

‘Stealing back honesty’

A sustainable reduction in shoplifting



Submission for 2011 Herman Goldstein Award for
Excellence in Problem Oriented Policing

Summary

SCANNING

Scanning within the Counties Manukau Central (CMC) Area revealed a significant problem with shoplifting at Farmers trading company in the Westfield shopping plaza. Westfield plaza comprises 196 retail stores. Farmers accounted for 53% of all identified shoplifting incidents at the plaza at that time. This impacted Farmers, police and the judiciary. Farmers were affected by the financial costs associated with volume inventory loss. Police was largely affected by inefficient use of resources due to the high level of calls for service. The Courts were impacted through inflated numbers of prosecution cases causing backlogs.

ANALYSIS

Analysis of the problem was conducted from three main perspectives, the effect on Farmers, police and the Courts. Analysis was conducted through gathering crime statistics. Statistics gathered included the number of offenders apprehended, calls for service, stolen commodities, average cost of commodities stolen and the cost police resources. Police also conducted a CPTED analysis of the store to assist in determining the most effective resolution. Judicial statistics were also collated. A partnership was developed with Farmers national management to create synergies. In exploring various hypotheses the partnership was able to develop a sustainable resolution.

RESPONSE

The response to this problem involved a partnership between police and Farmers national management. Analysis determined that the solution to this problem lay in the clothing department – specifically processes around the fitting rooms. Offenders were provided the opportunity to steal items as they entered fitting rooms where there was no video surveillance. There were no attendants directly monitoring activity around these rooms. A numbered card initiative was implemented as a pilot for six months. The initiative required that

customers were given a card denoting the number of items they were trying on. The number was re-checked when exiting the rooms. General security mindsets were altered according to a preventative model.

ASSESSMENT

The following results were obtained over the six-month pilot.

- Apprehensions reduced on average by 77.4%
- Calls for service reduced on average by 72.4%
- Estimated savings by Farmers Manukau of \$722558.64 (per annum)
- Estimated savings by CMC of \$169,776.00 (per annum)
- Estimated reduction of CMC man hours of 1920 hours (per annum)
- Estimated District Court hours saved of up to 1056 hours (per annum)
- Estimated District Court financial savings of \$228720.00 (per annum)

Word Count = 374

Full Report

SCANNING

Background

Counties Manukau police District (CMD) is transitioning from a reactive police model to one of prevention through the 'prevention first' initiative headed by the now Deputy Commissioner Mike Bush. Success demands a profound shift in culture and buy-in by all. CMD must develop a comprehension of intelligence led policing for this to succeed.

CMD is divided into four geographical areas: West, East, Central and South. This initiative involves the central area utilising a district resource – the Counties Manukau Mobile Police Station (MPS).

CMD serves a diverse ethnic community as well as a broad spectrum of the wealth index. Unemployment is relatively high where current figures stipulate unemployment at 7.7%.¹ Gangs are widespread throughout the district with an associated level of violent and volume crime. The government recently increased CMD officer numbers by 300 to assist in crime prevention. CMD now has a capacity of 1055 sworn police officers policing a population of 498,441.²

The CMD scanning process is represented through an intelligence document - the tactical assessment (TA). The document outlines high-risk areas for resourcing. The TA is founded on crime statistics as well as intelligence notings provided by officers and Covert Human Information Sources (CHIS). Resources are allocated to demand via the tasking and coordination process (Radcliffe's 3-I model)³.

¹ Manukau March Quarterly Review 2010.

² Auckland City Council Statistics 2011.

³ Ratcliffe, J. (2008). *Intelligence-Led Policing*.

Counties Manukau Central area (CMC) comprises urban, industrial and residential aspects including its own central business district (CBD). Within the CBD, is the Westfield shopping plaza - comprising 196 stores including the Farmers Trading Company.

Farmers spans nationally (57 stores or varying throughput), providing a broad spectrum of products from clothing to electrical appliances. The family brand has operated in New Zealand for several decades.

Mobile Police Station

MPS commenced operation in October 2007. The business case sought approval for the funding of a mobile police station in CMD to cover four core business activities namely: developing a culture and practice of problem solving in the district (reducing demand), proactive policing, increasing visibility and community policing (bringing the police to the community) thereby increasing service delivery.

MPS comprises a truck renovated into a fully functional office equipped with computers radios and desks. It can be deployed into high-risk areas for visibility purposes to engage the community. The unit comprises 12 constables supervised by a senior sergeant and two sergeants.

The Problem

CMC intelligence identified that shoplifting was problematic at Farmers in Manukau. Figures were excessively high, warranting further analysis. The problem had existed for several months, however was not adequately resourced due to higher priorities.

Organised crime rings operated at Farmers causing them reduced revenues and increased demand on police resources.

The problem weighed heavily in terms of demand on CMD resources. Officers spent valuable time attending and processing incidents. Each incident meant that a two-man unit was unavailable to respond to more important incidents

for up to two hours. Officers from other areas were required to cover. The district custody unit also experienced increased throughput as a result of this problem, which at times contributed to unnecessary bottleneck effects.

The Manukau District Court (MNDC) was also adversely affected by the high incidence of shoplifting cases. In an already bottlenecked judicial system, shoplifting offences caused further delays.

The high volume of incidents meant a lack of offender accountability, as cases were not followed up due to resourcing constraints. Consequences included decreased confidence in police, leading to future incidents not being reported.

Farmers became a repeat victim as offenders targeted them multiple times due to police ineffectiveness.

ANALYSIS

Intelligence Gathering Phase

CMD intelligence provided MPS with intelligence data in the form of an intelligence report (IR) including a pattern analysis and a temporal analysis.

A two-week intelligence-gathering phase was conducted to adequately define the problem. Information gathered covered the months of August, September and October 2010.

The intelligence / data gathering methodology included the utilisation of various resources and strategies including CARD (Communication And Resource Deployment), NIA (National Intelligence Application), review of the shop floor set up (Crime Prevention Through Environmental Design), data collected from human resources group and finally consultation with Farmers management.

Police also consulted with other areas to determine the extent of the problem region wide. Initial data gathered revealed the problem was more pronounced at Manukau due to comparative throughput.

MPS then analysed the information / data and arrived at several interim conclusions:

CARD and NIA

- Farmers Manukau accounted for 53% of all calls for service in respect to shoplifting over the three-month period at the Westfield shopping plaza. This was disproportionately high given that Farmers had invested substantial funds into security including high-resolution cameras, recording equipment and several full time security staff.
- 70% of commodities stolen were items of clothing.
- The mean cost of commodities stolen per event was \$148.37 (random sampling)⁴. This sample was taken over a period of 31 days, which sufficiently reflects the total population.
- Pre-deployment apprehensions / calls for service amounted to:
 - August 2010 = 78 apprehensions / 32 calls for service
 - September 2010 = 94 apprehensions / 35 calls for service
 - October 2010 = 55 apprehensions / 19 calls for service
 - Mean apprehensions equated to 76 per month and 29 calls for service per month. Approximately 62% of all detected offending was not reported to police. This could possibly be due to a lack of trust in police by Farmers management in terms of the police ability to meet demand.
 - The mean number of hours spent by police on each call for service (initial attendance) equated to approximately 2 hours. This time included obtaining nominated persons for juveniles, interviewing and transporting offenders as well as the preparation of the arrest file. This assumed a two member I-car attended.

⁴ Cozby, P. C. (2007). *Methods in behavioral research*. (9th ed).

- An extra 5 hours were spent on preparing the prosecution file (includes file preparation, summoning witnesses and court attendance⁵). This involves staff from section as well as the Criminal Justice Support Unit (CJSU). Note that court attendance may vary in timings. There may be cases where court will exceed these times.

Yearly statistics revealed that calls for service increased over time. In 2008 140 calls were recorded, 2009 recorded 215 calls and 2010 recorded 279 calls. This equates to a 99% increase over three years.

Human Resources Group

In determining the financial costs of attending these calls for service, it was necessary to consult with CMD human resources group. It was determined that the mean hourly rate for a sworn member of police was \$78.65 per hour.

Floor Arrangement

The floor set up was not of significant concern in relation to CPTED principles. The arrangement did not significantly contribute to offending. Lighting, surveillance, shelf spacing and thoroughfares were designed in a manner to effectively reduce criminal activity.

Smaller and the more concealable commodities were located away from exits making them more difficult to steal. Police therefore concluded that the arrangement should not be afforded initial focus.

Police did note that the fitting rooms were not monitored. The opportunity existed for customers to uplift anything from the racks and walk unchallenged into the fitting rooms. Fitting rooms were effective crime enablers for actual and potential offenders.

Police made several visits to the store in plain clothes. It was common for customers to take several items into the fitting rooms at any one time (not only clothing). It was not obvious as to how many items each customer was taking

⁵ Obtained from CMD prosecutions and CMC CJSU.

into the rooms, nor could it easily be determined as to whether the clothing items were all accounted for when exiting.

Farmers' Consultation

Police consulted with Farmers management to obtain data and ideas as to the probable causes for the high amount of offending within their store.

Farmers Manukau security policy was reflective of area, regional and national policies which were a reactive model. A national certificate was awarded to the store that apprehended the most offenders per month. This created a sense of pride amongst security officers and gave them a target to achieve. They were in the business of allowing the offending to occur so that they could apprehend the offenders and build their totals.

Analysis of the data was simplistic. The main inference drawn was that not only were offenders creating statistics but Farmers security assisted them through lack of preventative action.

Farmers Security Process

Police met with the national Farmers executive including the owner. During this meeting it was identified as earlier mentioned that Farmers followed the reactive model, where stores were recognised nationally with a certificate for apprehending the highest amount of shoplifters per month.

It was established that the Farmers process was as follows:

- Security officers were present on the floor and also monitored video surveillance cameras.
- Security officers noticed a suspicious person in a particular area. They observed the person and waited for them to uplift and conceal an item. They then followed the person to the exit (via fitting rooms if applicable).
- Once through the exit, they approached and apprehended the person and took them back to the security office for interviewing.

- Police were often called and the offender trespassed from the store for a period of two years. Items were scanned and returned to the shelves.
- Civil proceedings were then also undertaken against the offender (irrespective of criminal charges) to recover costs of dealing with them.

It was clear from this process that Farmers management were not overly concerned as costs were covered by civil action.

This is in stark contrast with NZ Police who adheres to a preventative model. The owner of Farmers was concerned about the scale of the Manukau problem and consequently expressed her commitment to working in partnership with police to resolve the issues.

Judicial Impact

Shoplifting in Manukau caused congestion at MNDC, as well as unnecessary expenditure.

Prosecution of shoplifting offenders greatly affected costs and workload at MNDC. Mean judicial summary charge processing times and costs are listed as follows.⁶

Administration	2.1 hours	\$121.00
Pre-hearing	0.8 hours	\$108.00
Defended hearing	1.5 hours	\$564.00
Sentencing	1.0 hours	\$160.00
<u>Total</u>	<u>4.4 hours</u>	<u>\$953.00</u>

⁶ Karyn McLean (2011), Criminal and Youth Jurisdiction Manager, District Courts, NZ Ministry of Justice

RESPONSE

The response to this problem was simplistic. Post analysis it was obvious as to where the solution lay. Given that 70% of all commodities stolen were clothing items, it was logical to afford our attention and focus to this area initially.

The meeting between police and Farmers management allowed MPS to drive change from reactive to preventative security at Farmers. This could be the catalyst for changing the way Farmers think about security on a national basis. There is potential for this to be applied to other similar retail organisations.

Solution

The following initiative was implemented at the Manukau store and piloted for a period of six months. Farmers' management agreed in principle to run the pilot over the six-month period and then review it to determine its financial viability. This would dictate whether or not the pilot would become business as usual for Farmers.

An element of risk needed to be introduced to the offenders. Fitting rooms provided an opportunity for offenders to succeed in their offending because there was no video surveillance there.

Fitting room attendants are commonplace in many businesses. Attendants are able to build a rapport with the customer, which lets the customer know that they have been noticed. The flow on effect is reduced offending.

It was suggested to Farmers that an attendant be situated outside the fitting rooms to prevent offenders from stealing in this area.

The process is as follows:

- The attendant greets all customers at the fitting room wishing to try on clothing items. The customer is asked how many items they wish to try on.
- The attendant checks these items (ensuring that only clothing is taken into the rooms).
- The attendant then hands to the customer a card representing the number of items.
- This procedure is then repeated in reverse once the customer exits the fitting room. The customer is asked to present their card to the attendant.
- The attendant checks the card against the number of items in the customers' possession.

This system is simple, however it requires that the attendant concentrates and remains vigilant. Failure to do so may mean that offenders are still able to steal items through the fitting rooms.

Process Fine Tuning

Police conducted regular undercover checks on this system posing as customers.

This had varying results. On many occasions Farmers staff complied with the process. There were times when officers were able to enter fitting rooms unchallenged. Where this occurred it was raised with Farmers management immediately and the situation resolved.

Police also monitored fitting room attendants who were interacting with customers. The specific area of interest was procedure compliance.

In one case, police observed the attendant checking the number of items when the customer entered and exited the fitting room. However the attendant failed to inspect the room once the customer had exited. The purpose of doing

so was to ensure that tags were not removed from items or the customers did not replace their own clothing.

Police refined this process in that attendants now rechecked each room immediately after it had been vacated to ensure that they were clear. This was also rectified immediately and subsequent checks have not revealed any more compliance failures.

Security mindset

Meetings with Farmers management were at times challenging. Specific details of this are detailed below, however for offending to be reduced sustainably, another approach was also called for. The fitting room attendant process would not be successful in isolation. That was only half of the solution.

The mindset of the management and security staff had to be challenged and changed. Reactive security means that an offence has already been committed. Preventative approaches would be more cost efficient in the longer term through less reactive expenditure as well as less actual inventory loss.

National management had to comprehend that the way they currently did business was highly inefficient in terms of productivity, operational expenditure and inventory loss. When this was brought to their attention they showed great interest.

Challenges

Police faced three main challenges in developing a solution to this problem including, Farmers branding, perceived victimisation and financial viability.

Farmer's branding does not lend itself to high visibility security as is seen at many comparable retail outlets such as The Warehouse (a budget volume retailer) for example.

Police were limited in scope when attempting to implement solutions to the problem. Overt security was not an option as Farmers management desired to

preserve the family image. They did not want their customers to feel that they were being scrutinised or that they were not trusted by the organisation. The solution had to be covert or at least subliminal so legitimate customers were unaware of the changes.

Police were able to overcome these restrictions through honest consultation with the Farmers management team.

It was apparent from the initial meeting with Farmers executives that the national loss prevention manager felt that he was being unnecessarily criticised. Considering that the owner of Farmers was present during these discussions this was understandable. Gaining buy-in⁷ from Farmers was crucial to the success of any proposed solution. This was affected through communication. The position of Police across New Zealand was explained to the management team, in terms of the change from a reactive to preventative model and the associated success in demand reduction. Success stories were conveyed to enable the management team to see the proposed benefits.

Police emphasised the importance of working together on this project with the view that it would be a pilot initiative that may eventually lead the way for Farmers nationally.

Pilot

Farmers' management decided that this initiative should be run as a pilot for six months. At expiration they would review the results to determine the financial viability. The end date for this pilot was 30 April 2011.

Farmers committed to national rollout if financially viable.

⁷ Kotter, J. (1996). *Leading Change*.

ASSESSMENT

Results were significant for this initiative. Since implementation, apprehensions and police calls for service amounted to:

November 2010	= 22 apprehensions (reduction from the mean of 72%)
	= 14 calls for service (reduction from the mean of 53%)
December 2010	= 30 apprehensions (reduction from the mean of 61%)
	= 13 calls for service (reduction from the mean of 66%)
January 2011	= 10 apprehensions (reduction from the mean of 87%) ⁸
	= 5 calls for service (reduction from the mean of 83%)
February 2011	= 8 apprehensions (reduction from the mean of 90%)
	= 4 calls for service (reduction from the mean of 87%)
March 2011	= 18 apprehensions (reduction from the mean of 77%)
	= 8 calls for service (reduction from the mean of 73%)
April 2011	= 44 apprehensions (reduction from the mean of 42%)
	= 16 calls for service (reduction from the mean of 45%)

The pilot was interrupted for the month of April to determine whether the experienced reductions were due to either seasonal variations (and other factors) or the initiative itself. Evaluation is now underway by Farmers management.

Results for this initiative are encouraging. Up until March 2011, we experienced a reduction in apprehensions by an average of 77.4% (average of 18 apprehensions per month). This was more impressive in that police calls for service reduced by an average of 72.4% (average of 9 calls for service per month).

⁸ This may also be due to word of mouth amongst offenders that Farmers is not a good place in which to offend.

Although April 2011 still exhibits a reduction, this is a slight increase compared to when the pilot was in effect. This gives weight to the sustainability and legitimacy of the initiative.

Farmers Benefits

Farmers Trading Company benefitted from this initiative from the following three perspectives.

The first and perhaps most important was that as a result of interaction with police they have learned about prevention as opposed to the reactive model. This will service Farmers well into the future. Whether they implement this initiative or otherwise, the foundation will centre on prevention.

Loss of inventory was reduced by approximately 77%. This meant that security officers spent 77% less time dealing with offenders and were therefore able to re-invest that time on preventative tactics.

The third benefit related to cost savings. Referring to the claim made by Farmers management earlier (that they detect and apprehend only one in seven offenders), this translates into substantial financial savings in terms of lost inventory and revenues (if this was implemented permanently).

For example:

Average value of item	\$148.37
(X) Difference in mean apprehensions	58.00
(X) Ratio of apprehensions (1 in 7)	7.00
(X) Months per annum	12.00
<u>Total Estimated Savings</u>	<u>\$722,558.64 (Per annum)</u>

This serves as a rough estimate only and makes two assumptions. The first assumption is that \$148.32 represents the actual average value of items per offender apprehended. This was determined via a random sample representative of the total population. The second assumption is that the ratio of apprehended offenders to actual offenders is actually 1 in 7.

These figures cannot accurately be applied to other Farmers retail stores as throughputs vary according to store location.

Police Benefits

Police also benefitted from this experience. Based on the determined data, projected financial gains are as follows:

Difference in mean calls for service	20.00
(X) Total man hours	9.00
(X) Hourly rate	\$78.65
(X) Months per annum	12.00
<u>Total estimated savings</u>	<u>\$169,776.00 (per annum)</u>

This relates only to CMC. Further cost savings would be made if this pilot were rolled out nationally.

Another benefit can be expressed in terms of police man-hours saved per annum. Using the above approximate figures, this would equate to approximately 1920 hours.

In parallel with Farmers benefits explained above, the main implication would be re-investment of resources to focus on other preventative initiatives in accordance with the Counties Manukau 'Prevention First' strategy.

Judicial Benefits

As a result of this initiative MNDC benefitted mildly. Not all arrested offenders were placed before the Courts. Some offenders were dealt with by either youth aid resolution or the newly created alternate resolution programme. The latter involves offenders being arrested and processed like all other offenders, however they are afforded a formal caution in lieu of criminal charges. This programme evolved as part of the encompassing policing excellence programme.

Should this initiative be rolled out nationally at Farmers as well as adopted by comparable retailers, this would have a considerably greater impact on the judicial system.

The exact ratio of calls for service (CFS) to those charged per month is unknown, however the following projections are useful when considering a spectrum of ratios:

<u>Ratio</u>	<u>CFS</u>	<u>Cost</u>	<u>\$ Saved</u>	<u>Hours</u>	<u>Hours saved</u>
25%	20	\$953	\$4765	4.4	22
50%	20	\$953	\$9530	4.4	44
75%	20	\$953	\$14295	4.4	66
100%	20	\$953	\$19060	4.4	88

The hours saved can be reinvested into more serious cases such as indictable trials.

Displacement

As a result of this initiative, no displacement of any type was discovered.

Police searched for evidence of spatial displacement at other Farmers stores and at the Warehouse stores, as these are sufficiently comparable in size, location and purpose, however figures remained relatively stable.

Temporal displacement was not an issue in respect to this problem as it was constrained by Farmers operating hours. The problem originated as a result of internal processes.

Tactical displacement was not detected either. Once this tactic was removed from offenders the problem greatly reduced. There were no other substitution tactical options for offenders in this case.

Target displacement was not affected to any measurable degree. This problem was limited to clothing retail stores. The Westfield plaza contains a multitude of clothing stores however calls for service were not affected by this initiative at Farmers.

Police did not detect any degree of offence displacement during this period either. Calls for service reduced greatly in the Westfield area during opening hours.

Conclusion

The project produced highly promising results. These results relate to only one Farmers store, however when rolled out to the remaining 56 outlets, highly significant results would be expected. Implications extend far beyond Farmers as similar national retailers can also adopt this methodology. For example, Stirling sports have 40 stores nationwide, Rebel sports 20 stores and The Warehouse 94 stores. Police will now approach these retailers in an attempt to gain similar results across the board.

Word Count 3740

Total word count 4114

Key Project team members

Senior Sergeant Steve Greally

Senior Sergeant Mike Fulcher

Senior Sergeant Mark Rowbottom

Sergeant Chris Robson

Constable Hayden Martin

Constable Rogan Smith

Project Contact Person

Steve Greally

Response Manager / Senior Sergeant

Manurewa Police Station

11 Dalgety Drive

Wiri

Auckland 2104

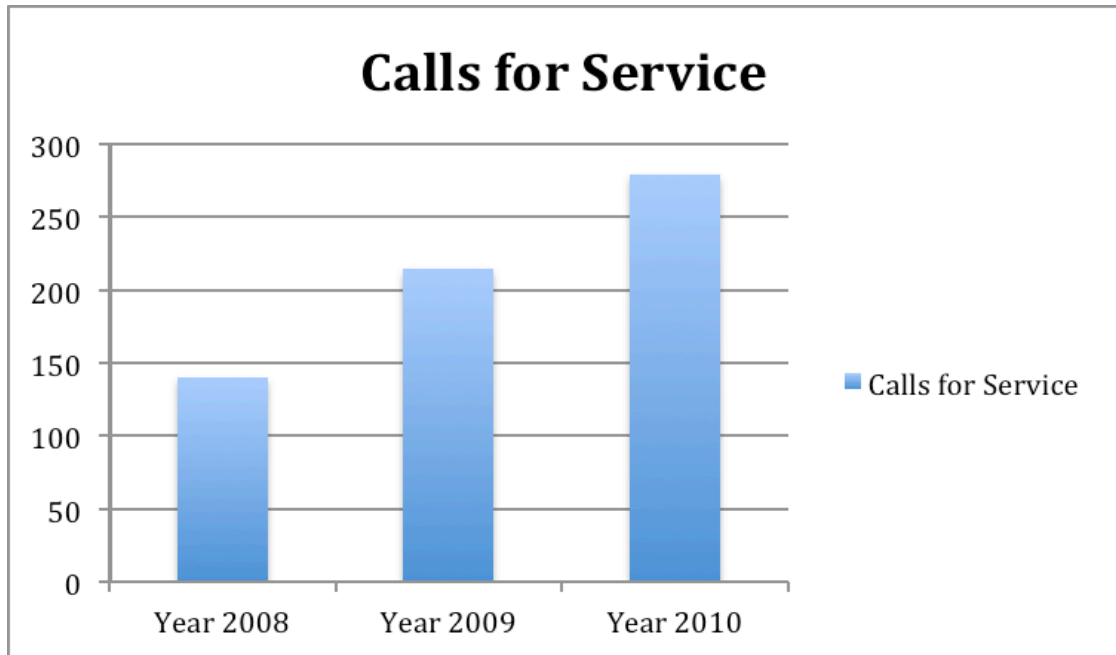
New Zealand

Ph: 006492611300 x 91513

Stephen.greally@police.govt.nz

Appendix 1

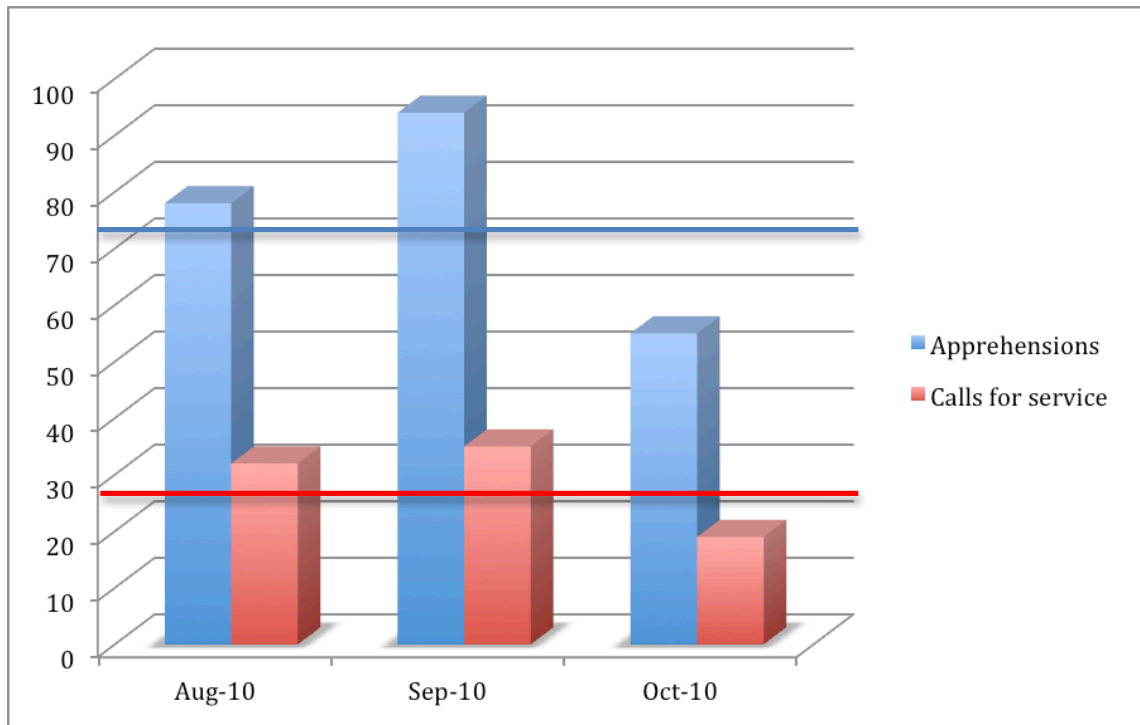
Yearly increase in calls for service



Total calls for service increased by 99% in three years.

Appendix 2

Apprehensions and calls for service prior to initiative

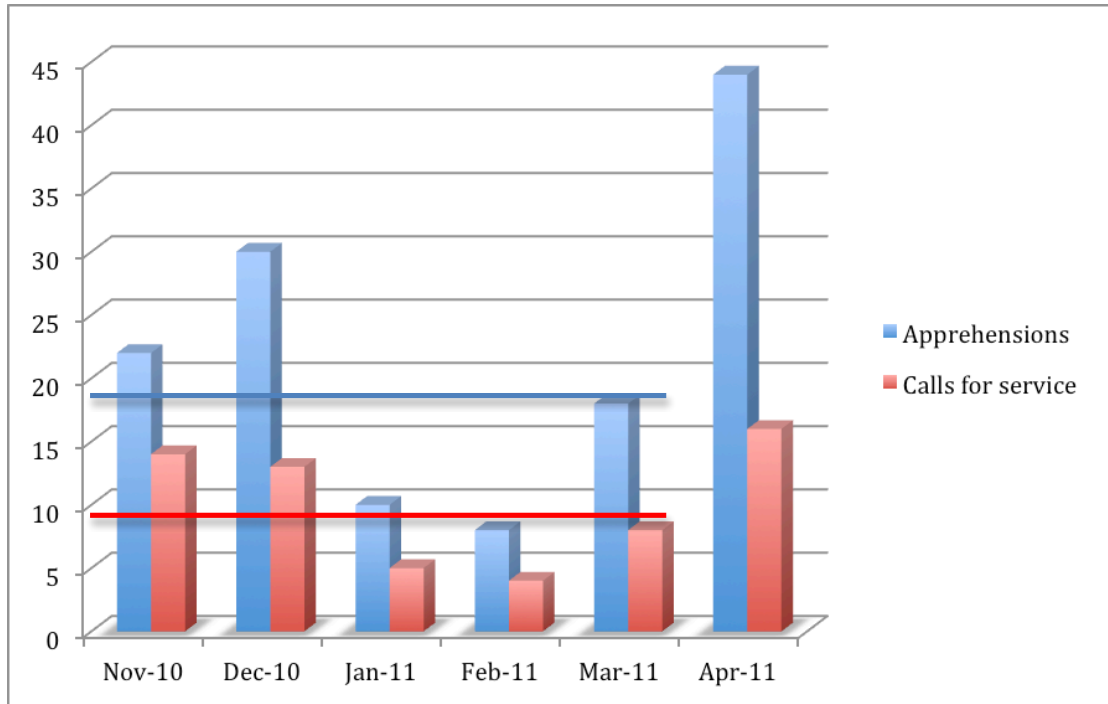


Mean Apprehensions = 76 per month

Mean calls for service = 29 per month

Appendix 3

Apprehensions and calls for service during and after initiative



Mean Apprehensions = 18 per month = mean reduction of 77.4%

Mean calls for service = 9 per month = mean reduction of 72.4%

NOTE 1: April 2011 increased sharply after the pilot initiative was temporarily interrupted.

NOTE 2: December 2010 was slightly higher than expected. It is possible that this was due to increased throughput due to Christmas shopping.