed at the control of entrance and egress; access to merchandise and restricted areas; and access to areas of the sales floor, backline storage and the receiving dock. This goal is achieved through four auxiliary techniques: Target-hardening (5), the construction of physical and psychological barriers (6), the manipulation of sales floor space (7), and the manipulation of backline space (8). Each auxiliary strategy undergoes the assessment/development/implementation process denoted by the lettered operations a, b, c, and d. The results of the individual process are improved target-hardening strategies (5d), improved physical barriers to access (6d), improved sales floor design (7d), and improved backline and receiving area design (8d). The eventual result of the comprehensive, applied proximate strategy (4) is improved access control in the retail unit (9).

Surveillance strategies (10) aim at increasing and improving surveillance capabilities in the retail unit. The proximate strategy (10) is implemented through five auxiliary strategies: Physical design (11), organized surveillance (12), natural surveillance (13), closed-circuit television (14), and electronic article surveillance (15). Each of these auxiliary strategies undergoes an assessment/development/implementation process (a, b, c). The effect of the process on the auxiliary strategies results in: Improved physical design (11d), improved organized surveillance (12d), improved natural surveillance (13d), improved closed-circuit television use (14d), and improved article surveillance (15d). The result of the successful implementation of the various surveillance strategies is improved surveillance of the retail unit (16).

Activity support strategies (17) aim at the reinforcement of new or existing strategies and activities as a means of making effective use of the physical environment and surveillance strategies. The activity support function is implemented through the auspices of four auxiliary strategies: Environmental design policy support (18), employee social interaction support (19), employee/management relations (20), and employee awareness supplementation (21). As in the two preceding proximate strategies, each of

the auxiliary strategies evolves through an individual assessment/development/implementation process, whereby the strategy is altered to fit the integrated environmental design strategy. The outcome of the proceedings are: Improved environmental design policy (18d), improved employee interaction (19d), improved employee/management relations (20d), and improved employee awareness (21d). When these auxiliary strategies are successfully implemented, the result is an increase in the overall level of activity support (22).

Motivation reinforcement strategies (23) seek to influence offender motivation and, thereby, affect behavior relative to the designed environment. This goal is sought through the means of four auxiliary strategies: Design and construction reinforcements (24), management actions (25), territorial identity (26), and store image (27). Each auxiliary strategy evolves through an assessment/development/implementation process by which each strategy is refined and integrated into the larger, comprehensive strategy framework. The three-part process results in eventual outputs: Improved design and construction (24d), improved managerial actions (25d), improved territorial identity (26d), and an improved store image (27d). These results, when successfully gestalted, result in an increase in the general level of motivation reinforcement (28).

Successful implementation and execution of an environmental design strategy lead to three levels of results. These move from a set of specific results to a single, general outcome. All three levels of results flow from the four specific output functions, increase target-hardening (9), increased surveillance (16), increased activity support (22), and increased motivation reinforcement (28).

The most general level is composed of five coincidental results: More cost-effective security strategy (29); more efficient, comprehensive retail security strategy (30); increased employee involvement (31); more cost-effective retail operation (32); more efficiently operating retail unit (33).

The second, more specific level of results are those more relevant to the topic parameters of the research project: Reduced shrinkage resulting from burglary (34); reduced shrinkage resulting from shoplifting (35); reduced shrinkage resulting from employee theft (36); reduced shrinkage resulting from fraud (37).

The final result of a well-conceived, accurately implemented, and properly executed environmental design strategy is reduced retail crime (38).

Prevention of crime through environmental design is a relatively new strategy that has developed from the work of social scientists and urban planners. While never being applied, in its comprehensive form, to the retail security problem, the basic premises upon which environmental design strategies are founded are highly applicable to the retail setting.

4.8.2 Expectations and Assumptions

The primary expected result of an environmental design strategy is reduced retail crime (38). Coincidental to this, the design strategy is expected to result in a number of additional results, which manifest on a number of different levels.

Additional expectations include reduced shrinkage resulting from shoplifting and employee theft (35, 36), and reduced shrinkage resulting from fraud (37). Also expected is a more cost-effective security strategy (29); a more efficient, comprehensive retail security strategy (30); increased employee involvement (31); a more cost-effective retail operation (32); and a more efficient operating retail unit (33).

Successful attainment of these expected results are founded on three basic assumptions:

- The security of the retail unit is critical to achieving and maintaining a cohesive, stable, and optimally-used environment.
- Opportunities for shoplifting and employee theft can be minimized through environmental design and planning, by imposing real, structural constraints on the undesired behavior and/or by creating psychological constraints through the use of symbolic territorial boundaries and surveillance.
- Shoplifting and employee theft may be reduced or prevented by augmenting existing social control processes.

These three premises, in a more general form, are also applicable to the urban environmental design strategies that have grown from the research and social policies of the last 20 years. In the 1960's, concern about the detrimental effects of urban renewal programs led to the study of psychological and social cost of rebuilding environments. These studies paid particular respect to the diminished sense of security among residents. Elizabeth Wood's studies of public housing projects emphasized the importance of physical design in allowing residents to exercise control over their environments. Wood supported designing urban spaces for natural surveillance by residents through visible identification of a family and its home, and through enhanced visibility of accessible public space.

The work of Oscar Newman supported Wood's ideas. Newman showed that physical design features of public housing projects affects the rate of resident victimization. His research also illustrated that environmental design may encourage citizens to assume behavior necessary for the protection of their rights, as well as their property. These concepts led to Newman's development of defensible space design principles.

"Defensible space" is a design term denoting a range of security design vehicles. These include the use of physical and symbolic barriers, strongly defined areas of influence, and improved opportunities for

surveillance. If successful, these component vehicles combine to bring the immediate environment more under control of the residents. Additionally, the defensible space concept implies that, should the sense of territoriality be achieved, it may aid in the elimination and reduction of apparent vulnerability and, therefore, act as a deterrent to offenders.

Newman's theories concerning defensible space developed out of historic models of territoriality. That is, the defensible space concept revolves around the belief that, in a domestic situation, people can and do design their living space in such a way as to guarantee an area of influence that is defined as belonging to them. The belief that people will defend this primary space against intrusion led to Newman's theory. However, there is little or no evidence to support the belief that the concept of territorial identity or defensible space can be successfully applied to the retail setting. The possibility does exist that, when the defensible space concept is coupled with the strategies that seek to improve employee identification and involvement, a degree of success in defensible space may be achieved.

Following the foundation work of Wood, Newman, Jeffery, and Jacobs, several people have contributed to the development of environmental design models. Shlomo Angel, for example, developed the critical-intensity-zone hypothesis: Public areas become unsafe not when there are either few or many potential victims present, but when there are just enough people present to attract the attention of potential offenders, but not enough people for surveillance of the areas. Alteration of the physical environment to concentrate pedestrian circulation is a means of eliminating critical intensity zones.

In 1974, Newman's Design Directives for Achieving Defensible Space was completed and the Westinghouse consortium began the NILECJ CPTED (Crime Prevention Through Environmental Design) program. The primary emphasis of the Westinghouse/CPTED program was on strategies designed to reinforce desirable existing activities, reduce or eliminate undesirable activities, create new activities and means of social involvement, and to support desirable environmental use patterns, in an attempt to make crime prevention an integral part of the specific environment. The CPTED program was formulated around the four operational hypotheses: Access control, surveillance, activity support, and motivation reinforcement.

The Westinghouse/CPTED program sought to use territorial concern, social cohesion, and the general sense of security that may result from strategies that alter the scale of a large, impersonal environment, to create the illusion of a smaller, more personalized situation. This approach was augmented by attempts to improve the quality of the environment through such measures as up-grading the housing stock, the school facilities, organizing occupants, or changing management policy. These strategies, it was thought, might improve not only the population's image of itself and its domain, but also the projection of that image to others outside the community. The definition and raising of standards and expectations were hypothesized to decrease social estrangement, as well as reduce the motivation of criminal behavior.

Coincidental to the Westinghouse Consortium's publication of the final report on the CPTED project in 1978, Richard A. Gardiner published Design for Safe Neighborhoods. The publication was the culmination of a six-year research and demonstration project supported by NILECJ and LEAA, with the assistance of HUD's Policy Development and Research Office. The manual presented a comprehensive planning process for analyzing and understanding neighborhood crime problems and generating environmental solutions. The projects were based on several historical models, as well as the work of Oscar Newman. In its general approach to the problem, Gardiner's work appears to deviate little from the approaches to the environmental design strategies already mentioned.

While the individual variables that were manipulated may differ slightly from strategy to strategy and an array of theoretical concepts were put forward to account for findings and proposed actions, environmental design strategy seems to be moving in the direction of a unified, comprehensive approach to the problem of criminal behavior. Regardless of the rationale involved, the strategies considered call for alteration of the environment to bring about changes in the social behavior of those who function within the environment. This alteration is attempted via two basic avenues: to create both physical and psychological restrictions to criminal behavior. This goal, in turn, may be achieved through:

- Construction of actual physical barriers.
- Alteration of the environment to present the illusion of boundaries.
- Increased observation, both organized and natural.
- Increased utilization of organized forces, such as police.
- Increased participation by individuals.
- Creation of a sense of responsibility for the environment.

Elements of this comprehensive strategy are in evidence in most of the research and demonstration projects. However, the Westinghouse/CPTED project is a hallmark of application, condensation, and integration of the multi-variate strategies.

When applied to the retail problem of employee theft and shoplifting, the theories and applications of environmental design strategy require little or no alteration. Their essential tact remains the same and the only change necessary is in their scope of application. The three basic assumptions which guide the use of environmental design strategy in urban areas differ only slightly from those assumptions upon which application of the strategy to the retail setting rests.

4.8.3 Evaluation Results

Evaluation of the environmental design strategy in application to retail theft presents a number of problems. Foremost among these is the fact that, to our knowledge, a comprehensive environmental design strategy, such

as the one described in the first section, has not been attempted in any retail setting. While many, if not all of the individual component strategies are in use in retail outlets across the nation, retailers have not applied the intricately comprehensive environmental strategy. The essence of the problem is that, at present, it is difficult to evaluate a theory that has not been applied.

Admittedly, a rich archival data base exists. This is composed of data on virtually every component strategy of the environmental design approach. Furthermore, these data may be used in an evaluation of the comprehensive design strategy. These figures may be used, in a relative sense, to establish pre-implementation variables against which to gauge the movement of the component strategy during and after implementation of the comprehensive environmental design strategy. In actuality, the existent data may be of great value, once the comprehensive strategy is implemented. However, these data may not be used to construct a statistical evaluation of the unimplemented strategy.

A related evaluational problem is the fact that the majority of archival data are based on apprehension measures. Because the major impact of the environmental design strategy is deterrence-oriented in nature, the data necessary for accurate pre- and post-implementation measures may not exist. This may result in a potentially biased evaluation of the deterrent effect of the design strategy.

There exists, at present, a trend toward a broader, more comprehensive approach to retail security strategies. While the retailers are stopping short of an approach as intricate, theoretically-based, and deterrence-oriented as the environmental design strategy outlined, movement in this direction is beneficial. The successful implementation of environmental engineering strategy in the Westinghouse/CPTED projects and the Gardiner projects suggests that this approach is a viable means of combating the problems of shoplifting and employee theft.

The trend toward a more comprehensive approach to retail security has been accompanied by increased input on the part of store security personnel. It has contributed substantially to the understanding of security's role in relation to the other retail activities. It has also succeeded in introducing security expertise as input to the total retail strategy.

The successful implementation of the Westinghouse/CPTED projects and Gardiner's projects, for a large part, was dependent upon the knowledge and expertise of all those involved. A high degree of understanding of the intricacies of the environmental design strategy may be necessary to translate this theory into a pragmatic program. Because of this, successful application of the strategy to the retail environment may also demand a high degree of knowledge of the intricacies of the proximate strategies. Thus, for the environmental design theory to be properly conceived and implemented in the retail setting, a higher degree of expertise on the part of management and security personnel, alike, may be warranted.

Measurement Table 4-7 illustrates both the possible measures and the actual measures available of the comprehensive environmental design strategy. The first column denotes the measurement points which correspond to the flow diagram in Figures 4-7a through 4-7e. The middle column represents the possible measurements and the third column the actual existing measures.

The existing measures reflect primary evaluation of several proximate strategies. However, the lack of pre- and post-implementation data severely restricts its inherent value. The existing data are not valueless; they may provide useful archival sources, once a comprehensive environmental design strategy is implemented.

A critical lack of data exists in areas concerning the costs of the various strategies. Data of this kind are very important to a proper evaluation of an environmental design strategy because the basic measure of success is determined by the cost-effectiveness of the strategy. In the final analysis, the cost of the strategy must be compared to its effects on retail sales. As a result, the monetary data are of uncompromisable importance.

4.8.4 Summary

Crime prevention through environmental design is a recently developed strategy, based on the work of social scientists and urban planners. Essentially, it is a comprehensive anti-theft strategy that integrates access control and surveillance strategies with motivational and educational tactics. These two general areas of emphasis tend to complement each other, filling in the gaps in the respective practices.

If properly designed, implemented, and executed, environmental design theory presents a comprehensive approach to the reduction of shoplifting and employee theft. The theories appear to be logically sound and have been successfully executed in several demonstrations. However, this comprehensive approach still needs to be implemented in a retail setting.

Measurement Table 4-7
Environmental Design Strategy

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of strategies.	*
	Number of proximate strategies.	*
	Number of auxiliary strategies.	*
	Number of additional employees.	
	Projected cost of strategy.	
3	Cost of implementation.	
	Time frame of implementation.	
4	Number of people needed to implement strategy.	
	Projected cost of implementation.	
	Projected number of alterations.	
5a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
5b	Number and percent of positive alterations.	
	Number and percent of negative alterations.	
5c	Total number of alternatives implemented.	
	Total cost of implementation.	*
	Total time needed for implementation.	
	Total number of personnel necessary to implement strategy.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
5d	Percentage change.	
6a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
6b	Number and percent of positive alternatives.	
	Number and percent of negative alternatives.	
6c	Total number of alternatives implemented.	
	Total cost of implementation.	*
	Total number of personnel necessary to implement strategy.	
6d	Percentage change.	
7a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
7b	Number and percentage of alternatives proposed.	
	Number and percentage of alternatives accepted.	
7c	Total number of alternatives implemented.	
	Total cost of implementation.	*
	Total number of personnel necessary to implement strategy.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
7d	Percentage change.	
8a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
8b	Number and percentage of proposed alterations.	
	Number and percentage of alterations accepted.	
8c	Total number of alternatives implemented.	
	Total cost of implementation.	*
	Total number of personnel necessary to implement strategy.	
8d	Percentage change.	
9	Percentage change.	
10	Projected cost of implementation.	
	Projected number of alterations.	
	Projected number of additional personnel needed to implement strategy.	
11a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
11b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
11c	Total number of alternatives implemented.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	
11d	Percentage change.	
12a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
12b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	
12c	Total number of alternatives implemented.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	
12d	Percentage change.	
13a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
13b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
13c	Total number of alternatives implemented.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	
13d	Percentage change.	
14a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
14b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	
14c	Total number of alternatives implemented.	*
	Total cost of implementation.	*
	Total number of additional personnel needed to implement strategy.	*
14d	Percentage change.	
15a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
15b	Number and percentage of proposed alternatives.	
	Number and percentage of accepted alternatives.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
15c	Total number of alternatives implemented.	*
	Total cost of implementation.	*
	Total number of additional personnel necessary to implement strategy.	*
15d	Percentage change.	
16	Percentage change.	
17	Projected cost of implementation.	
	Projected number of alterations.	
	Projected number of additional personnel needed to implement strategy.	
18a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
18b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	
18c	Total number of alterations implemented.	
	Total cost of implementation.	
	Total number of employees needed to implement strategy.	
18d	Percentage of change.	
19a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
19b	Number and percentage of proposed alterations. Number and percentage of alterations implemented.	
19c	Total number of alterations implemented. Total cost of implementation. Total number of employees needed to implement strategy.	
19d	Percentage change.	
20a	Number and percentage of proposed alterations. Number and percentage of alterations implemented.	
20d	Percentage change.	
21	Projected cost of implementation. Projected number of alterations. Projected number of personnel needed to implement strategy.	
21a	Number of points audited. Percentage of points audited. Cost of audit.	
21b	Number and percentage of proposed alterations. Number and percentage of accepted alterations.	
21c	Total number of alterations implemented. Total cost of implementation. Total number of personnel needed to implement strategy.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
21d	Percentage change.	
22	Percentage change.	
23	Projected cost of implementation. Projected number of alterations. Projected number of personnel needed to implement strategy.	
24a	Number of points audited. Percentage of points audited. Cost of audit.	
24b	Number and percentage of proposed alterations. Number and percentage of accepted alterations.	
24c	Total number of alterations implemented. Total cost of implementation. Total number of personnel needed to implement strategy.	
24d	Percentage change.	
25a	Number of points audited. Percentage of points audited. Cost of audit.	
25b	Number and percentage of proposed alternatives. Number and percentage of actual alternatives.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
25c	Total number of alterations implemented.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	
25d	Percentage change.	
26a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
26b	Number and percentage of proposed alternatives.	
	Number and percentage of accepted alternatives.	
26c	Total number of alterations implemented.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	
26d	Percentage change.	
27a	Number of points audited.	
	Percentage of points audited.	
	Cost of audit.	
27b	Number and percentage of proposed alterations.	
	Number and percentage of accepted alterations.	
27c	Total number of alterations.	
	Total cost of implementation.	
	Total number of personnel needed to implement strategy.	

Measurement Table 4-7 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
27d	Percentage change.	
28	Percentage change.	
29	Total change.	
	Percentage change.	
30	Total change.	
	Percentage change.	
31	Total change.	
	Percentage change.	
32	Total change.	
	Percentage change.	
33	Total change.	
	Percentage change.	
34	Total change.	
	Percentage change.	
35	Total change.	
	Percentage change.	
36	Total change.	
	Percentage change.	
37	Total change.	
	Percentage change.	
38	Total change.	
	Percentage change.	

¹Numbers in this column refer to Figure 4-7.
*denotes actual measures available.

5.0 Public Awareness and Education Campaigns

5.1 Strategy Description

Public awareness/education campaigns are examples of efforts to affect shoplifting by impacting on large groups of people. Most campaigns deal with public awareness, training of retail staff, and educational programs in schools. The majority of public awareness and education programs are designed to teach students and parents that shoplifting is a crime with serious personal, social, and legal consequences. Furthermore, merchants are informed about techniques and methods of shoplifters, as well as local and state shoplifting laws. Most campaigns strive to inform the public about the effect of the crime of shoplifting on consumer costs. These persuasive/informative campaigns are designed to change attitudes and perceptions about shoplifting by reaching opinion leaders and defining shoplifting as an important crime with real victims.

Since shoplifting is a crime performed by "ordinary" people, who often are only vaguely aware of the consequences of their actions, solutions to the shoplifting problem are often sought in simple campaigns that emphasize the seriousness of the crime and problem (Sohier, 1969). When educational anti-shoplifting campaigns explain the seriousness of the crime, citizens are informed about the likelihood of a criminal record and that they may have to deal with police and courts ("Security Digest," 1977).

As illustrated in the flow diagram in Figure 5-1, public awareness and education programs often are initiated as responses to shoplifting legislation or the shoplifting problem (1). An important primary step in campaign initiation involves conducting research on legislation and on the problem in general (2). Once reports have been produced and examined (3), it becomes easier to conceptualize campaigns (4). An important factor in a successful campaign is the formation and establishment of coalitions (5, 7) and financial support (6). Retailers, community members, educators, judges, legislators, and law enforcement officials (8) are encouraged to cooperate. Funds may come from retailers and private organizations or state and national sources. After viable coalitions have been established and funding has been determined, it becomes possible to finalize campaigns efforts (9).

Campaigns have at least one of the following components: Legislative/judicial (10), media (16), retail (22), school/education (28), and law enforcement (36). All components are begun with contacting relevant representatives (11, 17, 23, 29, 37) to establish channels of communication. Some components, such as legislative/judicial, retailer, school, and police, require a training element for leaders and presenters (12, 24, 30, 38, 40). On the other hand, the media component requires direct contact with channels that include radio, television, newspapers, and outdoor advertising (17). Pre- and post-surveys and questionnaires are often parts of media (18, 19) and education (32, 33) components of campaigns. It is sometimes necessary to develop or rent special materials (25, 31), in order to direct the media campaigns (20), conduct the workshops (13, 26), or present the programs (34).

Public awareness programs include meetings, seminars, workshops, and presentations, as well as poster and essay contests. Some programs focus on altering peer pressure among adolescents, and other programs emphasize the perils and social/economic consequences of shoplifting by using public interest groups and professional trade associations to attempt to break down we/they perceptions. In reviewing this area, Shave (1978) indicated that anti-shoplifting campaigns can be effective in helping stores reduce losses. In addition, Shave concluded that effective campaigns are continuous and do not attempt to anticipate and respond to seasonal fluctuations.

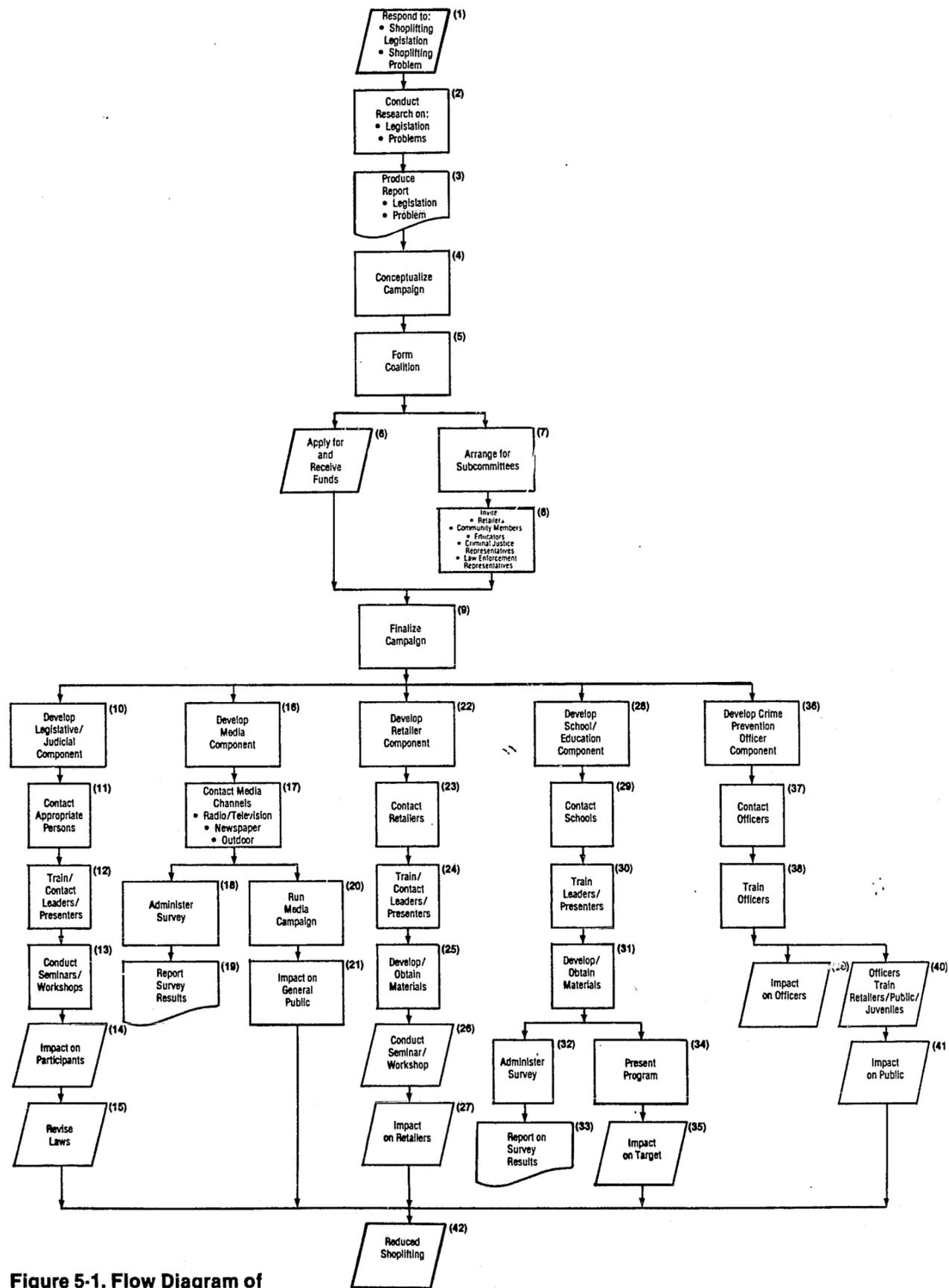


Figure 5-1. Flow Diagram of Public Awareness and Education Campaign

5.2 General Assumptions

When campaigns are conducted, it is assumed that, through achieving the short-term goals of awareness and education, the long-term goal of reduced shoplifting can be achieved.

Since issues in deterrence theory often involve the likelihood or severity of punishment and the degree of involvement in the crime or the activity level, advertising and media messages often stress the threats generated by the criminal justice system. What are the provisions of the law? What is the likelihood of being caught? Many educational/persuasive campaigns are based on the belief that the threat of punishment deters individuals from committing crimes. It is assumed that, once the individuals are aware of the certainty and severity of punishment, they will then act on that awareness, even though their subjective perceptions may differ from the actual consequences. Some studies have shown that a higher perceived certainty of punishment is associated with a lower deviance rate (Teevan, 1976).

When programs are brought to schools and issues are clarified in the media, it is assumed that, if the shoplifting problem receives visibility, it will be lessened. Public awareness/education programs are developed in order to impact, hypothetically, on people's knowledge, attitudes, and behaviors, with an anticipated result in the reduction of shoplifting. According to Figure 4-1, assumptions of public awareness and education campaigns are that they will impact on participants, the general public (21, 41), retailers (27), students (35), law enforcement representatives (39), and legislators (14), with goals of revised legislation (15) and reduced shoplifting (42).

Following the previous description of public awareness and education campaigns and their assumptions, the content of this chapter provides a review of local, state, and national public awareness efforts. Included are examples of educational programs in schools and law enforcement programs for students, retailers, and the general public. First, however, operational aspects of public awareness are discussed.

5.3 Operational Aspects of Campaigns

5.3.1 Posters and Signs

As a means of increasing customers' awareness of shoplifting's impact on retail prices and merchants' profits, signs are displayed to remind shoppers about the facts of shoplifting consequences for themselves, as well as for the storekeeper (Gelfand, Hartmann, Walder, & Page, 1971). Most posters describe the consequences of shoplifting or the threat of detection and apprehension:

- "Stop Shoplifting: Everybody Pays" (Alabama Retail Association).
- "Shoplifting is a Crime! Shoplifters Will be Prosecuted.... Don't Risk a Permanent Criminal Record" (Florida Retail Federation).
- "We Reserve the Right to Inspect all Packages Carried Thru (sic) the Store" (Food Chain).

Other posters use humor to reach the public, e.g., "All Shoplifters Will be Cheerfully Beaten to a Pulp" (Idaho Retailers Association). Some posters seek to actively enlist shoppers' assistance in maintaining surveillance by publicizing the need for public assistance and providing attractive rewards (real or symbolic), contingent upon apprehension.

Stores may publicize that, even though they want to be informed about a shoplifter's activity, they will not ask the customer to identify himself/herself or to appear in court, e.g., "...Report any Acts of Crime to our Manager. Your Identity Will Remain a Secret..." (Drug Chain).

One of the more thorough approaches to the use of posters is used in the State of Washington, where the staff of the Washington Crime Watch views posters as an effective means of not only reaching shoppers, but also of gaining commitment from retailers to participate in anti-shoplifting efforts. When posters and slogans are considered for the Washington area, Crime Watch staff consult psychologists and other experts who have studied types of responses triggered by various messages. Appendix A lists several different types of anti-shoplifting messages, designed for various targets, with the goal of reducing losses.

The quality and types of signs and posters, as well as content, vary from store to store. However, our observations have shown that there has not been a comprehensive examination of the impact of this strategy. The relative effectiveness of various signs and posters is unknown. A variety of messages have been encountered, with little empirical evidence to justify one as more effective than another.

The handful of existing empirical evaluations on anti-shoplifting signs and posters has been conducted primarily by Bickman and his associates and McNees and his associates. Bickman's studies evaluated the effects of media and reward campaigns on bystander reporting behavior (Bickman, 1975;

Bickman & Green, 1977), whereas McNees examined the effects of media and article tagging problems on the incidences of shoplifting (McNees, Egli, Marshall, Schnelle, & Risley, 1976). The Bickman studies focused on programs intended to alter the responses of citizenry to shoplifting. In contrast, the study developed by McNees, et al. was primarily interested in modifying offender behavior.

The use of both mass media (Bickman, 1975) and signs placed in stores (Bickman & Green, 1977) to instruct shoppers in how to report a shoplifting were found to have some small effect on citizen attitudes toward, and knowledge about, reporting theft and their stated intention to intervene. However, when confronted with a staged theft, the actual level of reporting behavior did not significantly change. Thus, it appears that media campaigns can effectively convey information and alter behavioral intentions, but they are relatively ineffective in modifying the reporting behavior of witnesses to a shoplifting. Bickman and Helwig (1979) tested the assumption that offering a monetary reward and/or promises of anonymity act as incentives to encourage citizen reporting of shopliftings. As with the previously discussed studies, incidents were staged in actual retail settings. The results of this research indicated that promises of rewards and/or anonymity did not affect the reporting behavior of witnesses.

Results of the McNees, et al. (1976) study of anti-shoplifting signs revealed that certain signs had virtually no effect on the shoplifting rate, and other signs appeared to contribute to a reduced shoplifting rate. It was found that, although customers did not appear to respond to general signs, customers did respond to signs that specifically identified "hot" merchandise, i.e., items taken most frequently. General anti-shoplifting signs had the following statements:

- Shoplifting is stealing.
- Shoplifting is a crime.
- Shoplifting is not uplifting.
- Shoplifting helps inflation.

Specific signs stated, "Attention shoppers and shoplifters. The items that you see marked with a red star are items that shoplifters frequently take."

McNees, et al. (1976) found that public identification of merchandise reduced shoplifting. Before the signs were displayed, 1.17 items per day were lost. During the testing period, missing items dropped to 0.68. After the signs were removed, losses rose to 1.4. Furthermore, sales were not affected by the signs, and there was no apparent change in shoplifting rates for similar untagged items. The drop in losses could have resulted from a shoplifter's perceived threat of apprehension or from reduced internal theft because employees could have felt threatened. However, it still must be determined whether shoplifters may have completely shifted their efforts to totally unrelated merchandise.

Although Bickman and his associates and McNees and his associates have begun to explore the implications of signs and their messages, this review indicates that there is a great need for additional studies in this area.

5.3.2 Pamphlets and Brochures

Appendix B contains examples of public awareness pamphlets distributed by agencies and organizations. Included are booklets offered by the Idaho Retailers Association, the National Retail Merchants Association, Utah Committee for Anti-Shoplifting, Washington Crime Watch, and the Small Business Administration. Some public awareness pamphlets contain information about the nature and extent of the shoplifting problem, as well as who shoplifts and why (Retailers Shoplifting Prevention Guide, Washington Crime Watch, Office of the Attorney General). The public is told about methods of surveillance, in addition to reasons for and methods of apprehension and prosecution (Retail Theft. Are You a Target for Shoplifting? Florida Governor's Crime Prevention Committee). Some pamphlets emphasize social and financial costs of shoplifting to individuals and communities (The Losing Game Shoplifting, Idaho Retailers Association). Often these booklets have special sections for parents explaining the importance of home values and controls (But Really I Didn't Steal, All I Did Was Shoplift a Little.... Shoplifting is A Crime, Drug Chain; Scriptographic Booklets, 1978).

Distribution of pamphlets is a part of many public awareness projects. Law enforcement personnel offer printed materials when they give presentations. Women's clubs and Distributive Education Clubs of America distribute material for chambers of commerce or other agencies. Although pamphlets are widely used, there has been no formal evaluation of their impact on the consumers. While pamphlets may contribute to a shopper's familiarity with a crime prevention slogan, evaluation efforts usually examine the effects of other media, such as newspaper advertisements, radio announcements, billboards, and television.

5.3.3 Advertisements

According to the International Newspaper Advertising Executives Association, reactions from merchants and police are that newspaper efforts, supported by other media, can create an awareness that shoplifting is a crime and merchants will prosecute ("Anti-Shoplifting Effort," 1972). In order to save costs, public service commercials have been used, depending upon the availability of time, evidence of local interest, and quality of the material. Often local retailers or advertisers have conducted anti-shoplifting advertisements.

Appendix C lists examples of newspaper, radio, and television advertisements. Sources for the advertisements include the Utah Anti-Shoplifting Committee, the Idaho Anti-Shoplifting Campaign, the Georgia Retail Association, and Shoplifters Take Everybody's Money, Inc. (STEM). Messages vary from describing shoplifters (Idaho and Utah), to describing shoplifting laws (Georgia). Target audiences range from teenagers (STEM), to parents (Utah), to the general public (Georgia and Idaho).

Since most surveys indicate that many people begin shoplifting during their pre-teen years (Georgia, Washington, and Idaho), it appears that advertisements should be targeted for that age group and its parents. The advertisements in Appendix C are targeted for pre-teens, their parents, adolescents, and the general public. However, there have been no critical studies that have scientifically analyzed specific messages in advertisements. From year to year, slogans and advertisements are changed, but reasons for specific changes are not always clear. While poster, brochures, and media advertising attempt to reach the general public, in-person educational programs in schools appear to be more direct in reaching younger citizens.

5.3.4 Educational Materials

Shoplifting as a subject is part of many educational materials designed for levels, from kindergarten through adult education. Courses are included in a variety of curricula, such as: Consumer education, distributive education, social studies, mathematics, language, law, values clarification, science, and art. Materials offer information on audiovisual sources and resource people, as well as behavioral objectives, procedures, and teaching strategies. Consumer education courses in the lower elementary level include films on the social and legal consequences of shoplifting, as well as units on the economics of shoplifting. Some school systems have field trips and such diverse exercises as role-playing and crossword puzzle activities. Distributive education courses at the high school level include curriculum guides, lesson plans, assignments, and individual, as well as group, learning activities.

Study guides, useful at both high school and adult levels, provide teachers with material relating to the problem of shoplifting and the effects of the problem on the business community. These guides characterize shoplifters according to methods and tools; deal with factors that induce shoplifting and what is being done to combat it; and consider legal ramifications.

Education as an anti-shoplifting or anti-employee theft strategy involves both children and adults. When this strategy is employed with school-age children, particular emphasis is usually placed at the junior and senior high school levels. Teachers work from curriculum guides, which have information on the subject, along with case studies, activities, films, filmstrips, and tapes. Pre- and posttests are often included in the material. The curriculum includes definitions of shoplifting and employee theft, along with explanations of why such behaviors are wrong. Also included in these programs is information about the impact of these offenses upon society and about the law in the particular state and therefore, the consequences of committing the offense, in terms of the criminal justice system (Youth and the Law; Maryland Vs. Trouble).

Sources of shoplifting materials include retail trade associations, chambers of commerce, and other agencies that may receive grants to educate the public or disseminate information. Materials are offered to school personnel, students, families, civic groups, and other community organizations. Information is disseminated through such diverse media as films, brochures, slides, videotapes, and teaching guides. Offerings coordinate efforts of

police officers from crime prevention units, major retailers, counseling personnel, and students from distributive education and criminology classes. Included in Appendix D of this report are examples of films used in educational programs, targeted for a variety of audiences.

Table 5-1 describes educational materials, in terms of their target audience, channel, and message or theme. These examples serve as illustrations of the types of materials that are available for total educational programs or as parts of larger units. These programs can be used with youths, ranging from kindergarten through high school. Programs, such as Sue, the Blue Kangaroo (Liles) and Shoplifting is for the Birds (Tennant), are intended for younger children; whereas, You and the Law (Ellis, Hagglund, & Williams), Maryland Vs. Trouble (Hiberman & Vetter), and Youth and the Law (Adams, Michnay, McCarthy, Joyce, & English) are intended for children in the middle elementary grades. The Wrong Kind of Kicks, the Story of a Teenage Shoplifter (American Retail Federation) has a target audience that ranges from grades four through 12. Two additional programs cited, Teaching Individual Protective Strategies (Virginia Public Schools) and Misdemeanor (Chotzen & King), a videotape on shoplifting, are developed to reach the broadest age ranges, kindergarten through high school. Although these offerings may be generally targeted for youth, they also can be used by community organizations, civic groups, and church groups, as parts of public awareness or crime prevention projects.

Table 5-1 further describes the audio-visual media used. Channels vary from videotapes (Maryland Vs. Trouble; Misdemeanor), to slides with cassettes (Shoplifting is for the Birds), and filmstrips with cassettes (Sue, the Blue Kangaroo). Additional channels are used in school programs, with teachers' guides and workbooks or activity books (Teaching Individuals Protective Strategies; You and the Law; Youth and the Law).

Some messages and general themes of these eight examples discuss the nature and consequences of juvenile crime and the juvenile justice system (Maryland Vs. Trouble; You and the Law; Youth and the Law). Other themes explain implications of peer pressure (Shoplifting is for the Birds) and moral and legal consequences of shoplifting (Sue, the Blue Kangaroo). Misdemeanor describes what happens to a person arrested for shoplifting. A program that discusses general issues relating to juvenile shoplifting is The Wrong Kind of Kicks, The Story of a Teenage Shoplifter. The most comprehensive message is given in Teaching Individuals Protective Strategies, because students are asked to consider their personal, social, and legal responsibilities, as citizens and family members.

An assumption of these educational materials for youth and the general public is that shoplifting and employee theft will decrease as the target audiences become more informed about the problems and consequences for individuals and society. Although some materials have pre- and posttests regarding information learned, there appear to be no consistent means for evaluation of impact and attitude change. If there are evaluations performed, they are rather casual and unsystematic. If the materials are used as parts of school curricula, classroom teachers are encouraged to test the youngsters on cognitive objectives. However, some programs (e.g., You and the Law) have

extensive activities, pretests, and posttests, while others (e.g., Shoplifting is for the Birds), leave those decisions to the individuals using them. One program, Misdemeanor, used two methods of evaluation during its development.

Members of the legal system and the general public provided feedback and an audience of high school students responded to questionnaires that measured attitude change and information acquisition. Sessions after the showing of the videotape required interaction between presenters and audience members, using small group discussions and role-playing to emphasize various main points. It was found that closed-circuit television in classrooms was not as effective because the target audience had few opportunities for interaction (Chotzen & King, 1977). Even though this videotape program made an attempt at evaluation, there were still several aspects that were not explored. For example, there were no data on the program's long-term effect on students' attitudes.

5.3.5 Subliminal Messages

An innovative media effort with important implications is being used in several stores. The inventor, Hal C. Becker, has developed a system of audio-conditioning by using subliminal communication, below the level of awareness, to deter shoplifting ("Secret," 1979). According to Becker ("Muzak," 1978), subliminal messages embedded in music systems are designed to reinforce honesty in customers and employees. The subliminal message is embedded in music so that, supposedly, the conscious mind is unable to hear the message, but the subconscious picks up on it. According to Dr. Becker, the message is designed to work similarly to a post-hypnotic suggestion to be honest and avoid stealing. Embedded in the system are phrases, such as "I am honest" and "I will not steal" ("Shoplifters," 1978).

Evaluation data were allegedly collected in six New York department stores that used the message, "Thou shalt not steal," embedded in background music. A 30 percent decrease in shoplifting was reported. However, these data are not available. Although Becker claims to have measured the impact of his system, when requested, he could not provide Westinghouse with data to support the claims of its success.

The controversial use of subliminal messages raises the issue about whether theft prevention activities should be made public or kept private. The use of subliminal messages has been controversial for 25 years. The effectiveness of subliminal messages remains questionable. Eventually, should subliminal messages for theft prevention become popular, the issue of subconscious influence becomes confounded. Furthermore, subliminal messages can present serious moral, legal, and ethical problems. The American Civil Liberties Union has expressed the belief that people have a right not to be subjected to subconscious manipulation ("Secret," 1979). Wilson Brian Key (1979), noted authority on subliminal manipulation, strongly opposes the use of subliminals in most forms, or, for most purposes, because they are an invasion of privacy. He believes that shoppers must be informed in a clear, obvious manner that subliminals are being used in the store.

Table 5-1
Educational Materials

Source	Title	Message/Theme	Target	Channel					
				Videotapes/ cassettes	Slides/ cassettes	Filmstrips/ cassettes	Guides/ brochures	Activity books/ booklets	Other
Ellis, Hagglunds, & Williams (Washington State Council on Crime and Delinquency)	You and the Law	This project contains sections about juvenile criminal offenses, general legal concepts, and procedures in the criminal justice system.	Children ages 6 through 14				X	X	
Liles	Sue, the Blue Kangaroo	This story emphasizes moral and legal consequences of shoplifting.	Children ages 8 through 12			X	X	X	X*
Hiberman & Vetter	Maryland Vs. Trouble	This program discusses the nature of juvenile justice system.	Children ages 7 through 12	X			X		
Adams, Michnay, McCarthy, Joyce, & English (Educational Research Council of America)	Youth and the Law	This reading and discussion program covers issues of law and personal responsibility.	Children ages 11 through 14				X	X	

*Story leaflets.

Table 5-1 cont'd.

Source	Title	Message/Thème	Target	Channel					
				Videotapes/ cassettes	Slides/ cassettes	Filmstrips/ cassettes	Guides/ brochures	Activity books/ booklets	Other
American Retail Federation	The Wrong Kind of Kicks, The Story of a Teenage Shoplifter	This program discusses general issues related to juvenile shoplifting.	Children ages 9 through 18	X					
Chotzen & King 216	Misdemeanor	This program is a study of what happens to a person arrested for shoplifting.	Children ages 5 through 18	X					
Tennant	Shoplifting is for the Birds	This program discusses problems of peer pressure and the personal and legal consequences of shoplifting.	Children ages 5 through 12		X				X*
Virginia Public Schools	Teaching Individuals Protective Strategies	This program informs students about their legal, personal, and social responsibilities.	Children ages 5 through 18				X		

*Plans for a coloring book

While posters, signs, advertisements, educational materials, and even subliminals may be considered operational aspects of general media campaigns, specific campaign approaches will now be discussed with the focus on how they are funded or supported, what messages they use, whom they attempt to reach, what channels they use in reaching their targets, and whether or not they attempt to evaluate their efforts. Included are efforts by police departments, and other local, state, and national organizations or agencies. Table 5-2 in Appendix E describes various levels of anti-shoplifting efforts, including local, state, and national public awareness/education campaigns.

5.4 Examples of Public Awareness/Education Efforts

5.4.1 Police Department Examples

Police departments offer programs for young children, teenagers, retailers, and the general public. Some local police departments send bulletins to area retailers that describe shoplifting-prone areas and methods of till tapping, as well as alert store owners about possible threats to property or conditions that could encourage shoplifting. Other departments offer suggestions for controlling internal theft and distribute information on shoplifting laws and shoplifters, plus statistics on the problem and material on detention and prosecution. This report now focuses on three specific examples of police department responses to the shoplifting problem from the States of Illinois, Iowa, and California.

5.4.1.1 Joliet Police Department Anti-Shoplifting Program

Officers of the Crime Prevention Unit of the Joliet, Illinois Police Department offer seminars and shoplifting programs in individual stores, in shopping centers, or in other places where retailers or citizen groups meet. This public education project, originally funded by LEAA, is currently funded by the City of Joliet. Programs for department heads and retail employees are designed to cover various aspects of the shoplifting problem, in general, and as they apply to the people who work in specific locations. A film is shown, officers give informal talks, and handouts are distributed. Topics covered in this informative program include general information about legislation and litigation, suggestions regarding anti-shoplifting measures and shoplifting techniques, descriptions of how to handle and preserve merchandise or other evidence, and explanations concerning the general court process.

Store personnel are encouraged to prosecute and publicize their prosecution policy. Emphasis is given to adopting and executing a strong security policy and how it can be an aid in crime prevention. The police department emphasizes that it will cooperate with prevention, apprehension, and prosecution efforts. Seminars are planned to increase retailers' awareness of prevention strategies, increase retailers' information regarding the development and implementation of prosecution policies, and impact shrinkage due to shoplifting.

Members of the Joliet Crime Prevention Unit report that a benefit derived from these seminars is the positive public relations that develop from the retailers becoming aware of police concern and cooperation. As an additional service to retailers, crime prevention unit officers will go into a store or shopping center and shoplift so that retail merchants can see how serious the problem is. Although formal evaluations of individual seminars are not taken, the crime prevention unit has records regarding the number of seminars, officers participating, people reached, and places used. Also, there are records that document the type of handouts given to participants, and the number of stores deciding to publish their prosecution policies is available.

5.4.1.2 Des Moines Police Department

The Des Moines, Iowa Police Department was the recipient of a grant for their Co-working Officers for Public Security (COPS) program. Police officers worked with community members and businesspersons to reduce losses and institute policies and procedures. Participants in a 10-week course were taught about shoplifting and employee theft. Topics, such as: Types of shoplifters, apprehension, detection, and prevention, were covered. Students were given printed copies of film narrations so that they could review pertinent information. People from various levels, representing many types of businesses, attended. There were security employees, retail employees, assistants, managers, and store owners.

The Des Moines Police Department informally evaluated the program from various aspects. As a positive result of the class, many who attended recruited additional people to register for subsequent classes. Some participants brought guests for particular lectures. There were many requests for additional handouts. Several participants eventually showed the film from this program to other groups. Written comments on class evaluations complimented the material, instructors, and general program.

5.4.1.3 California Crime Prevention Unit

School districts and law enforcement agencies have coordinated their efforts in offering crime prevention information along with a training program called Student Training on Prevention (STOP). Seventh and eighth grade students were trained in puppetry, film presentations, role-playing techniques, and conducting discussions, so that they could give presentations for fourth and fifth graders. The program enabled the target audience to learn about the juvenile justice system, from citation issuance to probation hearings. Values and concepts were discussed in such a way that students were taught alternative approaches to behavior. Law enforcement and court personnel cooperated in training these student instructors. At the same time, educators and community members also were included. The nine-week training program included information on interpersonal communication techniques, leading discussions, and facilitating role-playing. Student instructors were taught how to deal with pertinent issues, such as peer pressure (California Crime Prevention Unit).

5.4.2 Local Examples of Public Awareness/Education Efforts

5.4.2.1 University of Nebraska

As an example of a local public awareness/persuasion effort, University of Nebraska students conducted a community anti-shoplifting project that involved civic groups, political organizations, school administrators and Distributive Education Clubs of America. This persuasive appeal, targeted for high school students, included films, speeches, rap sessions, and panel discussions. The Lincoln Downtown Promotional Council provided funding. Nebraska students found they were able to change attitudes of high school students toward shoplifting and to measure effects of a campaign under field study conditions. In order to aid in the conceptualization of message strategies for future campaigns, one aspect of the project was the development

of a shoplifting profile of attitudes and behaviors of students in the target audience. This target audience consisted of 492 students, sophomore through senior, in business education, distributive education, and home economics classes. Because students reported that they began to shoplift at the average age of 10, researchers determined that the target audience for future efforts should be pre-teenagers and young teenagers. Furthermore, about 65 percent admitted to having shoplifted at one time or another. Of those, over 20 percent indicated they had been caught. When the teenagers were caught, consequences varied from only seven percent being taken to court to over 85 percent having to return the merchandise to the store. In addition, of the teenagers who were caught, over 70 percent indicated that their parents had been told; 40 percent reported that the police were notified; and 14 percent indicated they had to pay for the merchandise. Other profile data included the information that almost 10 percent of the admitted shoplifters reported they sold the stolen merchandise. In terms of frequency, over 15 percent of the students indicated they shoplifted more than once a week.

This profile was developed in order to determine considerations for the message component and target audience of future anti-shoplifting campaigns. Since teenagers in this study perceived shoplifting to be a normal part of growing up, survey results suggested that young students should be told that shoplifting is a criminal action. In addition, survey data indicated that merchants should communicate to customers that shoplifting laws will be enforced and that shoplifting is a crime. Researchers reported that their study indicated that attitudes toward shoplifting could be changed with an intensive, repetitive mass media effort (Boyd & Harrell, 1975).

5.4.2.2 Retail Bureau, Metropolitan Washington Board of Trade

Over the past nine years, the Retail Bureau of the Metropolitan Washington Board of Trade (MWBT) has sponsored a multifaceted citywide anti-shoplifting campaign and annual survey of major retailers to assess the shoplifting problem and the impact of their educational campaign. Area retailers are asked to provide financial support for a program that emphasizes a "hard-line" on customers and employees. The Bureau sells honesty as the campaign reminds people not to steal. Prevention, rather than prosecution, is the key concept; however, retailers are strongly encouraged to prosecute all appropriate cases (Metropolitan Washington Board of Trade).

The Retail Bureau's campaign is often considered to be one of the most effective, concentrated, and hard-hitting anti-shoplifting drives in the United States. This comprehensive approach includes a print and broadcast media program, an educational program, a publicity program through news releases and a speakers' bureau, and a merchants' program. The general public is constantly reminded that merchants plan to attack the shoplifting situation (Levine, 1971).

People are informed about the stigma and consequences of shoplifting, as well as costs to the retailer and honest consumer (Pyatt, 1978). The public and private sectors are requested to cooperate and coordinate their efforts. School children, the general public, retailers, legislators, law enforcement officials, and judges are some of the target audiences.

MWBT members are encouraged to purchase campaign materials from the Retail Bureau. Materials are offered free to schools, most government agencies (except military post exchanges and commissaries), and nonretail firms for display. Current materials emphasize shoplifting costs and effects for consumers, as well as shoplifters.

Cooperating members send to the Retail Bureau extensive information and statistics, including figures on shrinkage and apprehensions, as well as information on shoplifters' attitudes. Although the main thrust of this city-wide nonprofit campaign occurs during late Fall through December, merchants report reduced thievery not just during the campaign, but as much as two-to-three months following.

Statistics from a 1977 MWBT survey showed that 70 percent of shoplifters arrested did not believe they would be arrested and prosecuted. Of those, 40 percent would not have shoplifted if they were aware of the legal consequences. In fact, many believed they would be reprimanded and released or asked to return or pay for goods (MWBT).

As programs are evaluated by members, the MWBT makes adjustments for future campaigns. For example, merchants suggested that it was a mistake to send too much information in one package. They felt that people read too little or even nothing and they were not as ready to respond. Also, MWBT members indicated that the campaign was unsuccessful with certain target groups. When 1,500 clergy members were contacted for information, virtually none responded (MWBT). At this time, there are not any scientifically valid data which can be used to evaluate the effectiveness of the Retail Bureau's campaigns. Merchants' reactions to MWBT's surveys have not been made available to Westinghouse.

5.4.3 State Examples of Public Awareness/Education Efforts

5.4.3.1 Nevada Retail Association

Nevada was the first state to receive LEAA funds for an anti-shoplifting effort. Retailers, assessed on a square footage basis, gave supplementary financial support for the campaign. This was a statewide effort to acquaint citizens with Nevada's new anti-shoplifting law. The nine-month campaign had a three-pronged attack:

- Statewide information program utilizing media.
- Statewide in-store educational program.
- Statewide educational program for students and the general public (Messenger, 1975a).

In addition to education and training programs, this effort used billboards, newspaper advertisements, posters, brochures, publicity releases, and television and radio spots. In-store programs covered the law and methods employed by shoplifters. There were supplementary training films, as well as printed material, and discussions were held with law enforcement officers. Students attended assemblies, meetings, and discussions, where they saw films, heard speeches, and read literature about the seriousness of the crime. Second through eighth graders could participate in a statewide poster contest.

Nevada's Attorney General, Robert List, who headed the campaign, reported that over 200 Nevada merchants, responding to a questionnaire, indicated by a two-to-one margin that store thefts were substantially reduced as a result of the campaign. Over 70 respondents said losses were down by as much as 80 percent from previous years (Messenger, 1975). There is no way to substantiate these claims.

5.4.3.2 Utah Retail Merchants Association

In 1975, the Utah Council on Criminal Justice Administration awarded a one year grant to the Utah Retail Merchants Association for the development of an anti-shoplifting campaign, with the help of an advertising/public relation firm. A major goal of this campaign was to educate the public about the seriousness of the crime, inform school children about potential consequences, and alert merchants about laws. In addition to pamphlets and informational brochures, mass media and in-store approaches were used. School assemblies reached 92,450 children in grades ranging from fourth through twelfth. Over 1500 merchants attended loss prevention seminars.

One result of the campaign was an increase in awareness of the law on the part of both teenagers and merchants. Teenagers were surveyed before and after the campaign. Results showed over 30 percent increase in awareness of the law in general and specific provisions. Merchants surveyed after the campaign reported a very high level of awareness and recall of the law; however, there was no pretest data on merchants.

Several local police departments reported reductions in shoplifting referrals to juvenile court during the campaign. One local Utah police department reported a reduction as high as 20 percent. In addition, another local police department attributed a 30 percent decrease in juvenile arrests for shoplifting to the Utah Anti-Shoplifting Campaign. Another local police department reported to the Anti-Shoplifting Committee a 30 percent reduction in reported shoplifting incidents. Many police departments took the time to write letters to the Utah Anti-Shoplifting Committee praising their campaign efforts. Monthly surveys of Utah retailers reported a 23 percent reduction in apprehensions and a resultant reduction in losses. Furthermore, there was a 10 percent increase in convictions.

Merchants' evaluations of the campaign contained several suggestions for future efforts. They wanted to see more printed literature for store employees on general rules regarding shoplifting. In fact, they wanted more education and training for store employees. Merchants recommended an increased use of television to reach parents/consumers and make them aware of the seriousness and scope of the problem. Many merchants wanted stronger advertisements that show apprehensions and bookings. Several merchants suggested more comprehensive school programs in terms of greater emphasis on peer pressure (Utah Anti-Shoplifting Campaign, 1976).

5.4.3.3 Illinois Retail Merchants Association

Each year, the Illinois Retail Merchants Association (IRMA) sponsors a statewide anti-shoplifting campaign. IRMA serves an initiating and advisory role in this campaign, appealing to parent organization staff, chambers of commerce, and members of individual communities to join in the fight against shoplifting.

Programs can be carried on in classes for retailers and juveniles and directed at the public through the media. The individual communities can use any program or combination of programs that they choose. IRMA conceptualizes the program as involving store activities, public activities, and/or law enforcement activities. IRMA does not have control over the activities implemented in each community and has not developed a mechanism that will ensure a given level of implementation. Consistent with this advisory role, IRMA has not kept a detailed record of local activities. However, some data on student rates of shoplifting are available (IRMA, 1979). Although there has been no appreciable decrease in store thefts, merchants have reported to IRMA that young people appear to have shown a noticeable attitude change toward stealing, which is described as a positive result of campaign efforts.

5.4.3.4 Alabama Retail Association

The Alabama Retail Association (ARA) conducted an anti-shoplifting campaign with a goal of maintaining a year-round project with an increasing reduction of shoplifting. In their attempt to achieve community involvement in the shoplifting problem, the ARA sought the cooperation of the Alabama Federation of Women's Clubs, Alabama Distributive Education Clubs of America (DECA), chambers of commerce, and educators. There were media-oriented publicity campaigns with awards as well as workshops and seminars for retailers conducted by a security committee. DECA was very active in this campaign as students administered surveys and participated in workshops, school programs, assemblies, and poster/essay contests. Teens were surveyed about self-report information on shoplifting behaviors and reactions to store anti-shoplifting efforts. Employees were surveyed about the cost of shoplifting, number of apprehensions, and items shoplifted. However, there have been no scientific studies to evaluate the results of the surveys or the impact of the antishoplifting campaign (McDonald, 1979).

5.4.3.5 Georgia Retail Association

One of the most comprehensive state-wide anti-shoplifting efforts is carried out in Georgia. As a response to a statewide attitude survey that reflected that both students and the general public were not aware of the seriousness of the crime of shoplifting, persons who conducted the Georgia campaign developed the slogan that "Shoplifting is a Crime" because they strongly believed that programs must deal with attitudes and attitude change. The Georgia Retail Association (GRA) established several goals related to public awareness and education. A primary goal of the

campaign was to educate parents and youth that shoplifting is a crime with serious social and legal consequences. In addition, consumers were told that they pay for the retailers' costs of the crime. Another goal was to educate retailers about rights, responsibilities, laws, and techniques used by shoplifters. An additional goal that is currently emphasized is to develop new laws to deal with repeat offenders.

Emphasis in Georgia's 1978 campaign was that the act of shoplifting put the offender in a category of thieves. Messages were aimed at "honest" citizens who should know implications of shoplifting. Although moral views (right vs. wrong) were used with 1977 slogan, "Shoplifting is a Steal," legal views (legal vs. criminal) were used with the 1978 slogan, "Shoplifting is a Crime and Shoplifters are Criminals." Shoplifting was also shown to be a crime against the consumers.

The GRA believes in using local chambers of commerce to act as catalysts to bring groups together. Media, radio, television, newspapers receive presskits with releases, advertisements, and spot announcements. Stations are encouraged to have programs on shoplifting.

Although Georgia has one of the more comprehensive campaigns, documentation of results has not been thorough. Generally, in most states surveys are used locally and then summary data are given to media and interested groups; however, Georgia does attempt to compile statewide figures and even run simple correlations. Nevertheless, there has not been sufficient evaluation regarding the success of campaign efforts. Georgia State University has been serving as a knowledge center for the accumulation of data. Although there have been some pre- and posttests in terms of attitudes towards shoplifting, careful methodology has not been followed especially with regards to sampling. There are inherent difficulties with relatively untrained volunteers and students administering surveys, and, once the surveys have been tabulated, there usually is a lack of professional assessment of the results.

5.4.3.6 Idaho Retailers Association

The impetus for the Idaho Retailers Association Anti-Shoplifting Program, which has been in operation since 1974, was the passage of new civil shoplifting legislation and the application for federal funds. This program is another example of private enterprise matching federal funds. (See section 5.4.3.1). The original purpose of the program was to inform the public about a new shoplifting law.

Three major areas of the program include a school education component, a retail component, and a media component. The school component is comprised of presentations that have reached over 110,000 students in 45 communities. Pre- and post-questionnaires about awareness and knowledge of laws, penalties and problems were administered to approximately 35,000 students. The retail component consists of three activities: Contacting local criminal justice officials to appear at seminars to be held at various locations; contacting retailers to obtain cooperation so that their employees can attend the seminars; and contacting chambers of commerce for their cooperation. The final component of this program is related to media. Once

media material is produced, the program pays for media coverage or attempts to get free public services spots.

This campaign has had letters of endorsement from school officials, retailers, and law enforcement personnel. Additional support has come from an increasing number of merchants who have decided to contribute additional funds to the campaign.

The Idaho Retailers Association (IRA) used a private consulting and research firm to measure the impact of their 1977 anti-shoplifting campaign and to update results of a 1974 study of attitudes of Idaho residents toward shoplifting and awareness of the laws. Using random starting points and a systematic selection from telephone directories, a sample was chosen comprised of 310 residents, divided equally between male and female, with 40 percent of the sample consisting of people between the ages of 13 and 18.

The consulting firm reported that the 1977 anti-shoplifting campaign reached over 96 percent of the respondents. Fifteen percent of the interviewees were recontacted to validate results.

In comparing results of the 1978 survey with results of the 1974 survey, the research firm reported that respondents in 1978 increased their perception of the seriousness of the shoplifting problem, locally and in Idaho; whereas, in both surveys the problem was perceived as serious only on the national level. In both years about 60 percent of the people interviewed reported that shoplifting laws should be stricter, but in 1978, there was a seven percent increase in the percentage of people (mainly in the 13 to 18 age range) who felt that the laws should not be stricter. During both years about 25 percent of the respondents reported they knew someone who had recently shoplifted.

Additional differences in the results from 1974 compared to 1978 were in the areas of how respondents perceived merchants' reactions to shoplifting as well as respondents' general knowledge of shoplifting laws and what ages do the most shoplifting. In all these areas, there was an increase in percentages from 1974 to 1978. For example, there was a 10 percent increase in the percentage of people who felt that merchants were too lenient with shoplifters. Furthermore, interviewees indicated a 20 percent to 30 percent increase in knowledge of shoplifting laws. There was a seven percent increase in the number of people interviewed who believed that people under the age of 18 committed most of the shoplifting (Marcept Consulting, 1978).

In addition to having a consulting firm survey Idaho residents, the IRA interviewed students in elementary, junior high and high schools in order to examine the impact of the campaign on attitudes and knowledge. Pre- and posttests for students included questions about the campaign theme, size of the shoplifting problem both in Idaho and nationally, costs to consumers and retailers, aspects of the shoplifting law, and the court system. Additional questions were about who shoplifts and what percentage of shoplifting is attributed to teenagers.

Elementary school survey results indicated that even before the program, most students were aware that shoplifting is a crime. However, after presentations were given in schools, students reported increased awareness in the areas of who shoplifts, the financial costs of the crime, and legal consequences of the act. Junior high school students reported that they were aware that shoplifting is a crime and who shoplifts, but after the Idaho programs, more students reported knowledge of legal consequences and consumer costs of shoplifting. After the presentations more high school students reported that they were aware of shoplifting costs and how many teenagers shoplift. Furthermore, more high school students reported that if they were with someone who shoplifted they would tell store personnel or even try to talk the shoplifter out of it, and fewer students reported that they would leave the store and do nothing. Generally the percentage of correct answers was greater after the campaign than before. The greatest difference was in the questions dealing with costs to the consumers and consequences of shoplifting, especially for teenagers. Furthermore, the IRA found that radio and newspapers were not as successful as other media channels. Although radio was the least effective media tool, 20 percent of the people were still reached through this effort. Television and in-store promotions appeared to have the greatest impact on residents in terms of remembering messages. All demographic groups were reported to have seen, heard, and/or read about the seriousness of the problem in the United States in general and in Idaho specifically (Marcept Consulting, 1978).

The consulting firm reported that enough groups of people were not personally reached by the campaign because of insufficient numbers of workers. It was noted that it takes a great deal of time to develop sufficient credibility to be able to work with chambers of commerce, law enforcement officials, and school personnel. Another problem was that retailers must provide an increasing amount of financial support. The consulting firm indicated that eventually the program can be self supporting as more and more people rent the Idaho film and materials.

5.4.3.7 Washington Crime Watch

The Office of the Attorney General in Seattle, Washington, coordinates a statewide crime prevention program called Crime Watch. A major component of Crime Watch is an LEAA-funded statewide comprehensive anti-shoplifting program. Similar to other anti-shoplifting programs, the origin of this program can be traced to legislative action. In 1975, the Washington Retail Council, a division of the Association of Washington Businesses, was instrumental in designing and lobbying for a civil shoplifting law. Washington's civil shoplifting law creates a civil cause of action which the victim (merchant) may bring directly against the apprehended shoplifter or the parents or guardians of an apprehended minor. The civil law is intended as an additional deterrent to be used with Washington's criminal law which classifies shoplifting as retail theft. As a result of this civil action, the merchant is allowed to recover damages and penalty amounts. When this law became effective, a need arose to publicize its existence to retailers and to the general public (Shave, 1978).

The program began with a research effort to investigate the nature and extent of the shoplifting problem and to summarize existing anti-shoplifting problems. An early outcome of this program was the possibility of developing components of the program in five distinct areas:

- The training of crime prevention officers.
- Retail training.
- Liaison with judges and prosecutors.
- Design and distribution of posters.
- Development of school programs.

Members of the subcommittee on the training of crime prevention officers decided that officers in the State of Washington must be trained in shoplifting prevention and play an important role in bringing this information to the retailers. Crime Watch staff claim that an improved relationship between the police and retailers in the State of Washington is mainly attributed to changes in the concept of the crime prevention officer, reflected in this training program. The primary purpose of the subcommittee, formed to investigate retail training, was to develop and conduct a presentation for retail management in small businesses. A third subcommittee, concerning the program's liaison with judges and prosecutors, had the objective of determining how best to approach these individuals and make the inducement of Crime Watch most attractive to them. A fourth subcommittee, formed to discuss the design and distribution of anti-shoplifting posters, concluded that posters could be a viable tool for reaching the public and gaining a commitment from retailers to participate in the anti-shoplifting campaign. Finally, the subcommittee formed to establish a plan for developing and implementing a school anti-shoplifting program surveyed 10 schools in 1978. Since survey results indicated that shoplifting tends to begin in the fifth grade, the subcommittee decided to target the fourth grade for anti-shoplifting education.

In 1979, a management consultant group evaluated the Crime Watch retail workshops with a survey appraising the workshop format, content, instructor qualification, and materials. Of over 180 questionnaires sent, over 50 were returned. Since many retailers had participated in workshops as much as a year earlier, the consulting firm considered this to be a good response rate.

In general, ratings of the workshops were good. Over 50 percent of the respondents reported that they had used the information in their work. A majority of the respondents rated the instructor's knowledge of the subject matter as extremely high and rated the workshop as extremely logical. Only 10 percent of the respondents felt something was omitted. Some individuals requested more specific examples, more emphasis on apprehension of shoplifters, and more information on training retail clerks. Positive comments concerned the explanation of the anti-shoplifting law and civil penalties and how to treat and apprehend a shoplifter, as well as how to watch customers.

A public opinion survey was conducted for the management group to assess the impact of the Crime Watch media campaign. Telephone interviews were conducted with over 250 persons from three major cities. The telephone interview, designed to assess attitudes, perceptions, and awareness, covered three major content areas: Attitudes of respondents toward crime, attitudes of respondents toward shoplifting, and awareness of the Crime Watch campaign. Crime was considered a serious problem in all these cities, with residential burglary reported as the most serious problem, followed by vandalism, shoplifting, and reckless driving. Respondents gave the crime of shoplifting a moderate ranking (on a five-point scale), with juveniles rating it more seriously than adults. Respondents general reported that they had an average (on a five-point scale) knowledge and awareness of Washington shoplifting laws.

Almost 30 percent of the persons interviewed said they had heard of civil penalties, and the majority of respondents were not sure of the penalty for shoplifting. Significantly, more adults than juveniles answered there was no penalty and more juveniles than adults answered that jail was the penalty.

Respondents generally agreed with statements that adolescents do more shoplifting than adults and that shoplifters should be more severely punished than they currently are. Respondents viewed shoplifting as a serious problem that stores could not afford.

The third portion of the telephone survey measured the impact of the media campaign, in terms of:

- Overall awareness.
- Awareness of television advertisements.
- Awareness of posters.
- Awareness of radio and newspaper advertisements and billboards.

Almost 60 percent of the respondents said they had heard of the Crime Watch campaign, and adults were more aware than juveniles.

While almost 75 percent of the respondents had seen anti-shoplifting television commercials, the highest degree of reported familiarity was with posters (60%), followed by advertisements in television, radio, and newspapers, and then billboards. Juveniles were more familiar with media components than adults (Compass Management Group, Inc., 1979).

The consulting group reported that they considered the media campaign successful. Additional evaluation tasks will include a survey of managers, security personnel and retail clerks, as well as collection and analysis of shrinkage data. This recent evaluation appears to be the most extensive and comprehensive one encountered by Westinghouse. The consultants considered two major aspects of the Crime Watch program by evaluating workshops and the media campaign. The additional surveys of chain stores and collection of shrinkage data should provide valuable information.

5.4.4 National Examples

5.4.4.1 Shoplifters Take Everybody's Money, Inc.

In 1971, members of the Philadelphia Merchants Association, working with a professional advertising-public relations firm, developed an anti-shoplifting/anti-employee theft program, Shoplifters Take Everybody's Money Inc. (STEM). This type of campaign effort is now used in over 18 states and several foreign countries. The advertising firm created STEM as a combined public service advertising and public relations campaign, targeted mainly for the 12 through 19 age group ("Shoplifting Drops," 1975). The message was that shoplifting is a serious crime that can hurt the individual more than the retailer. One of the public relations goals of the campaign was to confront anti-business feelings among customers. One of the advertising goals of the campaign was to educate the public regarding external factors which can cause higher prices (Shapson, 1973).

When the original anti-shoplifting campaign was tested in city public schools, students reacted quite positively and merchants reported reduced teenage shoplifting. Two groups of 75 students each were tested at two different Philadelphia high schools, one in an affluent suburb and the other in an inner-city school. STEM reported that conclusions from the tests suggested that the campaign would be helpful to merchants and not have a "recoil effect," i.e., not give youngsters counter-productive ideas and encourage stealing. Furthermore, retailers reported that, since judges and law enforcement officials had been exposed to the campaign, they seemed to be more receptive to the problems of store owners ("Philadelphia's Way," 1972). After the first Christmas shopping season following the 1971 campaign, the Philadelphia Merchants Association announced that shortages decreased by 20 percent; however, merchants did not attribute the declining pilferage rate entirely to the STEM campaign. Many store owners had taken additional security measures ("Shoplifting Drops," 1975).

The State of Oregon provides an example of how a STEM program can be used in a statewide effort. The STEM program in Portland, Oregon originated in 1971 when the Oregon retailers decided to purchase the Philadelphia STEM materials and hire a public relations company to develop and implement a statewide anti-shoplifting campaign, the components of which are: Public awareness, principal awareness, and legislative awareness. Target groups for the public awareness components are students, teachers, parents, civic organizations, businesspersons, and print and electronic media representatives, as well as the general public. Principal awareness target groups are retailers, prosecutors, police officials, and members of the judicial branch. Legislative awareness target groups are limited to legislators.

The major focus of STEM's public awareness commitment has been in the schools. Although a few first and second grade classes have been targeted, the main target groups in 1978 were fourth and fifth graders. The second way STEM has impacted on students is through cooperation with Distributive Education Clubs of America (DECA). DECA has arranged for its high school students to compete against each other in developing and implementing anti-shoplifting projects targeted for elementary school students.

Once these projects have been completed, some type of evaluation is conducted, usually a short survey designed by the students.

The principal awareness component of the STEM program is presently in the planning process. Included in the planning is a decision to create shoplifting clinics in 25 cities to educate the retailers about their rights and the appropriate methods for detecting, apprehending, detaining, and prosecuting shoplifters. Furthermore, these clinics or seminars are expected to produce a better relationship between retailers and criminal justice personnel.

The third component of the STEM program is legislative awareness. This aspect of the program will determine the legislative needs of retailers in the State of Oregon, by means of a mail survey. Other legislative issues for investigation include protection against unreasonable countersuit, mandatory sentencing, establishment of anti-shoplifting classes, stiffer sentences, and a shoplifting court. The first target group of the legislative component are the legislators.

Although a number of activities have been documented, the impact of the program on the public has not been determined. However, some data are available on the attitudes and behaviors of students exposed to the DECA student anti-shoplifting projects. Small samples of survey responses have been collected by students. Unfortunately, as observed in other states, surveys are frequently not standardized and are administered at different times, relative to the treatment. Furthermore, numerous other methodological constraints are present.

5.4.4.2 National Retail Merchants Association

The National Retail Merchants Association (NRMA) has served the function of promoting and distributing media anti-shoplifting materials targeted for teenagers and retailers to members and nonmembers. These materials, including pamphlets, posters, books, adproof sheets, and films, are produced by a media agency and reviewed by NRMA regarding promotion and distribution. Accepted materials are then promoted through an order form that lists the materials available, rental and purchase prices, minimum orders, etc. The promotion efforts are designed for NRMA members, nonmember retailers, and community anti-crime organizations that can choose to purchase or rent specific items.

NRMA is in the process of developing its own film, as well as promoting films produced by others. NRMA has also produced its own handouts. Through the utilization of these films and handouts, campaigns are expected to impact the attitudes of teenagers and parents toward shoplifting.

NRMA also has a retail loss prevention program that produces materials similar to the teenage anti-shoplifting campaign. However, the focus here is on employee theft. As part of this program, NRMA has developed its own loss prevention checklist for retailers, covering both external and internal theft control measures. Furthermore, it periodically prepares fact sheets for the press on the topic of retail losses. Although NRMA records their activities,

promoting and distributing anti-shoplifting materials, the impact of these media efforts has not been documented.

5.4.4.3 General Federation of Women's Clubs

With membership in the millions, the General Federation of Women's Clubs is the largest organization of volunteers in the world. Hands Up, a four-year LEAA-funded project, is part of the Crime Reduction Division of the Public Affairs Department of the Federation. The Hands Up (HU) philosophy includes the belief that citizens want to be involved in crime reduction. Goals of HU are to form coalitions in the community and to develop a national awareness of the citizen's role in crime reduction.

A National Crime Prevention Campaign, begun in early Fall, 1979, emphasized the importance of citizen involvement in crime reduction and prevention. Material will be available for all statewide HU chairpersons. There are plans for a Hands Up newsletter and bulletins to serve as a clearinghouse, with information on resources, sources, audio/visual materials, and projects that other clubs are planning.

The national office of the Federation has a file system that contains information on hundreds of meetings, seminars, and projects, either as they are in process or after they have been implemented. This information is rather general and varies from club to club. For example, some clubs send in photographs and short anecdotes about projects; other clubs send in brief descriptive paragraphs; while other clubs send in clippings from local newspapers.

Members of Women's Clubs are provided with guidelines that cover how to plan for a project and evaluate what was done. At the beginning of a project, volunteers are asked to consider desired outcomes and how they can be measured. Although programs are uniquely designed by individual clubs and uniquely related to individual communities, the HU office is planning to develop a consistent method of conceptualizing programs.

The Federation plans to encourage members to develop ways of demonstrating that a project has been worthwhile, well conceived, and well planned. Members will be encouraged to briefly and clearly define important features and objectives of projects, including information on how objectives will be achieved. When local clubs submit plans to state and national chairpersons, GWFC will be able to keep abreast of projects, compare and contrast them, and determine how to support them, through literature, workshops, and other suggestions (Hands Up Process Guide).

Since current evaluation forms require open-ended answers, and people filling out the forms may not be well informed about the process, often there is a lack of consistency in reports. Even though the GFWC has over 2,000 HU projects on file, it must be noted that data lack uniformity. There is inadequate information on results of local club efforts. Most of the information from clubs is descriptive and not evaluative.

5.4.4.4 Distributive Education Clubs of America

Distributive Education Clubs of America (DECA) seeks to develop leadership qualities in students in marketing, management, and merchandising. Membership total is 186,000 students in over 7,000 school chapters. Four specialized areas of DECA include: Public education, high school, junior collegiate, and college. In addition to a national anti-shoplifting scrapbook and poster contest, DECA runs anti-shoplifting workshops for teachers and trainers. For distributive education classes or individual chapters, DECA offers a large selection of educational materials on the shoplifting/internal theft problem that are included in Appendix F.

This national student organization, operating through the schools, has an anti-shoplifting prevention project that consists of a poster contest and a scrapbook contest that evaluates individual and chapter anti-shoplifting campaigns. DECA officials judge projects on a point system that is divided into four categories: Poor, fair, good, and excellent. Criteria considered are economic and social contributions, originality, presentation, technique, documentation of results, efforts, and physical requirements. When DECA students have administered questionnaires to such target groups as retailers, law enforcement authorities, and students, judges evaluate survey and sampling procedures, as well as completeness and recommendations that are made.

Although individual chapters have data, there has been no state or national data collection and analysis effort (with the exception of Georgia). Data are used on a local basis to generally inform the public and retailers. Some results are given in local newspaper articles or media interviews, with little or no analysis. However, a National Coalition grant provides for state data collection in those states that have college computer facilities. These state statistics will be sent to Georgia State University for a national compilation (Rogers, 1979).

5.4.4.5 National Coalition

In 1979, the Georgia Retail Association received a Federal grant to form a National Coalition Against Shoplifting, to be modeled after the GRA coalition. Georgia will serve as a clearinghouse for all states for anti-shoplifting materials and technical assistance in projects. As state programs are implemented, representatives will report to Georgia. Currently, the National Coalition is comprised of DECA, GFWC, and the American Retail Federation. During the Fall of 1979, an Advisory Council, comprised of 26 national organizations and agencies, was formed (Rogers, 1979).

Within the framework of the National Coalition, there have been funds provided to conduct an evaluation of the national project, with 12 states to serve as models. This coalition will be the first nationwide cooperative effort to combat shoplifting in a public awareness/education effort.

5.5 Summary

Although this report describes a variety of approaches to public awareness and education, there are not sufficient data to indicate which approaches have been the most effective. Evaluations of the majority of programs are nonexistent or very casual. Only programs in Georgia, in general, and Idaho and Washington, specifically, have been more formally evaluated. Even though many campaigns are initiated on a yearly basis, there is a lack of documentation regarding the success of previous campaigns. In addition, there are considerable weaknesses and inconsistencies in data gathering methodology.

As Measurement Table 5-1 illustrates, there are numerous areas that can be measured. However, there now exists a large gap between possible measures and actual measures taken. In fact, the only actual measures appear to be local police department information regarding the number of shoplifting apprehensions reported to the police and the number of shoplifting prosecutions. However, other areas of the measurement table can and should be examined. For example, there is not adequate information on the number of possible sources and resources for campaign coalitions. There is not sufficient documentation of media efforts and program presentations. Finally, there is a lack of information on the general impact of campaigns and on the number of people reached.

Although the strategy of public awareness and media campaigns appears to be a powerful means of reaching target groups, there is evidence that this strategy is not being used to its fullest potential. Because there is an insufficient examination of the impact of previous programs, new programs are often initiated with little adjustment to previous years and little anticipation of future needs. With adequate evaluation of past efforts, future efforts could be more purposefully structured.

Measurement Table 5-1
Campaigns

<u>Measurement Points¹</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of relevant statutes.	
1a	Percent of losses due to shoplifting.	
1b	Number of studies on the problem.	
5	Number of coalition members approached.	
5a	Number of coalition members joining.	
6	Number of sources approached for funds.	
7	Number of people approached for subcommittees.	
8	Number of law enforcement officials participating.	
8a	Number of retailers participating.	
8b	Number of legislators participating.	
8c	Number of educators participating.	
8d	Number of clergy members participating.	
8e	Number of DECA chapters participating.	
8f	Number of civic leaders participating.	
8g	Number of judges participating.	
8h	Number of GFWC participating.	
8i	Number of alternate choices.	
10, 16, 22, 28, 36	Number of components considered and developed.	
11	Number of contacts made.	

Measurement Table 5-1 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
12	Number of people trained.	
15	Number of laws revised.	
17	Number of media channels used.	
18, 32	Number of people surveyed.	
19, 33	Number of reports completed.	
20	Number of times media are used.	
21	Number of people reached.	
21a, 27 39, 41	Number of people impacted.	
25	Number of materials developed or obtained.	
26	Number of workshops conducted.	
26a	Number of people attending workshops.	
26, 34	Number of programs, presentations, workshops, seminars.	
42	Percent of losses due to shrinkage.	
42a	Number of shoplifting incidents.	
42b	Number of shoplifting apprehensions.	
42c	Number of shoplifting prosecutions.	

¹Numbers in this column refer to Figure 5-1.
*denote actual measures available.

6.0 Criminal Justice Strategies

The criminal justice system plays a major role in coping with the problem of retail theft. Traditionally, the participation of these agencies in crime prevention has been rather passive. The legislature has defined the law; the courts have tried suspects and clarified the law through precedents; and the policy have typically restricted their activities to law enforcement. In recent years, all of the component agencies of the criminal justice system have begun to investigate alternatives to the traditional means of achieving their common goal of reducing and controlling crime. The problem of retail theft is no exception to this trend. Many changes and innovative programs have been initiated in recent years. This chapter discusses the programs and activities of the legislature, police, and courts which relate to the problem of retail theft. This chapter will focus predominantly on those activities related to shoplifting and shoplifters.

Legislative action has been initiated to correct characteristics of the law which restricted the action of retailers in response to suspected cases of shoplifting. Made largely in response to intensive lobbying by trade associations, these modifications in the law are designed to define more clearly the role of the retailer or the retailer's agent in the apprehension of suspects and to protect these agents from many of the liabilities associated with the detention of another citizen by non-criminal justice personnel. Other changes are related to the penalties that may be imposed on convicted shoplifters. Section 6.1 discusses many of these changes and their implications for the retail community.

Section 6.2 reviews the dual roles of enforcement and prevention which the police occupy in relation to shoplifting. Many of the traditional enforcement activities of the police (e.g., detection, apprehension, recovery of evidence, questioning) are performed by private security, often thereby restricting the police officers' involvement to administrative and transportative requirements associated with arrest. The police also may play a more active part in helping retailers prevent theft. Many departments now offer several services directed toward preventing losses due to crime. The most widespread of these are crime prevention surveys and seminars. After discussing the traditional role of the police, this section describes and discusses these programs as they are typically implemented.

In several jurisdictions, changes have been implemented which affect the judicial system. These modifications may be classified by the audience they are designed to serve. The first type involves the needs of the retail community in the prosecution of suspected offenders. These programs and legal alternatives are the topic of Section 6.3. The second type of modification is directed toward the offender. In the course of delivering individualized justice, one of the purposes of the criminal justice system is to rehabilitate offenders. Toward this end, diversion programs for first offenders and juveniles have been established as an alternative to the traditional legal remedies. Section 6.4 details these programs.

6.1 Legislative Action: Shoplifting Laws

In this section, recent legislation pertaining to shoplifting, the goals and assumptions underlying such legislative moves, and the extent to which such action is effective in reducing rates of shoplifting will be examined. Legislation has the dual purpose of effecting protection for merchants operating within the guidelines of specific statutes and serving as a deterrent to shoplifting for the general public. Such legislative action is based on the assumption that increased awareness on the part of retailers, the public in general, and the criminal justice system will lead to attitudinal and behavioral changes, which will ultimately lead to a reduction in shoplifting losses.

It was part of common law that if a shopkeeper observed a shopper wrongfully removing his/her goods, the shopkeeper had the right to retake possession of the goods, making use of reasonable force, if necessary. Shoplifting offenders were subject to penalties for such action under the jurisdiction of common law. If a merchant's suspicions were mistaken, or if they could not be proven, the merchant became liable under law for such charges as false imprisonment, false arrest, slander, malicious prosecution, and possibly assault and battery. However, the past decade has seen shoplifting delineated as an offense separate from general theft and larceny. In the case of shoplifting, proving that the "intent to commit a crime" was present makes it difficult to establish a sound legal case under the laws governing theft and larceny. Consequently, shoplifting has been the subject of separate legislation.

6.1.1 Strategy Description

It was previously noted that the ratio of prosecuted cases to total shoplifting apprehensions is very low. Many retailers attribute the reluctance to prosecute apprehended offenders to be a product of the difficulty in establishing substantive cases, i.e., probable cause, etc., and the threat of civil liability should a suspect be released or acquitted of the charges. Centering on these two concerns, recently instituted shoplifting statutes have generally been of two main types.

In general, most shoplifting statutes require that the merchant act in "good faith" and upon "probable cause," based on "reasonable grounds." The first type of statute involves the "presumption of intent." The merchant must prove that the suspect intended to steal the goods. Establishing intent in court has often been by the legal presumption that if a person willfully conceals unpurchased goods, regardless of location in or out of the retail store, the person intends to steal the goods. If goods are recovered after detention or arrest, the intent of the shoplifter to permanently deprive the owner of the goods is considered established beyond a reasonable doubt.

The most dramatic change in recent legislative action has been the emergence of specific statutes defining the rights of merchants and their agents with regard to the detention of a suspected shoplifter. This second type of statute centers on "detention" for "probable cause." Immunity from

liability on the part of the merchant is dependent upon whether the merchant has good reason to suspect theft and whether the detention of the suspect was conducted in a reasonable manner and for a reasonable period of time. The two types of statutes mentioned above are not mutually exclusive but have particular combinations, varying by state.

Table 6-1 depicts the current shoplifting statutes by state. Forty-nine states have now enacted statutes which enable merchants and their agents (security personnel, employees) to stop a person suspected of shoplifting and question, search, and detain the person in a reasonable manner and for a reasonable amount of time, awaiting the arrival of the police. Such statutes generally pertain to the detention by the store and not to the actual arrest by a police officer. A merchant or a merchant's agent, or a private citizen, in general, who detains a person on suspicion of theft must clearly be able to establish "probable cause" for suspicion or otherwise faces the possible charge of false imprisonment. In the case of a misdemeanor, the wrongdoer must be observed in the act, otherwise the detainer may also be subject to a false imprisonment charge. Civil liability in such cases is governed by tort law and such law varies by state.

6.1.1.1 Role of Private Security versus Citizen's Arrest

Shoplifting statutes differ from the citizen's arrest statutes in a number of ways. Shoplifting statutes pertain exclusively to the merchant, agents, or peace officers, whereas citizen's arrest pertains to all private citizens. The citizen's arrest privilege empowers the citizen to make an actual arrest, whereas shoplifting statutes allow only for the detention of a suspect until the arrival of a law enforcement agent. Citizen's arrest does not provide for immunity from liability, whereas shoplifting statutes generally do. Shoplifting statutes have been implemented for the express purpose of reducing losses, whereas citizen's arrest has not distinctly outlined policy in specific reference to shoplifting.

The role of private security has generally been ascribed as having no more authority in the detention or arrest of suspects than the average citizen. The hiring of private security by retail establishments to combat the problems of shoplifting and employee theft raises many legal questions in this area. There is no specific body of law governing the power and limitations of private police and generally, there are no specific state statutes outlining the power and limitations of such personnel. The power and limitations of private police as agents of retailers have not been spelled in specific terms. United States constitutional law governs the interference of government agencies, police, and the criminal justice system in the rights of individual citizens, but contains very little concerning the rights of private citizens in relationships with each other. Actions on the part of private police are rarely classified as state action, which is necessary to invoke constitutional protections, and as such, private police are subject to more legal restrictions and penalties than the ordinary citizen. Unless deputized, private police have no authority to arrest other than the authority accorded the private citizen in a citizen's arrest, but are subject to harsher penalties if detention does not meet the requirements of a valid citizen's arrest.

Table 6-1
Summary of State Shoplifting Laws

STATE	PROBABLE CAUSE GROUNDS FOR DETENTION	PROTECTION FALSE ARREST	PARENT LIABILITY	SHOPLIFTING FELONY DEFINED	SHOPLIFTING MISDEMEANOR DEFINED
Alabama	X	X	--	--	--
Alaska	X	X	--	Greater than \$500	Less than \$500
Arizona	X	X	Yes	Greater than \$100	Less than \$100
Arkansas	X	X	--	--	--
California	X	X	Yes	--	--
Colorado	X	X	--	Greater than \$200	Less than \$200
Connecticut	X	X	--	Greater than \$500	Less than \$500
Delaware	X	X	--	Greater than \$300	Less than \$300
Florida	X	X	--	--	--
Georgia	X	X	--	Greater than \$100	Less than \$100
Hawaii	X	X	--	--	--
Idaho	X	X	Yes	--	--
Illinois	X	X	Yes	• Greater than \$150 • Repeat Offender	Less than \$150
Indiana	X	X	--	--	--
Iowa	X	X	--	--	--

Table 6-1 cont'd

STATE	PROBABLE CAUSE GROUNDS FOR DETENTION	PROTECTION FALSE ARREST	PARENT LIABILITY	SHOPLIFTING FELONY DEFINED	SHOPLIFTING MISDEMEANOR DEFINED
Kansas	X	X	--	Greater than \$50	Less than \$50
Kentucky	X	X	--	--	--
Louisiana	X	X	--	--	--
Maine	X	X	--	--	--
Maryland	X	X	--	--	--
Massachusetts	X	X	--	--	--
Michigan	X	X	--	--	--
Minnesota	X	X	--	--	--
Mississippi	X	X	--	Greater than \$100	Less than \$100
Missouri	X	X	--	--	--
Montana	X	X	--	--	--
Nebraska	X	X	--	--	--
Nevada	X	X	Yes	--	--
New Hampshire	X	X	--	--	--
New Jersey	X	X	--	--	--

Table 6-1 cont'd

STATE	PROBABLE CAUSE GROUNDS FOR DETENTION	PROTECTION FALSE ARREST	PARENT LIABILITY	SHOPLIFTING FELONY DEFINED	SHOPLIFTING MISDEMEANOR DEFINED
New Mexico	X	X	No	--	--
New York	X	X	--	--	--
North Dakota	X	X	No	--	--
Ohio	X	X	Yes	Greater than \$150	Less than \$150
Oklahoma	X	X	--	--	--
Oregon	X	X	--	--	--
Pennsylvania	X	X	--	Third Offense	Less than \$150 Second Offense
Rhode Island	--	--	--	--	--
South Carolina	X	X	--	--	--
South Dakota	X	X	--	Greater than \$200	Less than \$200
Tennessee	X	X	--	Greater than \$100	Less than \$100
Texas	X	X	--	Greater than \$200	Less than \$200
Utah	X	X	Yes	--	--
Vermont	X	X	--	--	--
Virginia	X	X	--	Greater than \$100	Less than \$100

Table 6-1 cont'd

STATE	PROBABLE CAUSE GROUNDS FOR DETENTION	PROTECTION FALSE ARREST	PARENT LIABILITY	SHOPLIFTING FELONY DEFINED	SHOPLIFTING MISDEMEANOR DEFINED
Washington	X	X	Yes	Greater than \$100	Less than \$250
West Virginia	X	X	--	--	--
Wisconsin	X	X	--	Greater than \$500	Less than \$500
Wyoming	X	X	--	--	--

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Source: Summary of State Shoplifting Laws. Association of General Merchandise Chains.
December 18, 1978

In the case of shoplifting and employee theft, private security personnel are not legally able to make arrests of suspects, but can only detain until the arrival of a police officer. The training programs of most major contract guard agencies (Kakalik, 1971) are geared toward the restraint of apprehension, search, and questioning activities on the part of their guards. They are instructed to turn all matters of arrest and search over to public police authorities. The National Institute of Law Enforcement and Criminal Justice conducted a survey of private contract security guards and discovered that such conservative action is not actually carried out in practice. The NILECJ survey indicated that a full 18 percent of all guards interviewed did not know their legal powers to detain, arrest, search, and use force, 23 percent were somewhat unsure of their powers, and 5.5 percent believed their arrest powers to be the same as a public police officer's (Kakalik, 1971).

In general, criminal law serves only as a deterrent to improper activity on the part of security guards through criminal sanctions imposed by the state. In contrast, tort law allows recovery of damages by retailers through separate suits. Tort law does not designate specific authority to private security, but it does impose limitations on the conduct of such personnel. Tort law protects an injured party from improper conduct on the part of security personnel or retailers and serves as the basis for filing suit against such conduct and establishes precedents on which such cases can be judged. Several well defined torts can be used in such cases. Among these are false imprisonment, assault and battery, defamation, and slander.

6.1.1.2 Detention

Although the specific content of shoplifting statutes varies from state to state, such statutes do contain some common factors. First, the statute specifies who may detain the suspect. This is generally limited to the merchant, employee, agent, private or public police. Citizen's arrest does not come under this provision. A second common feature of shoplifting statutes refers to the purposeful detention of a suspect. As shown in Table 6-1 thirty-three states specifically provide the following justifications for purposeful detention:

- To search the suspect.
- To interrogate the suspect.
- To investigate a disappearing item or the person's suspicions.
- To recover stolen goods.
- To detain a person, pending the arrival of a peace officer.
- To use reasonable force to detain a person who refuses to be detained, pending the arrival of a peace officer.

The remaining states do not specifically delineate justifications for detention, but all are subject to the general legal test of "reasonableness."

Another aspect included in shoplifting legislation is specification concerning the manner in which suspects may be detained. Police officers making arrests are required by constitutional law to present the Miranda warnings to any suspect whom they are arresting. In contrast, it has generally been held by the courts that such warning statements are not required to be given to detained shoplifting suspects by merchants because detention does not constitute an arrest. In an effort to avoid lawsuits, i.e., slander, the questioning of a suspected shoplifter should be conducted as privately as possible. Every effort should be made to remove the interaction from the view of other customers. In most states the merchant need not wait until the suspect leaves the establishment in order to detain an individual as long as the retailer can prove there was intent to steal or can establish probable cause of detention. Probable cause exists when the facts and circumstances are sufficient to warrant a person having reason to suspect the commission of an offense. Proving probable cause is crucial to criminal or civil prosecution and as a defense for false arrest lawsuits against the merchant. To successfully prosecute a suspected shoplifter, the intent to steal must be proved. In order to prove intent, the concealment of such goods must be observed. Observation must continue to confirm whether the item(s) was (were) placed or "ditched" in some other section of the store before detaining the suspect. Probable cause is difficult to justify when goods are not recovered.

The detention, itself, must be reasonable in that force is implemented only for purposes of self-defense and not in defense of property. If the suspected thief does not consent to detention, security personnel are permitted by law to detain a suspect by reasonable force, when necessary. Private security personnel should understand the laws pertaining to citizen's arrest and the laws or statutes governing their own power to detain a suspected shoplifter. Such personnel should know whether such limitations are specified by statute or by common law and under what conditions such actions are warranted.

Thirty-three states specify that detention be conducted in both a "reasonable manner" and within a "reasonable amount of time." Colorado requires only that the detention be conducted in a reasonable manner; Maine and Louisiana specify that reasonable time be a contingency in detention. Explicit definitions of such terms as "good faith," "probable cause," or "reasonable grounds" are established by state via precedence setting case determinations by judges and juries. For example, in the state of Mississippi, several cases have served the purpose of interpreting state shoplifting statutes. J. C. Penney Co., vs. Cox (Reed, 1977) involved a case where a shopper was detained and accused of shoplifting a jar of deodorant. The charge was not based on anyone having actually seen the shopper conceal an item, but was based on suspicion of her actions. The Mississippi Supreme Court ruled that:

Probable cause cannot be based on mere belief of a third person that somebody did or did not do something....The investigation should be based on more than mere conjecture or suspicion. It must be grounded on some definite information from some person that saw enough to justify the manager's belief that a theft had been made, and that a person was guilty of shoplifting (Reed, 1977, p. 37).

Two other similar precedents were established by Southwest Drug Store, Inc., vs. Gormer and Butler and Butler vs. W. E. Walker Store, Inc. (Reed, 1977). The decisions rendered in such cases as those cited in Mississippi clearly indicate that, although merchants are granted immunity from civil and criminal action under many statutes, reasonable caution must be exercised in the detention and questioning of suspected shoplifters. A single lawsuit awarding damages to a customer can wipe out any savings which may be attributed to a specialized security program. In regard to the "reasonable period of time" aspect involved in detention, only five states explicitly define a reasonable period of time. West Virginia, Maine, and Montana provide a maximum detention time of 30 minutes, while Indiana and Louisiana provide for a maximum of one hour.

6.1.1.3 Immunity from Civil Liability

Statutes allowing merchants to detain on the grounds of probable cause are intended to protect the merchant from civil and criminal action taken by a suspect erroneously accused, or where there is insufficient evidence to sustain a charge. A primary feature involved in current legislative action has been concerned with providing immunity for merchants acting within the confines of probable cause in attempting to protect their merchandise. Nineteen states formally grant both civil and criminal immunity to merchants, employees or agents, for the questioning and detaining of suspects. However, this immunity does not include conduct outside the stipulations of the shoplifting statute. Another nine states provide immunity from civil liability, while two states (Nevada, Idaho) provide immunity only if a sign is displayed by the merchant making the merchant's right to detain publicly known. Seven other states do not formally grant immunity; however, if the conduct of the detainer is reasonable, such conduct may be used as a defense against civil or criminal liability.

In 1976, the State of Pennsylvania instituted anti-shoplifting legislation which would enable merchants and police to single out repeat shoplifters. The legislation provides for the fingerprinting of shoplifters and their conviction records to be kept on file with the State Police. District justices can now check with the State Police for prior records and effect stiffer penalties for repeat offenders.

Many merchants have installed electronic article surveillance equipment with electronic tags placed on the more expensive merchandise. Although such equipment is highly specialized, situations, such as a clerk forgetting to remove a tag, or unusual objects, such as a particular type of watch, have been known to activate the alarm. In response to a growing number of lawsuits resulting from the innocent triggering of alarms, New York has amended their shoplifting law. The amendment is generally designed to protect the merchant from liability if such an alarm sounds and the person is detained in a reasonable manner and for a reasonable amount of time.

6.1.1.4 Merchant's Right to Civil Penalty

In the past, persons wrongfully or erroneously accused of shoplifting had the right under common law, to file both civil and criminal charges against the offending merchant. Another trend in legislation gives the merchant the right to bring civil as well as criminal suit against an offender. Fourteen states now permit civil action on the part of retailers against offenders. Eight of these also allow civil action against the parents of juveniles involved in shoplifting activities. Under this specification, merchants are allowed to recover compensatory damages in amounts as specified by the pertinent state statute. Usually, such amounts are determined by the size of the theft involved, with allowance made for the costs of time and legal counsel on the party of the merchant. Typically, the legislation allows the merchant to recover damages without court involvement.

6.1.1.5 Preservation of Evidence

The preservation of evidence surrounding the prosecution of shoplifting cases is also a matter of concern for retailers. If a case is felonious in nature, the police generally take possession of the evidence for court use. However, since most shoplifting cases are misdemeanors, responsibility for evidence is usually left with the retailer. If a retailer chooses to prosecute a shoplifting case, recovered goods must be retained for submission in court. Retaining recovered merchandise for extended periods of time can cost the retailer a great deal of money; however, if such evidence is not available (i.e., it has been put back into stock), the case can be dropped for lack of evidence. Photographs of all recovered merchandise are now used effectively as evidence in shoplifting cases. Photos must be of a good quality and clearly depict the items involved. "Ruling Case Law," Vol. 10 states that "...it must be deemed to be established that photographic representations are admissible in evidence as appropriate aids to a jury in applying the evidence, whether it relates to persons, things, or places.... Photographs, when properly taken, are judicially recognized as of a higher order of accuracy.... Their correctness is not irrefutable. In each case their correctness depends on the reliability, accuracy, and skill of the person making the photograph."

Figure 6-1 represents the rationale behind recent changes in shoplifting statutes. Current losses from shoplifting are believed by many to be a critical factor in the declining profits of retailers and the rising costs of goods and services to consumers. Retail merchant associations have promoted activities aimed at bringing about legislative changes which will protect merchants in their efforts to apprehend offenders. During the past 10 years, the majority of states have made such revisions (3, 4). Once such revisions are made, disseminating the information to the public is vital to creating an awareness of the problem, the substantive changes in law, and the consequences of being involved in such acts (5). Mass media (6a) and legislative briefs (6b) represent the two major vehicles for achieving such awareness. The general public utilizes mass media as their principal source of information. It is generally assumed that if the public perceives

the greater costs of shoplifting acts, this will lead to negative attitudes toward shoplifting and ultimately to a behavioral change, i.e., non-involvement in shoplifting (11a). Retail establishments, too, are assumed to absorb information primarily from mass media (7b). An awareness and understanding of how the law operates to protect both the public and the retailer should reinforce the implementation of such measures (8b). If more retailers are willing to prosecute offenders, prosecution will be perceived as a more realistic threat and serve as a deterrent to would-be shoplifters.

Judicial and prosecutorial awareness requires a more in-depth knowledge of statutes and this is generally made possible through legislative briefs (6b). Awareness of how specific statute changes are expected to aid retailers and why such changes are important is crucial to eliciting positive attitudes from the criminal justice system (9c, 9d). The prosecution of more shoplifting cases and the imposition of stronger penalties and sentences is expected to discourage continued shoplifting (11c, 11d). A combination of all four processes (public, retail, judicial, and prosecutorial awareness) is expected to effectively reduce losses attributed to shoplifting (12).

Through the efforts of state and national retail merchants organizations, many states have reformed shoplifting laws to reflect the increasing concern of most retailers over the rising costs of shoplifting. Many such revisions include the clarification of such things as what constitutes retail theft, probable cause, and reasonable detention. Such legislation is chiefly aimed at limiting the liability of merchants for false arrests, assault and battery charges, slander, and malicious prosecution, when merchants act within the confines of "probable cause."

The last 10 years have seen rather dramatic changes in legislation pertaining to shoplifting. Increasing awareness concerning the magnitude of both the incidents and the costs of shoplifting have caused many merchant associations to urge protective statutes. Retail merchants are encouraged to be familiar with the applicable laws in their area and to train employees and security personnel in accordance with such requirements. Awareness of the limitations and expectations of shoplifting legislation could greatly reduce the civil liability of retail establishments in making shoplifting apprehensions by reason of probable cause.

6.1.2 Expectations and Assumptions

There are several assumptions underlying the legislative lobbying by retail groups. First, by attaining protection for merchants from civil and criminal action when acting within the definition of probable cause, more offenders are expected to be apprehended. If retailers are aware of the operating guidelines of shoplifting statutes and their rights and limitations under such statutes, it is assumed they will take positive steps to apprehend and prosecute more shoplifters. More apprehensions, based on well-grounded facts, are assumed to increase pressure for action on the part of prosecutors, i.e., the percentage of prosecutions will be higher. This derives from the assumption that knowledge regarding the high costs of shoplifting and the awareness that this is a critical concern of most retailers will lead to more prosecutions. When the threat of prosecution is realistic,

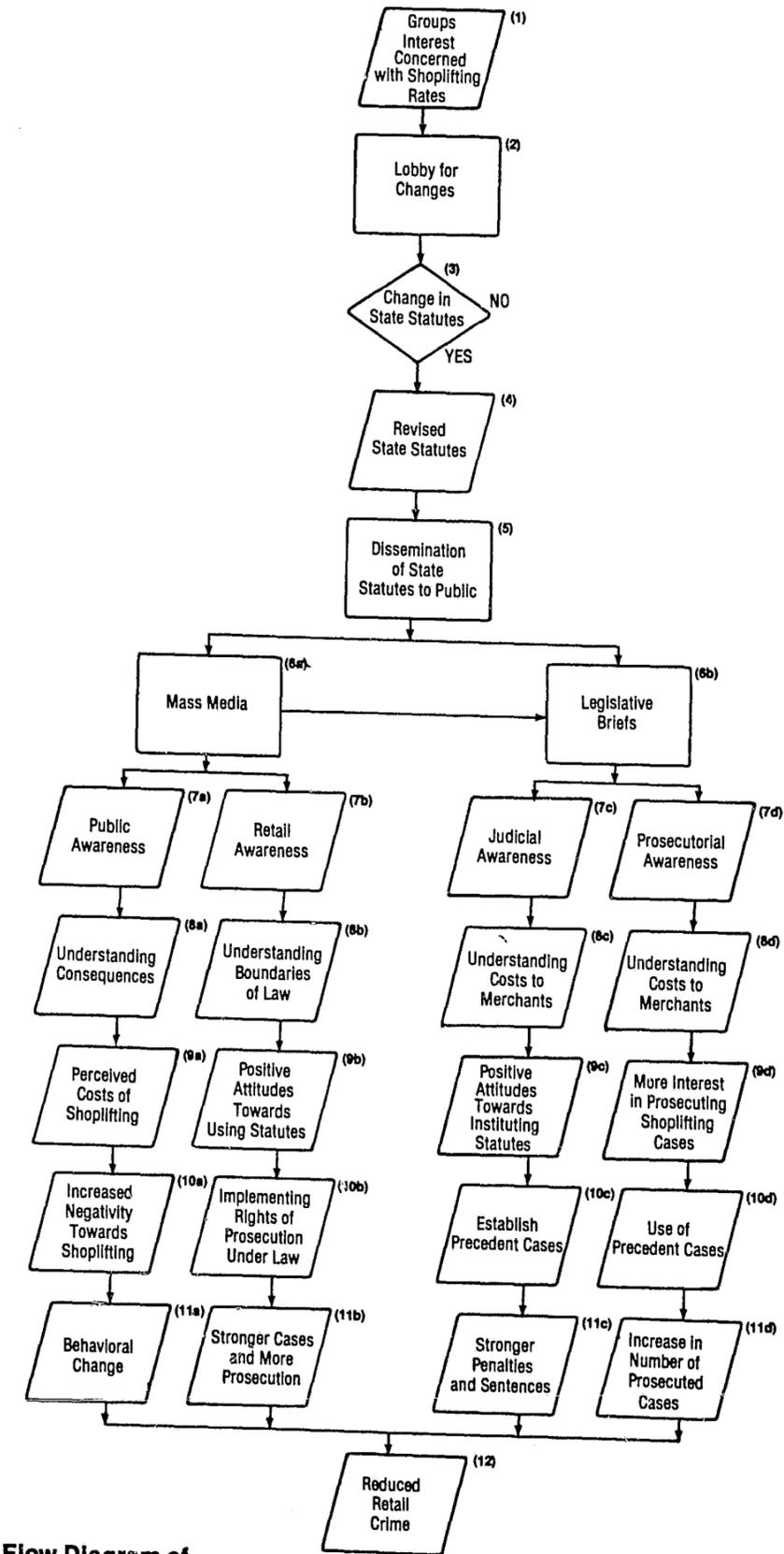


Figure 6-1. Flow Diagram of Legislative Modification Strategy

it is believed to be an effective deterrent in reducing shoplifting. Higher rates of prosecution and pressure from specific interest groups are expected to affect the judicial handling of shoplifting cases. If the judicial process is convinced that the shoplifting problem is serious, such awareness will ultimately lead to the imposition of stronger sentences.

Generally, current legislative changes in shoplifting statutes have three decided purposes. First, they are designed to function as a deterrent to future participation in shoplifting activities by publicizing the fact that shoplifting is a crime and criminals will be prosecuted. Secondly, shoplifters will be prosecuted and punished to the fullest extent of the law. Finally, legislation is designed to protect the merchant from civil and criminal liability. In general, legislation also serves to protect the public from abuses by retailers.

6.1.3 Evaluation

An evaluation of the impact of shoplifting legislation as an effective strategy is necessarily dependent upon the answers to several questions:

- Is there an awareness of current shoplifting statutes?
- Is there an understanding of the consequences of being apprehended and/or convicted of shoplifting?
- Do retailers utilize their rights under such statutes?
- Do awareness and understanding elicit positive attitudes toward the implementing of such laws, i.e., is shoplifting perceived as a punishable crime?

There are only two known studies aimed at evaluating such questions (Compass, 1979; Axelrod, 1976). In assessing the relative effectiveness of the Crime Watch Anti-Shoplifting Campaign, Compass Management Group, Inc. included several questions pertaining to shoplifting legislation. These questions were basically geared toward measuring the public's relative awareness of current shoplifting statutes and the consequences of being convicted of the crime.

6.1.3.1 Awareness of Shoplifting Laws

Respondents in the Compass study were asked to rate their awareness of shoplifting laws on a five-point scale. Results indicated that 7.9 percent considered their knowledge of laws to be excellent, 29.4 percent felt it to be good, 30.6 percent were of average awareness, 16.3 percent had a fair knowledge, and 15.9 percent were poorly informed (n=252).

Respondents were specifically asked whether they had "heard" of civil penalties being used in shoplifting cases. Although this was a "soft" question, i.e., they did not have to demonstrate their knowledge, 67.3 percent were not aware that merchants had the right to collect civil penalties from convicted shoplifters; 29.5 percent reported that they had heard

of such penalties. This relatively large percentage reporting no awareness of civil penalties signifies a sparse acquaintance with current shoplifting statutes.

6.1.3.2 Awareness of Consequences

Respondents were also asked what they thought was the most common penalty given a person convicted of shoplifting. A full 24.2 percent did not know what the most common penalty was, 16.3 percent believed "no penalty" to be in effect, 24.6 percent thought a fine would be invoked (largest response category), 11.1 percent believed jail to be the most common penalty, and 9.5 percent felt probation would be the most likely outcome. The large percentage (40.5%) signaling either a lack of knowledge concerning penalties or the belief that there was no penalty involved in a shoplifting conviction is indicative of a general lack of awareness concerning the consequences of being convicted of shoplifting.

6.1.3.3 Perceived Seriousness of Shoplifting

When asked to rate the seriousness of shoplifting, most respondents felt shoplifting to be a moderate crime, perhaps indicative that complete attitudinal change has not been effected. However, in responding to whether shoplifters should be more severely punished, 25.9 percent strongly agreed that more severe punishment should be instituted, 41.8 percent agreed to such action, 19.1 percent were uncertain, 3.6 percent disagreed, and 2.3 percent strongly disagreed.

Although these questions have limited applicability in assessing public awareness, they represent the only data available for such evaluation. In total, these results indicate that, although Washington has an organized anti-shoplifting campaign, knowledge of shoplifting laws is not a salient issue.

A California study of retailers (Axelrod & Elkind, 1976) represents a similar assessment of legislative knowledge concerning shoplifting. Results indicated that the majority of respondents were not aware of the legal protections afforded them by current shoplifting laws. Retailers surveyed were admittedly cautious in apprehending shoplifters because of the threat of civil penalties should they be mistaken in their apprehension or a suspect be acquitted of such crimes. The generalizability of such results is questionable because of the small sample size, but do signify the need for disseminating pertinent information to the retail business sector.

The limitations of the above studies are obvious. More research is needed to ascertain the level of awareness of the general public, retailers, and the criminal justice system. Until such awareness can be measured, assessing the impact of legislative changes as a deterrent to shoplifting remains a speculative area.

Measurement Table 6-1 illustrates the possible and actual available measurements of the legislative modification strategy. The first column denotes the measurement points and corresponds to the flow diagram in Figure 6-1. The center column represents the possible measures and the third column the actual measurements.

Measurement Table 6-1 illustrates the lack of vital impact data (7, 8, 9, 10, 11) on the legislative modification strategy. Without these critical measurements, evaluation of the process as an anti-crime strategy is virtually impossible. As such, Measurement Table 6-1 denotes necessary areas for future investigation.

6.1.4 Summary

Concern with rising shoplifting rates has prompted changes in legislative action. Two general types of statutes have emerged: Those defining the "presumption of intent" and those pertaining to detention for "probable cause." Combinations of these statutes vary from state to state.

Two other stipulations have become important factors in effective prosecutions of apprehended shoplifters: (1) Immunity from civil liability is granted by most states to protect the merchant from civil and criminal action; (2) in some states, merchants have been given the right to bring civil penalty, as well as criminal charges, against an apprehended shoplifter. In addition, all legislative changes have been geared toward effecting increased prosecution by merchants with an eventual reduction in shoplifting rates.

Available data indicate that legislative changes are not well publicized among the general public or among retailers; however, few studies have explored or evaluated the impact which legislative changes have had on reducing shoplifting losses. More research is necessary to measure the public awareness of current shoplifting legislation and the impact it has on shoplifting rates.

Measurement Table 6-1
Legislative Modification Strategy

<u>Measurement Points¹</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of interested groups.	*
	Percentage of interested groups.	*
	Types of groups.	
	Sizes of groups.	*
2	Dollar value of lobbying effort.	
	Number of lobbyists involved.	
	Percentage of lobbyists involved.	
3	Number of changes.	*
	Percentage of changes.	
4	Number of revisions.	*
	Percentage of revisions.	
	Type of revisions.	
5	Cost of dissemination.	
	Timeframe of dissemination.	
6a	Type of media used.	*
	Number of media used.	
6b	Number of briefs used.	*
7a	Percentage change.	
7b	Percentage change.	
7c	Percentage change.	
7d	Percentage change.	
8a	Percentage change.	
8b	Percentage change.	

Measurement Table 6-1 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
8c	Percentage change.	
8d	Percentage change.	
9a	Percentage change.	
9b	Percentage change.	
9c	Percentage change.	
9d	Percentage change.	
10a	Percentage change.	
10b	Number of changes.	*
	Percentage of changes.	
10c	Number of precedents established.	*
	Percentage of precedents established.	
10d	Number of cases.	*
	Percentage change.	
11a	Percentage change.	
11b	Numeric increase.	
	Percentage change.	
11c	Numeric increase.	
	Percentage change.	
11d	Numeric increase.	*
	Percentage increase.	
12	Percentage change.	

¹Numbers in this column refer to Figure 6-1.
 *denotes actual measures available.

6.2 The Police

Police, as agents of the state, are charged with the responsibility of enforcing the state criminal codes. Shoplifting is a specific violation of state retail theft statutes, usually a misdemeanor offense, and police perform a series of activities necessary to the successful prosecution of offenders. A second major area of police involvement with shoplifting centers on crime prevention activities, such as crime prevention surveys and anti-shoplifting programs. Through the use of these techniques, police attempt to disseminate knowledge which will result in decreased shoplifting opportunities and increased prosecution of apprehended shoplifters. This section will review these two police activities and the interaction of police with retailers and retail security personnel.

6.2.1 Police as Law Enforcers

Among their many other duties, police are expected and empowered to enforce state anti-shoplifting laws. Enforcement of anti-shoplifting laws is, perhaps, one of their lower level priorities, and it is typically shared with privately employed security personnel, who must initiate police involvement in order to prosecute under the state criminal codes.

Although the "policy" of most stores is to arrest and prosecute all shoplifters, it is typically only after the evaluation of multiple criteria (e.g., amount of theft, age of suspect, attitude of suspect) that the decision to call the police will be made. Thus, the discretion in defining an offense and the filing of charges largely falls to the local retailer or apprehending security personnel. In many cases where large retail firms with full time security guards are involved, the bulk of the police officer's traditional work will already have been completed when he or she arrives. In these situations, their role may be restricted to little more than filling out the necessary administrative forms and transporting the suspect to the police station. In smaller stores and in more rural environments, however, officers may be required to judge the sufficiency of the evidence and carefully question retail personnel and the suspect in order to obtain the necessary information for arrest and detention of the suspect.

The decision to initiate police involvement in the shoplifting incident is almost always made by retail security personnel. The accompanying flow diagram was constructed from our interviews and observations of police and retail security personnel, and is intended to illustrate typical police handling of shoplifting cases (Figure 6-2).

When the police are called (1), a foot patrol or patrol car is sent to the scene. Because shoplifting is not viewed as a serious or high priority crime, police response is often slow. Interviewed retailers frequently complained of long response times. However, it must be remembered that actual response time is often overestimated by the person making the call (Van Kirk, 1977). When the police arrive (2), the suspect's age is determined (3). Juveniles and adults are subjected to somewhat different procedures.

If the suspect is a juvenile, the retailer will typically fill out a referral form and retain the evidence (4). The suspect is transported to the station (5), and the decision to arrest is usually made only after the suspect is subjected to further processing. The suspect is questioned by a youth officer, if one is available, and a background check is run (6). Based on the information from the retail security personnel, questioning of the suspect and the background check, the youth officer decides whether the suspect is to be processed further (7). If the offense is minor, the suspect has no previous record, or other considerations make arrest an undesirable alternative, the suspect is typically warned and released to the custody of his/her parents (8). If the offense is of a more serious nature, the suspect belligerent, or the background check reveals prior criminal activity, the suspect is arrested and referred to juvenile court (9), or to some diversionary program (10).

Processing of adults, especially at larger stores, is somewhat less flexible. The decision to arrest is typically made by security personnel before the arrival of the police. When the police arrive, the formal complaint is signed, witnesses are questioned, and evidence is packaged, labeled, and stored (11). Photographs of perishable evidence are taken in the presence of the arresting officer. The processing of adults in smaller stores with less security expertise may require a more active role on the part of the police in elicitation of witness testimony, evaluation of evidence, and in the final decision to arrest.

Along with a listing of the evidence, the arresting officer completes an arrest form (12). Larger stores carry copies of the forms and fill them out to save time and questions when the police arrive. If the store does not follow this procedure, the police officer questions security personnel and the suspect to obtain the information necessary for completing the report. The officer then asks the security personnel for a preferred court date (13), which is scheduled within a defined period of time, usually within 10 to 45 days of the arrest. This date is also entered on the arrest report. Once the necessary on-site reports are completed, the suspect is transported to the station (14). This is frequently done by the arresting officer (15), but in large urban areas, officers on foot patrol, and sometimes even those in patrol cars, will request a wagon or other vehicle to transport the suspect to the department's lock-up (16). Typically, after arriving at the station, the suspect is fingerprinted and searched. Names and addresses are checked against department and state files for previous arrests and existing warrants (17). Bail is set (18) and, if the suspect can obtain the necessary funds (19), he/she is released to appear in court on the date requested by the retailer (20). If the suspect cannot post bond, he or she will be brought to trial on the day following the apprehension (21). It may be necessary for the retailer to call the police to determine whether the suspect does, in fact, post bond, in order to ensure that security personnel or witnesses will be present at trial if it is scheduled for this earlier date.

In most jurisdictions, the arresting officer is required to attend court for the trial (22). (In Chicago, however, since the 1973

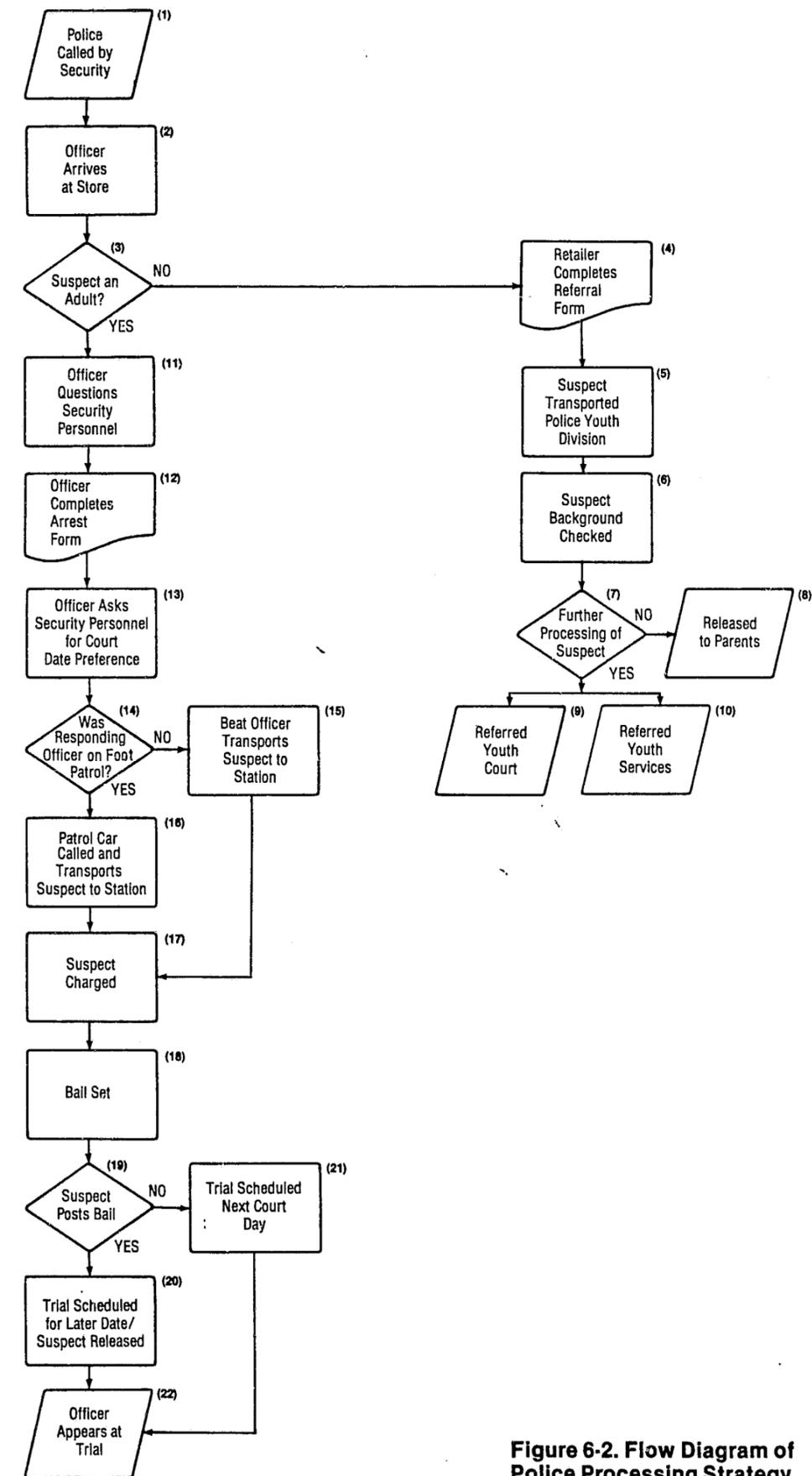


Figure 6-2. Flow Diagram of Police Processing Strategy

initiation of Shoplifters Court, police officers have not been required to attend court on misdemeanor shoplifting cases--see Section 6.3). Once in court, the officer will testify as to the facts surrounding the arrest and provide corroboration of the security personnel/witness testimony. If the defendant requests counsel, a jury trial, or a continuance, the officer will be required to return to court on the rescheduled court date.

The role of the police officer as law enforcer in a shoplifting incident typically terminates with the announcement of the judge's verdict and a few closing notes indicated on the formal reports.

6.2.1.1 Assumptions/Expectations/Evaluations

Police as shoplifting law enforcers are near the administrative end of their professional role. The reports they file and their presence in court are, in most jurisdictions, necessary precursors to successful criminal prosecution of the alleged shoplifter. Police are generally expected to respond punctually to retailer calls for assistance; to understand and facilitate evidence handling procedures; to ensure all formal administrative reports are completed; and, in most jurisdictions, to be present and assist in the prosecution when the case is called to trial. But the legal processing of shoplifting cases is only partially in the hands of the police--retailers typically define the offense and final disposition of shoplifters is typically controlled through the courts and prevailing public policy.

The general concensus evident in our literature review and expert interviews was that the police, in their role as law enforcers, do not have a significant impact as an anti-shoplifting strategy. Although the administrative tasks they perform are regarded as essential, it is not at all clear whether increased dedication of resources in this area would be cost-effective or have a significant impact in deterring shoplifting. Partially in response to this awareness, police have been increasingly active in shoplifting crime prevention activities.

6.2.2 The Police and Shoplifting Prevention

As general awareness of the collective impact of shoplifting has increased, the emphasis of police has shifted to crime prevention. Police programs are generally directed at retailer education. Through implementation of crime prevention surveys and anti-shoplifting seminars, police are attempting to familiarize retailers with strategies, tactics, and procedures to decrease shoplifting opportunities and increase probabilities of arrest and successful prosecution. Surveys and seminars conducted to increase awareness and facilitate crime prevention are often not limited to shoplifting and many times are implemented as part of a more general theft prevention program. However, it is no longer uncommon for Community Crime Prevention Units to have a specific anti-shoplifting program to offer local retailers.

Perhaps the most widespread crime prevention technique used by police has been the crime prevention survey. These surveys are primarily risk

assessment instruments. Police typically visually inspect a store and, using some form of standardized checklist, attempt to identify vulnerabilities and suggest security improvements through modifications in the physical layout of the store or in employee behavior patterns. Many local crime prevention units routinely administer such surveys on request, as part of a continuing program or in response to rising victimization rates.

The actual survey instruments, and their means of implementation, vary widely. Some are restricted to shoplifting risk assessment, while other instruments may cover a broader range of crimes against retailers. In relation to shoplifting, typical survey instruments may cover, for example, target-hardening tactics, such as locking of display cases; access control measures, such as the use of separate exits and entrances; and surveillance measures, such as improved lighting, mirrors, or the removal of visual obstacles. Behavioral components of the instruments typically include analysis of techniques and procedures for observation, identification, and apprehension of shoplifters. The surveys may be administered individually in response to specific requests or offered to all retail establishments in limited areas as part of a more general crime prevention program.

The general purpose of security surveys is to identify and educate retailers as to common vulnerabilities to shoplifting and other sources of loss. Compliance with survey suggestions is considered essential to their success, and differing measures have been used to facilitate compliance with survey recommendations. Police follow-up visits appear to be the most widely used measure. Commercial security codes have been enacted as another incentive for compliance, and it is not uncommon for insurance companies to offer premium reductions for compliance with standardized security measures, although practices vary widely. The objective of increasing survey compliance is to demonstrate to retailers that it is in their best interest to implement survey recommendations.

Another common strategy police use to decrease shoplifting rates is shoplifting prevention seminars. Our review of relevant literature, materials supplied by retail associations and chambers of commerce, and the results of screening interviews indicates that many police departments across the country are actively involved in conducting these seminars. Though most of the departments appear to conduct them on a per request basis, other departments initiate meetings when new stores or shopping centers have been opened or when problem areas are defined by high rates of victimization. Police departments in most larger metropolitan areas now have separate units for general assignments and crime prevention duties.

It is the responsibility of the crime prevention units to set up and conduct the seminars, which are typically well planned yet informally implemented. The programs are designed to cover the shoplifting problem, in general, and as it applies to the particular retail operations. Purposes are to (1) familiarize retailers with strategies and tactics to be used in the prevention of shoplifting and apprehension of shoplifters; (2) to make retailers aware of state retail theft laws, local police support, and other resources; and (3) to facilitate cooperation between retailers and the criminal justice system in crime prevention.

Meetings typically center on the presentation of one or more anti-shoplifting films, followed by handouts and an informal discussion of:

- Who shoplifts.
- How to identify and apprehend suspects.
- Laws concerning retail thefts.
- Charging and court procedures.
- Security and prevention activities.
- Maintenance of evidence.

Store personnel are encouraged to prosecute shoplifters and to publicize their prosecution policies. Emphasis is given to the importance of developing a strong security program. An attempt is also made to increase retailers' awareness of police cooperation throughout prevention, apprehension, and prosecution.

An interesting strategy sometimes employed by the police to illustrate how lax security is and to provide a concrete background for the meeting is to actually shoplift from retail establishments prior to the shoplifting seminars. These staged shopliftings provide an effective illustration of the ease with which merchandise can be removed from a store.

These seminars are, of course, conducted only on request and with the permission of the store manager. Typically, on the day set aside for the presentation, the store manager or security director will be stationed by the police outside the store. One or more police officers will then enter the store and attempt to "steal" merchandise. The merchandise will be brought directly to the store agent, and later used in the seminar presentation to illustrate how store security could be improved. Crime prevention officers we have interviewed from local programs claim detection of the staged shoplifting incidents by store personnel seldom occurs. In one instance, an officer recounted how three crime prevention officers "removed" almost \$2,000 worth of merchandise from a single store in less than 45 minutes. Such stories can serve as an effective illustration of the inadequacies of current security practices.

6.2.2.1 Assumptions/Expectations/Evaluations

In the past, police were generally considered to be unfamiliar with retail security problems. Security directors we interviewed from some large retail department stores still consider police to be lacking in sufficient expertise to be of use in development of their anti-shoplifting programs. However, police education in the area of shoplifting prevention appears to be more common than these interviews might suggest. One example, the Washington State Crime Watch, is an exemplary program which provides officers with specific shoplifting training designed to facilitate implementation

of anti-shoplifting education at the retail seminars. The training serves a broader purpose by demonstrating to crime prevention officers how they can integrate, for example, shoplifting and employee theft prevention into their traditional security survey. This training may, then, have a greater impact on the smaller retailer who is lacking the professional in-house staff to adequately educate employees and management about shoplifting prevention.

Although the bulk of present information on shoplifting crime prevention is anecdotal, there is some evidence that crime prevention surveys can have a positive impact on crime rates. One study, conducted for LEAA by the International Training and Research Evaluation Council (ITREC), concluded that such surveys can have a measurable effect on victimization rates if survey results are implemented. Interestingly enough, the study suggested that increased police interaction with retailers might be the most effective technique for increasing compliance.

Crime prevention officers we interviewed tended to judge the success of their anti-shoplifting programs on the basis of retailer reports concerning their satisfaction with the initial impact of the presentation. Our observations of anti-shoplifting seminars and subsequent interviews with retailers revealed a similarly positive evaluation of the programs. In particular, retailers indicated that the programs both increased their knowledge of how to successfully prosecute apprehended shoplifters. One point of evaluative noteworthiness is the general consensus among police and private security personnel that police crime prevention activities have resulted in a marked improvement in police/retail community relations.

The measurement table, 6-2, illustrates the possible measures and the actual available measures of police processing. The first column denotes the measurement points and corresponds to the flow diagram in Figure 6-2. The center column represents the possible measurements and the third column, the actual measurements.

Measurement Table 6-2 illustrates the rich data base available for evaluation. However, it must be noted that, although the primary data does exist, recovery poses an awesome task. In addition, the existing data are deficient in impact measures and, as a result, the true effect of the strategy on retail crime can not be accurately assessed.

Typically, once again, those who conduct surveys and seminars collect only the data necessary for administrative accountability, and tend not to collect data that would be useful for a more critical test of program impact. In contrast with police law enforcement strategies, crime prevention surveys and anti-shoplifting seminars appear to impact on shoplifting in a highly evaluable manner. Short-term goals are well defined, impact is centered on specific events, and measures are subject to unambiguous operational definition reflecting on the more general goals of shoplifting deterrence.

6.2.3 Summary

The police carry out dual roles as law enforcers and crime prevention educators in relation to shoplifting. The responsibility for these duties is shared with privately employed retail security personnel. Although security

directors of some large department store chains we interviewed felt police were unfamiliar with their particular security needs, there is a general consensus among smaller retailers that police crime prevention activities increase their knowledge about shoplifting and facilitate the police/retailer communication and cooperation necessary for successful prosecution of offenders. As law enforcers, police do not have a significant impact on shoplifting other than through adequate performance of several clearly defined tasks which are necessary to prosecute suspected shoplifters. These tasks generally involve transporting and booking of suspects; completion of formal administrative reports; and appearance in court for the trial. Police are typically not crucial to the apprehension of suspects nor the court disposition of offenders, at least in misdemeanor shoplifting offenses.

Police shoplifting crime prevention activities are widespread and their expertise in the area is increasing. Crime prevention surveys and anti-shoplifting seminars are well accepted by local retailers, and there is evidence that these activities can have a measurable effect on shoplifting rates. Police shoplifting law enforcement and crime prevention activities are fundamental responses of the state to the crime, but impact assessment is limited by their intermediary role in relation to law enforcement, and the lack of evaluative designs in their crime prevention activities.

Measurement Table 6-2
Police Processing Strategy

<u>Measurement Points¹</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of calls.	*
2	Number of responses.	*
	Percentage of responses.	
3	Number of adults.	*
	Percentage of adults.	*
4	Number of forms.	*
	Time required.	
	Cost of activity.	
5	Number of suspects.	*
6	Type of checks.	
	Result of background checks.	
	Number of suspects.	*
7	Percentage of suspects.	*
	Type of processing.	*
	Number released to parent.	*
8	Percentage released to parent.	*
	Number referred to youth court.	*
9	Percentage referred to youth court.	*
	Number referred to youth services.	*
10	Percentage referred to youth services.	
	Number of suspects questioned.	*
11	Length of questioning.	
	Type of questions.	
	Percentage of responses.	

Measurement Table 6-2 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
12	Number of forms completed.	*
	Time necessary for task.	
	Cost of task.	
13	Number of dates.	
14	Number on foot patrol.	*
15	Number of suspects transported.	*
	Percentage of suspects transported.	
16	Number of calls for cars.	*
	Number of cars.	
	Percentage of calls for cars.	*
17	Number of suspects charged.	*
	Percentage of suspects charged.	
18	Amount of bail.	
19	Number who post bail.	*
	Percentage who post bail.	*
20	Number of reschedulings.	*
	Percentage of reschedulings.	*
21	Number of schedulings.	*
	Percentage of schedulings.	*
22	Number of officers.	*
	Percentage of officers.	*

¹Numbers in this column refer to Figure 6-2.
 *denote actual measures available.

CONTINUED

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6.3 The Courts

If a shoplifter is apprehended by store personnel who collect sufficient evidence and choose to prosecute, formal charges will be filed in a criminal court proceeding. The analysis of shoplifting in the courts begins here, where the legal mechanisms for the dispensation of "individualized" justice, for both "offender" and "victim" are called into play. The shoplifting laws and the sanctions for their violation, like all criminal laws governed by the state, are expressed in criminal codes which are enacted by the state legislatures (see Section 6.4) and interpreted in the state courts. The process by which criminal charges are handled in the courts is expressed in the state code of criminal procedure. and the constitution protects several fundamental rights of the defendant (e.g., due process and right to counsel).

This section will review, first the criminal processing of shoplifting cases as it normally occurs. Against the background of this process, modifications and alternatives to the criminal court system will be considered. These alternatives include improvements in the criminal process such as the use of "court sitting" services and special "shoplifting courts" as well as attempts to improve the civil dispute resolution process (new civic anti-shoplifting statutes and community mediation centers).

6.3.1 Typical Criminal Processing of Shoplifting Cases

The accompanying flow diagram (Figure 6.3) provides a simplified view of the processes and decision points typifying a suspect's progress through the traditional criminal court system. The flow system is, in reality, more complicated than can be modeled here, with minor variations due primarily to procedural differences between jurisdictions. It is designed to illustrate the general processing of cases, as well as crucial points where the system may be performing inadequately. The major components in the trial processing of shoplifting cases are very similar across jurisdictions, and this process is considered to begin when the defendant is charged with violation of state retail theft law (1) and the case is scheduled for trial, (2).

On the scheduled court date the clerk calls the case for trial (3). If the suspect is not present and does not arrange for a representative to request a continuance (4), his/her bail is forfeited (5) and a warrant is issued by the presiding judge for the suspect's arrest (6). The probability of a suspect's apprehension on a warrant is not regarded as very high, given that the retail security personnel will not see the suspect again if the suspect avoids their store. The majority of police-related arrests for warrant violations frequently occur on car checks, or when the suspect is apprehended for some other violation. Transients and vagrants, however, are extremely difficult to locate and address records are generally considered poor in terms of accuracy.

If the suspect is present, the presiding judge determines if the necessary complainant and/or witness, usually a store detective or clerk, is present (7). If not, and depending on the seriousness of the offense, the judge delays hearing the case to determine if the witness is late in arriving, or the prosecutor requests a continuance. The most likely

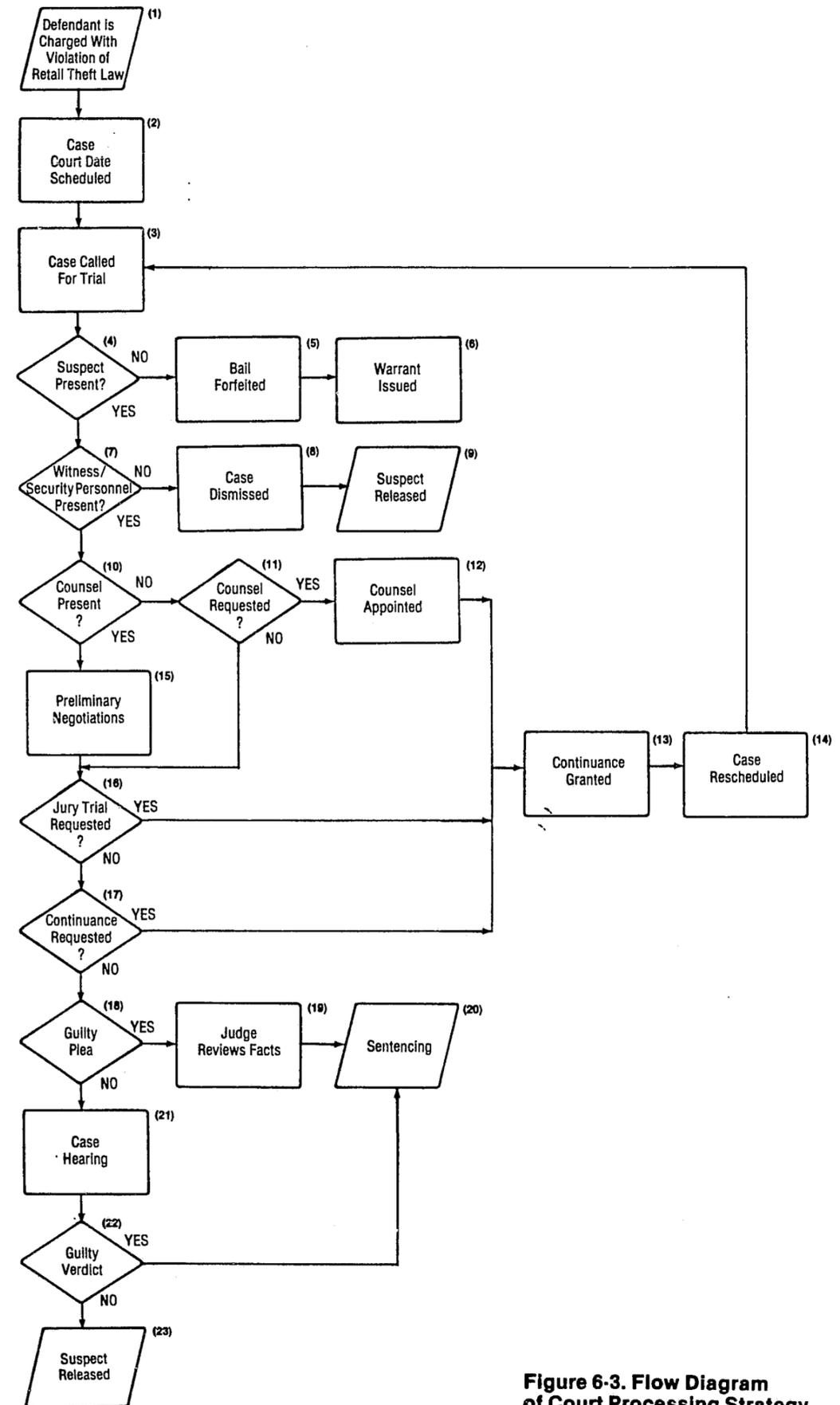


Figure 6-3. Flow Diagram of Court Processing Strategy

outcome if the prosecution's witness fails to appear, however, is a dismissal of the charges (8), and the suspect is released (9).

The primary reasons for failure of retail store witnesses to appear are tied to the docketing procedures (i.e., the scheduling of cases). Variations in docketing result from factors such as the ability of the suspect to post bond and the general caseload of the court. If, for example, the suspect cannot post bond, the case will frequently be docketed the next day. Retailers must have the necessary personnel available to attend court on relatively short notice. Many retailers do not have the flexibility necessary to regularly conform to this requirement, resulting in lower prosecution rates and increased dismissal of shoplifting cases. Another factor which may inhibit the appearance of the necessary complainants and/or witnesses is the general uncertainty as to the time of trial on a specified date. Shoplifting cases are typically heard on a general criminal docket, interspersed among criminal prosecutions for other crimes. One or twenty cases may come before any given shoplifting case, and the wait may run from several minutes to several hours. Retailers frequently find it economically unfeasible to pay security personnel or store clerks for long hours spent in court, waiting for their case to be heard. Further indirect cost result from the absence of security personnel from their regular in-store security duties. Both of these problems have resulted in programs which modify the judicial process to decrease the time retail witnesses must spend waiting for a case to be called. These programs will be discussed in section 6.3.2.

The next decisional point in the court process, concerns the presence of defense counsel (10). On any serious charge (those where a jail sentence of six months or longer could be imposed), the defendant's fifth amendment right to counsel attaches. Hence, if the defendant comes before the court without counsel, the judge must inform him/her of their right and the fact that the court will appoint a public defender if the defendant is lacking resources to acquire private counsel. A successful request for counsel (11,12) results in an automatic continuance (13) and rescheduling of the case (14). Requests for counsel are typically granted, and the necessity of rescheduling the case is generally considered to lower the probability of an effective prosecution. At this time, if a defense counsel is present, preliminary negotiations (15) take place, in which alternative pleas and sentences are discussed. It should be noted that this bargaining may also take place prior to the actual calling of the case to trial (3).

Assuming defense counsel is present or declined by the defendant, the next decisional point concerns defendant's right to a jury trial (16). It is very rare that a shoplifting case is actually heard by a jury. Defense attorneys perceive jury trials as not providing any significant increase in the likelihood of acquittal, and are not interested in incurring disfavor with the judge on what is generally considered a petty criminal matter. Additionally, preliminary discussions of the incident and plea-bargaining options with the defendant and between "opposing" counsel are generally considered to make the actual trial process, in many shoplifting cases, little more than a formal ratification of the bargained-for agreement. A jury trial may, however, be selected as a tactical option to gain one or more continuances,

which may assist a defendant by allowing more time to prepare a favorable case or by increasing the probability of a witness' failure to appear because of rescheduling. Although we have obtained no data on actual outcome differences between judge and jury trials in shoplifting cases, our respondents revealed a general belief that in the vast majority of cases, the differences are more procedural than dispositional. In the relatively few shoplifting cases where a jury is used, it decides only the verdict; the sentencing power remains in the hands of the judge.

A final preliminary option available to the defense is the straightforward request for a continuance (17). The request is generally made by counsel, based on a stated need to prepare the defense, and it is usually granted as a matter of right. Repeated requests, however, may be viewed as a delaying tactic by the presiding judge. Although generally a rare event, judges will occasionally deny counsel's request for continuance.

Thus, if the defendant presents a successful request for counsel, a jury trial, or a continuance, the case will be rescheduled for trial at a future date. Taken together, these options present a significant tool for delaying the trial and increasing the chances that a defendant will never have his/her case formally adjudicated. Widespread use of these options would imply that, in many cases, the sanctions intended to deter shoplifting are never, in fact, imposed. For example, court data we obtained indicates that, in Chicago, roughly one-third of shoplifting cases that come before the court are continued.

After these preliminary matters are settled, the charge is read and the defense is asked to enter its plea (18). If the suspect pleads guilty, the judge reviews the facts (19), and announces the sentences (20), most frequently specifying court supervision or probation, although sentences and fines are sometimes imposed. If the suspect does not plead guilty, the judge or jury hears statements from the suspect and witness, and reviews pertinent evidence (21) before rendering a decision (22). Suspects found not guilty are released (23). If the suspect is found guilty, the judge announces the sentence (20).

Depending on the size of the retail store, vast differences exist in relationships with court personnel and use of the courts. Large retailers maintain professionally trained security directors and have explicit shoplifting prosecution policies. Apparently, the vast majority of shoplifting cases are instituted by these large retailers who use the courts as a general deterrence measure. The expenses incurred in prosecuting individual cases are generally regarded as costs of doing business.

Smaller retailers tend to hire poorly trained or untrained security guards, if they employ any at all. This results in high turnover of personnel and dismissal of many cases for lack of witness availability and inadequate substantiation of charges. Other small retailers may hire external security agencies which are reluctant to have their employees testify and absorb their salaries and other costs. This results in a "passing of the buck" which permits many suspects to slip out of the criminal justice system without a trial. This problem is compounded by the fact that courts generally do not follow up

by notifying retailers of case dispositions and a lack of witness usually results in automatic dismissal.

The personnel of small, family-owned stores are not frequently seen in the courts. In addition to generally poor security practices, which permit most shoplifting to go unnoticed and shoplifters to be unapprehended, prosecution costs almost always exceed the cost of the goods stolen, making prosecution economically unfeasible, at least from the perspective of any individual case.

6.3.1.1 Expectations and Assumptions

Judges tend to view shoplifting as a petty crime, with the value of the goods stolen and the dangerousness of individual offenders relatively inconsequential when compared with most of the other crimes which come before them. They see their role as one of dispensing justice and the role of the courts as providing a general deterrent function through the use of fines, probation, and occasional internment in serious cases. Individual sentencing is also considered to operate as a deterrent to recidivism. To many judges shoplifting is an expression of a broader social phenomena which is not completely resolvable in the courts.

Retailers we interviewed similarly indicated a lack of trust in the ability of the courts to adequately respond to the shoplifting problem. Although 60 percent of our initial sample of 100 retailers stated that their relationships with the courts have been good, frequent criticisms emerged. Moreover, although roughly 50 percent said it was their store's policy to prosecute all apprehended shoplifters, further probes revealed that the actual rate of prosecution was far less. In discussing problems with the courts, retailers frequently noted such factors as the backlog of cases; the amount of employee and/or security time tied up in court proceedings; the idiosyncratic treatment of cases by presiding judges; and the insignificance of imposed sanctions following conviction. In the eyes of many retailers, supervision and conditional discharges do little to deter shoplifting, and the insignificant duration of the few sentences imposed makes the threat of jail a meaningless formality, and lessens the deterrence impact of the courts.

For the criminal courts to operate as general deterrence to shoplifting several assumptions must be met. General assumptions include (1) that potential shoplifters are aware of the courts and the sanction imposed for shoplifting, (2) that they believe there is a significant probability of apprehension, conviction, and sanction; and (3) that the awareness and beliefs combine to produce a behavioral disincentive to shoplift. It is not at all clear that these assumptions are being met. In a 1977 survey conducted by the Retail Bureau of the Metropolitan Washington Board of Trade, for example, 70% of apprehended shoplifters believed that retailers would not arrest and prosecute them for shoplifting.

6.3.1.2 Evaluation Results

Our research has revealed a general lack of evaluation data with which to reliably assess the impact of the criminal courts on shoplifting. Courts do, however, maintain dispositional data on shoplifting cases. Summary dispositional data we have obtained from the Chicago court system, for example, divides case disposition into 15 subcategories, under the general headings of "guilty," "not guilty," and "other" (e.g., continuances). In addition to quantities for these broad categories, cases are broken down as to penalty administered (e.g., court supervision, conditional discharge, fine, jail sentence); cases not prosecuted (dismissed) for lack of complainant and/or witness; and cases continued for failure of defendant to appear or jury demand.

Data from these categories pertain directly to the desired outcomes of the criminal court system. Unfortunately, we found that although some court data existed, they were not readily accessible, and only available in raw form. Moreover, currently collected data do not specifically include many important evaluative case variables, such as presiding judge, prior recidivism or value of item shoplifted. The available data do suggest, however, that roughly one-third of all cases are continued, and less than 5 percent of all defendants receive a fine or jail sentence from the court. Further analyses and collection of court-related dispositional data will be conducted during the field feasibility tests. Measurement Table 6-3 illustrates both the rich existing data base and the need for more data on evaluative case variables. Additionally, this table denotes the almost total lack of impact data, such as repeat offender statistics.

Thus, it is virtually impossible to obtain a clear objective picture of the impact of the criminal courts on shoplifting. The general belief among judges and retailers is that the courts do have some impact. It is also clear, however, that retailer dissatisfaction with judicial processing and outcomes is widespread. Taken together with the problems mentioned throughout this section, these beliefs (e.g., failures of witnesses to appear, perceived leniency in sentencing, etc.) have been the driving impetus for several modifications and alternatives to the criminal court processing of shoplifting cases.

6.3.2 Alternative Approaches

Several alternative strategies have been designed to improve the handling and disposition of shoplifting and employee theft cases in the courts. One other LEAA-funded project which has dealt with the issue has been the National District Attorneys Association (NDAA) economic crime units. The focus of the NDAA approach, however, has been on "higher-level" white collar crimes, such as embezzlement and fraud. The economic crime units have not specifically evaluated or suggested programs for dealing with the shoplifting/employee theft problem. Several alternative approaches, however, have been developed and implemented in various jurisdictions. The driving impetus behind these alternatives has been the perceived failure of the traditional court process to respond adequately to the shoplifting problem. Criticisms have centered on continuances and delays in the courts; low prosecution and conviction rates; and the idiosyncratic and lenient treatment of cases by judges. The bottom line of these criticisms is that the courts do not appear to effectively deter shoplifting.

Measurement Table 6-3
The Courts

<u>Measurement Points¹</u>	<u>Possible Measure</u>	<u>Actual Measures</u>
(1)	Number of charges.	
	Type of charges.	
(2)	Number of cases scheduled.	*
	Percentage of cases scheduled.	
(3)	Number of cases called.	*
	Percentage of cases called.	
(4)	Number of suspects present.	*
	Percentage of suspects present.	
5.	Dollar amount of bail forfeited.	
	Number of forfeitures.	*
	Percentage of forfeitures.	
6	Number of warrants issued.	*
	Percentage of warrants issued.	
7	Number of witnesses present.	*
	Percentage of witnesses present.	
8	Number of cases dismissed.	*
	Percentage of cases dismissed.	*
9	Number of suspects released.	*
	Percentage of suspects released.	*
10	Number of counsels present.	*
	Percentage of counsels present.	*
11	Number of times counsel requested.	*
	Percentage of times counsel requested.	*

Measurement Table 6-3 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
12	Number of counsel appointed.	*
	Percentage of counsel appointed.	*
13	Number of continuances granted.	*
	Percentage of continuances granted.	*
14	Number of cases rescheduled.	*
	Percentage of cases rescheduled.	*
15	Length of preliminary negotiations.	
	Number of jury trials requested.	*
16	Percentage of jury trials requested.	
	Number of continuances requested.	*
	Percentage of continuances requested.	*
18	Number of guilty pleas.	*
	Percentage of guilty pleas.	*
19	Length of review.	
	Facts reviewed.	
	Record of presiding judges.	*
20	Number of sentences.	*
	Percentage of sentences.	*
	Type of sentences.	*
21	Number of cases heard.	*
	Percentage of cases heard.	*
	Length of hearing.	
	Cost of hearing.	

Measurement Table 6-3 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
22	Number of guilty verdicts.	*
	Percentage of guilty verdicts.	*
23	Number of suspects released.	*
	Percentage of suspects released.	*

¹Numbers in this column refer to Figure 6-3.
 *denotes actual measures available.

In addition to the pretrial diversion programs described in Section 6.4, alternatives specifically pertinent to the adjudication and disposition of shoplifting offenses include modifications to the current criminal court process such as shoplifting courts and court-sitting programs. Non-criminal alternatives include the enactment of civil anti-shoplifting statutes, which open the civil courts to shoplifting claims, and, finally, the use of community mediation centers as an alternative to the courts. Each of these programs will be considered in turn.

One of the major deterrents to criminal prosecution of shoplifting cases has been the delay in the courts and the financial burdens imposed on retailers who must pay security personnel and clerks for long hours of in-court time, waiting for their cases to be called to trial. One approach designed to assist local retailers in scheduling their time and to reduce the cost of court prosecution has been the establishment of a special "shoplifting court" in Chicago, Illinois.

Since 1974, special sessions in four Chicago court branches have been set aside specifically for non-juvenile shoplifting offenses. The actual substance of Chicago Shoplifting Court merely consists of the group docketing and batch processing of shoplifting cases. The major impact of this program occurs prior to the actual trial (see Figure 6-3, point 2). Shoplifting cases in Chicago are no longer dispersed among other crimes on a general docket. Instead, special sessions are held at specified times during which only shoplifting cases are heard. The judges who preside over these special sessions are the same judges who preside over regular criminal matters at other times in the day.

Shoplifting court was designed to facilitate prosecution of shoplifting cases by significantly reducing the length of time store security personnel and witnesses spend in court; to save police resources by eliminating the need for police witnesses on misdemeanor cases; and to increase severity of sentences by avoiding the dispersal of shoplifting cases among more serious offenses.

The initiation and continuing implementation of Shoplifting Court is evidence of the judicial system's increasing concern with victims as well as a high degree of cooperation between judges and retailers. Through the use of a relatively simple modification in court docketing procedure, the penalty for shoplifting and the likelihood of successful prosecution are both intended to be substantially increased. This would appear to be a parsimonious solution to several perceived ills in the criminal court processing of shoplifting.

A second major attempt to deal with the delays in the criminal courts has been the establishment of "court sitting" programs. These programs are generally run by local chambers of commerce or retail boards, which provide retailers with one or more "court liaison officers" who monitor the court docket and phone retail security personnel one-half to one hour before their cases are called to trial. These "officers" are responsible for notifying any retailer who subscribes to the service. Some large retailers in

major urban areas (e.g., Wieboldt's in Chicago) have their own private court sitters. Cost ranges from ten to fifteen dollars per case for the general court-sitting service, through either a time-subscription fee (where large retailers pay a flat fee for several months of service) or a case-by-case charge (for smaller retailers with fewer cases). Court sitting services are typically restricted to members of the sponsoring trade organizations. In practice, they are not limited to shoplifting cases, but rather are intended to be used for any criminal prosecution by the retailer.

Although both the "Shoplifting Court" and court sitting programs appear to aim at the same basic problem--delay in the courts--major differences exist between the programs. Court sitting programs do not affect the actual court process, they are an appendage independent of the courts funded and administered by private agencies. The Chicago Shoplifting Court, in contrast, is an internally administered program without significant additional cost to the retailers or the public. While both programs attempt to increase prosecution rates, the Shoplifting Court is also intended to increase criminal sentences.

In addition to these two modifications to the criminal court processing of shoplifting, legislative action has prompted an increasing turn to the civil courts as an alternative and additional judicial remedy for shoplifting victims. Now it is possible for the state to prosecute a shoplifter under criminal law in the criminal courts and for a retailer simultaneously to seek both monetary damages and penalties in the civil courts.

The specific device which has opened the civil courts has been the legislative enactment of specific anti-shoplifting statutes which provide retailers with an individual cause of action against a shoplifter, independent of criminal law and criminal sanctions. Technically at least, these new statutes were not necessary to open the civil courts to actions for damages by retailers. Under the common law tort (in general, a harm to another recognized in civil courts) of "conversion" retailers have always been able to bring an action in the civil courts for monetary damages and a punitive penalty from shoplifters. "Conversion" is a general term referring to a broad range of behaviors amounting to an unauthorized exercise of control over another's property without legal justification (e.g., a theft). Highly technical in its rules and complications, the tort has never been a practical or economical legal alternative for retailers (it is, for example, virtually impossible to pursue the tort without the professional services of an attorney). The tort, however legally appropriate, has unfortunately not become a useful tool for access to the remedies available in the civil court system.

Recently, several state legislatures have responded to this problem by enacting new statutory procedures for access to the civil courts by retailers. These statutes create a new legal remedy for shoplifting, one which is intended to both reimburse retailers for damages and 'punish' convicted offenders through an additional 'civil penalty.' Specific civil statutory penalties for shoplifting have been enacted by 14 states (Alaska, Arizona, California, Idaho, Illinois, Indiana, Nevada, New Mexico, North Dakota, Ohio, Utah, Vermont, Virginia and Washington). The substantive provisions

of these laws generally provide for (1) monetary damages in the amount of the retail price or salable price of the goods; (2) monetary penalties, with maximums ranging from \$250 to an unspecified upper limit. Many of the laws also provide for (3) recovery from parents or guardians of unemancipated minors, although damages and penalties for this type of recovery are generally specified at lower limits. Other provisions may provide for (4) the assignment of judgments and (5) maintenance of the civil claim as independent of a criminal conviction for the act (although, by law, a verdict of not guilty in the criminal court would probably, under the doctrine of "res judicata" be a final determination of the facts and binding in any subsequent civil action).

The civil action is brought at the discretion of the merchant. Although technically it may be brought apart from a police arrest and criminal prosecution, most frequently, retailers use the civil statute only in conjunction with a police arrest of the alleged shoplifter. The rationale underlying this policy is a practical one: The evidence and arrest record which coincide with a police arrest is considered to increase substantially the probability of a successful civil suit. Hence, operationally the civil penalty has not operated as the 'independent' remedy it was intended to be.

The civil anti-shoplifting statutes, however, should not be viewed as having impact only as a legal remedy. The legislation is frequently implemented in conjunction with a broader state anti-shoplifting program and included in publicity releases, public education programs, seminars for retailers, and employee training packages. Moreover, as implemented, the civil penalty has the potential to be a powerful pretrial and supplemental tool in the anti-shoplifting campaigns. In the Washington Crime Watch program, for example, merchants receive a "Retailers Shoplifting Prevention Guide", which explains the criminal and civil laws against shoplifting; the procedures retailers should follow to successfully implement the civil statute, including procedures and policies for detention of alleged shoplifters; a discussion of evidence gathering; shoplifting profiles; and other suggestions for preventing shoplifting. The appendix to the guide contains sample form letters to be sent to apprehended shoplifters. In substance, the letters specify the goods stolen, the applicable civil statute, and a demand for actual damages and an additional penalty in an amount determined by the merchant. The letters threaten prosecution if the demand is not satisfied. If the first letter proves unsuccessful, a follow-up letter is sent, and it is only after both prove ineffectual that the actual action in court is intended to begin.

Implementation of the civil penalty is designed to be quick and easy for the merchant. In cases where the value of the goods stolen totals less than \$300, the action usually can be brought in a small claims court, eliminating the need for an attorney and much of the formal legal paperwork. Through use of a "Delegation of Authority" form, merchants can send an employee or store clerk to court. Taken together, these procedures amount to a significant reduction in the cost of bringing charges against a shoplifter.

The Chicago Shoplifting Court operates under the same set of assumptions. In addition, the group docketing and trial of shoplifting cases independent of more serious crimes is based on the assumption that the perceived leniency of shoplifting sanctions is the result of a continual comparison with more serious offenses and not a product of equitable correspondence between crime and sanction. Specific goals of the special court include: An actual reduction in staff hours necessary to prosecute; and increase in prosecution rates; an increase in severity of sentence; and, a deterrent impact on shoplifting rates. One feature of Shoplifting Court is the fact that, in contrast with court sitting, it is directed at the same goals with virtually no added expense. Shoplifting Court and court sitting programs are attempts to improve the legal processing of shoplifting cases through the criminal courts.

The enactment of civil anti-shoplifting statutes brings with it several major additional tools for retailers to use in their anti-shoplifting programs. One assumption which underlies this strategy and the two previously mentioned is that the judicial system and the courts are capable of significantly reducing shoplifting if used in a greater proportion of shoplifting incidents. The use of the civil courts is also intended to increase the sanctions for shoplifting. In the criminal court system fines are rarely imposed. The civil penalty bypasses the sentencing problems of the criminal courts and the assumptions of Shoplifting Court by creating an entirely new and supplementary penalty for shoplifting. Civil anti-shoplifting statutes are designed specifically to increase prosecution; to increase sanctions; and to facilitate recovery by retailers. The ultimate goal of the civil anti-shoplifting statutes is that, through increased public awareness of the law and its implementation in the civil courts, shoplifting will significantly decrease in the state.

The major assumption underlying the above goal is that retailers will be aware of and use the civil statutes. The press releases, school education programs, instore publicity, and other strategies are similar to other public education programs, and it is reasonable to assume the desired awareness is a probable outcome (see chapter 5). In conjunction with the publicity, however, is the assumption that retailers will actually use the civil penalty and that the rate and probability of prosecution for shoplifting will increase. This is considered essential to the overall deterrent effect of the anti-shoplifting program.

The fourth alternative to the traditional criminal prosecution of shoplifting cases is the use of community mediation centers, at least for minor shoplifting offenses. Community mediation has, in sharp contrast to the objectives of the other alternatives, the goal of decreasing reliance on the judicial system for the resolution of many offenses including shoplifting. Community mediation is intended to return the disposition of minor offenses to the local community. The underlying assumption of the concept is that minor disputes are best settled in a non-judicial adjudicatory proceeding. By providing a quick and inexpensive alternative to the courts, and eliminating the stigma of arrest records and a criminal court disposition of minor cases mediation centers are expected to impact on crimes such as shoplifting by creating a sense of personal involvement and control over the disposition

Other significant economic incentives to the retailer are the actual damages and the punitive penalty which may be recovered. This direct economic benefit, which is not available to retailers who press only criminal charges, is intended to help defray security costs, maintain profit margins and increase the frequency of prosecutions.

One final alternative to the criminal disposition of shoplifting offenses is the recent (1977) experimentation with community mediation. The first program of this kind, funded in part by LEAA was the Community Mediation Center in Coram, New York. As originally conceived, the strategy is designed to be a prejurisdictional diversion of disputes from the criminal courts to volunteers trained as community mediators. The mediation services are free to users and other benefits are the absence of arrest records and community input into the adjudication process.

As presently conceived, community mediation centers are not specifically designed for the resolution of shoplifting cases, but more for the resolution of interpersonal disputes represented by minor criminal complaints between people who know each other, (e.g., landlord/tenant, common law marriage, harassment, minor assault). However, shoplifting, as a petty larceny, is also intended to be covered in the community mediation concept. Under community mediation, retailers and accused shoplifters come before an impartial and trained community mediator in a public hearing. After informal negotiations between the parties, some form of 'just' resolution of the problem is obtained, the failure to obtain a negotiated agreement would presumably result in a return to the courts. The use of community mediation for resolution of petty criminal matters like shoplifting has not yet evolved into a truly functional alternative to the criminal and civil courts.

6.3.2.1 Expectations and Assumptions

Each of the four alternatives to the traditional court processing of shoplifting offenses--Shoplifting Court, court sitting programs, civil anti-shoplifting legislation, and community mediation centers--are different yet overlapping methods for the adjudication and disposition of shoplifting offenses in society. Common to all is the assumption that increased use of judicial and quasi-judicial proceedings and sanctions will, either through increased severity of sanctions or increased rates of prosecution, result in a significant decrease in overall shoplifting offenses.

Court sitting programs are one specific, non-judicial strategy for dealing with delay problems in the court system. Applied to shoplifting, these programs are designed to facilitate prosecution by decreasing overall cost to the retailer by allowing security personnel to remain on the job until actually needed in the court. The limited and clearly defined goals of these programs are reflective of straightforward cost/benefit analysis. Court sitting programs are reflective of a logical set of assumptions: (1) That time and effort really are impediments to prosecution; (2) that relieving the burden of waiting will increase prosecution; and that (3) increased prosecution will reduce shoplifting.

of cases. The underlying theoretical rationale is that shoplifting can be diminished through the development of new internalized values on the part of the offender.

6.3.2.2 Evaluation Results

One characteristic common to each of the four alternatives to the traditional criminal court processing of shoplifting cases is the general lack of the evaluative data necessary to assess their impact. A combination of anecdotal subjective information, along with the data collected through our literature reviews, interviews, and observations, suggests varying degrees of impact among the various programs. This section will briefly consider how well each of the programs have fared in meeting their stated goals.

The impact of Shoplifting Court on increased prosecution rates and increased severity of sentencing cannot, at present, be reliably determined. The court maintains only dispositional records and no official evaluations have been implemented. The dispositional records indicate, however, that even after the establishment of the special court, over one-third of all shoplifting cases have been terminated for lack of prosecution witness, and less than two percent of the defendants receive a fine or jail sentence from the court. Chicago police records obtained during this project indicate, however, a dramatic increase in reported shoplifting incidents concurrent with the establishment of Shoplifting Court. Although suggestive, inferences drawn from current court and police data would be premature and superficial without more precise, methodological inquiry.

Another source of evaluative information on the special courts has been the literature, interviews, and observations of the court program collected by the Westinghouse staff. Together they express a general perception of the court as a useful, if not completely effectual, strategy for the adjudication of shoplifting offenses. Retailers we interviewed generally believed a significant savings in person-hours necessary to prosecute had resulted, but they did not perceive any noticeable increase in the severity of sanctions imposed. Again, further research is necessary to determine actual impact. Court administrators from other jurisdictions have expressed interest in implementing "shoplifting courts," and their decisions would benefit greatly from a comprehensive evaluation.

As with the Shoplifting Court, precise data on the impact of court sitting programs is not available. Anecdotal conclusions available, however, suggest vast monetary savings over the regular court process and a significant increase in shoplifting prosecution rates. Their widespread and continuing implementation is further evidence of their usefulness in facilitating prosecution. Because retailers must pay fees for the service, it is possible that subscribers will be motivated to prosecute and appear as witnesses.

Although generally regarded as successful, the restriction of court setting programs to very large retailers and to members of sponsoring trade programs does little to aid shoplifting prosecutions by smaller, non-member

retailers. Moreover, their limited purpose (to decrease time retail security personnel and clerks must spend waiting in court) suggests a limited impact on the broader scope of problems arising in the legal disposition of shoplifting cases. Nevertheless, it is clear that any program which reduces prosecution costs is desirable.

The enactment of new anti-shoplifting statutes and the establishment of an additional remedy for shoplifting in the civil courts is clearly the most dramatic of the judicial alternatives we have reviewed. The civil action does not, theoretically, require use of the police, leaving complete control of prosecution in the hands of retailers. Moreover, it allows easy access to the small claims courts through the use of "delegation of authority" forms and by eliminating the need for professional counsel. Finally, the specification of sanctions in addition to those administered in the criminal courts (which, as noted above, are perceived by retailers as excessively lenient) creates the potential for a significant increase in the severity of sanctions imposed by the court systems. The implementation of the additional statutory penalty into civil courts, so far, does not seem to have had the significant impact initially conceived in the program.

Initially, some difficulties have been encountered in encouraging merchants to use the civil penalty as an addition and alternative to the criminal courts. First among these are the practical problems of evidence gathering and the practical necessity of concurrent police arrest. In practice, the actual civil penalty amounts to an additional sanction which may be imposed on a shoplifter convicted of criminal charges, and not the independent civil sanction it is purported to be. Retailers are highly reluctant to pursue the civil remedy unless criminal proceedings are also instigated.

The general retailer reluctance to pursue the civil penalty (as one respondent described it: A "super cautious" attitude on the part of the merchants) may be due in part to the relative novelty of the approach. Retailers may not perceive themselves as proper initiators of legal actions of this type. Moreover, some may have fears of general public reactions to the use of the civil penalty. Data on these questions are not presently available, and they are prime topics for further research.

Another problem with the new civil statutes may center on the ethical and legal questions surrounding the typical implementation policies. Many of the pretrial form letters demand actual damages and a punitive penalty under threat of law, even though the retailer has no legally established basis for the demand. Moreover, these letters fail to advise suspects that the right to recovery and penalty demanded has not been established by a court of law, nor do they advise suspects of their own rights or procedures for ensuring protection of their rights. Legally, allowing the merchant to determine the amount of the penalty under the guise of a determination by the state courts under the laws (a copy of the statute is usually enclosed with the demand) may be cast as a legislative usurpation of a judicial prerogative. The apparent delegation of this traditionally judicial function may prove a serious constitutional difficulty in the laws. The constitutionality of this practice has not, however, been tested.

In summary, the civil penalty is generally implemented in a broad public education campaign. It provides a legal sanction on shoplifting in addition to and independent of the criminal law. Because these programs have not been in existence long enough for the establishment of a longitudinal data base, their actual impact on shoplifting deterrence has yet to be established. Retailer self-perceptions and ethical and legal questions surrounding typical implementation practices may inhibit the overall impact of the laws. The civil penalty law, when viewed in the context of its implementation, has the potential to significantly increase the probability and severity of prosecution. Its general goal is to make shoplifting a "crime with real consequences." It also may serve, in conjunction with proper implementation and publicity, as a powerful pretrial deterrent to shoplifting, but its ability to do so remains to be tested.

The final alternative to the traditional criminal court processing of shoplifting cases has been the concept of community mediation. Although the community mediation concept favors dispute resolution, such as landlord/tenant disagreements, it has potential for application to the resolution of petty shoplifting (larceny) incidents by smaller retailers in less urban environments. The typical problems in criminal prosecution by small retailers could be reduced by community mediation. Mediation also has the potential to provide a remedy to small merchants who presently have little perceived benefits from criminal prosecution. Community mediation could theoretically, provide a recovery at little or no direct cost, but as a strategy for dealing with shoplifters, it is still in its infancy. The community mediation concept does not, at present, represent a viable alternative to the criminal and civil courts.

6.3.3 Summary

Taking the four alternative approaches together, the modifications to the criminal process (Shoplifting Court and court sitting programs) have been of apparent utility in decreasing in-court time spent by retailers and witnesses in the prosecution of shoplifting cases. There is some evidence that, as a result of these programs, prosecution rates have increased, but no evidence that sanctions imposed by the courts have actually increased. Nor is there evidence that these programs have resulted in an overall deterrent effect on shoplifting.

The new civil anti-shoplifting statutes, which open up new legal remedies and sanctions for shoplifting, appear to have the potential for significantly increasing both rates of prosecution and severity if sentencing of the statutes are consistently used by retailers. Moreover, when implemented in conjunction with a widespread public anti-shoplifting program, these additional legal remedies have the potential to significantly increase the impact of the overall legal system on shoplifting, and possibly may even have a significant effect on the decrease of shoplifting rates. Unfortunately, perhaps due to the novelty of the approach or the perceived legality and of the implementation procedures, the civil penalty has been restricted in its potential impact.

Community mediation centers are the most dramatic conceptual alternative to the criminal courts. Instead of attempting to decrease shoplifting by increased reliance on the courts, the community mediation concept attempts to bring the adjudication and resolution out of the court setting, into a more informal and community setting. Although the community mediation concept is a novel and dramatic approach to the disposition of shoplifting offenses, it has yet to be sufficiently implemented for any conclusions to be drawn.

6.4 Diversion/Rehabilitation Programs

6.4.1 Strategy Description

Pretrial diversion programs are offered as alternatives to the traditional criminal justice or juvenile proceedings. A pretrial diversion program may be defined, for practical purposes, as one that:

- Permits participation on a voluntary basis.
- Provides the accused access to counsel prior to the decision to participate.
- Occurs no sooner than the filing of formal charges and no later than a final adjudication of guilt.
- Results in the dismissal of charges, or its equivalent, if the divertee successfully completes the process.

This definition is broad enough to include pretrial options for all persons (juveniles and adults) charged with law violations. Since the accused is required to make adjustments in his/her own life to meet the requirements of the diversion process, traditionally, participation in the process has been voluntary. In addition, the accused must waive the following Constitutional rights: The right to have the government prove guilt beyond a reasonable doubt; the right to confront one's accusers; and the right to a speedy trial. Although the alternative may be prosecution, the divertee must make an informed choice that is free and uncoerced (National Association of Pretrial Services Agencies, 1978).

A problem facing lower courts is how to prevent young or first-time lawbreakers from turning into habitual offenders. Traditional means for the adjudication of offenders include sentencing, fines, and probation. However, diversion is viewed as a more dynamic way of dealing with offenders. In the sentencing process, the court considers: The offense, the personality of the offender, aspects of the crime, the efficacy of the penalties, and, at times, the attitude of the victim (retailer). Although the use of fines has increased sharply, there is almost no research into their effectiveness. Probation is often imposed, but there are relatively few studies of its results and success rates. Since the research often requires long-term follow-up of individual cases, it is often difficult to measure success or failure in statistical terms. However, the general consensus within the criminal justice community is that these traditional means of responding to offenders do not meet even minimal expectations concerning rehabilitation.

Pretrial intervention or diversion programs are conceived as alternative rehabilitative techniques for adult and juvenile offenders. Most programs include: Formalized eligibility criteria; required participation in counseling, job/community placement, and educational services; and utilization as a true alternative to the court process (dismissal of formal charges for successful participants). Eligibility criteria, generally, include

misdeemeanor and less serious felony complaints, prior to the arraignment stage. Pretrial programs offer participants personal and family counseling, information on career development and educational opportunities, and additional supportive treatment services.

As a general philosophy, diversion is not offered unless there is some recommended service or treatment. Furthermore, the use of diversionary programs is not designed to increase the total number of juveniles under some type of supervision in the juvenile justice system.

Participants who have successfully completed the program have their cases dismissed prior to trial and adjudication. If the participant does not fulfill program obligations, prosecution is usually resumed on the criminal charge. The National Pretrial Intervention Service Center lists 148 active pretrial intervention programs in the United States (American Bar Association, 1977).

Well-designed juvenile diversion programs often provide social services, as well as a method to monitor the progress of youth placed in the programs. When necessary, some programs direct juvenile offenders to an appropriate individual or community agency. Some diversion models use youth service bureaus to provide direct services or to act as referral centers for various community agencies.

Guidelines for diversion often include consideration of:

- The nature of the alleged delinquent act.
- Complainant's/victim's rights.
- Suspect's employment and/or family responsibilities.
- The nature of the problem that led to the alleged act.
- Suspect's attitude toward self-improvement.
- Suspect's character.
- Availability of community-based rehabilitation programs.
- Parental responsibility.

Aspects of consideration in the nature of the alleged delinquency act include whether it was a first offense, the seriousness of the act, the degree of bodily harm, and the degree of criminal sophistication. Consideration of the victim's rights involves evidence of respect for the victim's desire to prosecute. In addition to the suspect's age, intellectual and emotional maturity are considered. Additional considerations are whether or not the juvenile is married and/or has a family to support and whether diversion will interfere with employment. Problems that led to the alleged act could be emotional, psychological, physical, or even educational. Also taken into account are the suspect's reactions when taken into custody and charged.

Aspects of the suspect's character to be considered are evidence of alcoholism or drug addiction; indication of a serious psychological disorder; evidence of dangerous behavior to oneself or others; and information about previous warnings from police or other authorities. Diversion program considerations are the availability of facilities, general structure, and methods of accomodation. Programs may involve psychological counseling, family and social counseling, and vocational training. An important aspect for consideration is evidence of parental recognition of the seriousness of the alleged delinquency and parental desire for rehabilitation of the suspect (National Advisory Committee on Criminal Justice Standards and Goals, 1976).

Diversion programs vary in duration of the type of services offered and in the target population. Most shoplifting diversion programs utilize films and speakers representing courts, police, youth services, and local merchants' associations, to discuss the implications of shoplifting and possible penalties. The duration of programs ranges from one- to two-hour clinics (Jackson, Mississippi; San Jose, California) to a 10-week course, conducted at a local junior college (Grand Rapids, Michigan).

Programs may be funded by the Federal government, private sources, or local revenue. Diversion may be established by court rule, statute, or even informal agreements between funding sources and agencies, organizations, or departments assigned to carry out projects. Programs may be operated by private agencies, probation departments, or community organizations, under such auspices as the courts, prosecutors, or public defenders. In addition, criteria for enrollment vary, as do requirements of admission of guilt or forms of restitution (National Association of Pretrial Services Agencies, 1978).

Some shoplifting diversion programs are actually part of a wider range of services provided by government-supported Youth Services Bureaus, at both the local and state levels. Recipients of a 1979 LEAA grant for a National Coalition Against Shoplifting are developing possible models for future juvenile and first offender programs. As an additional response to the diversion question, the Oregon STEM program has proposed a posttrial shoplifting project for a target group of known offenders with minimum previous records. In addition to helping these youngsters, one of the objectives is to break up a possible unproductive cycle that can occur between retailers and the criminal justice system. A goal of this program is to bring a consistent response to the problem throughout the state, in contrast to the present condition, where each community has its own agency which responds in a different manner.

The STEM shoplifting project will receive its financial base from a \$40.00 fine that will be imposed on the offender. This program will be developed in coordination with a community college which will provide the administration and, in return, obtain additional funds from other sources, for more enrollments. A liaison process will be established with the judicial branch, providing feedback to judges, indicating whether the individuals did or did not complete the program and what recommendation is made. If offenders do not complete the program, they go back to the court and receive a higher fine (Oregon STEM).

Judges and sociologists who have dealt with misdemeanants report that the pattern of municipal court operations often has a serious effect on young offenders. Society is viewed as uncaring, and the defendant feels unimportant. A psychologically, socially constructive action, in terms of diversion, that can be taken is to assign individuals to volunteer sponsors to serve as role models and remain in close contact with the offender--to listen and guide the misdemeanant through this crisis period. For example, in the State of Michigan, an initial group of eight volunteers has grown to about 10,000. Thousands of juveniles have participated in the Royal Oak Volunteers in Probation Program (Berger, Crowley, Gold, Gray, & Arnold, 1975; Morris, 1970).

Figure 6-4 describes operations of the diversion process in a synthesized Flow Diagram. These following operations combine elements of the previous guidelines. After a suspect has been charged with shoplifting (1), the following criteria are considered as they apply to eligibility (5) in a diversion program: The type of offense (2), aspects of the offender's personality (3), and whether or not the offender volunteers to participate (4). If it is determined that the offender is not eligible for diversion (6) or another program in another agency (8), he/she is sent to court (7). (See Section 6.3 for a discussion of the court process.) When the suspect is considered eligible, there are several types of programs to consider (9), such as: General meetings, community service tasks, and private counseling (10). As participants proceed through the diversion process, there are certain expectations and assumptions.

6.4.2 Expectations and Assumptions

Pretrial diversion programs and procedures have the goal of lessening or ending the recycling of certain defendants through the criminal justice system. As shown in Figure 6-4, goals of first offender programs for juveniles and adults include improved self-image (11), increased understanding of one's role in society (12), improved relationships with the criminal justice system and retailers (13), dismissal of charges or removal of police record (14), and a decreased probability of recidivism (15).

In addition to reducing juvenile crime rates, goals of juvenile diversion programs include developing an advocacy relationship between youths and the juvenile justice system and helping youths and their families solve problems. When diversion programs are used, the court can be free to handle more difficult cases. Additional goals of diversion programs are generally to reduce court cases and caseloads and to aid in creating more efficient services. Most programs seek to reduce or eliminate the stigma of entering the juvenile justice system. Diversion programs are designed to deter and rehabilitate offenders in order to help these offenders become useful members of the community. Offenders are taught that they cannot socially or legally afford to repeat their behavior (Nussbaum, 1974). There have been several attempts to measure whether some of these expectations have been met; these are discussed in the following section.

A major assumption of diversion or pretrial intervention is that this procedure will decrease the probability of recidivism for juvenile and adult

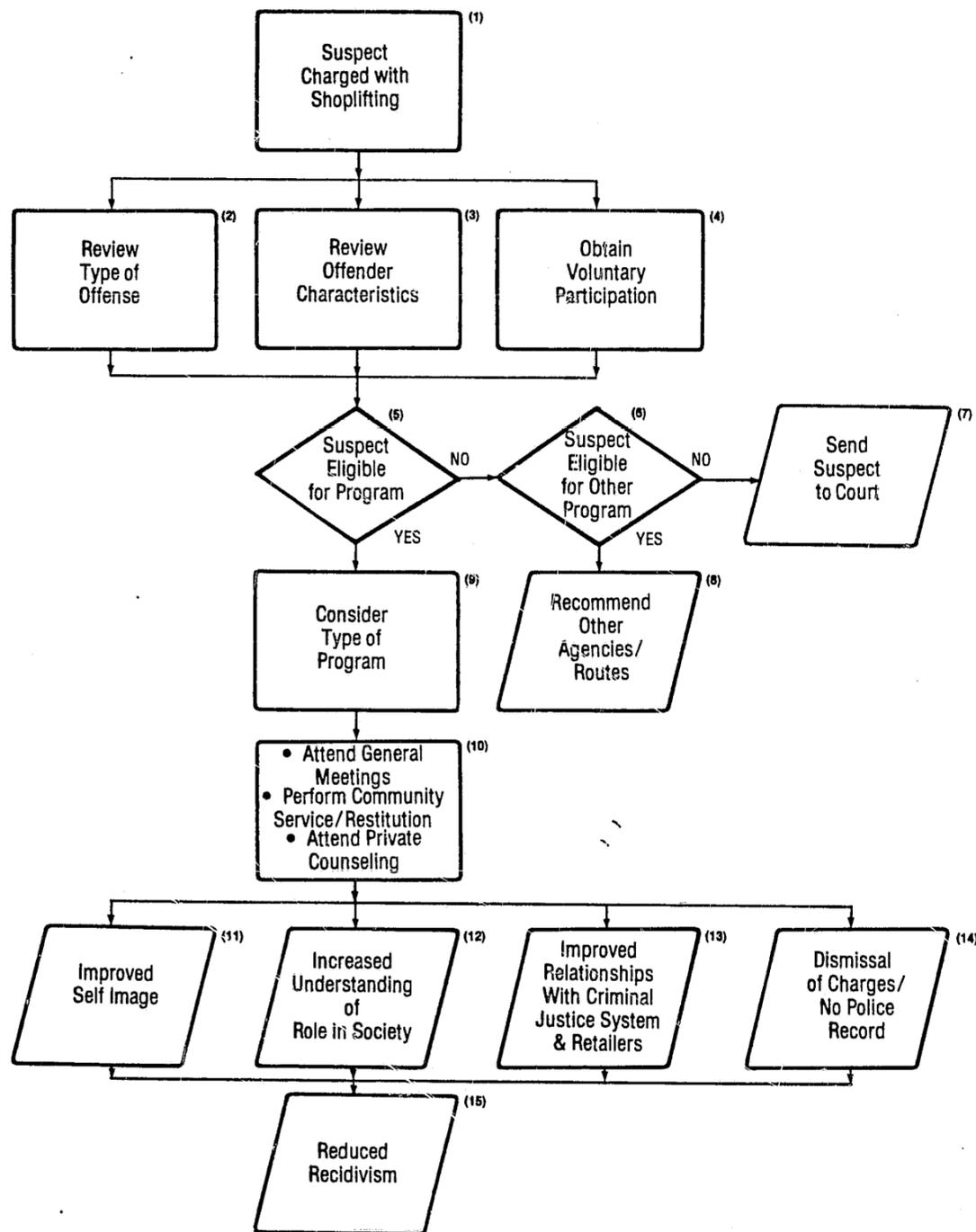


Figure 6-4. Flow Diagram of Diversion/Rehabilitation Strategy

first offenders. As divertees participate in programs, it is assumed that they will begin to understand and accept responsibility for their family and societal roles and to become productive members of the community. In addition, diversion programs are designed to give the participants a positive experience with the criminal justice system, as well as other cooperating agencies and organizations.

6.4.3 Evaluation Results

The bulk of diversion data is based mainly on general diversion programs and not programs specifically designed for the shoplifter. However, because of the nature of the crime of shoplifting, shoplifters are the majority of participants in first offender programs.

A full evaluation of diversion programs requires special data collection efforts, careful measuring of outcome variables and controls, and gathering of information during the planning and implementation stages. Challenges occur in measuring what may be classified as small (but important) effects and long-term effects. It must be noted that a finding of reduced recidivism does not necessarily demonstrate that the rehabilitation program reduces crime.

Although there are some systems impact studies that attempt to measure structural and procedural changes in the juvenile justice system resulting from policies of diversion, Rutherford and McDermott (1976) point out that most diversion programs use client outcome studies as they determine success as reflected by reduced recidivism. In a Sacramento, California study that used rearrest as a measure of recidivism, researchers found that, although 36 percent of youth from the diversion program were rearrested during a seven-month follow-up period, 46 percent of youth in the control group were rearrested (Leiber, 1971). A second study of a pretrial intervention program that involved a parent/child communication program similarly operationalized recidivism. During a six-month follow-up period after the program, recidivism rates were 15 percent for the treated youths and 29 percent for the control group (Binder, 1971). In another study of 2,860 male offenders enrolled in two programs, Fishman (1975) found that those who were 18 or younger had higher recidivism rates than clients between 21 and 39. However, he concluded that the rehabilitation programs that he evaluated were not successful.

Several other studies have reported negative results for these programs. Lincoln (1975) found that juveniles who had participated in a pilot diversion project that referred divertees to community agencies showed a higher number of subsequent offenses than members of a control group that were not referred to the agencies. It was Lincoln's conclusion that the use of referrals tended to aggravate rather than deter recidivism. In another study, where clients of two youth diversion programs were compared with youth placed on probation, Elliot and Blanchard (1975) reported that few differences were found between the diversion and probation samples, and no differences were found in relation to delinquency rates. In fact, the only two statistically significant differences were that self-esteem measures were lower for both diversion groups and one diversion sample had a greater perceived negative labeling.

Since diversion programs interface with police departments, there are several available measurement points for research. Table 6-4 lists both possible and actual measurement points as they relate to the flow diagram in Figure 6-4. There are records of apprehensions, in addition to monitoring of cases going to court through the program, or to other sources and agencies. Statistics on court decisions and meeting attendance should be readily available. Furthermore, except for some juvenile records, there should be data on recidivism. Areas that lack sufficient actual measures include more attitudinal studies about self-image, one's role in society, and one's relationship with law enforcement, the criminal justice system, and retailers.

Additional means of assessing program effectiveness employ testimonials of managers, volunteers, and participants as measures. For example, the Dane County, Wisconsin Deferred Prosecution Program utilizes participant evaluation forms that discuss such aspects as:

- The purpose of the program.
- The place of the program in the criminal justice system.
- The reason the offender decided to participate.
- A recommended alternative to the program.
- Which session was liked the most or was most helpful.
- Reactions to the intake process.
- Ratings of specific speakers and sessions.

These evaluation forms are carefully read and adjustments are often made for following sessions (Muehl, 1979).

If documentation is attempted through police and court files, there can be additional problems of unrepresentativeness, underreporting, and thinness or inconsistency of records. Data collection methods and procedures vary among police jurisdictions. In addition, there are few attempts to compare outcomes of the volunteer program with a control group, or, if a control group is used, members may not be comparable to the divertees (Berger, et al., 1975).

The National Association of Pretrial Services Agencies (1978) reports that diversion substantially reduced recidivism; resulted in financial savings as well as case backlog reductions; avoided incarceration and the stigma of conviction; developed employment opportunities and replaced dysfunctional behavior with socially productive behavior. However, many studies and reports have over-simplified the complexity of the problem as they maximized effects of short-term intervention procedures. An additional criticism is that evaluation data of diversion programs varied in levels of sophistication. Many experts have challenged earlier claims. For example, some diversion

Measurement Table 6-4
Diversion/Rehabilitation Programs

<u>Measurement Points</u> ¹	<u>Possible Measures</u>	<u>Actual Measures</u>
1	Number of shoplifting apprehensions.	*
2	Number of types of offenses.	
3	Number of cases reviewed.	*
4	Number who volunteer.	*
4a	Number who refuse.	*
5	Number of cases considered for diversion.	*
5a	Number of cases accepted.	*
5b	Number of cases rejected.	*
7	Number and type of court decisions.	*
8	Number of other choices.	
9	Number of programs.	
10	Number who attend meetings.	*
10a	Number of meetings attended.	*
10b	Number who perform community service or restitution.	*
10c	Number in counseling.	*
10d	Number of counseling sessions.	*
11	Number with improved self-image.	
11a	Number with lower self-image.	
11b	Number with self-image that stayed the same.	
12	Number with increased understanding of role in society.	
12a	Number with decreased understanding of role in society.	

Measurement Table 6-4 cont'd.

<u>Measurement Points</u>	<u>Possible Measures</u>	<u>Actual Measures</u>
12b	Number whose understanding of role in society has stayed the same.	
13	Number with improved relationships.	
13a	Number of deteriorated relationships.	
13b	Number of relationships that stayed the same.	
14	Number of dismissed cases.	*
14a	Number of police records.	*
15	Number of juvenile recidivists.	
15a	Number of adult recidivists.	*

¹Numbers in this column refer to Figure 6-4.
*denotes actual measures available.

procedures required several court appearances which did not reduce backlogs. Also, diversion was really viewed as an alternative to probation, since many nonserious charges do not result in incarceration. Furthermore, many programs proved to be as costly or more costly than traditional court processes. In addition, job placements were not always successful. Although recent evaluations show a modest reduction in recidivism, there have been mixed results. In some cases, recidivism figures may be misleading because previous juvenile records may have been sealed or destroyed. System and cost constraints require that some benefits must be subordinated or reconsidered.

The National Association of Pretrial Services Agencies (1978) recommended that diversion programs make provisions for ongoing review of their efforts, including monitoring and evaluation. However, few programs have responded with well-designed and implemented evaluations. Empirical verification of claims is relatively nonexistent. Poor methodology, undefined variables, and overstated objectives contribute to unfavorable or inadequate data. Indicators mentioned as appropriate areas for research include: Recidivism, employment variables, psychological variables, system impact, and cost analysis.

6.4.4 Summary

Diversion programs are designed to help individuals who have come in conflict with the law to make a new start. Pretrial intervention procedures and programs seek to provide the traditional criminal justice system with greater flexibility as it attempts to deter and eventually reduce crime. However, first offender programs may provide more questions than answers. Should recidivism rates be means for judging programs? How does the participant perceive the justice system? Are self-report questionnaires accurate? Are there too many pressures on diversion programs to provide success statistics (Rutherford & McDermott, 1976)?

There has been very little sound monitoring or evaluation of the diversion process. For example, there has not been enough attention paid to whether the individual perceives the diversion process as being different from the traditional process. There has not been adequate examination of the issue of whether diversion lessens social controls or merely shifts them (Rutherford & McDermott, 1976). Although diversion may be an innovative, dynamic way of dealing with offenders, there is a great need for examining which aspects of programs are more effective and which aspects need to be redesigned. Furthermore, there is still a great need to examine, over time, the relationship of diversion procedures to the criminal justice system, the juvenile system, and the retail industry.

7.0 Summary, Conclusions, and Recommendations

7.1 Summary

7.1.1 Introduction

Retail theft is undoubtedly one of the most insidious and significant social and economic problems facing our country. Shoplifting and employee theft are among the most prevalent and costly crimes against business and society. Accurate estimates are difficult to obtain, but billions of dollars are lost every year. The prevalence of the problem is highlighted by self-report data indicating that approximately half of all employees have stolen property from their employers and more than half of all high school students have shoplifted from a retail store. Due to the theft problem, American families may be asked to pay several hundred dollars in the forms of higher prices and hidden taxes.

The primary objective of this Phase I assessment is to summarize and assess the state-of-the-art of programs and strategies designed to prevent, reduce, or control the retail theft problem. The significance of this Phase I evaluation is perhaps best understood by placing it in the context of previous work related to the topic area. Unfortunately, major efforts designed to research the problem and assess anti-theft programs/strategies are virtually nonexistent. Our analysis indicates that both the public and private sectors have not been fully responsive to this problem.

The present Phase I assessment of anti-shoplifting and anti-employee theft programs/strategies is notably different from all current and previous National Evaluation Projects (NEP). The most unique aspect of this project is that the vast majority of anti-theft activities originated in the private sector and were funded by private sources. Almost all other NEP projects have been concerned with evaluating programs funded by the Government, primarily through LEAA. Because most anti-theft activities were located in the business sector, there were special considerations that had to be addressed in order to successfully complete this Phase I assessment (e.g., the retailers' sensitivity to Government regulation and confidentiality of retail records). Westinghouse was successful in overcoming these problems and in gaining the necessary cooperation from the retail industry.

7.1.2 Project Methods and Procedures

The methods and procedures used in this Phase I assessment of anti-shoplifting and employee theft programs/strategies are primarily characteristic of the NEP model. Consistent with the model, we identified the universe of anti-theft programs/strategies, screened candidate organizations, collected detailed information through site-visits, developed flow diagrams, specified possible and actual points of measurement, synthesized existing knowledge, and pinpointed the major knowledge gaps in the topic area. More specifically, over 347 contacts were made with various organizations to locate programs of interest. A total of 175 were screened, using telephone interviews. Of these 175, 30 were followed-up with in-depth telephone interviews. In addition, 30 persons were interviewed in person, and 20 on-site visits were

conducted. As a result of the preceding data-gathering process, the following types of organizations were identified as being active in this area:

- Retail companies.
- National retail associations.
- State retail associations.
- Community organizations.
- Educational institutions.
- Criminal justice agencies.
- Private security consultant firms.
- Crime prevention agencies and research organizations.

An extensive multi-stage literature search was conducted. During the first stage, existing programs were located and strategies for possible screening were identified. Articles on shoplifting, employee theft, and program strategies were located in approximately 100 different periodicals. In addition, information was obtained from numerous retail security books, Government reference documents, previous research reports in the topic area, and materials from individual organizations. This search identified several popular and also unique programs which were previously not recognized and resulted in the development of an extensive library of articles in the topic area.

During the second phase of the literature search, a more extensive review of the articles, books, and other available documents was performed. The second search was directed by a larger, more comprehensive set of questions. Using the conceptual framework for determining the types of information to be collected, staff members noted opinions, expectations, assumptions, theories, and research/evaluation findings. A bibliography of 1,154 items may be found in Volume II of this report.

7.1.3 Extent and Nature of the Problem

Retail theft is a problem of major proportions. Retailers generally experience inventory shortages that are between 2 and 4 percent of sales. Eighty-five percent of this shrinkage is thought to be due to theft. Nationwide authorities estimate the cost of retail theft to be between \$3 and \$12 billion annually. Although few estimates are grounded in sound data, most authorities attribute a majority of this theft to employees. If these estimates are even minimally accurate, the American public bears a tremendous burden as a result of retail theft.

Measurement issues constitute a major obstacle to acquiring knowledge in the theft area. The consequences of poor measurement can be seen in the \$9 billion range between the lowest and highest estimates of the dollar

cost directly attributable to retail theft. Similarly, wide variation exists on virtually all major parameters of the problem. Although all indications are that retail theft is very widespread and costly, in a critical assessment of the problem, we must conclude, along with Gibson and Zunno, that "...we simply do not know the cost of crime against business" (1978, p. 44)--except in a very general, impressionistic sense.

Assuming that retail theft is a problem of major proportions, it is imperative to attempt to understand why people steal, and many theories, hypotheses, and speculations have been offered to explain why people shoplift or steal from their employers. The causes of shoplifting have been classified as individual-based and environmental-based. While a variety of situational/environmental causes have also been posited, the bulk of existing literature emphasizes the individual enduring needs and states of the offender. Individual-based causes focus on either temporary or enduring needs and states of the offender. Particular attention has been given to psychopathological motives posited by the psychoanalytic school of thought. This pathological emphasis runs counter to the profile of the typical shoplifter, which has been generated from apprehension data. The typical shoplifter is seen as a somewhat normal, youthful shopper. Furthermore, the pathological emphasis runs counter to the majority of loss prevention efforts, which focus either on educating the general populace or on manipulating the retail setting to reduce the opportunity for theft. The pathological model does not appear to describe the offender, to agree with the most common prevention efforts and most importantly, it overlooks the fact that behavior is known to result from the combined influence of individual and situational factors.

In contrast to the theoretical attention devoted to explaining retail theft, there have been very few theoretical attempts to understand the causes of employee theft. Perhaps the lack of emphasis is due to the fact that the magnitude of the problem has only recently been recognized. However, these models show a more comprehensive listing of possible causes, both personal and situational, than those developed to explain shoplifting. Nonetheless, the general conclusion, for both shoplifting and employee theft, is that the empirical support for the vast majority of theoretical statements is conspicuously absent, leaving the validity of these ideas largely unknown. The available knowledge is largely atheoretical in nature.

The profile of the typical shoplifter is assumed to be an amateur who acts on impulse. Data from apprehensions indicate that juveniles comprise a significant portion of total apprehensions and that the majority of youthful offenders are male. Among adult offenders, the majority of offenders are female. Race does not appear to be a significant factor in determining involvement in shoplifting activities. The majority of apprehended persons tends to be individuals in middle income brackets who are generally carrying enough money or credit cards to pay for stolen items.

The particular behaviors and methods involved in shoplifting are varied; however, some general trends can be observed. Males tend to favor concealing stolen merchandise in pockets and clothing, while females generally prefer purses or shopping bags. Juveniles are much more likely to shoplift in groups, using diversionary tactics, while adults generally "work" alone.

Very little data are available in the most common type of retail establishments victimized. While it is generally believed that the self-service store layout is the most likely context for shoplifting losses, large retailers in major metropolitan areas are experiencing heavy shoplifting losses. Although the threat of shoplifting is always present, seasons where sales are up, such as Christmas or back-to-school, are prime times for increases in shoplifting losses.

A word of caution is necessary at this point. Because the bulk of these results concerning offenders and establishments victimized are based on store apprehension figures, there is the real possibility that they reflect nothing more than differences in apprehension and prosecution policies across stores, companies, cities, counties, and/or regions of the country. Without knowing who is not being apprehended and without knowing how representative the stores are where the studies have been conducted, the existing knowledge base on the nature of shoplifting is severely limited. Many of the knowledge gaps in the area of retail theft are a direct result of the generally low level of measurement. Much of this problem is due to the difficulty encountered in measuring any criminal event, and these difficulties are often magnified by the circumstances surrounding retail theft. In addition, most retailers do not possess the skills needed to adequately assess the problem. If progress is to be made in this area, the initiative must come from the Federal Government. A concerted effort is necessary to improve existing measures and to develop new ones that rectify many deficiencies.

Unfortunately, even less is known about employee theft than about retail theft. There has been only one major study on the individual and organizational correlates of employee theft. Additional work is needed to assess the reliability and generalizability of these results.

7.1.4 Selected Anti-theft Strategies by Retailers

This project has identified a large number of strategies employed by retail companies to prevent, reduce, or control shoplifting and employee theft. These approaches range from very simple strategies, such as using locks on merchandise display cases, to more complex strategies, such as implementing an electronic article surveillance system or operational auditing procedures. Because of the large number and variety of anti-theft strategies operated by retailers, it was necessary to determine which strategies were of greatest interest to the project. By focusing attention on only these important strategies, Westinghouse was able to collect detailed information about the more potentially useful techniques.

A standard format was used to present information in a way that would be maximally beneficial to the reader and ensure consistent coverage of the major questions. Each anti-theft strategy was discussed in a separate section, having the following three subsections:

- Strategy description.
- Expectations and assumptions.
- Evaluation results.

A generalized model of the strategy was illustrated through a synthesized flow diagram. The anti-theft strategies covered are discussed in brief below.

Closed-circuit television. In the area of retail security, closed-circuit television is a recent phenomenon, owing its existence to the many technological advances made in the past two or three decades. As a specific strategy, it is part of a group of photographic systems designed to aid surveillance. In practice, CCTV systems show a wide range of sizes and sophistication. Their broadest application has been to expand the surveillance capability of security personnel. It is thought that their greatest impact on shoplifting is as a deterrent to potential thieves, rather than as an aid to apprehension. When used as an investigative tool, security personnel report that this strategy can be very helpful in apprehensions. Another application of this technological tool is the surveillance of controlled access areas. Very little published information is available about the impact of this strategy on retail theft. What little data are available usually take the form of testimonials or "success stories." Unfortunately, this data provide no solid grounds to assess the impact of the strategy.

Electronic article surveillance. Electronic article surveillance presents retailers with a system whereby thousands of items of merchandise may be monitored. Despite its apparent apprehension-oriented nature, legal problems have effectively made this strategy a deterrent one. Electronic article surveillance is potentially a rich data base for analysis; however, application is restricted due to measurement biases and design problems. In actuality, the effectiveness of the electronic article surveillance strategy has not been statistically demonstrated. Despite its apparent shortcomings, use of electronic article surveillance by retailers is increasing.

Pre-employment screening procedures. The major pre-employment screening procedures used by retailers to detect theft-prone applicants are background checks, lie detection tests, and written honesty tests. Background checks are rarely on sales personnel, but are commonly used when screening for high risk positions. Retailers have mixed feelings about the value of this screening approach, and to our knowledge, there are no empirical data on the effectiveness of this procedure. Lie detection tests are widely used and believed to be highly effective. However, empirical validation results for both the polygraph and the more recent voice stress analyzer are equivocal, at best, and are the source of intensive debate in this field. Written honesty tests are also widely used and believed to be effective in weeding out theft-prone individuals. Nonetheless, the validation results are generally weak, especially because of the absence of data supporting the predictive validity of the major tests. A number of assumptions regarding each screening procedure have been delineated and many of these have yet to be tested. The most critical untested assumption which applies to all three screening approaches is that the information collected through screening can accurately predict future theft behavior beyond what would be expected by chance. Devising and implementing tests of this assumption should be a top research priority in the area of pre-employment screening.

Training programs. Employee training programs are essentially educational and motivational strategies. The programs include the education of

managerial, security, and nonsecurity personnel and are aimed at increasing the specific security capabilities of these three groups. Despite shortcomings in educational aids and consistent application, the training strategy is used by a majority of retailers. Its effectiveness, however, is yet to be verified by accurate measurement. Training programs offer opportunities for further evaluation.

Auditing procedures. Retail auditing is a diverse evaluational strategy that is a service to management. During the course of an audit, virtually every area of the retail operation is reviewed and evaluated. The result of this process is then compiled and forwarded to the appropriate management personnel, where the report serves as an accurate, objective evaluation of the retail strategy. In addition, the improvements in the retail operation that occur as a direct result of the audit process have a deterrent effect on criminal behavior in the retail setting. Thus, a retail auditing strategy within the parameters of this report may be regarded as a deterrent to both shoplifting and employee theft.

Theft reporting strategies. Theft reporting strategies are communication and incentive programs for both employees and shoppers. The goals of the strategies are to encourage participation in the reporting of shoplifting and employee theft by reducing obstacles to reporting and increasing motivation to report. Use of theft reporting strategies is common among retailers but appears to be declining. Evidence concerning the effectiveness of the strategies is inconclusive but tends not to support reporting strategies.

Environmental design. Crime prevention through environmental design is a recently developed strategy, based on the work of social scientists and urban planners. It is a comprehensive anti-theft strategy that integrates access control and surveillance strategies with motivational and educational tactics. These two general areas of emphasis tend to complement each other and jointly compensate for shortcomings of each method alone. If properly designed, implemented, and executed, environmental design theory presents a comprehensive approach to the reduction of shoplifting and employee theft. The theories appear to be logically sound and have been successfully executed in several demonstrations; however, this comprehensive approach still must be implemented in a retail setting.

7.1.5 Public Awareness and Education Campaigns

Although this report describes a variety of approaches to public awareness and education, there are not sufficient data to indicate which approaches have been the most effective. Evaluations of the majority of programs are nonexistent or very causal. Only programs in Georgia, in general, and Idaho and Washington, specifically, have been more formally evaluated. Even though many campaigns are initiated on a yearly basis, there is a lack of documentation regarding the success of previous campaigns. In addition, there are considerable weaknesses and inconsistencies in data gathering methodology. Although the strategy of public awareness and media campaigns appears to be a powerful means of reaching target groups, there is evidence that this strategy is not being used to its fullest potential. Because there is an insufficient examination of the impact of previous programs, new programs are

often initiated with little adjustment to previous years and little anticipation of future needs. With adequate evaluation of past efforts, future efforts could be more purposefully structured.

7.1.6 Criminal Justice Strategies

Legislative actions. Concern with rising shoplifting rates has prompted changes in legislative action. Two general types of statutes have emerged: Those defining the "presumption of intent" and those pertaining to detention for "probable cause." Combinations of these statutes vary from state to state.

Two other stipulations have become important factors in effective prosecutions of apprehended shoplifters: (1) Immunity from civil liability is granted by most states to protect the merchant from civil and criminal action; (2) in some states, merchants have been given the right to bring civil penalty, as well as criminal charges, against an apprehended shoplifter. In addition, all legislative changes have been geared toward effecting increased prosecution by merchants with an eventual reduction in shoplifting rates.

Available data indicate that legislative changes are not well publicized among the general public or among retailers; however, few studies have explored or evaluated the impact which legislative changes have had on reducing shoplifting losses. More research is necessary to measure the public awareness of current shoplifting legislation and the impact it has on shoplifting rates.

The police. The police carry out dual roles as law enforcers and crime prevention educators in relation to shoplifting. The responsibility for these duties is shared with privately employed retail security personnel. Although the security directors of some large department store chains whom we interviewed felt police were unfamiliar with their particular security needs, there is a general consensus among smaller retailers that police crime prevention activities increase their knowledge about shoplifting and facilitate the police/retailer communication and cooperation necessary for successful prosecution of offenders. However, as law enforcers, police do not have a significant impact on shoplifting other than through adequate performance of several clearly defined tasks which are necessary to prosecute suspected shoplifters. These tasks generally involve transporting and booking of suspects, completion of formal administrative reports, and appearance in court for the trial. At least in misdemeanor shoplifting offenses, police often are not crucial to the apprehension of suspects nor to the court disposition of offenders.

The shoplifting prevention activities of police are numerous. Additionally, the expertise of the police in the area is increasing. Crime prevention surveys and anti-shoplifting seminars are well accepted by local retailers, and there is evidence that these activities can have a measurable effect on shoplifting rates. Shoplifting law enforcement and crime prevention activities by police are fundamental responses of the state to crime. In contrast, impact assessment of police activities is limited by their intermediary role in relation to law enforcement, and the lack of evaluative designs in their crime prevention activities.

The courts. Modifications to the criminal process (Shoplifting Court and court sitting programs) have been useful in decreasing in-court time spent by retailers and witnesses in the prosecution of shoplifting cases. There is some evidence that, as a result of these programs, prosecution rates have increased. However, there is no evidence that sanctions imposed by the courts have actually increased, and no evidence that these programs have resulted in an overall deterrent effect on shoplifting.

The new civil and anti-shoplifting statutes which open up new legal remedies and sanctions for shoplifting appear to have the potential for significantly increasing rates of prosecution. They also have the potential for significantly increasing the severity of sentencing if the statutes are consistently used by retailers. Moreover, when implemented in conjunction with a widespread public anti-shoplifting program, these additional legal remedies have the potential to significantly increase the impact of the overall legal system on shoplifting. They may also potentially have a significant effect on the decrease of shoplifting rates. Unfortunately, perhaps due to the novelty of the approach or the perceived legality of the implementation procedures, the civil penalty has been restricted in its impact.

Diversion/rehabilitation programs. Diversion programs are designed to help individuals who have experienced conflict with the law to make a new start. Pretrial intervention procedures seek to provide the traditional criminal justice system with greater flexibility in attempting to deter and eventually reduce crime. Unfortunately, there has been very little sound monitoring or evaluation of the diversion process. For example, there has been very little attention paid to whether the individual perceives the diversion process as being different from the traditional process. There has been inadequate examination of the issue of whether diversion lessens social controls or merely shifts them. Although diversion may be an innovative, dynamic way of dealing with offenders, there is a great need for examining which aspects of programs are effective and identifying those aspects which need to be redesigned. It is imperative to examine, over time, the relationship of diversion procedures to the criminal justice system, the juvenile system, and the retail industry.

7.2 Conclusions and Recommendations

This final section summarizes the major conclusions we have drawn from our research effort. The conclusions are based on the assessments and results reported in the first six chapters and are the salient findings which emerge from this research effort. This chapter also provides recommendations concerning future efforts in this area. The recommendations are based on our interpretation of the present activity in the field and what we believe are necessary steps if the problems of shoplifting and employee theft are to be dealt with in a systematic manner.

Conclusion 1: Shoplifting and employee theft are major economic and social problems of an insidious nature. Our research indicates that billions of dollars are lost annually due to these problems in the retail industry. Clearly, this has a major economic impact on retailers and consumers. Our assessment of existing data concerning the extent of the problem indicates that valid figures are difficult to obtain, but the magnitude of the problem is apparent.

Both shoplifting and employee theft have a subtle impact. By their very nature, they are crimes of stealth. In addition, the dollar value of any single incident (especially shoplifting) may be small, but because of the vast numbers of incidents, the total amount stolen is of major significance. Finally, the criminal justice system is rarely invoked for cases of employee theft and is often not involved in shoplifting. Thus, even when there is an apprehension, there will often be no official public indication that a crime has been committed. All of these factors contribute to the hidden impact of shoplifting and employee theft.

Although the crimes are subtle in nature, the business community is certainly aware of their existence in a global way. They know these crimes occur but do not have data on their extent and nature. Accurate estimates are difficult to obtain, but it is clear that millions of dollars are spent each year to prevent or control these crimes. These expenditures are the indirect costs of these crimes.

Recommendation 1: Conduct research on the extent of the problem. As noted in a previous Westinghouse report (Preliminary Design for a Phase II Assessment and Field Feasibility Tests), any large-scale survey of retail locations would require the creation of a complex and expensive sampling strategy, costing in the excess of three million dollars. In that report, Westinghouse proposed an intensive method which will provide an indication of the extent of retail crime.

Conclusion 2: The state of measurement is underdeveloped. Measurement issues constitute a major obstacle to knowledge in this area. The consequences of poor measurement are evident in the wide range of estimates of the extent and nature of the retail theft problem.

Recommendation 2: Develop accurate measures. One of the major drawbacks in conducting evaluations in this field is the lack of good measurement tools to judge the impact of various anti-theft strategies. These measures

should include: Direct and indirect costs, nature of offender population, methods utilized to commit crimes, and relative frequency of shoplifting and employee theft.

Conclusion 3: There is little or no scientifically acceptable evidence to document the effectiveness of current strategies. This Phase I assessment clearly points out the major gaps in knowledge. These gaps are a product of the lack of research and evaluation in this field. We believe that many of the activities in both the retail and the criminal justice sectors are evaluable. Scientifically acceptable research methodologies and evaluation designs can be applied by retailers and others that go beyond the simple case studies previously conducted. While some of the measurement problems are difficult, the outcome of the field feasibility tests to be conducted by Westinghouse will be helpful in determining the extent of these problems and how they can be overcome. Moreover, we strongly believe that many retailers are ready to have their activities evaluated. Westinghouse has presented the evaluation perspective at a number of national conferences held by those active in retail security. Efforts to apply scientific evaluation methodology have been well received. Many have voiced the opinion that, in order for the field to advance, they must go beyond personal opinion and speculation and produce scientifically acceptable factual information.

Recommendation 3: Conduct scientifically acceptable evaluations of anti-theft strategies. It is evident that the gaps found by this study will not be filled unless research and evaluation are carried out. Given an interface between the Government and the private sector, adequate resources, and the positive attitude of the retail community toward evaluation, we believe that this recommendation can be successfully implemented.

Conclusion 4: Research and evaluation are not conducted by either the retail community or Federal agencies.

- The private sector. Retailers do not have valid measures of the effectiveness of the strategies they utilize, nor do they have sound data on the nature and extent of the theft problem. A number of factors are responsible for this state of affairs. It is difficult for management to know what percentage of shrinkage is due to employee theft, shoplifting, or paperwork errors. This measurement problem makes it hard to hold security managers accountable for their activities. Thus, security personnel do not typically evaluate their own efforts in a scientific manner. Secondly, we believe that much of the retail community views shoplifting and employee theft not as being the province solely of the retail community, but as a social problem for which the Government must share some responsibility. Third, while the retail community may be very sophisticated in marketing and sales, in our experience, there seems to be an almost total lack of awareness of modern scientific research and evaluation methods. Moreover, where management is aware of the possibilities of evaluation, they remain unconvinced that expenditure of their funds would be cost-effective. This perception appears to be a result of retailers' ability to pass the cost

of shoplifting and employee theft on to the consumer and the belief that any single corporation, no matter how large, can do little to combat the problem in isolation of other efforts. Thus, a combination of skepticism, lack of awareness and a lack of tradition in evaluation has contributed to the dearth of research and evaluation in the private sector.

- Government. Just as the private sector has, by and large, ignored the utility of evaluation, the Federal Government has devoted few resources to dealing with these problems. In our opinion, a number of factors have contributed to this neglect. First, many in Government see the problem not as a crime or social problem, but as a security problem for retailers. Thus, we complete the circle. The retailers feel that it is a social problem, and thereby a Governmental responsibility, and the Government feels it is a problem to be solved by private business. These perceptions are further aggravated by the lack of a viable interface between the Government and the retail community. Second, as was noted earlier, the crimes involved are insidious and subtle. The public is generally unaware of the significant impact shoplifting and employee theft have on their lives. Thus, there has been little or no public pressure on the Government to do something about these problems that is comparable to the pressure exerted to combat crimes of violence. Given the retail community's distance from Government, there is no proponent for Governmental intervention to combat this crime problem. In our opinion, all of the above factors have contributed to lack of evaluation and research in this field.

Recommendation 4: Develop an interface between appropriate Government agencies and the retail community. Given the communication gap between the Federal Government and the retail industry, a mechanism should be developed to encourage a dialogue between the Government and the private sector. This is very similar to a recommendation made by the American Management Associations, in their report on Crimes Against Business.

Conclusion 5: The criminal justice system has not been fully utilized by retailers. Apparently, most retail crimes are handled outside the criminal justice system. Some of the reasons for this lack of involvement include the following:

- In some locales, the criminal justice system is overloaded and cannot deal with retail crime.
- Retailers often do not collect sufficient evidence to prosecute, especially for employee theft.
- Retailers perceive that prosecution is not an effective deterrent or punishment.
- The cost of prosecution in terms of time and cost is perceived by many retailers to be too high.

Recommendation 5: Develop research, evaluation and dissemination efforts on the utilization of the criminal justice system. These efforts could include:

- The development of a research and evaluation project that would measure the deterrent impact of strict prosecution. Some prosecutors, such as the New Orleans District Attorney, have developed comprehensive prosecution programs, but these programs have not been evaluated.
- An evaluation of the impact of special courts and group docketing procedures, such as the Chicago Shoplifting Court, which are designed to reduce the cost of retailer involvement in the criminal justice system and increase the efficiency of the system.
- The design and implementation of local and regional cluster meetings to increase the communication and cooperation between retailers and criminal justice personnel.

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