

Organized Retail Crime (“ORC”)

1. ORC costs retailers tens of billions of dollars annually in lost product. This does not include the amount of money retailers invest in theft deterrent strategies (e.g. spider wrap, facial recognition, etc.) and LP headcount.
2. ORC can have public health risks: resale of expired product (e.g. criminals are known to alter expiration dates on diabetic test strips for example); certain products (e.g. baby formula) not stored properly while on the black market.
3. Factors causing ORC to rise: lower store staffing levels, ease of resale (ebay, craig’s list, pawn shops, flea markets)
4. Impact of ORC: (1) health risks (as described below); (2) on-shelf availability (less product on the shelf); (3) injuries – LP associates making apprehensions, innocent bystanders injured during pursuits; (4) honest customers don’t have ready access to product – high shrink merchandise is locked up, kept in backroom, etc.
5. We are seeing an increase in violence used by ORC perpetrators.
6. Products targeted: those having a high demand in the open market and high resale value (OTC medications, high end design fashions, health and beauty (razor blades, energy drinks, weigh loss pills, pain relievers), electronics.