



Introduction to Loss Prevention and Shoplifting

A Guide for Retailers



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**Insights into increasing
retail awareness and
reducing shrinkage**

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Tel: 1-403-835-1066
Email: info@psscscanada.com

Introduction to Loss Prevention and Shoplifting – A Guide for Retailers

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What is Loss Prevention?

Loss Prevention is the concept of establishing policies, procedures and business practice to prevent the loss of inventory or monies in a retail environment. Developing a program around this concept helps to reduce the opportunities that these losses can occur and more specifically, work to prevent the loss rather than solely be reactive to them after they occur.

When a retailer experiences a loss, they are losing directly. Lost inventory requires replenishment at a cost to the retailer and lost monies cannot be replaced. Profits that could have been used for new inventory, new store openings, employee benefits, or increased earnings disappear.

Like any other part of it, a loss prevention program helps make the business better. There are business functions based around sales, marketing, human resources and more - why shouldn't there be a business function around the protection of inventory and the prevention of losing it?

The size of the loss prevention program depends on the business - the number of locations, what is being sold and the potential threats, risks and concerns facing the business. Having an established program which includes elements and resources to establish, implement and monitor loss control will make a business more profitable and less susceptible to certain losses.

Most losses occur in three categories; internal theft, external theft and through errors:

- **Internal (Employee) Theft** is the largest contributor to loss for most retailers, regardless of size or segment. Although some may wonder why employee theft would be the largest category of loss, every survey, study and comparison across segments has shown that those who steal from a business the most are employees.

Employee theft occurs through many different methods. The point of sale (register) brings with it many other forms of employee theft. Simply removing money from the till to elaborate "conversion frauds" that include refund, void or discount thefts, point of sale theft can often cause a "double-dip effect" where money and inventory is lost simultaneously through a single incident.

- **External Theft** is often caused by shoplifting, break-ins, robberies or other acts. Although it does not cause as much loss as internal theft, shoplifting and external theft causes a substantial amount of loss annually to the retail industry. Controlling external theft requires a commitment to educating employees on good customer service, awareness to the signs of a potential loss and how to best protect the store and inventory against external loss. This requires the establishment of procedures and training in areas such as shoplifting prevention, robbery awareness, safety, and how to handle various situations dealing with people. What security measurements are in place within the retail location can also greatly assist against external loss.
- **Errors.** Often considered paperwork errors, these mistakes account for 15%-20% of a retailer's annual loss. Most of the errors seen in retail are employee-caused, thereby making a retailer's employee a high contributor to the business loss every year!

Errors can occur anywhere - from checking in shipments, to ringing on the register to transferring merchandise. These errors include inaccurate counting of merchandise and improper discounting or accounting of a sale or tender. Simple repeated mistakes have resulted in thousands of dollars lost to a single retail establishment.

Losses can be caused by many different reasons and through a variety of methods. Here are some ways to see if there may be a loss prevention problem:

- The cost of goods or food costs are increasing, but sales are staying the same or decreasing
- There are empty containers, hangers or missing items throughout the store
- Employees are reporting shoplifting issues or concerns
- The store has been the victim of a robbery over the past year (robbers often look for easy targets)
- Inventory is being lost but no one mentions any shoplifting or theft events (possible employee theft)
- One employee reports shoplifting events but nobody else is witness to these events
- Sales are down consistently when a certain employee works
- Cash drawers never balance and have small overages and shortages
- A certain employee has a high number of refunds, voids or no-sales and is not the only employee authorized to handle these transactions
- Persons hanging around asking for a certain employee

The Six Principles of Loss Prevention

A well structured loss prevention function should include a program designed around six key principles. These six individual, but symbiotic, principles provide an approach that will focus on the prevention, identification and resolution of loss.



The six key principles are:

1. Prevention
2. Awareness
3. Compliance
4. Detection
5. Investigation
6. Resolution

Each principle has a relationship with the next. The process starts with and circles back to the primary principle and objective of any loss prevention program – **Prevention**. The overall goal is to include all of these principles within your function's initiatives, resources and technologies.

As a philosophy, these principles should work in conjunction with a holistic approach to loss prevention. Thinking beyond theft and error, a strong loss prevention function should also focus on margin erosion, supply chain management and other areas that can cause profit loss.

Employees

Employee Theft from a retail store is a term that is used when an employee steals merchandise, food, cash, or supplies while on the job. However, in the eyes of the law, employee theft is just theft...the elements of the crime are identical. To commit theft, the employee must “intend” to permanently deprive their employer of the value of the item stolen.

Employee theft can occur just like shoplifting by concealing merchandise in a purse, pocket, or bag and removing it from the store. It can also occur by stealing cash, allowing others to steal merchandise, eating food, and by refund, credit card, or check fraud. Employee theft can sometimes be charged as embezzlement due to the trusted fiduciary status of the employee. All of these methods lead to loss of inventory (shrinkage) and/or profit for the merchant.

Employee theft is an insidious crime because the merchant is paying a wage and benefits to the thief on top of paying for the cost of their dishonesty. Studies have shown that employees can do a lot more damage than shoplifters because they are trusted and have an insider’s knowledge of store security measures.

Employee Theft Profile

There is no real physical profile for a dishonest employee. Dishonest employees come in all shapes, sizes, ages, sexes, ethnic backgrounds, religions, levels of education, and economic status. You simply cannot accurately determine who is likely to steal based on their demographic status alone. However, an employer can make reasonable assessments based on their conduct, integrity, and judgment. A person’s past conduct, integrity, and judgment often provides the best indication of their future behaviour.

Retail store employees have a constant opportunity to steal cash or merchandise...all they need is the desire and sufficient motivation to do so. What keeps most employees honest is moral character, loyalty, respect for the law and their employer, and the desire to be viewed as trustworthy. Studies support this by proving that shrinkage is significantly less in stores with reduced employee turnover and fewer part-time workers.

For others, the only barrier to dishonesty is the fear of getting caught. The employee thief risks getting fired, being arrested, jailed, and paying restitution. The criminal record and bad job reference will have a compounding effect that will follow them for years. Merchants must not be sending a clear message to their employees because most employee thieves never thought they would be caught.

Cost of Employee Theft

According to the *U.S. National Retail Security Survey*, employee theft is estimated to be responsible for 47% of store inventory shrinkage. That represents an estimated employee theft price tag of about 17.6-billion dollars per year. This figure makes employee dishonesty the greatest single threat to profitability at the store level.

The study found the average dollar loss per employee theft case to be \$1,762.00 compared to \$265.40 for the average shoplifting incident. Despite these facts, most retailers mistakenly focus their loss prevention budgets on shoplifting.

Loss Prevention

Preventing employee theft is a constant challenge for retailers. The industry knows that it must put systems in place to prevent or deter internal theft. To be effective, loss prevention systems must be designed to reduce the opportunity, desire, and motivation for employee theft.

One way of reducing employee theft motivation is for the retailer to show a deep commitment to prevent losses at every level and a desire to prosecute thieves. This sends a message to employees that shoplifting losses can not be used as a excuse for shrinkage and that all thieves will be prosecuted.

Basic loss prevention steps involve good procedures for hiring, training, and supervision of employees and managers. Procedures that are clearly defined, articulated, and fully implemented will reduce the opportunity, desire, and motivation for employees to steal.

Why Employees Steal: Criminal Theories

The prevailing explanation of crime is known as the Cultural Deviance Theory, which is a sociological study of deviant behaviour, the recognized violation of cultural norms and the creation and enforcement of those norms. Unfortunately, this theory of criminality doesn't always apply in retail environments, and even our own experience with employee theft tells us that this classic model of crime and criminal behaviour does not fit neatly into the categories describes by the Deviance Theory.

In fact, this explanation creates more questions than answers. Of course all theft is criminal, but there is an inherent difference between someone who commits armed robbery and someone who simply steals merchandise. If, as the theory suggests, crime is the result of 'cultural forces,' then stores in crime-ridden neighbourhoods should have higher losses than those in more affluent. And, if crime is the result of 'strain' to achieve material goods, theoretically, lower paid employees should steal more than those that are paid higher wages.

So why are we continually surprised by an otherwise 'nice' employee's involvement in theft? It's obvious that the Cultural Deviance Theory does not fully answer all of the questions posed in the retail environment. Even if we accept the contention that "criminals commit crimes," it does nothing to help us explain the nature of the small number of employees that actually steal, nor how to identify the differences between the honest and dishonest employee.

To compensate for these shortcomings, many theorists have placed white collar and retail crime into a separate category model; however, even this model identifies the catalyst for behaviour as the socialization of the individual and unknown personal motives.

Criminal versus Control

A new theory has been posed that may offer more insight into the trend of employee theft in retail environments. In Gottfredson's and Hirschi's "General Theory of Crime," (1990), it is suggested that the one factor common to all types of crime and deviant behaviour are as a result of low self-control. It is argued that when the components of crime are carefully reviewed, we observe that it is a lack of control by the individual that results in engagement, regardless of any social or economic factors.

If their model is valid, then it should be fairly easy to not only explain retail theft in terms of low self-control, but also to design an environment that minimizes the opportunity for those losses to occur.

The authors explain that all types of crime have the same universal characteristics:

- *It provides immediate gratification*
- *It is easy and simple*
- *It provides excitement*
- *There are no long-term benefits*
- *It requires little skill and planning*
- *It results in pain and discomfort for the victim*

These characteristics appear appropriate to retail crime. For example, we know that the majority of employee dishonesty falls into the category of merchandise theft; i.e. pass-offs, merchandise in personal bags, or brought out with the trash. This is a relatively easy-to-commit crime that does not require much skill or planning. Even in cases of refund and credit card fraud, it is rare that we see any elaborate or new method of operation. Additionally, when one compares the long-term benefits of stealing to those of continued employment, it is clear that employee theft is not a successful endeavour - they are never going to get rich or retire from their activity.

So how does low self-control fit into our environment? As explained by Gottfredson and Hirschi, like criminal acts, there are universal characteristics of a person with low self-control, including:

- *No concern over the rights and privileges of others if they interfere with the individual's personal satisfaction*
- *Impulsive behaviour*
- *Inability to form deep and persistent attachments*
- *Poor judgment and planning in attaining goals*
- *Apparent lack of anxiety or distress over social (group) maladjustment*
- *Tendency to project blame onto others*
- *Inability to take responsibility for failures*
- *Lack of dependability*
- *Tendency to create drama over trivial matters*

A careful review of these characteristics provides greater understanding into retail crime behaviours. First, it makes sense, according to the "low self-control" theory, that the majority of employees would be honest. In order to maintain a job an employee needs to have a fairly stable level of self-control. They need to show up for work, do their job and perform to the company's acceptable level of standards. Secondly, in our own experience, we have seen that some of the stores with the lowest amount of loss and smallest number of employee theft cases are in fact located in the highest-risk locations.

This concurs with the theories' contention that the characteristics involved in criminal and deviant behaviour are not founded in social causes, but rather individual levels of control. Additionally, almost all associates are exposed to the same level of opportunity to steal, so it seems reasonable to conclude that the decision to steal is based on internal factor, rather than external.

Employee Theft: Deterrence and Prevention

Obviously if we accept this theory, then opportunity still plays a key role in theft. As we have established that employee theft is relatively an easy method that requires little skill or planning, we need to ensure that the level of difficulty for success is high.

The best way to accomplish this is through consistent presence in all stores, as well as targeted training and awareness programs. Consistency in presence can be executed through several venues, such as monthly audits, store security visits, even a mystery shopping program, all of which communicate to associates at all levels that operations are being monitored continuously, thereby reducing the opportunity available to steal.

Training and awareness also plays a key function in the reduction of opportunity for theft. Communicating policies on operations and suspected/confirmed cases of theft, whether through training meetings, printed materials in all stores, and so on, acts as an effective deterrent for most associates with low self-control.

More importantly, this model dictates that the best prevention and deterrence in employee theft starts with hiring the right employees. It may be appropriate to consider an applicants' previous demonstration of self-control to ensure a good fit into the business culture.

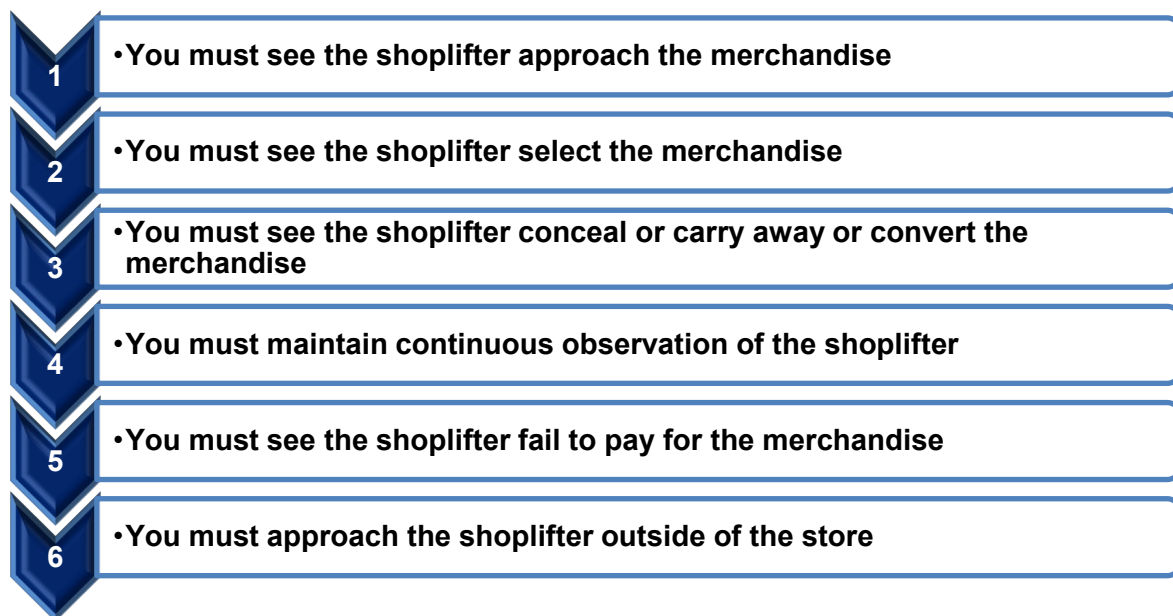
Through the application and interview process, we can look for clues to levels of commitment and dependency (multiple job changes, corrective actions for being late, etc.,) and ask questions that better determine their level of impulsive behaviour, ability to accept responsibility and sense of drama.

Our experience already tells us that most dishonest employees are neither hardened nor career criminals. We also realize that the vast majority of employees are honest and hardworking. However, by understanding the theory of 'low self-control', as well as applying deterrence measures in policies and procedures, employee theft can be effectively reduced throughout an organization.

Shoplifters

In an effort to prevent thieves from walking out the door without paying for merchandise, sometimes it becomes necessary to detain and arrest those suspected of shoplifting. Retailers sometimes employ plain-clothes loss prevention workers specially trained to detect, apprehend, and arrest shoplifters. Some retailers believe that arresting shoplifters is the greatest deterrent as the word is spread by store employees and gets out on the street. If a detention and arrest policy is desirable, it is critical for the merchant to understand the laws of arrest before confronting anyone. Remember that the laws of the land have a different legal impact than company policy.

Before detaining anyone, you must establish Shoplifting Probable Cause. To establish a solid base for probable cause and prevent false arrest claims, there are six universally accepted steps that should be followed before deciding to stop someone suspected of shoplifting:



Step 1:

You must see a shoplifter enter the store or approach a display and see that the customer does not have any merchandise in their hand or that they haven't retrieved an item from their own purse, bag, or pocket. This step prevents a common mistake that occurs when a customer brings an item into the store for comparison purposes or for a refund or exchange and does not check in at the service desk first. If you detain someone after seeing them replace their own merchandise into their pocket or bag, you could be subject to a false arrest claim even though it is a seemingly honest mistake. Many false arrest claims are filed because this important, but basic, first step was missed.

Step 2:

You must see the shoplifter select the merchandise. Store employees and Loss Prevention staff can misunderstand when they see a customer innocently put an item into their pocket or purse and not realize that the customer had brought the item into the store with them for comparison purposes. If you can positively and honestly state that you saw the shoplifter remove the merchandise from a display prior to concealing it, then you have a strong foundation for proof of shoplifting.

Step 3:

You must see the shoplifter conceal, carry away, or convert the merchandise. This includes concealment in bags, strollers, or on a person. Shoplifting can occur by wearing articles in plain view once the tags are removed. Shoplifting can occur by conversion, for example, when consuming food prior to being purchased. An exception to the observation rule is inside a fitting room where observation is impossible. Once inside a fitting room store merchandise can be concealed almost anywhere. The important factor is to know what items go into the fitting room and what items don't come out in plain view. Of course, the fitting room must be checked beforehand to see if it is clear of merchandise, and after the suspected thief exits, to see that the missing items were not simply discarded.

Step 4:

You must maintain continuous surveillance of the shoplifter. If policy is to detain and apprehend all shoplifters, then you must adhere strictly to this step. Experienced shoplifters will try to dump the concealed merchandise, without your knowledge, if they believe they have been observed. If you followed steps 1-3 and then lost sight of the shoplifter for several minutes you may be surprised when you detain them and they are no longer holding the merchandise.

The best approach, if you lose sight of a shoplifter, is to make your presence known to the shoplifter and give them a chance to dump the merchandise and leave the store without a word being said. Sometimes, loss prevention personnel will walk nearby and turn up their mobile radios to alert the shoplifter that they are plain-clothes security. Another technique is to make a storewide P.A. announcement for security to come to the children's department, for example, which is where the shoplifter happens to be standing. They will usually dump the merchandise immediately and hopefully never return.

***An Exception to the Continuous Surveillance Step**

"Fitting rooms" and dressing rooms pose a particularly thorny problem for retailers because of the legal expectation of privacy when customers change clothes. Such privacy has proven for decades to be an irresistible temptation for many to steal goods. Hence, every reasonable effort should be made to prevent theft, such as the use of control discs, counts, and attentive service. But despite all known preventative efforts, theft continues unabated, and detection and detention are required. An exception to the "six steps" can be employed in this fitting room environment. This is referred to as the "cooperative unbroken chain of surveillance" which satisfies the "six steps".

- Agent A observes the customer select a blue sweater and a red sweater and enter the fitting room. Agent A keeps that fitting room under constant surveillance until the customer exits.
- If the customer exits with only the blue sweater, Agent A immediately contacts Agent B, who promptly enters the fitting room and thoroughly searches that room and the adjacent rooms to comply with the "cooperative unbroken chain of surveillance" element of the 6 steps. The agent must be mindful the subject didn't pass off the red sweater to an accomplice or simply stash it out of view.
- During that search, Agent A continues her constant surveillance of the subject, pending word from Agent B.
- If Agent B cannot locate the red sweater, the only logical conclusion any reasonable person can draw is the customer must have possession of the red sweater, and this finding is relayed to Agent A, who is now engaged in a "constructive unbroken chain of surveillance." Thus the subsequent detention is valid.

Step 5:

You must see the shoplifter fail to pay for the merchandise. Typically, a shoplifter will walk out of the store, past all cash registers, without making any attempt to pay for the concealed merchandise. This is an important element to prove "intent" later in court, if necessary. Sometimes, shoplifters will go through the checkout line and pay for other items but not for the concealed item. It is important to observe that the concealed item is not retrieved and paid for at the checkout. It is also important to verbally confirm with the cashier that the concealed item was not paid for either. For example, a shoplifter may get a change of heart and tell the cashier that they consumed a chocolate bar, and the cashier rings it up.

If you don't inquire first, you could detain the shoplifter and have some exposure to litigation. An example is when you observe a customer removing garment tags and dressing their child in new clothes and placing the old clothes into a large bag. When the suspected shoplifter proceeds to the cashier, without your knowledge they present all the price tags and pay in full. Another example is when a customer at a grocery store tells the cashier to charge for a box of chocolates or some flowers. After the transaction, the customer leaves the check stand and selects the items from the stand in the lobby and exits, seemingly without paying.

Sometimes there is a reasonable explanation for removing merchandise, seemingly without paying, so you must be aware of the practices within various retail settings that would allow this to occur. Remember, some shoplifters are clever and will purchase an item, obtain a receipt, and dump it in their car. Next they return to the store to steal the exact same item. If stopped they can produce a receipt and even get the cashier to swear the item was purchased. The same item may be stolen numerous times using this technique.

Step 6:

You must approach the shoplifter outside of the store. Although not technically necessary, following this step eliminates all possibility that the shoplifter still intends to pay for the stolen product. A few courts have held that detaining someone for shoplifting inside a retail store does not establish the criminal intent of theft. When approaching a shoplifter outside of the store always have a least one person as a backup and witness.

There is safety in numbers and most shoplifters will cooperate if they believe fighting or running is futile. Always have at least one more loss prevention officer present than the number of shoplifters. When you approach a shoplifter outside it is important to follow the steps of a lawful arrest:

1. **Identify yourself clearly, and your authority for stopping them. Section 494 of the Criminal Code allows a Citizen's Arrest. Plainclothes loss prevention members may present their ID cards so the shoplifter has no doubt who they are.**
2. **Tell the person why you are arresting them, for example "I am arresting you for theft".**
3. **Check for understanding.**
4. **Remove the person to a private area, if possible.**
5. **Advise the person they are not obligated to say anything, but if they do it may be used in evidence against them.**
6. **Contact the police and turn the person over to them as soon as possible.**

Most shoplifter apprehensions should be accomplished with no force or if necessary, minimal force such as touching or guiding.

If you follow these six steps, you should have no problem with proving criminal intent to shoplift and be able to establish probable cause to detain a shoplifter. You should also be well insulated from civil liability. Always following these steps will provide consistency for loss prevention professionals.

The Decision

The decision to approach and confront someone suspected of committing theft should not be taken lightly. It's critical for anyone charged with the responsibility of apprehending shoplifters to have special training in this regard. An arrest occurs if the suspected shoplifter is taken into custody. The definition of custody means not being free to leave (i.e. while handcuffed).

The Approach

To approach a person suspected of shoplifting will necessarily involve a confrontation. This confrontation can go smooth and professional or become hostile and aggressive. It is a good policy to have extra personnel involved for back-up and for witness purposes. A good rule is to outnumber the suspected shoplifter by a least one. The extra personnel usually prevent the suspect from fighting or attempting to flee. A female back-up is best if a female suspect is being detained.

The approach should always occur from the front, if possible. The loss prevention worker should immediately and clearly identify themselves and it is helpful to have some form of identification such as a uniform, or name tag to avoid confusion over who you are or what authority you possess. Plain-clothes loss prevention workers should have an authentic-looking ID card or badge in a wallet to present during the confrontation so not to be confused with a mugger. The presentation of credentials should occur simultaneously with the words "I'm with ACME Stores, and I would like to talk with you about the 'two bottles of ACME wine' in your bag."

You should listen for spontaneous utterances like, "Oh, I forgot to pay for it" to help prove culpability while still outside of the store. The shoplifter should also be asked to return the items while still outside the store, if possible, to further validate the suspicion of theft before return to the store interior.

The Detention

The detention process starts when the customer is initially confronted. If the suspected shoplifter has unpaid merchandise at the time of the detention, ask them to, "please return to the store so we can clear up this matter." If you act professional and with back-up, ninety-eight percent of the time the shoplifter will comply and go anywhere you direct, without fanfare.

The loss prevention agent should try to recover at least one item outside of the store to confirm that a theft occurred and the item was not dumped. Stopping a customer without stolen goods is called a bad stop or an unproductive detention. Unproductive stops can and should be terminated while still outside, along with a sincere apology for the confusion.

When escorting a shoplifter back inside the store, care must be taken to see that the thief does not try to run. Customers and store employees could be at risk if a scared shoplifter decides to escape by running through the aisles of the store towards another exit. To prevent this from occurring, at least two loss prevention workers should walk very close to the suspect while speaking in a calm manner.

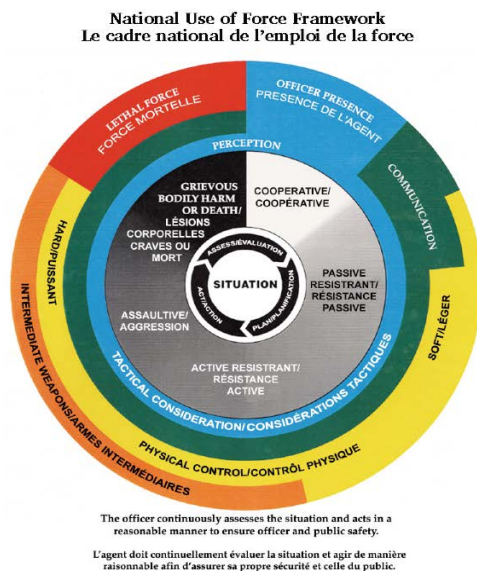
If the risk of flight appears high, the loss prevention workers should consider using holding force to guide the shoplifter or simply hang on to their belt. Chasing a shoplifter is never a good policy, especially if you already retrieved the merchandise. Chasing a shoplifter off the property or in a car is can be dangerous.

Excessive force

Excessive force should never be used when apprehending a shoplifter. In most cases the presence of two or more loss prevention workers is all that is required to recover the merchandise and direct the suspected shoplifter back to a private office. If the customer is cooperative, very young, very old, or frail then no force should be necessary. Professional loss prevention workers charged with the responsibility of taking people into custody should be trained in the concept of the Use of Force Continuum, as depicted in the **National Use of Force Framework** shown. This is the natural progression of the application of reasonable force as the circumstances dictate. Lawful force can escalate to a reasonable level and then de-escalate as the situation calms.

Handcuffs are sometimes used to restrain violent or aggressive shoplifters when escape and employee or customer injury is a REAL possibility. Handcuffs should be used with discretion. Loss prevention workers must be properly trained in the use of handcuffs and know when and how to apply handcuffs. Handcuffs should always be "double-locked" when it is safe to do so.

Excessive force is unnecessary and unlawful. It can create exposure to civil liability for negligence, and criminal liability for assault. Examples of excessive force includes choking, punching, kicking, improper handcuffing, hog-ties, and the intentional application of pain compliance techniques. Extreme foul language, ethnic slurs, and verbal threats of harm will all be considered excessive when a shoplifter is in custody. When handcuffs are applied, the loss prevention agent is responsible for the shoplifter's safety from trips and falls, adequate blood circulation to the hands, and the ability to breathe.



Shoplifter Processing

Once you make it to a private office the shoplifter must be processed within a reasonable time period and in a reasonable manner. Sometimes the timing is delayed by slow response time of local law enforcement. There should always be at least two store representatives present at all times and one should be the same sex as the shoplifter for obvious reasons. One of the first steps is to make sure the setting is safe and the shoplifter is not carrying accessible weapons. This is accomplished by a simple external *pat down* or by separating handbags, packages, and other containers from the immediate grasp of the shoplifter. A pat down is not a license for a search and should be conducted by a person of the same sex. Searching pockets and handbags is illegal unless the person gives their permission, so leave that job for the police upon arrest.

After the safety issues are resolved, you should ask the shoplifter to voluntarily retrieve and return all the stolen merchandise. Most shoplifters will cooperate and hope to be released.

Simple requests should be honored for those held in custody, if safe to do so. Handicapped persons should be accommodated because of stairs or footpath issues. If safe, shoplifters can be offered water, prescription medication or restroom access if your merchandise has been recovered. Smoking is not a valid or safe request.

Shoplifters can call their attorneys on their own time or from jail. With the exception of very young juveniles, elderly, or obviously ill persons, telephone requests should be delayed until processing has been completed or after the police have been called to eliminate disruption by irate parents, spouses, or friends. If a shoplifter is violent call the police immediately. The shoplifter can make any necessary calls from jail. You may wish to call the parents for juvenile shoplifters.

Written Reports

If the store policy is to make detentions and arrests, then written reports are required to record the shoplifting event. These reports will be vital for use later on in both criminal and civil courts. Reports usually include an in-house loss prevention report that captures all the important identification data like name, address, and date of birth of the shoplifter. The report will provide a narrative of the facts that establishes the probable cause elements, itemizes all stolen merchandise, lists all witnesses, and includes any contemporaneous statements made by the shoplifter. All reports including the police report or case number, if any, should be kept in a secure file cabinet for at least two years or for the period stipulated by the company, whichever is longer.

All evidence should be photographed and itemized and either stored in a secure cabinet or returned to stock, if the courts allow for it. If an arrest is warranted, the shoplifter should also be photographed for identification later on and in court. All evidence should be entered into a separate log book and assigned a case number for tracking purposes.

False Arrest

A loss prevention member makes a choice when they decide to apprehend and arrest those who attempt to steal merchandise. Making that choice creates a legal responsibility of doing it correctly. In the retail loss prevention profession, the possibility of falsely accusing and detaining a customer for theft is a business reality that must be addressed.

The word "false arrest" is very distasteful to the retail industry, so it has created several alternate words to describe the event. Less offensive words are used instead like "non-productive detention" or "unproductive stop" or "investigative detention". All of these words have been used in place of false arrest so not to seemingly admit liability. Whatever the terminology, if you stop a customer that is not holding stolen merchandise, you have the potential for a false arrest claim.

Reasonable Detentions

While detaining someone, you must do so in a reasonable manner. Detentions must be for a reasonable time period. Holding someone for three hours while you investigate a cheque, credit card, coupon, or refund fraud attempt is excessive. Some jurisdictions have a problem with police response times that may take over two hours to respond to your store. This reality must be factored into the policy of detaining shoplifters.

Use of Force

It is usually considered to be negligence, if not assault, if an individual uses excessive force when apprehending a suspected shoplifter. Verbally abusing shoplifters is never acceptable. Excessive or

unreasonable use of handcuffs, leg restraints, chokeholds, or pain compliance holds are also inappropriate when dealing with those suspected of retail theft.

You run the risk of a false arrest claim when you:

- Don't observe the customer approach a display
- Don't observe the merchandise being selected from the display
- Don't see the merchandise being concealed, carried away or converted (i.e. eaten etc)
- Don't maintain continuous observation and the shoplifter dumps the item
- Don't watch the check stand and verify the non-payment of the item
- Don't detain the shoplifter outside the store (or at least past the last register)
- Don't detain only the person directly responsible for the theft

To avoid other related claims:

- Approach from the front (so the shoplifter doesn't think you're a robber)
- Have at least one witness of the same sex present at all times
- Have at least one more backup than the number of shoplifters
- Clearly identify yourself
- State the reason for the detention
- Don't be afraid to immediately disengage and apologize if you make a mistake
- Listen for spontaneous utterances (i.e. "I forgot to pay for it")
- Closely escort the shoplifter to a private office
- Do not chase the shoplifter through the store
- Always be polite and professional even if the shoplifter is not
- Do not use excessive force (for instance, double lock handcuffs if used)
- Do not make threats or exchange insults
- Accommodate reasonable medical and handicap requests
- Process the arrest swiftly according to the policy in place
- Save, tag, and photograph the stolen merchandise as evidence