

# Law Enforcement Retail Partnership Network Report

Special Edition— Year-to-Date

September 30, 2009

## Dashboard

### Diagnosis

For this Special Edition LERPnet Report, Organized Retail Crime Incidents incidents reported in LERPnet January 1—September 30, 2009 were reviewed. LERPnet trends show:

- The mass market sector has contributed the most incidents to the system (50%) followed by the department/large box (23%) and specialty (15%) sectors.
- Thursday thru Saturday, 2:00-6:00pm are the top days and times when retailers are experiencing ORC incidents most frequently.
- The top regions affected by ORC by dollar loss are the Southeast, Midwest and West regions.
- The top states affected by ORC by dollar loss are CA, TX and FL. This was further verified by zip codes with top \$ losses.

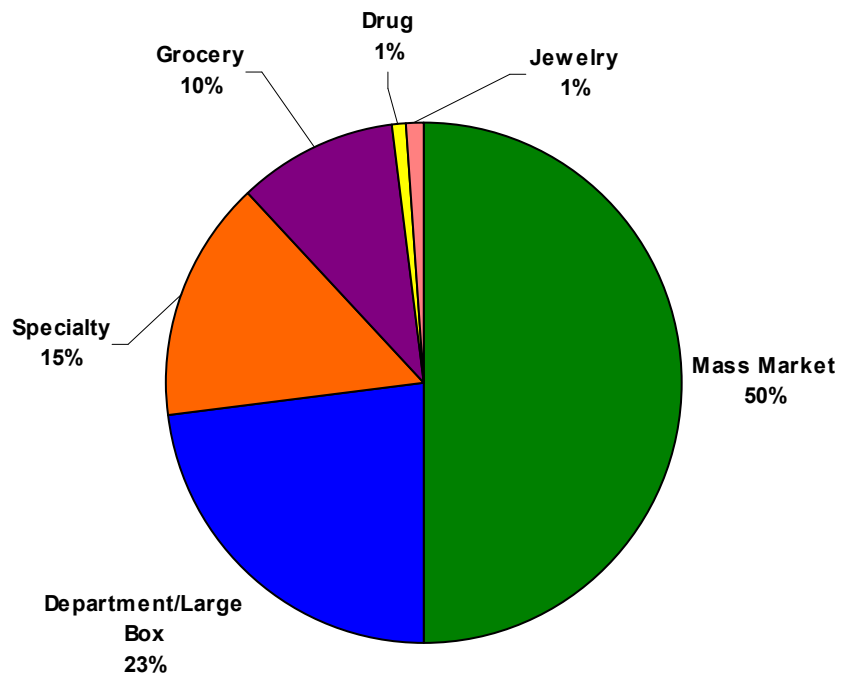
## Dashboard

U.S.	Year-to-Date	Total
# Incidents	24,682	100,879
Loss Value	\$18,795,664	\$83,065,532

Figure 1 – Top Incidents by Avg. \$ Loss (Year-to-date)

Type	Average \$ Loss
Burglary	\$3,717
Robbery	\$2,039
Organized Retail Crime	\$1,327
Credit Card Fraud	\$1,007

Figure 2 – Top Sector by Count



# LERPnet Successes

## \$131,000 in recoveries



Using LERPnet to track ORC rings, Charlotte Russe, a LERPnet subscriber, has identified and recovered \$131,000 in losses.

## East Coast Fraudulent Check Ring—CAUGHT



Photos, videos and other supporting documentation can be uploaded and tied to a specific incident. Subscribers can utilize this documentation for their own investigative efforts. These photos are of a fraudulent check ring that was defrauding retailers along the East Coast.

## Tracking Smash-and-Grabs in Atlanta, GA

**LERPnet** www.lerpnet.com  
**Law Enforcement Retail Partnership Network Report**  
 Special Edition—Atlanta Burglaries August 14, 2009

**Atlanta Area Burglaries**

Year	\$ Losses	# Incidents
2007	\$ 22,320.45	74
2008	\$ 668,611.54	61
2009	\$ 1,000,895.13	79
2009	\$ 383,578.13	33
<b>Total</b>	<b>\$ 1,965,405.25</b>	<b>176</b>

**Dashboard Diagnosis**

- In the last 3 years, 176 burglaries
- \$1.98 million in losses
- Of the 176 incidents
  - 55% smash & grabs
  - 11% grab & runs
  - 23% all other burglaries
- Smash & Grabs—disproportionate # of incidents and \$ loss
- Most offenders are juveniles
- A lot of activity is gang-related
- 41% victims are small / independent retailers

**Top Atlanta Area Zip Codes Affected by Burglaries**

- 30326 (23)
- 30324 (12)
- 30309 (11)
- 30358 (10)
- 30075 (9)



- Law Enforcement Online (LEO.gov) is the Federal Bureau of Investigation's (FBI) online data repository for information sharing with law enforcement officers.
- The LERPnet-LEO.gov connection will make LERPnet accessible through the Organized Retail Theft (ORT) Special Interest Group (SIG) on LEO.gov.
- Law enforcement officers can gain access to the site by downloading, completing and returning the user application located at [www.leo.gov](http://www.leo.gov).



[www.leo.gov](http://www.leo.gov)

# What is LERPnet?

The Law Enforcement Retail Partnership Network (LERPnet) is a secure national database for the reporting of retail theft and serious incidents. LERPnet allows retailers to share information with each other and will soon be able to share information with law enforcement. In response to an alarming rise in organized retail crime (ORC), retailers and the associations representing their interests to launch LERPnet.

LERPnet tracks all types of retail crime incidents including:

- burglary
- cargo theft
- counterfeit product/intellectual property infringement
- credit card fraud
- gift card/merchant credit fraud
- organized retail crime (ORC)
- robbery
- suspicious online/auction activity, and
- suspicious returns



Roof top and smash-and-grab burglaries are increasingly reported in LERPnet.

**LERPnet**  
LAW ENFORCEMENT RETAIL PARTNERSHIP NETWORK

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*"The primary benefit of participating in LERPnet is that we now have the opportunity to more quickly identify trends and/or losses that we wouldn't normally see. Not only can retailers identify the potential losses much quicker, but it gives retailers a much stronger case when it comes to prosecuting organized theft rings."*  
Bill Tius  
VP, Loss Prevention  
Sears Holdings

**Welcome**

The Law Enforcement Retail Partnership Network (LERPnet) database for the reporting of retail theft and serious incidents share information with each other and law enforcement. In response to organized retail crime, the retail industry and the FBI have created LERPnet. With LERPnet, retailers and law enforcement will be able to report and track illegal activity including organized retail crime, burglaries, robbery, and online auction fraud.

LERPnet is expected to become the national standard for sharing information in a secure and confidential manner. Functionalities include:

- three-level authentication process
- enter retail crime incidents immediately after they occur using existing case management software
- full control over visibility of all information entered into the system (e.g., incident, company name, etc.)
- reporting and analysis tools to track incidents by sector, geographic region and more

[View the current list of subscribers.](#)  
[View Official LERPnet Case Management Systems.](#)

**NEW**  
Download the LERPnet Information Packet for New Users pdf.

**LERPnet**

Home Incident CaseFolder Analysis Help Admin

**Welcome Angelica Rodriguez**

Number of incidents reported by your company: 0  
Number of incidents reported by you: 0  
Total number of incidents reported to date: 100879

Email Alerts Search Queries Saved Reports Saved Action Queries

ID	Description	Actions
8	All Categories All Incidents greater \$1000	[Icons]
9	Cargo Theft - All Sectors	[Icons]
10	Computers and Electronics	[Icons]
11	Large Incidents over \$25k	[Icons]

## Incident Breakdowns

Figure 3 – # ORC Incidents by Day of Week

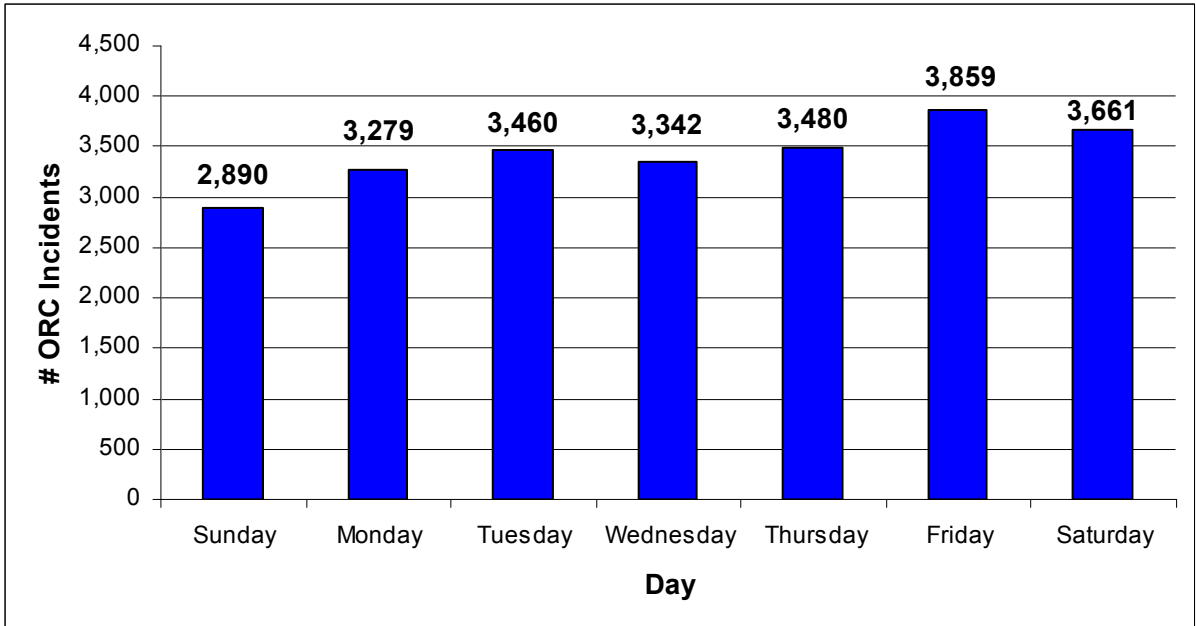
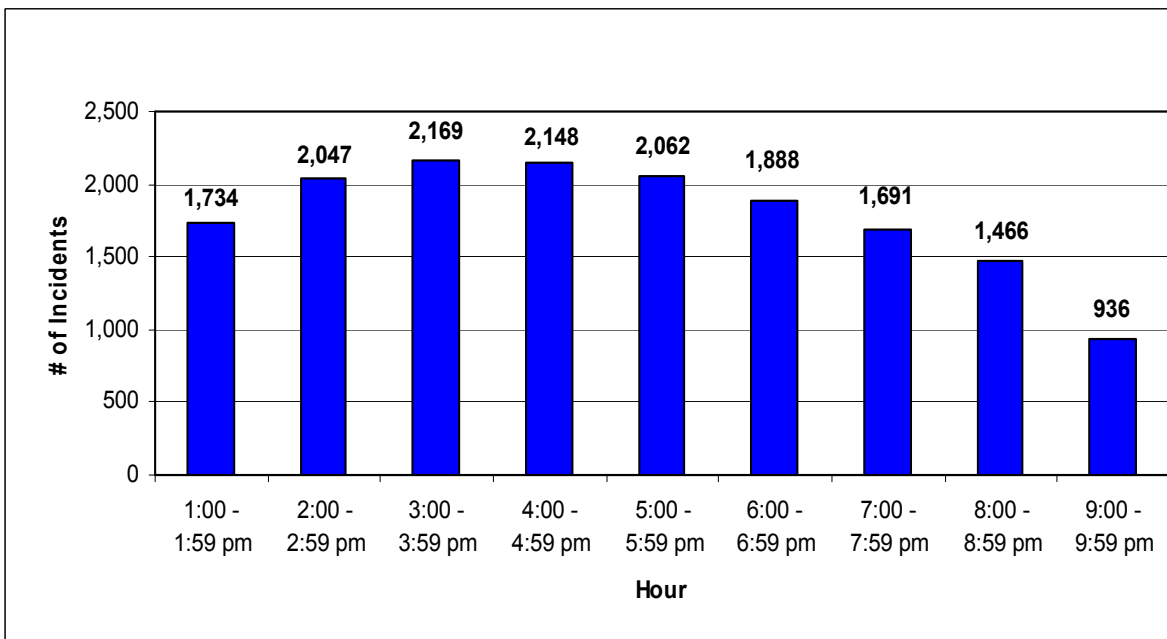


Figure 4 – # ORC Incidents by Hour



## Incident Breakdowns

Figure 5 – # ORC Incidents by Day & Time Block

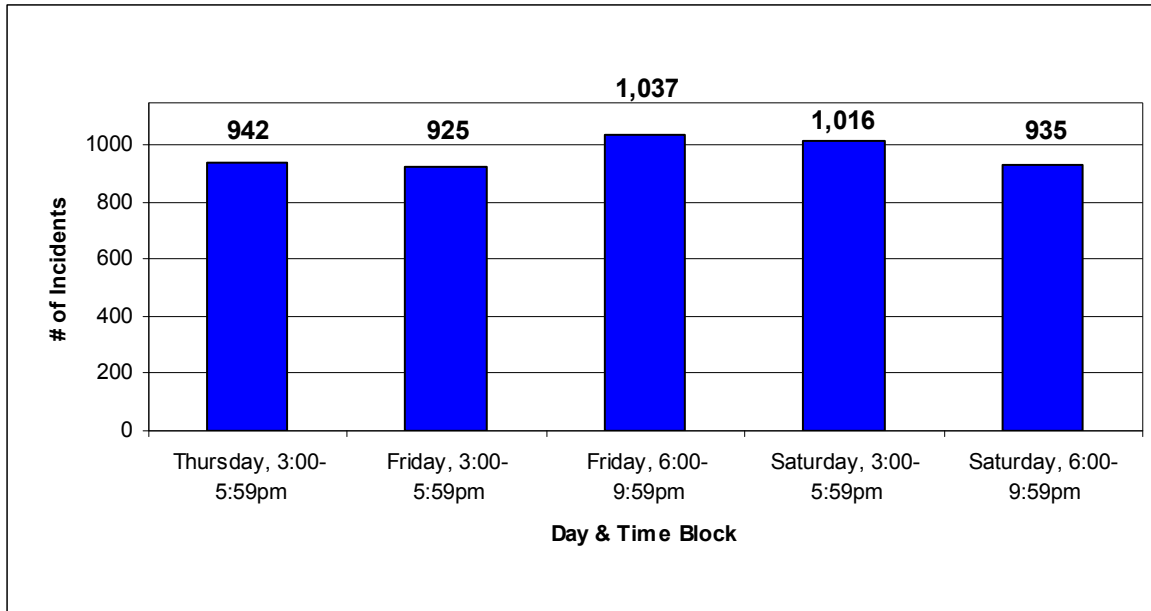
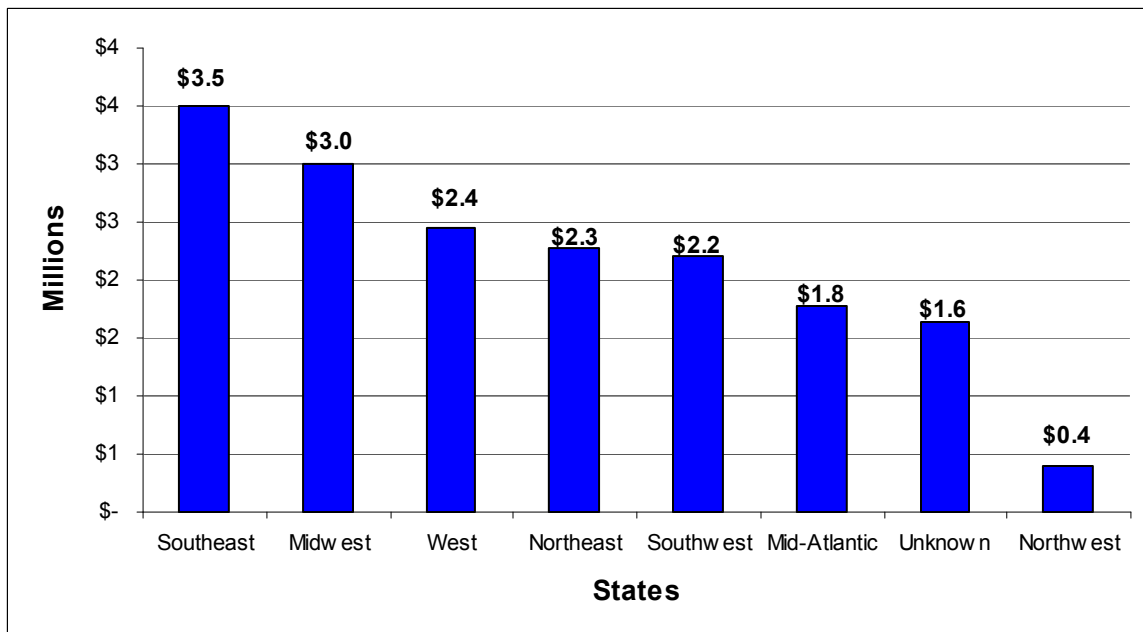


Figure 6 – \$ ORC Losses by Region



## Incident Breakdowns

Figure 7 – Top States by # of ORC Incidents (Year-to-Date)

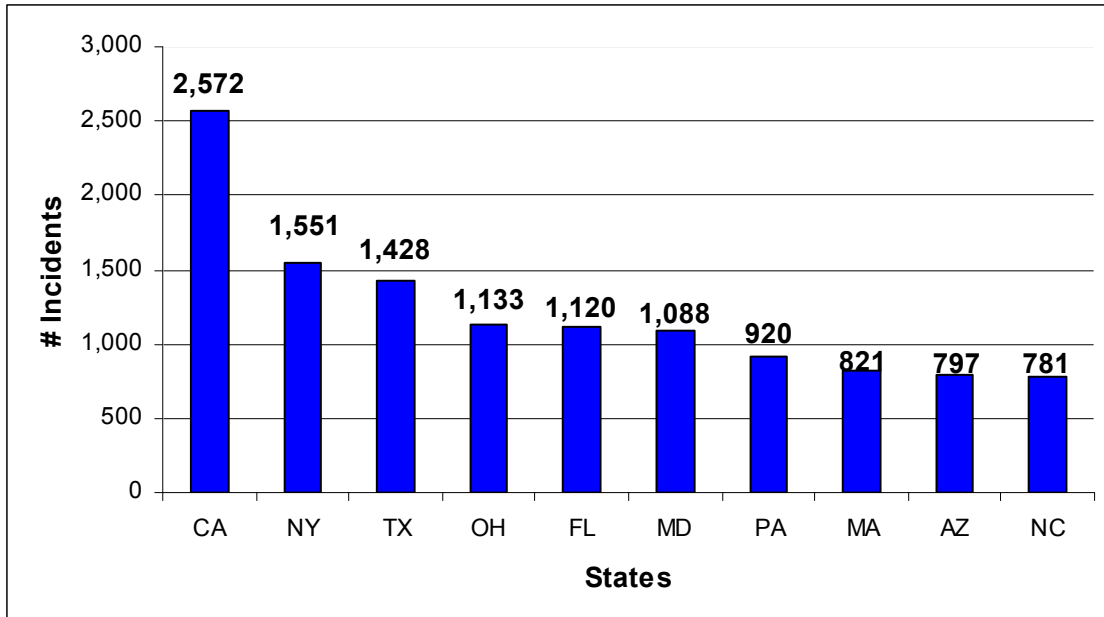
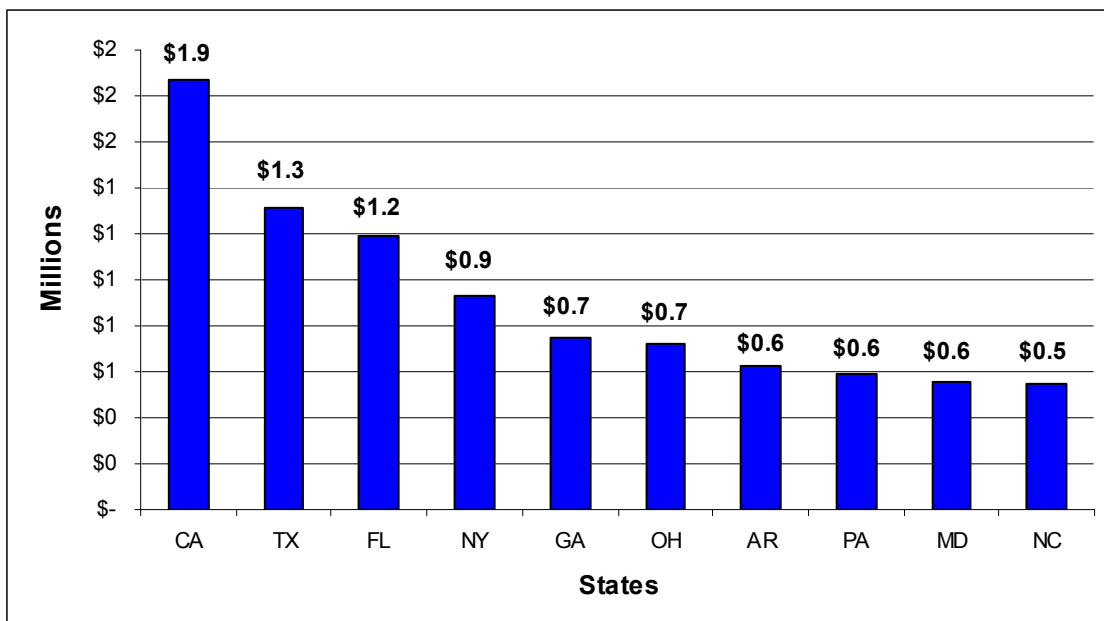


Figure 8 – Top States by \$ Loss (Year-to-Date)



## Subscription Fees

The pricing (**Figure 11**) structure is a tiered structure and based on retail sales revenue. Subscription increases as revenue increases, however performance credits will be issued for incidents entered into the system, thus rewarding those who contribute to incidents in LERPnet.

**Figure 11 - LERPnet Subscription Rates**

LERPnet Subscription Fees		
Tier	Revenue	Subscription
Tier 1	> \$10 Billion	\$9,500
Tier 2	\$2 - \$10 Billion	\$7,500
Tier 3	< \$2 Billion	\$2,500

## System Access Methods

There are two methods for retailers to access LERPnet. Either using an RSA key or a Virtual Private Network (VPN) Connection established between their company and LERPnet.

- RSA Key Entry — \$200/user
- VPN Connection — \$1,000/company (unlimited users at subscribing company)

## Incident Upload Methods

The three incident entry methods that are standard components of LERPnet are included in the subscription fee. For companies utilizing custom databases wishing to directly connect to the system, requires a fee because of the technical time required by the LERPnet technical support team.

- Manual Online Entry — \$0
- Simple Case Upload Tool — \$0
- Direct Connection
  - \* Retailers using LERPnet Official Case Management Systems (LPSoftware and Wazagua) — \$0
  - \* Retailers using Non-Official Case Management System — \$ 4,000

## Performance Credits

To reward active participation, performance credits will be issued to companies who enter incidents. A credit is assessed at \$1 per incident. Under the new pricing, in Years 1 & 2, a maximum credit of 25% of the subscription fee is available. In Year 3, a maximum credit of 50% is available.

**Example:** Company A has \$8.3 billion in sales. Company A would fall into Tier 2, with a LERPnet subscription of \$7,500. The table below shows the discount for three different scenarios:

- In Year 1 if they entered 1,500 incidents in the database.
- In Year 2 if they entered 2,300 incidents in the database.
- In Year 3 if they entered 4,000 incidents in the database.

Company A - Year 1 Fee	Company A - Year 2 Fee	Company A - Year 3 Fee
Tier 2 Subscription Fee: \$7,500	Tier 2 Subscription Fee: \$7,500	Tier 2 Subscription: \$7,500
Performance Credit: \$1,500	Performance Credit: \$1,875 (max)	Performance Credit: \$3,750 (max)
Net Subscription Fee = \$6,000 (\$7,500 - \$1,500)	Net Subscription Fee = \$5,625 (\$7,500 - \$1,875)	Net Subscription Fee = \$3,750 (\$7,500 - \$3,750)

# LERPnet Incident Upload Methods

There are three different ways to get incident information into LERPnet.

## Manual Online Entry

Each subscriber has access to the online LERPnet platform and can enter incidents directly into LERPnet, upload product information, attach photos, documents and video..

## Simple Case Upload Tool

This tool allows retail subscribers to populate an excel document from their case management system with high level incident data. Required data fields including: Date, Time, Incident Type, Sector, Store ID, Armed, Property Category. Utilizing the upload tool, subscribers can also attach one vehicle, one suspect, one witness and a responding officer.

*Subscription rates decrease  
the more a company  
submits incidents.*

## Direct Connection

For companies utilizing LPSoftware (version 5.0 and higher), Wazagua or a case management system with .xml exporting functions, a direct connection can be established with LERPnet and upload full incident details.

- Retailers using LERPnet Official Case Management Systems (LPSoftware and Wazagua). This includes 4 hours of technical time. Details outlined in LERPnet Contract (pp 14-19).
- Retailers using Non-Official Case Management System Users. Includes 50 hours of technical time. Details outlined in LERPnet Contract (pp 14-19).

# LERPnet Subscribers

Below is a list of LERPnet subscribers who have agreed to go public with their participation in the system. You will see that they are the largest, most well-known brands in the retail industry. There are several others who have chosen to remain anonymous.

**AÉROPOSTALE**

ANN TAYLOR

**BEALLS**

**B'S WHOLESALE CLUB®**

charlotte russe

**COACH**  
EST. 1941

**CVS/pharmacy**

**EXPRESS**

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for your entertainment®  
music • movies • games • more  
www.fye.com

**GIANT**  
Quality. Selection. Savings. Every Day.

**JCPenney**  
Every Day Matters®  
jcp.com

**KOHL'S**  
expect great things

Limitedbrands

**LUXOTICA®**

★macy's

SAKS  
FIFTH  
AVENUE

**SALLYBEAUTY**  
HOLDINGS, INC.

**Sears**

**STAPLES**

STERLING JEWELERS  
INC.

**SUPERVALU**

**TARGET**

**Tuesday Morning**  
Everything 80% to 80% Off

**Walgreens**

**Walmart** ✨  
Save money. Live better.

**Winn-Dixie**  
Getting better all the time.

## For Subscription Information

Contact Jim Burger, (239) 949-1277, [info@lerpnet.com](mailto:info@lerpnet.com)

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