

# Crime—Retail Industry

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If there is an immediate fear for a retail business owner, it is crime at the workplace. Whether it is caused by someone outside or an employee on the inside, it hurts your bottom line.

There are controls that you can put in place to reduce your exposure of theft and crime against your business. This is the objective of this fact sheet.

## Exposures

**Embezzlement** - This may be toughest of all crimes to guard against because without internal and outside audits, a trusted employee can literally rob you blind.

Embezzlement and employee dishonesty can come in many forms. Company drivers taking from delivery items, bookkeepers manipulating numbers to work in their favor, employees walking out of the store with unpaid for merchandise, and collusion between purchasing agents and your suppliers.

**Burglary** - The unlawful act of breaking in and entering goes unnoticed until it's too late. Slightly more than 3/4 of all crimes committed are burglaries. It should go without saying that the high ticket items are the biggest targets. Businesses with poor premises controls are the biggest

victims of burglary crimes.

**Robbery** - This is an act of crime on a person or in the presence of another person. This is the type of crime we most often hear of in the news. Usually the most violent form. Because your establishment has a lot of hand to hand transactions, it becomes a prime target for those who may want to commit robbery. Controls that

ees should enter and exit through one door. Strict disciplinary action should be taken if this rule is disobeyed.

- Keep employee dishonesty in -check by doing background checks on them before hiring. This should especially be done for those entrusted to handle and process money.
- Are your procedures for handling cash and receipts tight?



you take may not necessarily stop a robbery from taking place, but it could be a deterrent or slow it down enough for authorities to intervene and catch the robber in action.

## Items to be aware of

### Embezzlement

- To reduce pilferage, employ-

Only one person per register drawer, drop safes, key controls established for safes, strict procedures for bank deposits.

- Checks that are used for the business should have counter signatures. If this can not be worked out, at least have a procedure for checks with a nominal figure. Limit the authority of signatures to a few

# Crime—Retail Industry (cont.)

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individuals.

- When the purchaser has the responsibility of also receiving and checking in goods, there is always a chance for collusion with the supplier. To prevent this activity, make sure these responsibilities are kept separate.
- If you have an office person that is responsible for receiving incoming cash, that person should not be connected in anyway to reconciling back statements or accounts receivables.
- Secure glass areas by reinforcing them with safety films. Some films have been tested to resist up to 400 foot-pounds. This also doubles as protection against hurricane strength winds.
- Signs that highlight an alarm system may deter a potential robbery.
- If possible, ensure that there is adequate illumination around the building. Keep all areas visible. Knock down tall shrubs that may block the view of an entrance. Tall foundation plants and high fences provide perfect cover for the robber.
- Visibility is the key to prevent robbery. Cash registers should be placed where the employee has good visibility of the shopping floor and exterior areas. If this is not possible, mirrors or cameras in the store is an alternative.
- Marketing and promotion is important to any business, but when it comes to posting things on store front windows, try to limit the amount that you put up. This will hide activity that may be going on inside the store.

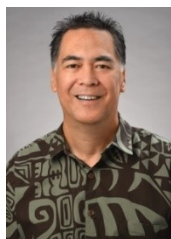
## Burglary

- Is the premises adequately secured? Exteriors should be well illuminated. There should be controls on who enters and exits the back doors. If possible, set up security cameras by back doors, registers, and main dining areas. Good quality locks should be placed on doors and windows.
- All doors should have dead bolt type locks with 1" pin tumbler cylinders. To increase the security of the doors, reinforce the frame with a metal strike box or sheet metal lining. Doors that are successfully kicked in, usually fail at the door jam.
- If money is kept on premises over night, invest in a good quality safe. For important papers, look for fire resistant safes. For high money values, permanently install a burglary proof safe that has 1 1/2" thick walls. All safes should have combination type locks.
- There should be at least two or more employees when opening and closing.
- Keep low balances in the registers. A drop safe is recommended for frequent drops of cash from registers.
- A bank courier is ideal for money deposits, but if may not be feasible for many small business owners. Stagger times of deposits so potential robbers can't pickup a pattern.

## Robbery

- Like burglars, robbers don't really want to be seen, so ensure that the stores are brightly illuminated. If your store is open at night, exterior areas should also be brightly lit for the safety of your customers and employees. The goal for lighting should be to eliminate dark

This highlights some of the exposures dealing with crime. It is impossible to review all exposures and controls, but these few can assist in reducing the potential for crime.



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## About DTRIC Insurance Risk Consulting Services

The Risk Consulting Services team at DTRIC Insurance is designed to help you reduce accidents and injuries in the workplace. Our approach involves our proven **A.I.M.** process that is easy to understand and simple to implement.



### **ANALYZE**

We start by helping you understand and assess your current situation with services including:

- Safety audits
- Property and liability hazard surveys
- Accident investigation training
- Graphical analysis
- Job hazard analysis

### **INFORM**

Keeping your team members informed is essential to success. We'll help you:

- Develop a safety committee
- Provide educational resources
- Work with your management team to develop their skills and knowledge of regulations
- Address loss trends with training on key issues
- Open communications within your organization

### **MOTIVATE**

The more safety is promoted in your workplace, the more motivated your team members will be to make safety a top priority. Whether you motivate with promotions, incentives or recognition, we'll help you develop a results-driven method to encourage safety at all times.

DTRIC's Risk Consulting Services team will work closely with you to create a program to effectively improve your bottom line.