


Retail Loss Prevention Industry Update

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National Retail Federation



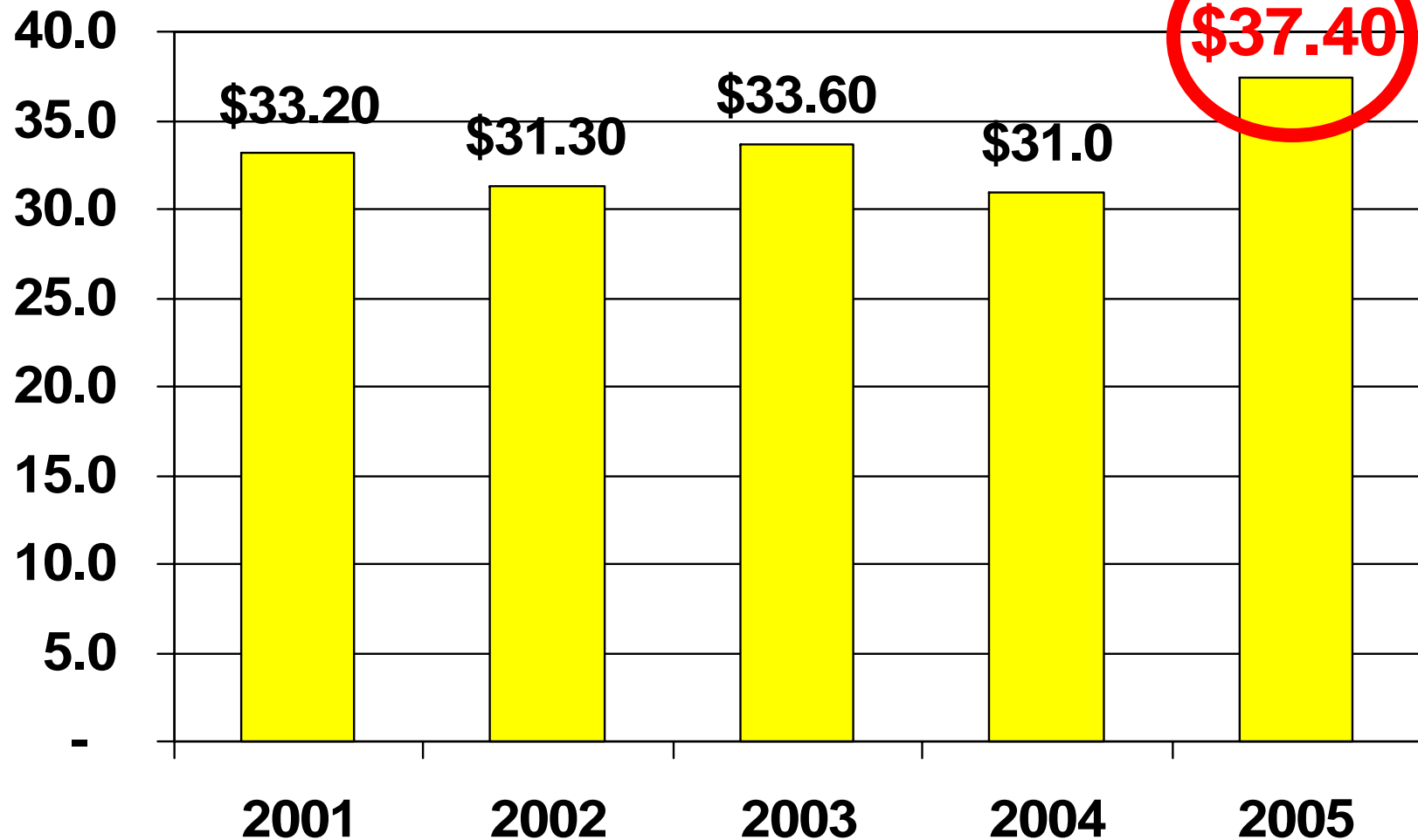


Agenda

- **Overview of top retail crimes**
 - **Current statistics and trends**
 - **How retailers and law enforcement are fighting back**
 - **Overview of the Law Enforcement Retail Partnership Network (LERPnet)**
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Shrinkage Dollars Per Year

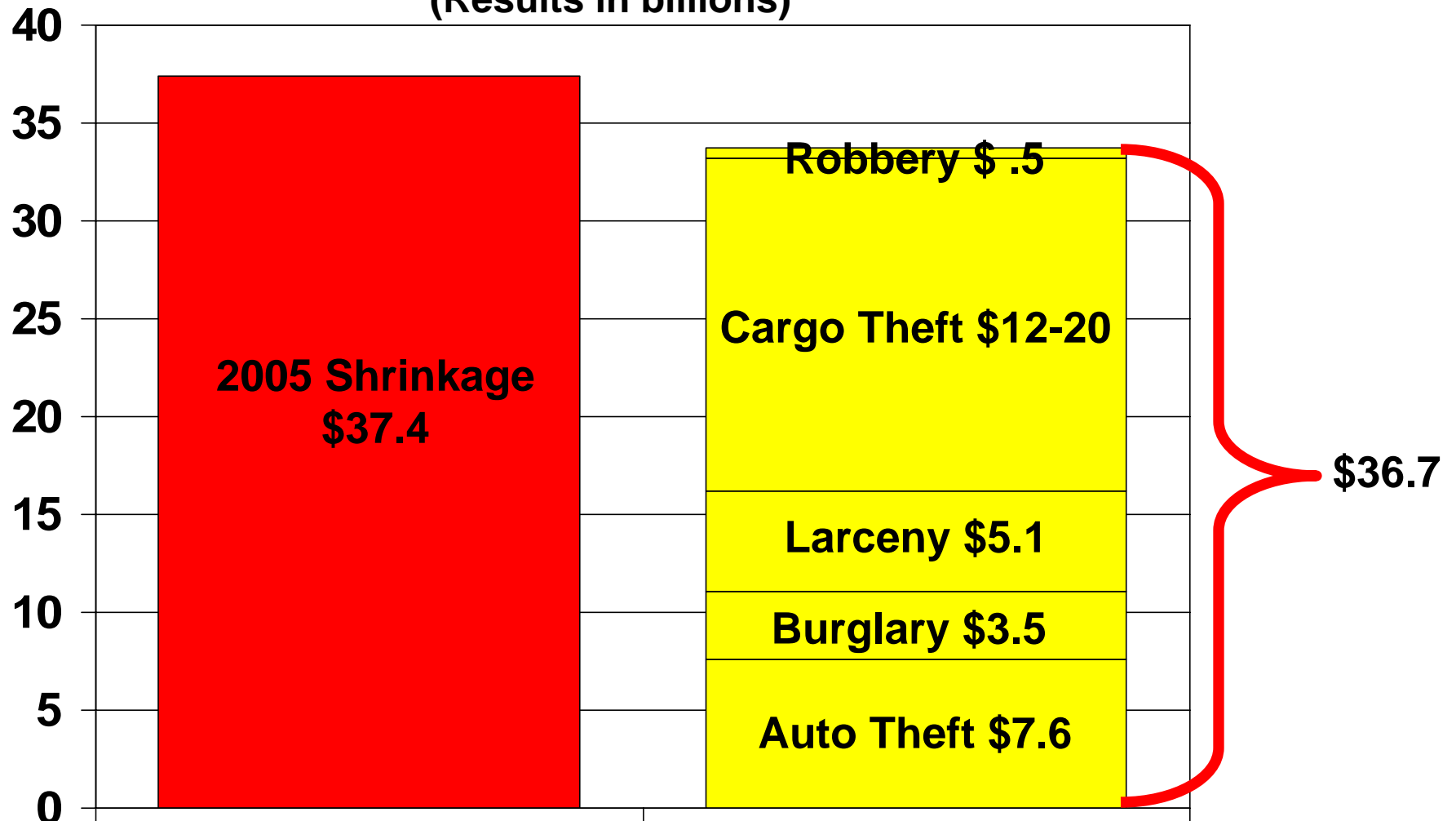
(Results in billions)



Source: University of Florida; National Retail Security Survey – Final Report 2005

How Do Our Losses Compare?

(Results in billions)



Source: 1. University of Florida; National Retail Security Survey – Final Report 2005
2. FBI Uniform Crime Report 2004



Top Loss Prevention Issues

Top Incidents

- **Organized Retail Crime**
 - **Employee Theft**
 - **Fraud**
 - **Burglary**
 - **Counterfeiting**
 - **Robbery**
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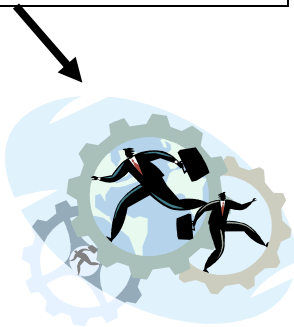
How ORC Works

Professional Shoplifters “Boosters”

Steal desirable product
with the intent to resell

Fence

Pawn Shops, Flea Markets,
Street corners, etc.
30% of retail value



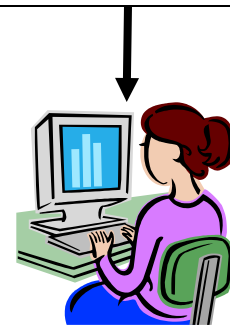
Fraudulent Refunds

Return merchandise to
retail stores
100% + tax of retail value



eFencing

Sell online through auction
sites and other web pages
70% of retail value





Top Items

Aleve

Braun Toothbrush
Replacement Heads

Braun Toothbrushes

Cell Phones

Claritin

Computer Accessories

Cover Girl

Crest Whitestrips

Denim Jeans

Denim Jeans

DeWalt 18v 6-tool Combo
Kit

DeWalt 18v Batteries

Diabetic testing strips

Digital Camera's

Digital Recorders

Duracell AA batteries

Duracell AAA batteries

DYSON DC 14 Animal
Vacuum



Top Items

Gillette Fusion Razors

Gillette Fusion Razor Refill
cartridges

Gillette MACH3 Power Refill
Razor Cartridges

Gillette MACH3 Razors

Gillette Sensor Refill
Cartridges

Gillette Venus Razors

GSK Abreva

GSK Nicorette

HP Ink Jet Cartridges

Husqvarna Chainsaws

Ipod

Kitchen Aid Mixers

Laptops

LCD Monitors

LDC Televisions

Levis

Lincoln Pro-Mig 175 Electric
Welder

Lotrimin

Mead Johnson Enfamil



Top Items

Oil of Olay

Oral B Replacement Heads

Pecid AC

Pfizer Benadryl

Pfizer EPT CB

Pfizer Rogaine

Pfizer Sudafed

Play Station 3 Consoles

Prilosec

RoC

Ross Similac

Schick Quattro (all Schick
refill cartridges)

Sonicare replacement heads

Tylenol Ex Strength

VS "Pink" Lingerie

Visine

Wyeth Advil

Wyeth Primatene

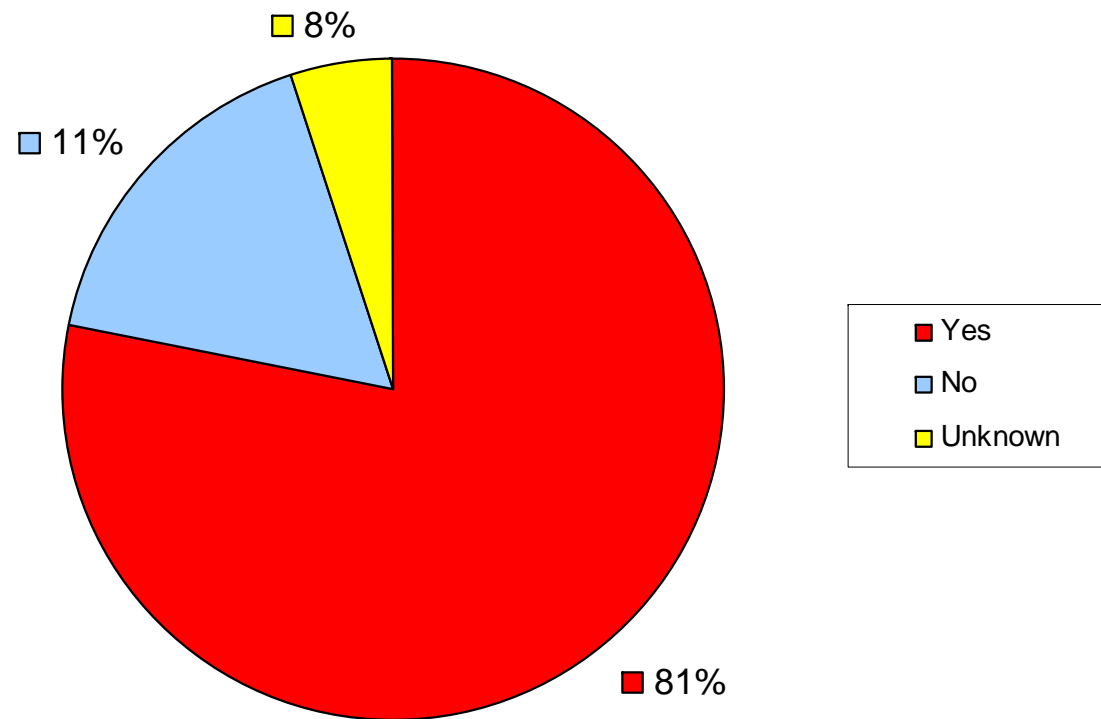
X-box 360 Console

X-box 360 Games (New Titles)

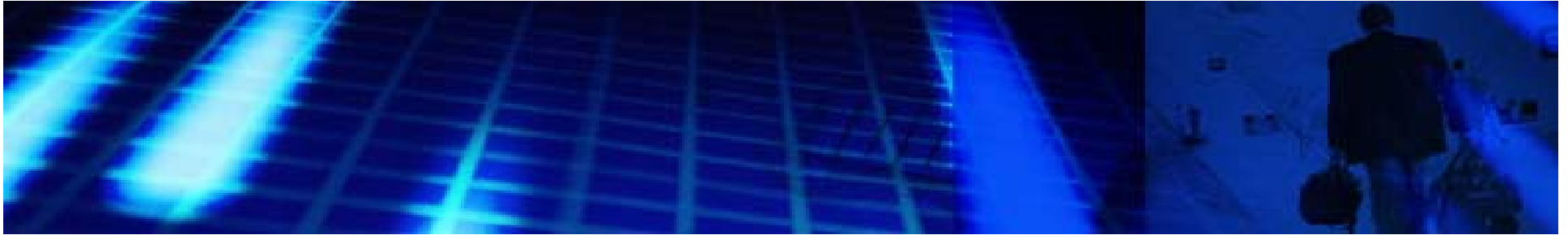
Zantac

ORC Survey Results

- **81% of retailers surveyed reported being victims of ORC**



Source: NRF Organized Retail Crime Survey, April 2006




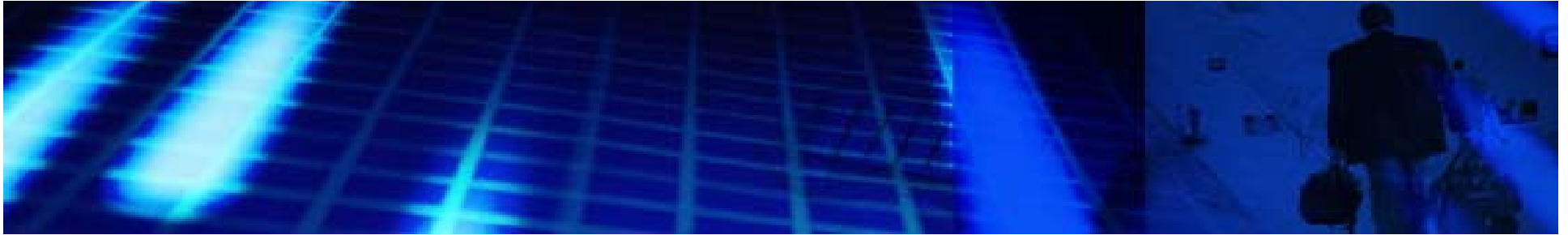
Fighting Back!





Fighting Back - Industry Initiatives

- **NRF Investigator's Network, Joint Organized Retail Crime Task Force and Gift Card Fraud Committee**
 - **Law Enforcement partnerships at the Federal, State and Local Level**
 - **Education and training programs for retailers and law enforcement**
 - **Legislative initiatives at all levels to deter and punish those responsible for retail crime**
- 




Law Enforcement Retail Partnership Network






About LERPnet?

- **National data repository of major retail crime incidents**
 - **Reporting & analysis to track, prevent and apprehend criminal networks**
 - **Secure web portal, for retail and law enforcement**
- 




About LERPnet

- **Designed with help of the nations top retailers in all sectors and members of law enforcement.**
 - **Programmed by ABC Virtual of West Des Moines, Iowa. Development experts working with the public and private sector on data sharing platforms.**
 - **Customized web and e-mail reporting for all users.**
- 



Frequently Asked Questions

How does LERPnet capture data?

- Users can enter data directly into the system**
 - Companies can import large quantities of cases from their own database software**
 - Existing case management software systems, like LP Software are creating direct feeds to LERPnet**
 - Law Enforcement will access LERPnet using LEO.gov**
- 



Preliminary Statistics

Top Incidents

- **Organized Retail Crime**
- **Fraud**
- **Burglary**
- **Counterfeiting**
- **Robbery**

Results as of March 14, 2007





Preliminary Statistics

Top States

- 1. CA**
- 2. NY**
- 3. FL**
- 4. NJ**
- 5. TX**

Top 5 Cities

- 1. Miami**
- 2. New York**
- 3. Los Angeles**
- 4. Las Vegas**
- 5. Orlando**

Results as of March 14, 2007





Summary

Client Incident ID

Find this

Sector*

Specialty

*Required Field

Reporting Entity

Company Name

Address 1

5200 Town Center Circle

Division Name*

Address 2

Internal Store Name

City*

State*

Zip Code

Client Store #

Phone Number

Phone Number:

Shopping Center

Boca Center

*Required Field

Security Devices

☐ Windows Alarmed☐ Exterior Doors Alarmed

☐ Exterior Doors Solid

☒ Exterior Doors Glass

- Dead Bolt Locks

☒ Safe/Vault

☐ Camera(s) Interior☐ Camera(s) Exterior☐ Hidden Camera(s)☐ Visible Camera(s)☐ Public View Monitors☐ Still Photo Available☐ Video Available

- ☐ Motion Detectors

☐ Steel Curtain Outside☐ Steel Curtain Inside

☐ Duress/Panic Button

☐ Guards

☒ EAS

☐ Alarm w/ Cellular Back Up

☒ Alarm w/ Battery Back Up



☐ Other Devices

Other Devices:



Add

Vehicles (1 Record)

	VIN	Make	Model	Style	Color	Year	License plate	
1		Chevy	Tahoe	SUV	Silver	2006	2BC NHZ	 

SEARCH RESULTS



Incident

Analysis

Help

Admin

General

Visibility

Vehicles

Methods

Suspects

Narrative

Witnesses

Property

Response

Attachments

Summary

General

Specific

Category

Clothing

Type

Jackets

Brand/Manufacturer

Polo

Quantity

10

UPC/SKU

Unit Value(\$)

259.99

Retail Value(\$)

2599.90

Disposition

Lost

Description

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Add

Properties (1 Record)

Inventory (Assets)					
	Category	Type	Quantity	Retail Value	Disposition
1	Clothing	Jeans	22	659.78	Lost



Summary

Hill

4120

SEARCH RESULTS

LERPnet

Home Incident Analysis Help Admin



General Visibility Vehicles Methods Suspects Narrative Witnesses Property Response Attachments Summary

File Location C:\My Documents\My Pictures\Crime Photos\car_perp_tat_front.jpg [Browse...](#)
 (Acceptable file formats currently include: rtf, doc, xls, cvs, ppt, htm, html, txt, pdf, bmp, jpg, gif, & png)

Description

Add

Attachments (1 Record)

	File Name	Description	Size	
1	car_perp_tat_front.jpg	Suspect (Rear)	23932 bytes	 




DONE

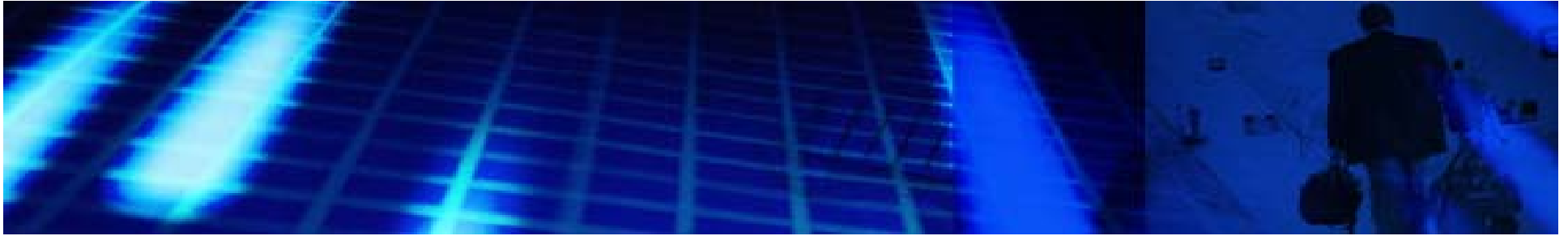
RESET

SEARCH RESULTS

The banner features a blue background with a grid pattern and a silhouette of a person walking with a bag.

LERPnet Availability

- **Retail loss prevention professionals can access the new system starting on April 9, 2007**
 - **Law Enforcement agencies will log into the system through a special portal operated by the FBI called LEO, Law Enforcement Online later this year**
 - **Visit www.LERPnet.com for more information**
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- A solid red horizontal bar at the bottom of the slide.



Thank you!

