

Retail Theft Prevention Tips

Supervise the Selling Floor

1. Be on the sales floor at least 80 percent of the day.
2. When walking the floor, continually observe and respond to mismarked merchandise, incorrect price on sign, unattended price gun, loose price tickets, open showcases, unlocked security fixtures, empty packages, known shoplifters, suspicious customers, merchandise concealed for later pickup, merchandise without security tags, inoperative security equipment, salespeople not following procedures, fitting room attendants off their post, customers not being serviced, cashiers not properly ringing sales, coupons not controlled, loose bags or gift boxes accessible to customers, security tape not secured, guards not attentive to their duties, unpaid-for merchandise under wrap desks, employee handbags under counters, unauthorized checks or voids or refunds...and more.
3. Encourage employees to keep their heads up and eyes open.
4. Help employees to do a good job and take pride in their accomplishments.

Give Shoplifters an Uneasy Feeling

5. Instruct employees to greet or acknowledge every customer who enters their department.
6. Provide personal customer service to as many customers as possible.
7. Instruct floor personnel to make frequent eye contact with customers who wish to browse on their own.
8. Assign zones for staff coverage so that floor personnel don't leave vulnerable areas unattended.
9. Instruct floor personnel to make a pleasant comment to every customer about the item(s) being taken into the fitting room, so that the customer is aware of what is expected to be either returned or purchased.
10. Maintain 100 percent compliance to placing security tags on vulnerable merchandise.
11. Install added security measures in "blind spots" around the store (i.e., bright lighting, security mirrors, anti-shoplifting signs, and camera).
12. Lower displays around the cash register which block the cashier's view of the selling floor.
13. If your store is large in size, make frequent announcements over the public address (PA) system, such as "Security to area 4," even if your store doesn't have security personnel or an area 4.
14. Issue a criminal trespass warning to all known shoplifters who you want to be prohibited (by law) from entering your store again. Let shoplifters know, by work and deed, that your store prosecutes all offenders.
15. Encourage a close working relationship between employees and loss prevention personnel.

Reduce Opportunities for Employee Theft

16. Only authorize a refund in the presence of the customer.
17. Go behind the counter to authorize a void or "overring" so you can observe potential problems (i.e., bagged merchandise which could be handed out to friends, consumables not paid for, money not in its proper slot in the till or too much cash in the drawer).
18. Sign voids or "overrings" only while the customer is present.
19. Inspect trash dumpster at random but at least weekly, following trash collection but prior to pickup.
20. Don't allow employees to write up, ring up or wrap purchases for themselves or relatives.
21. Review cash over/short reports every day and respond appropriately.
22. Provide employees with lockers or other secure area for employee handbags, purchases, coats and other belongings which should be prohibited on the sales floor.
23. Require at least two employees to open and close the store, simultaneously.
24. Never allow merchandise to leave the store "on approval," without being purchased first.
25. Prohibit hand-carried merchandise transfers from being taken out of the store without proper paperwork.
26. Instruct all employees to enter and leave through a designated employee door.
27. Require managers and employees to always present their belongings for inspection before leaving.
28. Require that all merchandise to be taken out of the store for alteration, cleaning, style show or other purpose, be signed in and out and authorized on a merchandise control log.
29. Do not allow employees to wear store merchandise not purchased.
30. Prohibit employees from browsing behind counters or in back area when they don't sell in these departments.
31. Prohibit employees from trying on merchandise without the knowledge of a manager or other supervisor.
32. Never allow only one person to write the sale, ring it up, wrap the merchandise and ship it out of the store.
33. Secure all shipping labels unless part of an authorized, register-validated sales receipt.
34. Don't allow wrapped merchandise to be hand delivered to UPS or the post office unless authorized and recorded on a store delivery log.
35. Limit employee access to markdown pens and remarking machines when access is not needed.
36. Limit the number of employees authorized to ring up other employee's sales, reducing the opportunities for collusion.
37. Require management authorization of employee purchase transactions.
38. Occasionally offer to assist employees in completing a customer transaction to verify that the amount paid and the merchandise in the bag is correct (particularly when suspicious).
39. Never allow employees to work with an open cash drawer. They must close the register drawer before ringing the next sale.
40. Limit the number of "NO SALE" rings by defining under what special conditions they will be permitted.
41. Review daily exception reports highlighting excessive voids, overrings, no sales, refunds and other suspicious activity.
42. Require all receipts to be given to customers.
43. Require employees to immediately destroy (i.e., tear twice in half) any receipts left by a customer.
44. Prohibit employees from using another employee's I.D. number for any purpose whatsoever.
45. Prohibit cashiers from taking a reading on their cash register. If register readings cannot be done by a supervisor, require cashiers to count their cash, enter the amount on the register and place the cash in a locked deposit bag before taking a reading.
46. Don't allow register transaction numbers to be cleared by anyone at the end of the day. They should continue ad infinitum to ensure that the register tape was not removed from the register.
47. Prohibit the possession of keys to bank deposit bags when the bank is responsible for opening locked deposit bags. There should be no reason for managers or anyone to open a locked deposit bag, whether full or empty.
48. Make bank deposit drops daily...no exceptions.
49. Limit access to keys which disarm the fire exit(s) security crash bar alarm(s).
50. Keep perimeter doors alarmed during night-fill operation and when the store is not open to customers. Supervisor authorization should be required to leave the store.
51. Change door cores on locks to the store when key holders are transferred, leave voluntarily or are terminated.
52. Require bottle return refunds over \$3.00 to be co-signed at the time of the transaction by someone who is required to "eyeball" the number of bottles returned as compared with the amount of the refund slip.
53. Require employees to keep the receipt for merchandise they consume in the store during that day, for possible verification by the manager.
54. Tell employees what will happen if anyone is caught stealing...not what can happen, but what will happen.

Promote a Theft-Free Culture

55. Include questions on personal integrity in the pre-employment screening process to let prospective employees know that integrity is an important issue to your company.
56. Start employees on the right foot by welcoming them to the company, giving them written rules of conduct and describing the risks and consequences involved in dishonesty so that they may make the right decision for themselves, should they ever find themselves in a compromising position.
57. Don't treat employees like crooks, so they feel mistrusted and unappreciated.
58. Give employees a reason to value their job based on what they do and how they are treated.
59. Encourage Loss Prevention to watch employees less and work with employees more.
60. Remind employees that it is better to try and prevent a theft than try and catch people.
61. Train employees how to say "NO" when friends or relatives ask for extra merchandise, a lower price or an employee discount. Each employee should be instructed in advance about what to say when put in such a compromising situation.
62. Explain to employees why employee theft in a store causes a problem for co-workers (i.e., managers begin to distrust everyone, innocent co-workers may be implicated, tighter internal controls are installed, the manager may lose his job, all employees may be replaced).
63. Make it easier for employees to come forward to report their suspicions or concerns:
 1. Tell employees what to report and when to report it
 2. Tell employees exactly how the information they provide will be used
 3. Give employees alternative ways to report their suspicions (i.e., by telephone, in writing or in person)
 4. Reassure employees that they are doing the right thing

Encourage Employee Involvement

64. Remember that the attitude and performance of store employees is heavily influenced by the attitude and performance of store management.
65. Treat employees with respect and consideration.
66. Although the customer is king, never treat customers better than employees.
67. Keep employees well informed about what's happening in their department and the store, so they feel more a part of the company.
68. Make yourself accessible to employees.
69. Be friendly and show your appreciation. Say "good morning" and "thank you" to people.
70. Reduce unnecessary stress on the job. Employees should not be continually subjected to excessive workload pressure, unreasonable demands, constant criticism or frequent threats by managers or supervisors.
71. Make it easy for employees to call the manager of security for assistance by silent alarm, annunciator, intercom or telephone.
72. Drop everything and respond immediately when you receive an employee call for assistance.
73. Don't criticize employees who may be over-cautious.
74. Train employees what to look for and how to respond to a potential shoplifting situation, in a manner which will not cause employees to fear becoming involved in a confrontation or lawsuit.
75. Remind employees to observe the physical symptoms and behavioral changes associated with drug use.
76. Train employees that internal theft can never be a big problem when the other employees (by speaking up) don't allow it to happen.
77. Catch employees at doing things right, rather than only looking for what they do wrong.
78. Remember that getting employees involved in loss prevention can be an easy thing to do because...it will always become one of their priorities when it becomes one of yours.

Reduce Shrinkage in Back Areas

79. Require Receiving doors to be closed immediately following a delivery, or pull a wire mesh gate across the opening if the door must be left open for ventilation. Keep the gate padlocked or alarmed.
80. Post a sign which prohibits freight line drivers from entering the Receiving area beyond the point necessary to unload merchandise from their truck.
81. Accept only one freight delivery at a time unless adequate personnel are present to provide proper control.
82. If you have a security guard monitoring the Receiving and Shipping area(s), be sure that Receiving personnel fully understand that the prevention of loss or the protection of merchandise is first and foremost their responsibility and not the guard's responsibility. The guard is simply another pair of eyes and an added support to help Receiving personnel protect their area.
83. Don't allow merchandise to be removed from Receiving until it is properly checked-in and marked.
84. Prohibit the delivery of merchandise directly to the selling floor before being properly checked-in by Receiving...regardless of how quickly it may be needed.
85. At least once each week, verify the proper receipt of one delivery by counting and comparing the number of cartons received (and their satisfactory condition) to the amount shown on the waybill, and look for proper notations and completion.
86. Consider the installation of a bell, buzzer or chime on all fire or exit doors to alert the manager and other employees when the door is opened. This should be in addition to any crash bar device, which can be disarmed. The sound should be audible from all key areas of the store.
87. Prohibit the unsupervised removal of trash from the building.
88. If a trash compactor is used vs. an outside dumpster, be sure that the inside door to the compactor is locked by a supervisor between the time the compactor is removed by the trash removal service and the time it is again returned and secured to the building.
89. Keep back areas neat and clean so that it is easy for store management to quickly observe irregularities.
90. Prohibit vendors from going into back areas unsupervised.
91. Pass through the back areas of the store regularly and give employees feedback on their performance...especially positive feedback.

Improve Compliance to Policies and Procedures

92. Insure that all employees receive a written statement of key policies and procedures, and that they acknowledge receipt by their signature.
93. Don't leave new employees totally on their own until you are satisfied that they have been properly trained and supervised for the proper amount of time. Require a written O.K. from their supervisor before they are left on their own.
94. Be sure that systems and procedures are user-friendly so the employees are not encouraged to circumvent the system.
95. Don't push employees so hard that they are forced to take shortcuts.
96. Have needed information readily available for reference (i.e., merchandise information, price information, policy and procedural guidelines, et al).
97. Never criticize employees for **asking** a question when they are not sure of the answer.
98. Do criticize employees for **not asking** a question when they are not sure of the answer.
99. Set the example for employees in all things, such as always offering for inspection your attaché case or packages whenever leaving the store.

Above information provided by **The Peter Berlin Report on Shrinkage Control – Store Managers Edition**. The Peter Berlin Retail Consulting Group, Inc., 380 North Broadway, Jericho, New York 11753. Telephone: 516.932.0450.

BURGLARY

65% of nonresidential burglaries occur during the nighttime.

- Light all exterior points of entry with permanent fixtures that are difficult to reach or be tampered with.
- Light the interior of your business enough that someone outside the building could see someone inside.

- Install a fence or hedge - it's your first line of defense.
 - You should be able to see through the fence.
 - Hedges should be wide, rather than high, and of a prickly, thorny variety.
- Install window locks designed and positioned so they cannot be reached and unlocked after breaking the glass.
- Install safety glass (glazing). It is highly effective at deterring break-ins.
- Install motion detectors to sense movement inside the building.
- Install entry protecting alarms to detect the breaking of windows and the opening of doors.
- Install point protectors (such as pressure-switch mats) to detect when someone enters a restricted area, such as by a cash register.
- Install a deadbolt lock/latch in each exterior door.
- Lock overhead and receiving doors with high-quality padlocks.

INTERNAL THEFT

Your employees are 15 times more likely to steal from you than your customers.

- Screen all employees before hiring them - it's the best defense against internal theft.
- Never have fewer than two people close up at night.
- Have all keys distributed to employees engraved with the words "Do Not Duplicate."
- Watch for warning signs - employees who:
 - Are living beyond their means
 - Habitually violate company policies
 - Have a substance abuse problem
 - Are chronic liars
 - Seem immature or troubled
 - May have cause to feel wronged
- Never rule anyone out - anyone could be a thief.
- Use a card access system rather than traditional keys - access cards can't easily be duplicated.
- Install a closed-circuit television system. It allows you to monitor employees and serves as a very strong deterrent when employees know one is in place.

SHOPLIFTING

35.8% of annual losses due to shrinkage are attributed to shoplifting. The #1 reason for shoplifting is that it's easy and there's little or no risk involved.

- Install convex mirrors that allow employees to easily observe all corners and aisles.
- Have only one entrance and one exit to your business.
- Have a patrol officer at the entrance and exit.
- Keep expensive merchandise inside locked cases.
- Use electronic tags that can't be removed by a non-employee without damaging the merchandise.
- Install security cameras in plain view.

ROBBERY

In the U.S. alone, a commercial robbery is committed every four minutes. That's more than 100,000 robberies each year.

- Be sure you have adequate lighting both inside and outside your business.
- Exterior lighting should illuminate dark areas around your building and parking lots.
- Interior lighting should be adequate enough to allow people outside your business to see people inside.
- Place a fence or hedge around your building to discourage robbers by presenting a significant hindrance to getting away.
- Place security signs and stickers on points of entry to serve as deterrents.
- Install silent alarms to notify police and give them a better chance to catch perpetrators.
- Install some form of cash register protection.
- Install security cameras, which not only serve as a strong deterrent, but help with identifying a robber after the crime has been committed.
- Utilize a safe with a drop mechanism that allows you to make periodic drops during the day to minimize the amount of cash in your registers.
- Always drop large bills immediately and publicize this to discourage potential robbers.

Liability - More and more, businesses need to protect against lawsuits and false insurance claims brought by customers as well as employees.

Vendor Theft - Delivery shortages are very common. Have your employees count every item delivered.

Employee Productivity - Otherwise honest employees stole \$160 billion last year by wasting time on the job.

Poor Customer Service - The average customer service incident results in the loss of a minimum of 10 customers.

Fraud - Customers are less likely to commit credit card and merchandise return fraud when there is an obvious video surveillance system in place.