

SB

287

COMMITTEE REPORT
SENATE

FURTHER: None

3/11/80

Date: 3/29/80

Mr. President:

The Committee on JUDICIARY has had SB 287
civil liability for shoplifting;

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ~~without~~ recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signature]

[Handwritten signature]

CHAIRMAN



NORTHERN REGION OFFICE
7101 Empire Way So., Seattle, Washington 98118

725-7200

In the Northwest it's "MY-TE-FINE"

February 18th, 1980

Terry Stimson
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Re: Senate Bill 287 (Civil Penalties for Shoplifting)

Senator Stimson,

I am writing to you in response to Senate Bill No. 287, regarding proposed civil penalties recoverable by a merchant from those who shoplift on their premises.

Because shoplifting is an ever increasing cost factor that is ultimately born by the vast majority of our honest customers the concept of civil penalties, I believe, is a valid one for the following reasons:

1. That small percentage of persons who shoplift help to bear the cost of their activity.
2. The civil penalties can be a catalyst for a positive shoplifting prevention campaign.
3. We believe those persons who have paid the civil penalties have a much lower recidivism rate than those who have not.

Having reviewed the proposed legislation, it is similar to that enacted into law in Washington State. Our experience in Washington State has been as follows:

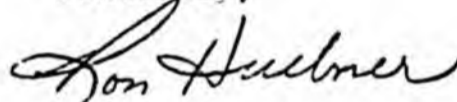
1. Civil Penalties have accounted for about 12% of the total cost of our store detectives expenses.
2. We believe that even in those instances where a person is "suit proof" there is a deterrent effect to their returning to our store to shoplift.
3. Those persons who have paid the civil penalties after being apprehended seems to be positive "I'll never do it again - IT'S TOO EXPENSIVE".

It is integral to an understanding of the shoplifting problem that the great majority of shoplifters are not "hardened criminals" but rather persons whose lives and values are pretty much average. It must also be understood that the greatest number and dollar amount of loss is sustained as a result of these "amateurs".

I might mention also that we have not dramatically reduced the number of shoplifting cases involving the criminal justice system, especially where large dollar amounts and/or perceived history of shoplifting is obvious. We believe the civil and criminal remedies are both appropriate.

We heartily endorse your efforts on this legislation, Senator, feeling that it is in the best interest of the total community.

Sincerely,



Donald G. Huebner
Security Manager
Northern Region
Fred Meyer

PGH:df

American Society
for Industrial Security



Please Reply to Alaska Chapter
P. O. Box 2339
Anchorage, Alaska 99510

February 14, 1980

The Honorable Terry Stimson
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Subject: Senate Bill No. 287, Civil Liability for Shoplifting

Dear Senator Stimson:

In October, 1979, Dic Gribbon, Loss Prevention Manager, Pay'n Save Corporation, informed the membership of the Alaska Chapter, American Society for Industrial Security, of the contents and purpose of this bill. The membership voted to support the legislation.

The American Society for Industrial Security is the nation's foremost organization for security professionals. The Alaska Chapter, although relatively new, includes among its membership a significant number of the security professionals in Alaska.

We are pleased to go on record in support of legislation which would help to reduce the tremendous losses due to shoplifting which are suffered by retail stores in Alaska.

Very truly yours,


J. P. Goldsmith
Chapter Chairman
Alaska Chapter

JPG:bjc
cc: Dic Gribbon

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 287
 Title "An Act Relating to Civil Liability for Shoplifting; and Providing
 Requested by Senator Stimpson Date 2/12/80

for an Effective Date"

II. FISCAL DETAIL

Agency Affected Department of Law
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legal Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill provides for civil action on the part of owners of merchandise to collect damages and penalties from shoplifters. Since the Department of Law is not involved in this process, there will not be a fiscal impact for legal services.

IV. DATE February 13, 1980 PREPARED BY Richard I. Pegues Admin. Officer

AGENCY Department of Law
 PHONE 465-3695

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Getting the Goods

Shoplifting, Once Only Holiday Problem, Shows Gains Year-Round as More of Elderly Join Trend

By BILL ABRAMS

Staff Reporter of THE WALL STREET JOURNAL
"Tis the season to be jolly—and to make special use of the "five-finger discount."

This involves whisking merchandise directly from store shelf into purse or pocket. It simplifies shopping by eliminating the bothersome stage of paying for the stuff.

Shoplifting: As ruddy Santas circulate and carols fill the air, America's most common crime reaches its yearly peak. Between Thanksgiving and Christmas, says New York security consultant Saul Astor, more than a fifth of the nation's yearly shoplifting takes place. He says the holiday heist totals at least \$1.6 billion.

The yuletide bulge chiefly reflects the greater number of people in the stores at that time. However, the crime is rising year-round. "Shoplifting used to be a serious problem only at Christmas," says the security chief at a West Palm Beach, Fla., shopping mall. "Lately it's been Christmas all the time."

Continuing inflation, combined with an economic downturn, has more than a little to do with it. "Times are going to be tight," says Lewis Shealy, security director for Woodward & Lothman, a Washington, D.C., department store. It reports a 25% increase in shoplifting arrests this year. "People are going to be looking for ways to make ends meet."

Who Steals What?

Security officers have a hard time determining just who steals. They only know about the ones they catch. It also is hard to ascertain just how much merchandise is shoplifted; employe theft, the other chief reason for "shrinkage," may account for even greater losses than those from shoplifting.

But it is clear that authorities are finding new faces along with the sticky fingers. "You catch people who never dreamed of stealing three years ago," says Stuart Tomeske, security director for the Foodorama chain in New York and New Jersey. A notable new group consists of older people. Foodorama says about 25% of the shoplifters it catches are senior citizens.

"The first group a bad economy hits is the elderly," says one supermarket security chief. There is some sympathy for pensioners trying to get by on fixed incomes. "These old folks are respectable, law-abiding people who never had crossed the street against a red light," says a security man. "Now they're forced to steal."

Mattie Schultz, a 91-year-old widow in San Antonio, Texas, made headlines last summer when she was collared stealing \$15 of ham, sausage and butter. Her explanation: "I was hungry. I was desperate." The charges were dropped, and, following the publicity, people around the country sent her letters of sympathy and gifts of food and money.

Prosecuting senior citizens is a ticklish business. "You'd be laughed out of court," says Mr. Tomeske of Foodorama.

Security officials are severely vexed about the increase in pilferage among other

adults. Teen-agers usually have been the most common—and the most commonly caught—shoplifters. Commercial Security Systems Inc., a Los Angeles security concern, found in a 1978 survey of 900 California stores that pilferers under 18 years of age accounted for about 37% of the arrests in supermarkets, 48% in drugstores and 43% in discount stores.

With a Shopping Bag

But many security people believe the number of adult pilferers is underestimated. "A middle-aged woman with a shopping bag steals more frequently than teen-agers," says Mr. Astor, the security consultant. "More teen-agers are apprehended because store detectives zero in on them. A middle-aged woman with a shopping bag doesn't look like a shoplifter."

In California, officials even apprehended a nun taking panty hose from a supermarket. Another consideration with adults: They tend to steal merchandise of greater value. Commercial Security Systems, in its survey, found that the average value of merchandise recovered from adults in supermarkets was \$7.82; the figure for juveniles was \$3.66.

Security officials say most shoplifters caught usually have enough cash with them to pay for the items they have stolen. Or they have credit cards in good standing. A prominent Cincinnati attorney, for instance, was nabbed taking \$14 of food from a supermarket. He had \$700 in his pocket and just had left the city's most affluent country club.

Why do such people steal? Lawrence Conner, president of Shoplifters Anonymous International, a Pennsylvania program for rehabilitating pilferers, says many people shoplift because they are under personal stress. About 25% of the offenders at Shoplifters Anonymous "were in an unusual personal situation at the time they took something," Mr. Conner asserts.

Some shoplifters recently have suffered a marital breach or a death in the family. A Philadelphia-area woman caught taking a \$15 bottle of perfume from a department store said her 22-year marriage to an alcoholic was breaking up at the time of her arrest.

Many factors are involved. Stan Shrotel, director of risk management for Kroger Co., speculates that some shoplifting may be "a form of retaliation for people laboring under the impression that retailers of our size are exploiting them." Self-service shelves and enticing displays may arouse larcenous impulses in some shoppers.

Then there are the professionals, who steal and resell the booty at bargain prices. One New York professional acknowledged that she and her partner had been stealing about \$3,500 of merchandise weekly—choosing the stores with the best cuts of meat.

In Los Angeles, one thief stationed himself at a bar across the street from a supermarket and shoplifted to order. "I'm amazed at the individuals of supposed integrity who buy this stuff," says Mr. Shrotel.

The professionals tend to get violent when security forces descend on them. One Kroger female detective has been hospitalized four times this year with occupational injuries. In one Kroger store, a shoplifter broke a bottle and jabbed it into the face of a 17-year-old clerk who confronted him.

Discouraging Pursuit

At an Ontario, Calif., supermarket, a shopper filled his cart with \$153 of meat, cigars and liquor. He brazenly wheeled past the cashier and out of the store. Followed by the store manager, he turned and fired two shots from a pistol—and made his escape.

Mr. Astor, the consultant, once had his agents follow 1,647 shoppers selected at ran-

dom in New York, Boston and Philadelphia. They found that one out of 15 took something. But stores catch only a tiny fraction of that number in the act of stealing. Commercial Security System's California survey shows the average supermarket nabbling less than one shoplifter every two weeks. Mr. Conner says graduates of his Shoplifters Anonymous admitted to an average of 66 thefts each before they got caught.

Retailers, and particularly supermarkets working on net profit margins that typically are less than 1%, say that theft is a serious drain on earnings. "Customer pilferage amounts to 15% to 25% of a (food) store's after-tax profit," says Edgar H. Walzer, publisher of Progressive Grocer magazine.

A Serious Threat

"Retailers who don't recognize this threat are going to be put out of business," Mr. Conner contends.

Giant Foods Inc. says it caught 7,059 shoplifters in its Washington, D.C., area supermarkets in the first 10 months of this year, up 49% from the year before. Kroger says apprehensions are up 15%, and another supermarket chain reports a 30% jump.

But the legal penalties usually are minor because shoplifting generally is treated as a misdemeanor. And enforcement is lax. Commercial Security Systems says that only 33% of the shoplifters noted in its survey were prosecuted, compared with 43% a few years earlier. Most often, pilferers are photographed, fingerprinted and banned from the stores where they have been caught.

"That's like saying, 'Go steal elsewhere,'" says Mr. Walzer.

"We've got to stop calling this kind of dishonesty 'shoplifting,'" says Kroger's Mr. Shrotel. "It's theft. We've got to call it what it is."

American Society
for Industrial Security



Please Reply to: Alaska Chapter
P. O. Box 2339
Anchorage, Alaska 99510

February 14, 1980

The Honorable Terry Stimson
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Subject: Senate Bill No. 287, Civil Liability for Shoplifting

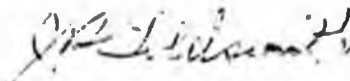
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J. P. Goldsmith
Chapter Chairman
Alaska Chapter

JPG:bjc
cc: Dic Gribbon



NORTHERN REGION OFFICE
7101 Empire Way So., Seattle, Washington 98118

725-7200

In the Northwest it's "MY-TE-FINE"

February 18th, 1980

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Alaska State Senator
Pouch V
Juneau, Alaska 99811

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1. That small percentage of persons who shoplift help to bear the cost of their activity.
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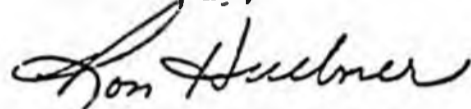
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Sincerely,



Donald G. Huebner
Security Manager
Northern Region
Fred Meyer

RGH:df

Anchorage

CHAMBER OF COMMERCE

Crossroads of the Air World

RESOLUTION

BE IT RESOLVED BY THE ANCHORAGE CHAMBER

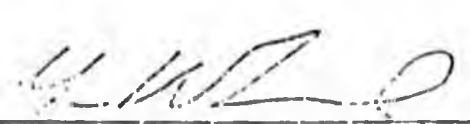
WHEREAS The crime of shoplifting continues to grow each year

WHEREAS In order to maintain adequate shoplifting prevention measures, the costs of these measures must be passed on to the Consumer.

NOW THEREFORE BE IT RESOLVED:

~~That the Anchorage Chamber of Commerce does wholeheartedly support the concepts presently envisioned in Senate Bill No. 287~~ }

Approved this 15th day of February, 1980. Submitted by the Retail Division.


George W. Easley, President

272-2401

ANCHORAGE CHAMBER OF COMMERCE

ANCHORAGE

CHAMBER OF COMMERCE

February 19, 1980

Crossroads of the Air World

ANCHORAGE CHAMBER OF COMMERCE ENDORSES SHOPLIFTING LEGISLATION

On Friday, February 15, the Anchorage Chamber of Commerce endorsed the concepts presently envisioned in Senate Bill No. 287. The Bill, introduced in the State Senate by Senator Terry Stinson endeavours to place more of a civil liability on shoplifters.

In taking this action the Anchorage Chamber of Commerce endorsed the following concepts as taken from the current draft of Senate Bill No. 287:

An adult or emancipated minor who shoplifts or changes the price ticket on any merchandise, in addition to a criminal penalty shall be held liable in a civil action to the seller or owner of the merchandise. The shoplifter shall be held liable for actual damages and a penalty equal to the retail value of the merchandise or \$1000.00 whichever is less. In addition, another penalty shall be assessed not to be less than 100.00 or more than \$200.00.

The Bill also provides the same penalties to a lesser amount to be incurred by those persons having legal custody over an unemancipated minor.

The purpose of the Bill is an attempt to recover those expenses suffered by a merchant for the loss or damage of the merchandise and the cost of maintaining a security department or retaining security personnel.

Should this Bill become law, retail merchants in the Anchorage area feel that the costs normally passed on to the consumer as a result of shoplifting will be reduced.

72-2401

WEST WASH. CHAMBER

OF COMMERCE

MEMORANDUM
TO THE BOARD OF DIRECTORS

Page two

Crossroads of the Air World

In discussing this issue before the Chamber Board of Directors, Warren G. Lamb, head of security at Fred Meyer's offered the following information, "It is estimated that 2,500 shoplifting arrests were made in the Anchorage Bowl last year. Furthermore, the national average shows that for every arrest we make ten shoplifters will get away. Therefore, it is estimated that twelve percent of the annual mark-up on most retail goods is compensation for shrinkage due to theft. Last year the national retail industry suffered total losses of 9.3 billion dollars due to theft. Almost the same concepts contained in this bill were passed into law in the State of Washington. Our company in Washington estimates that because of this, they saved over \$20,000 last year."

-end-

PAY'n SAVE

C O R P O R A T I O N

2002 WEST BENSON BLVD.
ANCHORAGE, ALASKA 99503

February 14, 1980

Senator Terry Stimson
Pouch "V"
Juneau, Alaska 99811

Re: SB 287 Civil Shoplift Restitution

Dear Terry;

I'm not sure if you remember or not, but when our group was discussing the New Civil Shoplift Restitution Law that was recently enacted in Oregon, we noticed Oregon had provided for situations involving ticket changing or price switching, in addition to shoplifting. We expressed interest at that time to include the ticket switch clause in the proposed bill now before the Alaska State Senate.

The phrase "... or alters the price indicia,..." would be placed in Section 1(a) following the words "... shoplifts merchandise,..."

This section would then read "An adult or emancipated minor who shoplifts merchandise, or alters the price indicia, is, in addition to any criminal penalty provided by law, liable in a civil action to the owner or seller of the merchandise for all of the following:...".

I look forward to seeing you, Tuesday, February 26.

Sincerely,



Dic Gribbon
Loss Prevention Manager
Pay'n Save Corporation

Enclosure:



OREGON RETAIL COUNCIL

1149 COURT ST. N.E. / P.O. BOX 12519 / SALEM, OREGON 97309 / 503 644-0044
PORTLAND AREA 503 227-4434

Director
Otto J. Wilson

A Division of Associated Oregon Industries

August 15, 1979

ORC BULLETIN 79-48

TO: All ORC Primaries, Board of Governors, Security Committee,
Corporate Counsels, Corporate Security Mgrs, Shopping Center
Managers, Oregon Chambers of Commerce

FROM: Otto J. Wilson, ORC Director

SUBJECT: New Shoplifting Civil Statute

You will find enclosed a copy of the "Enrolled Senate Bill 893". This is the language that will appear in the statute. A statutory reference has not yet been designated.

The law becomes effective October 3, 1979. It does not seem that it should be necessary to say that the provisions of the law cannot be used until that date, but we have had sufficient inquiry to this effect to bring this word of caution.

ORC is preparing an "Information Sheet" which will be sent to you in the near future. It will be a brief "How to Use the Law" guide intended to fill the immediate need for some type of reference. It will be followed later by a more complete "Shoplifting Procedure Guide".

Also it is our intention to conduct a series of meetings statewide, bringing merchants and law enforcement agencies together for a thorough presentation. This will require a long range schedule and necessarily will extend well into 1980. ORC will be happy to receive your questions and endeavor to provide sufficient information to facilitate your use of the new law.

We recommend that you do not attempt to use the new procedure unless you are sure you understand it completely.

We will be grateful for any assistance you may be able to provide in extending knowledge of this new civil statute to others who should be familiar with it.

ORC is focusing its dedicated attention to achieving these goals:

1. Thorough understanding of the law and its use by the entire Oregon retail community.
2. Thorough understanding by Oregon law enforcement agencies.
3. Public awareness of the provisions of the law and realization that it will be implemented.
4. Widespread routine use of the law by Oregon retailers to assure its effectiveness.
5. Universal observance of the procedures and standards necessary to make certain its use by each retailer is legal, safe, effective, and in the interest of all concerned. This is a matter not to be taken lightly. Improper use of the law could destroy all the gains we have made and create serious complications and problems.

The Voice of Oregon's Retail Industry

Enrolled

Senate Bill 893

Sponsored by COMMITTEE ON STATE AND FEDERAL AFFAIRS/RULES (at the request of Oregon Retail Council)

CHAPTER 592

AN ACT

Relating to shoplifting.

Be It Enacted by the People of the State of Oregon:

SECTION 1. As used in this Act:

- (1) "Mercantile establishment" means any place where merchandise is displayed, held or offered for sale, either at retail or wholesale.
- (2) "Merchandise" means all things movable and capable of manual delivery.
- (3) "Owner" means any person who owns or operates a mercantile establishment or the agents or employees of that person.

SECTION 2. (1) An adult or an emancipated minor who takes possession of any merchandise displayed or offered for sale by any mercantile establishment without the consent of the owner and with the intention of converting such merchandise to the individual's own use without having paid the purchase price thereof, or who alters the price indicia of such merchandise, shall be civilly liable to the owner for actual damages, for a penalty to the owner in the amount of the retail value of the merchandise not to exceed \$500, plus an additional penalty to the owner of not less than \$100 nor more than \$250.

(2) The parents having custody of an unemancipated minor who takes possession of any merchandise displayed or offered for sale by any mercantile establishment without the consent of the owner, and with the intention of converting such merchandise to the minor's own use without having paid the purchase price thereof, or who alters the price indicia of such merchandise shall be civilly liable to the owner for actual damages, for a penalty to the owner in the amount of the retail value of the merchandise not to exceed \$250, plus an additional penalty to the owner of not less than \$100 nor more than \$250. Persons operating a foster home certified under ORS 418.625 to 418.645 are not liable under this subsection for the acts of children not related to them by blood or marriage and under their care.

(3) A conviction for theft under ORS 164.045 or 164.055 is not a condition precedent to the maintenance of a civil action under this section.

(4) A civil liability under this section is not limited by any other law that limits liability of parents of minor children.

(5) An action for recovery of damages under this section may be brought in any court of competent jurisdiction, including the small claims department of a district court if the total damages do not exceed the jurisdictional limit of the small claims department.

(6) The fact that an owner or seller of merchandise may bring an action against an individual for damages as provided in this section shall not limit the right of the owner or seller to demand, in writing, that a person who is liable for damages under this section remit said damages prior to the commencement of any legal action.

(7) Judgments, but not claims, arising under this section may be assigned.

Shoplifting Meeting of September 13, 1979
Dic Gribben - Chairman

- Question: As to whether courts will slack off. Bill Hughes will check - Wards
- Question: How Fred Brown in Fairbanks will respond to this bill and also whether or not to approach Senator Bradley for his support and whether or not you might want him as a co-signer on the bill.
- Question: Would it be feasible to start publicly advertising the bill 4 months before or 2 months before session.
- Answer: At your last meeting it was emphasized that it should be within the next 3 weeks if possible.
- Question: As to who STEM is and how to contact - Bill Hughes will check on that
- Question: Some concern as to how our court and judicial systems would react

PLAN OF ACTION:

- 1) Articles in newspaper within the next weeks
 - a. 2 articles on problems
 - b. Different methods retailers use
 - c. Then bring in what bill is and will do
- 2) Hot Line - with Chamberlin
- 3) Chamber meeting
 - a. hearings
 - b. Outline and program for chamber/with tie in from newspaper

Conversation with Dic Gribben, Pennys and Sears may help with newspaper articles?

Mike Wainwright from Northern Commercial will check on when we can be on the next chamber luncheon. Concern if Terry cannot make it then Dic would give presentation of the Bill for you.

Emphasis, on the fact that parents would have to pay for the merchandise?

Check on a past offender to come into the High Schools and speak to the students. Check through the Halfway House.

Next meeting October 2, 1979 at 3:00 p.m.

IDEA: Bring in the smaller businesses such as the ones in the Malls at Dimond Center, Sears Center, and Boniface Center and around town for support and expression of their concerns.

Newspaper reporter will attend next meeting in order to present problems and explanation of bill and what is needed to publicize it.

IDEA: It would probably be best to start advertising the bill and problems before Thanksgiving.

CITY NEWS BRIEF



TODAY

WEAVERS

Fairbanks Weavers Guild will meet at 7:30 at the home of Pat Costello on the topic. Call 452-7033 or 452-4124 for information.

PRECEPTOR ALPHA

Alpha Chapter of Beta Sigma will meet tonight at 8 in the home of Leo M. Thurd. Call 450-7872 for more information.

MASONS

Lodge No. 152, F & AM, will confer at 7:30 tonight at 7.

SCHOOL BOUNDARIES

Junior-Senior High parents will meet at 7:30 in the school cafeteria to discuss boundary changes.

T.M. LECTURE

Lecture on Transcendentalism will be tonight at 7:30 at the USO.

MEDICAL SERVICES

Arctic Region Emergency Medical Council will meet tonight at 7 at the Chamber of Commerce. Call 450-3978 for information.

TOASTMASTERS

Heart Toastmasters Club will meet at 6:30 at Jeffrey's. Guests are invited.

THURSDAY

Pay 'n Save raises ante in war with shoplifters

By DAN JOLING
Staff Writer

It's getting more expensive to be caught shoplifting at Pay 'n Save.

A spokesman for the corporation confirmed Tuesday that Pay 'n Save is now seeking civil compensation from persons caught stealing in its stores, in addition to collecting any restitution ordered by the District Court judge as part of a sentence.

Under Alaskan law, a store can seek a minimum of \$100 and a maximum of \$250 from persons arrested for stealing items worth less than \$250, on top of any criminal penalty ordered by a judge.

For thefts greater than \$250, the store can sue for the full amount.

Depending on which District Court judge the person appears before, that will mean paying an additional \$100-\$250, plus court costs and attorneys fees, paid to the store besides paying for the stolen items, assuming the store wins in civil court.

Typically, shoplifters have also been fined to as much as \$500 and sentenced to as many as five days in jail.

Letters to persons convicted of shoplifting in Pay 'n Save informing them they face civil action unless they pay a specified sum were sent last month.

"If you fail to submit your payment to

the address given below within ten (10) days of the date of this letter, we will refer this matter to legal counsel," the form letter says.

Accompanying the letters are copies of the statute under which the store can sue.

Though the letters and threatened legal action are new to Alaska, they are not new to Pay 'n Save, according to Dic Gribbon, loss prevention manager for the store in Anchorage.

"It's very common in other states," Gribbon said.

The reasons for the seeking civil penalties are two-fold, Gribbon said. "It's a definite deterrent. That's the bottom line of it."

He believes that if persons realized they will be ordered to pay a sum in addition to receiving jail time and a fine, they will be more reluctant to steal in his company's stores.

"It's going to make some people think twice before they shoplift five or 50 dollars worth of items," Gribbon said.

The civil penalties also help pay his check and others in the company's theft security program, and they help to offset losses from items stolen by persons who don't get caught.

"Shoplifting adds 15 to 20 per cent to the cost of an item sometimes," Gribbon said.

In Washington, Gribbon said, for every \$1 stolen, \$30 of items must be sold to make up for it.

And it probably costs at least \$100 per shoplifter to prosecute, especially if a clerk or employee has to go to court on company time, Gribbon said.

If a shoplifter doesn't contribute, the full cost is passed on to the consumers.

Gribbon said that even with the civil penalties, the cost of the theft security program is not fully recovered.

But in the two years since Pay 'n Save has sought civil penalties in Washington, it has been "an excellent deterrent," according to Jim Kon-schuh, public relations spokesman in Seattle.

Gribbon said the law in Alaska is mainly aimed at small merchants who may be tempted not to prosecute if it's going to cost them a great deal to pay an employee to testify and pay for a replacement worker.

He said several other large retailers in the state plan to seek civil compensation, too. "I know of some who are going to," Gribbon said.

He said it's too early to tell if it will be a deterrent here or if more money can be recovered.

"We have not had the program in effect long enough," Gribbon said.



KEEPING TABS—Borough winner of Borough...

Flak flies over school boundaries

By SUSAN FISHER
Staff Writer

Preliminary proposed school boundary changes are already under

students, among other issues.

The task force is composed of parent representatives from each school, but parents in the audience Tuesday—who

mended for in-town junior high schools, which are currently under capacity enrollments.

The subcommittee on North Pole

Election Results School

Marguerite Stelsoo has second term on the board Tuesday with 77 vote, but the 1,000 voters John Waterman, called...

How shoplifting is draining the economy

Bank robbers have been grabbing headlines since the days of Jesse James. Last year they made off with nearly \$25 million in cash and negotiable securities. But that is all small potatoes compared with a less glamorous but far more costly crime that is draining upwards of \$8 billion a year from U.S. merchants—and which no one has been able to do much about so far.

The crime is shoplifting, and, according to experts, it contributes to productivity losses, saps the vitality of many retail businesses, and redistributes a significant amount of wealth from stores to thieves and fences—which adds up to higher costs for most consumer goods. Merchandise losses and extra security costs, in fact, add an average of 2% to 3% to everything sold by major department stores and grocery and drug chains, speeding up an already overheated inflationary spiral.

In fact, shoplifting appears to be growing faster than most segments of the economy, including the inflation rate. For as prices rise, many consumers are taking out their frustration and anger on the person along the business chain who is closest at hand: the retail merchant. And as such pilferage gains increasing acceptance among many Americans, it is accelerating the growth of a subterranean economy in the U.S., which some economists claim reached a mind-numbing \$195 billion in 1977—or about 10% of the recorded gross national product (BW—Mar. 13, 1978).

Even the Internal Revenue Service has belatedly acknowledged the existence of an underground economy where some \$100 billion worth of income from legal sources goes unreported—as well as \$35 billion from drug peddling, illegal gambling, and prostitution on which no income tax is paid. So far, the IRS has been unable to estimate the tax loss from such white-collar crimes as shoplifting.

Bankruptcies. For the bigger retailers, all this has become an unpleasant fact of doing business. But for smaller merchants, who can afford neither the losses nor the security to keep them in line, shoplifting can mean financial ruin. According to some estimates, one out of three small-business bankruptcies are the direct result of thefts by employees and customers.

Unlike many other social scientists, economists view such crimes as shoplifting as rational acts in which the thief carefully weighs the personal costs and benefits involved. And according to econ-

omist William E. Cobb of the West Virginia College of Graduate Studies, who spent a year talking to fences and surveying shoppers in metropolitan Washington, all the benefits are on the side of the shoplifter. Cobb found that the average veteran shoplifter in 1971 was walking off with more than \$30,000 worth of merchandise annually. At 1979 prices, a skilled shoplifter could thus be clearing \$53,000 a year. "I'd say that's a pretty good occupation," says Cobb, who

Losses add at least 2% to the prices of most goods. Productivity feels the pinch

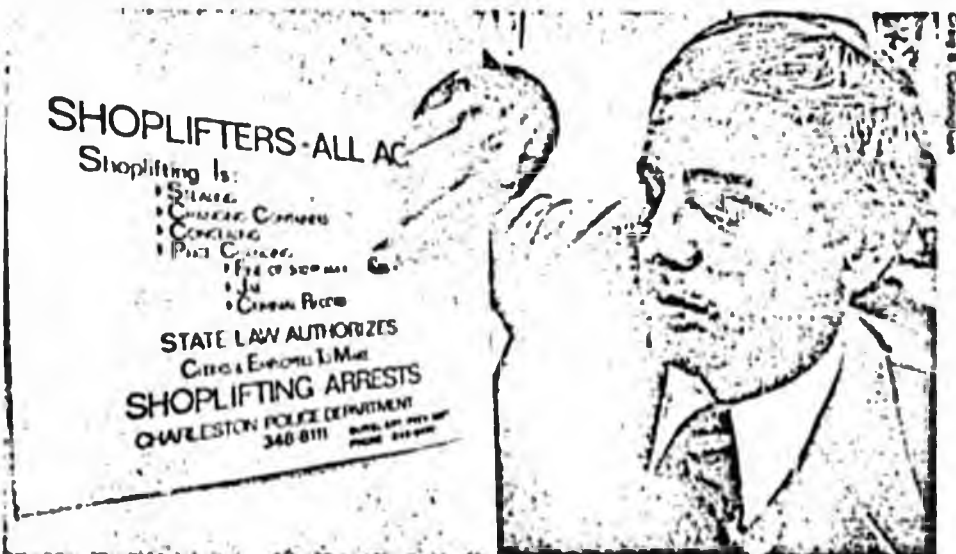
also found that only 1 out of 1,250 shoplifters ever sees the inside of a jail cell. And for those who do, almost none ends up behind bars for the act of shoplifting alone. Instead, they are sentenced for such crimes as illegally possessing drugs or weapons when caught by the store detective.

In fact, a good part of the reason why the benefits are all on the side of the shoplifter is that judges are reluctant to imprison them. Many companies in turn are reluctant to spend time and money

experts on economic growth and an associate director of the Commerce Dept.'s Bureau of Economic Analysis, says that retail crime takes a significant slice out of U.S. productivity. Extra security means that stores are using money to pay guards and buy electronic equipment that could be spent on adding more consumer goods to the economy. "You are basically adding lots of people and no output," he maintains. And theft means that goods purchased as inventory have disappeared from the store's books and thus, in a sense, from the nation's measurable output.

Compounded losses. Moreover, fences traditionally purchase stolen merchandise for about 25% of its actual value and resell it illegally to stores that are willing to ask few questions in order to buy something at discount. Thus a very real part of the value of the nation's output has been destroyed.

Professional shoplifters often compound the loss still further by returning their stolen goods for a 100% refund to the very stores from which they were taken. And the toll can be even higher—many thousands of times the actual value of the merchandise—because



Economist Cobb: Stores have to get tough on shoplifters by prosecuting all thefts.

prosecuting shoplifters when the courts put them right back on the street. But Cobb and most security experts stress that stores must become tough on thieves. Evidence shows that amateurs, once caught, are discouraged from shoplifting again, and that even repeat shoplifters are deterred by being fingerprinted and formally arrested.

But shoplifters prey not just on stores but on the economy as a whole. Edward F. Denison, one of the nation's foremost

many professional thieves shoplift not to walk off with the store's wares but with an eye to a civil lawsuit for false arrest. Says James J. Kerin, former security director at Macy's New York and now president of security consultant Kerin, Duffy & Heberer Inc.: "There's no question that a professional shoplifter can kill you [financially]."

As shoplifting has increased, so has the number of professionals living off it. In 1977 police in New York and other

major U.S. cities reported that members of organized gangs were each netting as much as \$1,000 a day stealing better men's and women's clothes. According to Glen R. Dornfeld, who recently retired as security director at Minneapolis-based Dayton's department stores, the professionals today are far more brazen and more violent than any he has ever seen.

Made to order. At Southern California's Von's Grocery Co., C. R. Gresswell, the chain's loss prevention manager, says that he is seeing both more professional shoplifters and more of them carrying weapons. In fact, grocery stores are finding themselves even bigger prey to organized rings, where such easily resold items as meat, cigarettes, and liquor are often shoplifted to order for fences or well-to-do clients.

Economists stress that the only real solution is to change the actual—as well as the perceived—costs of such thefts. West Virginia's Cobb says that stores should redirect the amount they are currently spending on fancy electronic equipment and put their dollars to work in the following areas:

- Prosecuting all shoplifters they catch. Instead, most stores ask apprehended thieves to return the stolen goods and sign a statement admitting the crime

and agreeing not to set foot in the store again.

- Advertising the fact that both uniformed and plainclothes detectives are on the watch for potential shoplifters. The idea, Cobb says, is to give thieves the feeling that they can never be sure when they are being observed.

- Mounting dummy cameras and large signs promising dire consequences to

Skilled shoplifters can clear \$50,000 a year. Few ever see a jail cell

shoplifters who are caught—even though such threats may not be valid.

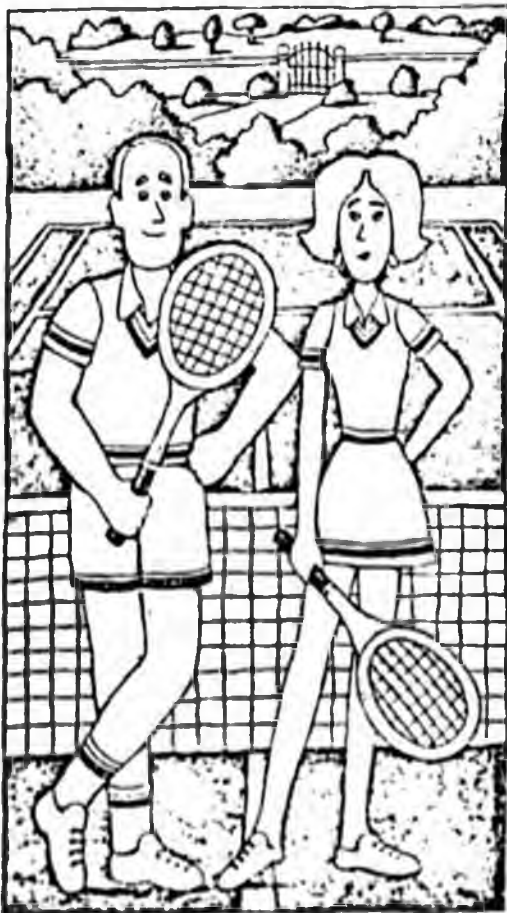
- Hiring actors to pose as shoplifters and periodically staging fake, calm arrests, so that potential thieves get the idea that their misdeeds will be detected. Cobb points out that such ploys have been effective in reducing thefts by employees at major retail chains.

Dallas-based Zale Corp. claims quite a bit of success using some of these methods, plus some more traditional ones. The company has started a special program to train employees in spotting common shoplifting tricks, has installed a network of closed-circuit cameras, and is busy redesigning its 1,723 stores to eliminate any blind spots where thieves

could go to hide merchandise under their clothes or in dummy gift boxes. But most important, says Harry D. Johnson, vice-president for loss prevention, Zale now has a company-wide policy of prosecuting all shoplifters. "Everything has to be done," he says, "to make it difficult for the shoplifter to operate in private."

The big dilemma with all programs aimed at discouraging shoplifters, of course, is that they tend to discourage legitimate shoppers as well. With uniformed guards, ominous-sounding posters, and all kinds of electronic spy equipment around, "people begin to think they are in an armed camp," warns Leonard F. Smith, executive director of the American Management Assn.'s Crimes Against Business Project. Thus, retail stores—particularly those with a wealthier clientele—are constantly faced with the trade-off of more surveillance and less theft or less surveillance and more sales.

But far more significant than this trade-off is the one affecting the cost-benefit ratio for shoplifting itself. Unless repeat shoplifters are treated more like house burglars or bank robbers, and unless the courts and society stop dismissing shoplifting as penny-ante stuff, the toll on inflation and U.S. productivity will just keep mounting. ■



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**Municipality
of
Anchorage**



POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 264-4900

GEORGE M. SULLIVAN,
MAYOR

VOLUNTEER SERVICES
825 "L" Street, 3rd Floor

February 26, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Arliss:

As a follow-up to my testimony on SB 287 today, I wanted to let you know my basic concern about this bill. Our Pre-Trial office works with approximately 450 clients each year. We accept only those without a prior offense of any kind not just those without a prior shoplifting offense. We screen out all individuals who are unsuited to community service work as a result of emotional or alcohol - or drug - related problems.

Many of our clients feel they are innocent and have been unjustly harrassed by over-zealous store detectives. We have no way of knowing how true their statements are, but many are very credible. Their lawyers advise them to accept the community service work rather than enter into costly litigation which it is unlikely they will win; it is usually their word against a store detective's. My problem with SB 287 is that it does not distinguish between the person who has entered our program through careful screening procedures as an alternative to sentencing and the individual who habitually shoplifts or who shoplifts merchandise of substantial value.

I imagine the only answer, once this bill passes, for the individuals who have benefitted from the pre-trial program will be to fight the charges; however for most people this is simply too expensive and too embarrassing. If this bill passes, I predict that the majority of our clients, who really do include our neighbors -- doctors, teachers, clergymen -- will view the civil penalty as blackmail and simply pay it quietly. This is what is now happening, but on a much smaller scale than we will see in the future if the bill passes.

I am definitely in favor of merchants realizing restitution. I would have preferred to see the exemption from this bill of clients accepted for pre-trial diversion.

Sincerely,

A handwritten signature in cursive script that reads "Connie".

Connie Jones
Volunteer Coordinator

CJ/bas

March 10, 1980

Connie Jones
Volunteer Coordinator
Municipality of Anchorage
Pouch 6-650
Anchorage, Alaska 99502

Dear Connie:

Thank you for the follow-up testimony on SB 287, An Act relating to civil liability for shop lifting. As you know, this bill was passed out of the Commerce Committee and is now in Senate Judiciary which is chaired by Senator Bob Ziegler.

I have made a copy of your letter available to Senator Ziegler for his consideration when Judiciary considers SB 287. Certainly you should provide his committee with any additional statistics that you might have as a result of the program you are conducting.

The shoplifting statistics are absolutely appalling. It does seem appropriate to give additional tools to the retail outlets, but I agree with you that we should encourage use of rehabilitative programs. Such use does not, however, make up for the financial loss suffered by the retail outlet.

Thank you for sharing this information with me.

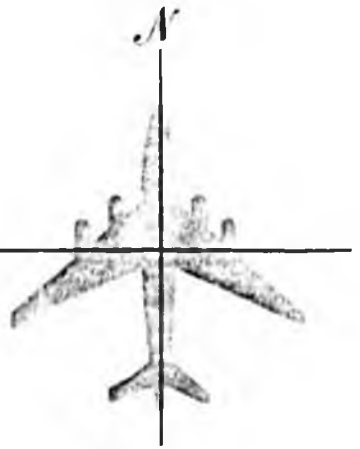
Sincerely,

Arliss Sturgulewski
Senator, District 10-H

cc: Senator Ziegler

Anchorage

CHAMBER of COMMERCE



Crossroads of the Air World

Dear Mr. [unclear]
- I am glad to let you know
of our report
[unclear]

Anchorage
CHAMBER of COMMERCE

Crossroads of the Air World

RESOLUTION

BE IT RESOLVED BY THE ANCHORAGE CHAMBER


WHEREAS The crime of shoplifting continues to grow each year

WHEREAS In order to maintain adequate shoplifting prevention measures, the costs of these measures must be passed on to the Consumer.

NOW THEREFORE BE IT RESOLVED:

That the Anchorage Chamber of Commerce does wholeheartedly support the concepts presently envisioned in Senate Bill No. 287

Approved this 15th day of February, 1980. Submitted by the Retail Division.


George W. Easley, President

February 19, 1980

MEMORANDUM FOR THE CHIEF OF BUREAU OF AIR FORCE

On Friday, February 15, the Honorable Member of Congress endorsed the

concepts presently envisioned in Senate Bill No. 237. The bill, introduced

in the State Senate by Senator Terry, is an endeavour to place more of a

civil liability on suppliers.

In taking this action, the Honorable Member of Congress endorsed the following

concepts as taken from the report of the Senate Bill No. 237:

An acute or aggravated illness which the supplier or change the price relative

to the product, in addition to a certain liability shall be held liable in

a civil action to the extent of the purchase price. The supplier shall

be held liable for actual and consequential damages to the retail value of

the product or the value of the product. In addition, the supplier shall be held

liable for the cost of the product or the value of the product.

The bill also states that the supplier shall be held liable to be punished

by the State having legal responsibility over an unregulated market.

The purpose of the bill is to recover those amounts suggested by

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TO THE BOARD OF DIRECTORS
ANCHORAGE CHAMBER OF COMMERCE

ANCHORAGE

MEMBERS OF BOARD OF DIRECTORS



Page two

Crossroads of the Air World

In discussing this issue before the Chamber Board of Directors, Warren G. Lamb, head of security at Fred Meyer's offered the following information, "It is estimated that 2,500 shoplifting arrests were made in the Anchorage bowl last year. Furthermore, the national average shows that for every arrest we make ten shoplifters will get away. Therefore, it is estimated that twelve percent of the annual mark-up on most retail goods is compensation for shrinkage due to theft. Last year the national retail industry suffered total losses of 9.3 billion dollars due to theft. Almost the same concepts contained in this bill were passed into law in the State of Washington. Our company in Washington estimates that because of this, they saved over \$20,000 last year."

-end-

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 287
 Title "An Act Relating to Civil Liability for Shoplifting; and Providing
 Requested by Senator Stimpson Date 2/12/80

for an Effective Date"

II. FISCAL DETAIL

Agency Affected Department of Law
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legal Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill provides for civil action on the part of owners of merchandise to collect damages and penalties from shoplifters. Since the Department of Law is not involved in this process, there will not be a fiscal impact for legal services.

IV. DATE February 13, 1980 PREPARED BY Richard I. Pegues Admin. Officer

AGENCY Department of Law

PHONE 465-3695

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Getting the Goods

Shoplifting, Once Only Holiday Problem, Shows Gains Year-Round as More of Elderly Join Trend

By BILL ABRAMM

Staff Reporter of THE WALL STREET JOURNAL

'Tis the season to be jolly—and to make special use of the "five-finger discount."

This involves whisking merchandise directly from store shelf into purse or pocket. It simplifies shopping by eliminating the bothersome stage of paying for the stuff.

Shoplifting: As ruddy Santas circulate and carols fill the air, America's most common crime reaches its yearly peak. Between Thanksgiving and Christmas, says New York security consultant Saul Astor, more than a fifth of the nation's yearly shoplifting takes place. He says the holiday heist totals at least \$1.6 billion.

The yuletide bulge chiefly reflects the greater number of people in the stores at that time. However, the crime is rising year-round. "Shoplifting used to be a serious problem only at Christmas," says the security chief at a West Palm Beach, Fla., shopping mall. "Lately it's been Christmas all the time."

Continuing inflation, combined with an economic downturn, has more than a little to do with it. "Times are going to be tight," says Lewis Shealy, security director for Woodward & Lothrop, a Washington, D.C., department store that reports a 25% increase in shoplifting arrests this year. "People are going to be looking for ways to make ends meet."

Who Steals What?

Security officers have a hard time determining just who steals. They only know about the ones they catch. It also is hard to ascertain just how much merchandise is shoplifted; employ theft, the other chief reason for "shrinkage," may account for even greater losses than those from shoplifting.

But it is clear that authorities are finding new faces along with the sticky fingers. "You catch people who never dreamed of stealing three years ago," says Stuart Tomeske, security director for the Foodorama chain in New York and New Jersey. A notable new group consists of older people. Foodorama says about 25% of the shoplifters it catches are senior citizens.

"The first group a bad economy hits is the elderly," says one supermarket security chief. There is some sympathy for pensioners trying to get by on fixed incomes. "These old folks are respectable, law-abiding people who never had crossed the street against a red light," says a security man. "Now they're forced to steal."

Mattie Schultz, a 91-year-old widow in San Antonio, Texas, made headlines last summer when she was collared stealing \$15 of ham, sausage and butter. Her explanation: "I was hungry. I was desperate." The charges were dropped, and, following the publicity, people around the country sent her letters of sympathy and gifts of food and money.

Prosecuting senior citizens is a ticklish business. "You'd be laughed out of court," says Mr. Tomeske of Foodorama.

Security officials are severely vexed about the increase in pilferage among other

adults. Teen-agers usually have been the most common—and the most commonly caught—shoplifters. Commercial Security Systems Inc., a Los Angeles security concern, found in a 1978 survey of 900 California stores that pilferers under 18 years of age accounted for about 37% of the arrests in supermarkets, 48% in drugstores and 43% in discount stores.

With a Shopping Bag

But many security people believe the number of adult pilferers is underestimated. "A middle-aged woman with a shopping bag steals more frequently than teen-agers," says Mr. Astor, the security consultant. "More teen-agers are apprehended because store detectives zero in on them. A middle-aged woman with a shopping bag doesn't look like a shoplifter."

In California, officials even apprehended a nun taking panty hose from a supermarket. Another consideration with adults: They tend to steal merchandise of greater value. Commercial Security Systems, in its survey, found that the average value of merchandise recovered from adults in supermarkets was \$7.82; the figure for juveniles was \$3.86.

Security officials say most shoplifters caught usually have enough cash with them to pay for the items they have stolen. Or they have credit cards in good standing. A prominent Cincinnati attorney, for instance, was nabbed taking \$14 of food from a supermarket. He had \$700 in his pocket and just had left the city's most affluent country club.

Why do such people steal? Lawrence Conner, president of Shoplifters Anonymous International, a Pennsylvania program for rehabilitating pilferers, says many people shoplift because they are under personal stress. About 25% of the offenders at Shoplifters Anonymous "were in an unusual personal situation at the time they took something," Mr. Conner asserts.

Some shoplifters recently have suffered a marital breach or a death in the family. A Philadelphia-area woman caught taking a \$15 bottle of perfume from a department store said her 22-year marriage to an alcoholic was breaking up at the time of her arrest.

Many factors are involved. Stan Shrotel, director of risk management for Kroger Co., speculates that some shoplifting may be "a form of retaliation for people laboring under the impression that retailers of our size are exploiting them." Self-service shelves and enticing displays may arouse larcenous impulses in some shoppers.

Then there are the professionals, who steal and resell the booty at bargain prices. One New York professional acknowledged that she and her partner had been stealing about \$3,500 of merchandise weekly—choosing the stores with the best cuts of meat.

In Los Angeles, one thief stationed himself at a bar across the street from a supermarket and shoplifted to order. "I'm amazed at the individuals of supposed integrity who buy this stuff," says Mr. Shrotel.

The professionals tend to get violent when security forces descend on them. One Kroger female detective has been hospitalized four times this year with occupational injuries. In one Kroger store, a shoplifter broke a bottle and jabbed it into the face of a 17-year-old clerk who confronted him.

Discouraging Pursuit

At an Ontario, Calif., supermarket, a shopper filled his cart with \$153 of meat, cigars and liquor. He brazenly wheeled past the cashier and out of the store. Followed by the store manager, he turned and fired two shots from a pistol—and made his escape.

Mr. Astor, the consultant, once had his agents follow 1,647 shoppers selected at random through department stores in New

York, Boston and Philadelphia. They found that one out of 15 took something. But stores catch only a tiny fraction of that number in the act of stealing. Commercial Security System's California survey shows the average supermarket nabbing less than one shoplifter every two weeks. Mr. Conner says graduates of his Shoplifters Anonymous admitted to an average of 66 thefts each before they got caught.

Retailers, and particularly supermarkets working on net profit margins that typically are less than 1%, say that theft is a serious drain on earnings. "Customer pilferage amounts to 15% to 25% of a (food) store's after-tax profit," says Edgar H. Walzer, publisher of Progressive Grocer magazine.

A Serious Threat

"Retailers who don't recognize this threat are going to be put out of business," Mr. Conner contends.

Giant Foods Inc. says it caught 7,089 shoplifters in its Washington, D.C.-area supermarkets in the first 10 months of this year, up 49% from the year before. Kroger says apprehensions are up 15%, and another supermarket chain reports a 30% jump.

But the legal penalties usually are minor because shoplifting generally is treated as a misdemeanor. And enforcement is lax. Commercial Security Systems says that only 33% of the shoplifters noted in its survey were prosecuted, compared with 43% a few years earlier. Most often, pilferers are photographed, fingerprinted and banned from the stores where they have been caught.

"That's like saying, 'Go steal elsewhere,'" says Mr. Walzer.

"We've got to stop calling this kind of dishonesty 'shoplifting,'" says Kroger's Mr. Shrotel. "It's theft. We've got to call it what it is."

American Society
for Industrial Security

25th year



Please Reply to: Alaska Chapter
P. O. Box 2339
Anchorage, Alaska 99510

February 14, 1980

The Honorable Terry Stimson
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Subject: Senate Bill No. 287, Civil Liability for Shoplifting

Dear Senator Stimson:

In October, 1979, Dic Gribbon, Loss Prevention Manager, Pay'n Save Corporation, informed the membership of the Alaska Chapter, American Society for Industrial Security, of the contents and purpose of this bill. The membership voted to support the legislation.

The American Society for Industrial Security is the nation's foremost organization for security professionals. The Alaska Chapter, although relatively new, includes among its membership a significant number of the security professionals in Alaska.

We are pleased to go on record in support of legislation which would help to reduce the tremendous losses due to shoplifting which are suffered by retail stores in Alaska.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'J. P. Goldsmith'.

J. P. Goldsmith
Chapter Chairman
Alaska Chapter

JPG:bjc
cc: Dic Gribbon

Anchorage
CHAMBER OF COMMERCE

Crossroads of the Air World

RESOLUTION

BE IT RESOLVED BY THE ANCHORAGE CHAMBER

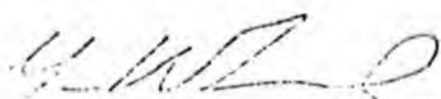
WHEREAS The crime of shoplifting continues to grow each year

WHEREAS In order to maintain adequate shoplifting prevention measures, the costs of these measures must be passed on to the Consumer.

NOW THEREFORE BE IT RESOLVED:

That the Anchorage Chamber of Commerce does wholeheartedly support the concepts presently envisioned in Senate Bill No. 287

Approved this 15th day of February, 1980. Submitted by the Retail Division.


George W. Easley, President

272-2401

ANCHORAGE CHAMBER OF COMMERCE

Anchorage

MEMBER OF COMMERCE

February 19, 1980

Crossroads of the Air World

ANCHORAGE CHAMBER OF COMMERCE ENDORSES SHOPLIFTING LEGISLATION

On Friday, February 15, the Anchorage Chamber of Commerce endorsed the concepts presently envisioned in Senate Bill No. 287. The Bill, introduced in the State Senate by Senator Terry Stinson endeavours to place more of a civil liability on shoplifters.

In taking this action the Anchorage Chamber of Commerce endorsed the following concepts as taken from the current draft of Senate Bill No. 287:

An adult or emancipated minor who shoplifts or changes the price ticket on any merchandise, in addition to a criminal penalty shall be held liable in a civil action to the seller or owner of the merchandise. The shoplifter shall be held liable for actual damages and a penalty equal to the retail value of the merchandise or \$1000.00 whichever is less. In addition, another penalty shall be assessed not to be less than \$100.00 or more than \$200.00.

The Bill also provides the same penalties to a lesser amount to be incurred by those persons having legal custody over an unemancipated minor.

The purpose of the Bill is an attempt to recover those expenses suffered by a merchant for the loss or damage of the merchandise and the cost of maintaining a security department or retaining security personnel.

Should this Bill become law, retail merchants in the Anchorage area feel that the costs normally passed on to the consumer as a result of shoplifting will be reduced.

WASHTON WING DIRECTOR

OFFICE OF THE DIRECTOR

CHAMBER OF COMMERCE

Page two

Crossroads of the Air World

In discussing this issue before the Chamber Board of Directors, Warren G. Lamb, head of security at Fred Meyer's offered the following information, "It is estimated that 2,500 shoplifting arrests were made in the Anchorage bowl last year. Furthermore, the national average shows that for every arrest we make ten shoplifters will get away. Therefore, it is estimated that twelve percent of the annual mark-up on most retail goods is compensation for shrinkage due to theft. Last year the national retail industry suffered total losses of 9.3 billion dollars due to theft. Almost the same concepts contained in this bill were passed into law in the State of Washington. Our company in Washington estimates that because of this, they saved over \$20,000 last year."

-end-

PAY'n SAVE

C O R P O R A T I O N

2002 WEST BENSON BLVD.
ANCHORAGE, ALASKA 99503

February 14, 1980

Senator Terry Stimson
Pouch "V"
Juneau, Alaska 99811

Re: SB 287 Civil Shoplift Restitution

Dear Terry;

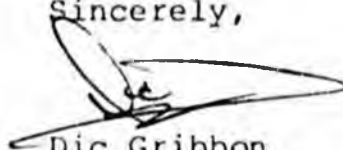
I'm not sure if you remember or not, but when our group was discussing the New Civil Shoplift Restitution Law that was recently enacted in Oregon, we noticed Oregon had provided for situations involving ticket changing or price switching, in addition to shoplifting. We expressed interest at that time to include the ticket switch clause in the proposed bill now before the Alaska State Senate.

The phrase "... or alters the price indicia,..." would be placed in Section 1(a) following the words "... shoplifts merchandise,..."

This section would then read "An adult or emancipated minor who shoplifts merchandise, or alters the price indicia, is, in addition to any criminal penalty provided by law, liable in a civil action to the owner or seller of the merchandise for all of the following:...".

I look forward to seeing you, Tuesday, February 26.

Sincerely,



Dic Gribbon
Loss Prevention Manager
Pay'n Save Corporation

Enclosure:



OREGON RETAIL COUNCIL

1148 COURT ST. N.E. / P.O. BOX 12319 / SALEM, OREGON 97309 / 503 588-0050
PORTLAND AREA 503 227 8438

Director
Otto J. Wilson

A Division of Associated Oregon Industries

August 15, 1979

ORC BULLETIN 79-48

TO: All ORC Primaries, Board of Governors, Security Committee,
Corporate Counsels, Corporate Security Mgrs, Shopping Center
Managers, Oregon Chambers of Commerce

FROM: Otto J. Wilson, ORC Director

SUBJECT: New Shoplifting Civil Statute

You will find enclosed a copy of the "Enrolled Senate Bill 893". This is the language that will appear in the statute. A statutory reference has not yet been designated.

The law becomes effective October 3, 1979. It does not seem that it should be necessary to say that the provisions of the law cannot be used until that date, but we have had sufficient inquiry to this effect to bring this word of caution.

ORC is preparing an "Information Sheet" which will be sent to you in the near future. It will be a brief "How to Use the Law" guide intended to fill the immediate need for some type of reference. It will be followed later by a more complete "Shoplifting Procedure Guide".

Also it is our intention to conduct a series of meetings statewide, bringing merchants and law enforcement agencies together for a thorough presentation. This will require a long range schedule and necessarily will extend well into 1980. ORC will be happy to receive your questions and endeavor to provide sufficient information to facilitate your use of the new law.

We recommend that you do not attempt to use the new procedure unless you are sure you understand it completely.

We will be grateful for any assistance you may be able to provide in extending knowledge of this new civil statute to others who should be familiar with it.

ORC is focusing its dedicated attention to achieving these goals:

1. Thorough understanding of the law and its use by the entire Oregon retail community.
2. Thorough understanding by Oregon law enforcement agencies.
3. Public awareness of the provisions of the law and realization that it will be implemented.
4. Widespread routine use of the law by Oregon retailers to assure its effectiveness.
5. Universal observance of the procedures and standards necessary to make certain its use by each retailer is legal, safe, effective, and in the interest of all concerned. This is a matter not to be taken lightly. Improper use of the law could destroy all the gains we have made and create serious complications and problems.

The Voice of Oregon's Retail Industry

Enrolled

Senate Bill 893

Sponsored by COMMITTEE ON STATE AND FEDERAL AFFAIRS/RULES (at the request of Oregon Retail Council)

CHAPTER 592

AN ACT

Relating to shoplifting.

Be It Enacted by the People of the State of Oregon:

SECTION 1. As used in this Act:

- (1) "Mercantile establishment" means any place where merchandise is displayed, held or offered for sale, either at retail or wholesale.
- (2) "Merchandise" means all things movable and capable of manual delivery.
- (3) "Owner" means any person who owns or operates a mercantile establishment or the agents or employees of that person.

SECTION 2. (1) An adult or an emancipated minor who takes possession of any merchandise displayed or offered for sale by any mercantile establishment without the consent of the owner and with the intention of converting such merchandise to the individual's own use without having paid the purchase price thereof, or who alters the price indicia of such merchandise, shall be civilly liable to the owner for actual damages, for a penalty to the owner in the amount of the retail value of the merchandise not to exceed \$500, plus an additional penalty to the owner of not less than \$100 nor more than \$250.

(2) The parents having custody of an unemancipated minor who takes possession of any merchandise displayed or offered for sale by any mercantile establishment without the consent of the owner, and with the intention of converting such merchandise to the minor's own use without having paid the purchase price thereof, or who alters the price indicia of such merchandise shall be civilly liable to the owner for actual damages, for a penalty to the owner in the amount of the retail value of the merchandise not to exceed \$250, plus an additional penalty to the owner of not less than \$100 nor more than \$250. Persons operating a foster home certified under ORS 418.625 to 418.645 are not liable under this subsection for the acts of children not related to them by blood or marriage and under their care.

(3) A conviction for theft under ORS 164.045 or 164.055 is not a condition precedent to the maintenance of a civil action under this section.

(4) A civil liability under this section is not limited by any other law that limits liability of parents of minor children.

(5) An action for recovery of damages under this section may be brought in any court of competent jurisdiction, including the small claims department of a district court if the total damages do not exceed the jurisdictional limit of the small claims department.

(6) The fact that an owner or seller of merchandise may bring an action against an individual for damages as provided in this section shall not limit the right of the owner or seller to demand, in writing, that a person who is liable for damages under this section remit said damages prior to the commencement of any legal action.

(7) Judgments, but not claims, arising under this section may be assigned.

Shoplifting Meeting of September 13, 1979
Dic Gribben - Chairman

- Question: As to whether courts will slack off. Bill Hughes will check - Wards
Question: How Fred Brown in Fairbanks will respond to this bill and also whether or not to approach Senator Bradly for his support and whether or not you might want him as a co-signer on the bill.
Question: Would it be feasible to start publicly advertising the bill 4 months before or 2 months before session.
Answer: At your last meeting it was emphasized that it should be within the next 3 weeks if possible.
Question: As to who STEM is and how to contact - Bill Hughes will check on this
Question: Some concern as to how our court and judicial systems would react

PLAN OF ACTION:

- 1) Articles in newspaper within the next weeks
 - a. 2 articles on problems
 - b. Different methods retailers use
 - c. Then bring in what bill is and will do
- 2) Hot Line - with Chamberlin
- 3) Chamber meeting
 - a. hearings
 - b. Outline and program for chamber/with tie in from newspaper

Conversation with Dic Gribben, Pennys and Sears may help with newspaper articles?

Mike Wainwright from Northern Commercial will check on when we can be on the next chamber luncheon. Concern if Terry cannot make it then Dic would give presentation of the Bill for you.

Emphasis, on the fact that parents would have to pay for the merchandise

Check on a past offender to come into the High Schools and speak to the students. Check through the Halfway House.

Next meeting October 2, 1979 at 3:00 p.m.

IDEA: Bring in the smaller businesses such as the ones in the Malls at Dimond Center, Sears Center, and Boniface Center and around town for support and expression of their concerns.

Newspaper reporter will attend next meeting in order to present problems and explanation of bill and what is needed to publicize it.

IDEA: It would probably be best to start advertising the bill and problems before Thanksgiving.

CITY NEWS BRIEF



TODAY

WEAVERS

Fairbanks Weavers Guild will meet at 7:30 at the home of Pat Costello. This is the topic. Call 452-7033 or 452-4124 for information.

PRECEPTOR ALPHA

Alpha Chapter of Beta Sigma will meet tonight at 8 in the home of Lee M. Ford. Call 454-7872 for more information.

MASONS

College No. 182, F & AM, will confer at 7:30 at 7.

SCHOOL BOUNDARIES

Junior-Senior High parents will meet at 7:30 in the school cafeteria to discuss boundary changes.

T.M. LECTURE

Lecture on Transcendentalism will be tonight at 7:30 at the USO.

MEDICAL SERVICES

North Region Emergency Medical Council will meet tonight at 7 at the Dept. of Commerce. Call 456-3978 for information.

TOASTMASTERS

Heart Toastmasters Club will meet at 6:30 at Jeffrey's. Guests are invited.

THURSDAY

Pay 'n Save raises ante in war with shoplifters

By DAN JOLING
Staff Writer

It's getting more expensive to be caught shoplifting at Pay 'n Save.

A spokesman for the corporation confirmed Tuesday that Pay 'n Save is now seeking civil compensation from persons caught stealing in its stores, in addition to collecting any restitution ordered by the District Court judge as part of a sentence.

Under Alaskan law, a store can seek a minimum of \$100 and a maximum of \$250 from persons arrested for stealing items worth less than \$250, on top of any criminal penalty ordered by a judge.

For thefts greater than \$250, the store can sue for the full amount.

Depending on which District Court judge the person appears before, that will mean paying an additional \$100-\$250, plus court costs and attorneys fees, paid to the store besides paying for the stolen items, assuming the store wins in civil court.

Typically, shoplifters have also been fined to as much as \$500 and sentenced to as many as five days in jail.

Letters to persons convicted of shoplifting in Pay 'n Save informing them they face civil action unless they pay a specified sum were sent last month.

"If you fail to submit your payment to

the address given below within ten (10) days of the date of this letter, we will refer this matter to legal counsel," the form letter says.

Accompanying the letters are copies of the statute under which the store can sue.

Though the letters and threatened legal action are new to Alaska, they are not new to Pay 'n Save, according to Dick Gribbon, loss prevention manager for the store in Anchorage.

"It's very common in other states," Gribbon said.

The reasons for the seeking civil penalties are two-fold, Gribbon said. "It's a definite deterrent. That's the bottom line of it."

He believes that if persons realized they will be ordered to pay a sum in addition to receiving jail time and a fine, they will be more reluctant to steal in his company's stores.

"It's going to make some people think twice before they shoplift five or 50 dollars worth of items," Gribbon said.

The civil penalties also help pay his check and others in the company's theft security program, and they help to offset losses from items stolen by persons who don't get caught.

"Shoplifting adds 15 to 20 per cent to the cost of an item sometimes," Gribbon said.

In Washington, Gribbon said, for every \$1 stolen, \$30 of items must be sold to make up for it.

And it probably costs at least \$100 per shoplifter to prosecute, especially if a clerk or employee has to go to court on company time, Gribbon said.

If a shoplifter doesn't contribute, the full cost is passed on to the consumers.

Gribbon said that even with the civil penalties, the cost of the theft security program is not fully recovered.

But in the two years since Pay 'n Save has sought civil penalties in Washington, it has been "an excellent deterrent," according to Jim Kon-schuh, public relations spokesman in Seattle.

Gribbon said the law in Alaska is mainly aimed at small merchants who may be tempted not to prosecute if it's going to cost them a great deal to pay an employee to testify and pay for a replacement worker.

He said several other large retailers in the state plan to seek civil compensation, too. "I know of some who are going to," Gribbon said.

He said it's too early to tell if it will be a deterrent here or if more money can be recovered.

"We have not had the program in effect long enough," Gribbon said.



KEEPING TABS—Borough winner of Borough...

Elak flies over school boundaries

By SUSAN FISHER
Staff Writer

Preliminary proposed school boundary changes are already under

students, among other issues.

The task force is composed of parent representatives from each school, but parents in the audience Tuesday—who were permitted brief comments—were

mended for in-town junior high schools, which are currently under capacity enrollments.

The subcommittee on North Pole

Election Roll School

Marguerite Stefson, second term on the board Tuesday with 27 percent vote, but the 1,400 voters John Waterman, called a surprise.

How shoplifting is draining the economy

Bank robbers have been grabbing headlines since the days of Jesse James. Last year they made off with nearly \$25 million in cash and negotiable securities. But that is all small potatoes compared with a less glamorous but far more costly crime that is draining upwards of \$8 billion a year from U.S. merchants—and which no one has been able to do much about so far.

The crime is shoplifting, and, according to experts, it contributes to productivity losses, saps the vitality of many retail businesses, and redistributes a significant amount of wealth from stores to thieves and fences—which adds up to higher costs for most consumer goods. Merchandise losses and extra security costs, in fact, add an average of 2% to 3% to everything sold by major department stores and grocery and drug chains, speeding up an already overheated inflationary spiral.

In fact, shoplifting appears to be growing faster than most segments of the economy, including the inflation rate. For as prices rise, many consumers are taking out their frustration and anger on the person along the business chain who is closest at hand: the retail merchant. And as such pilferage gains increasing acceptance among many Americans, it is accelerating the growth of a subterranean economy in the U.S., which some economists claim reached a mind-numbing \$195 billion in 1977—or about 10% of the recorded gross national product (BW—Mar. 13, 1978).

Even the Internal Revenue Service has belatedly acknowledged the existence of an underground economy where some \$100 billion worth of income from legal sources goes unreported—as well as \$35 billion from drug peddling, illegal gambling, and prostitution on which no income tax is paid. So far, the IRS has been unable to estimate the tax loss from such white-collar crimes as shoplifting.

Bankruptcies. For the bigger retailers, all this has become an unpleasant fact of doing business. But for smaller merchants, who can afford neither the losses nor the security to keep them in line, shoplifting can mean financial ruin. According to some estimates, one out of three small-business bankruptcies are the direct result of thefts by employees and customers.

Unlike many other social scientists, economists view such crimes as shoplifting as rational acts in which the thief carefully weighs the personal costs and benefits involved. And according to econ-

omist William E. Cobb of the West Virginia College of Graduate Studies, who spent a year talking to fences and surveying shoppers in metropolitan Washington, all the benefits are on the side of the shoplifter. Cobb found that the average veteran shoplifter in 1971 was walking off with more than \$30,000 worth of merchandise annually. At 1979 prices, a skilled shoplifter could thus be clearing \$53,000 a year. "I'd say that's a pretty good occupation," says Cobb, who

Losses add at least 2% to the prices of most goods. Productivity feels the pinch

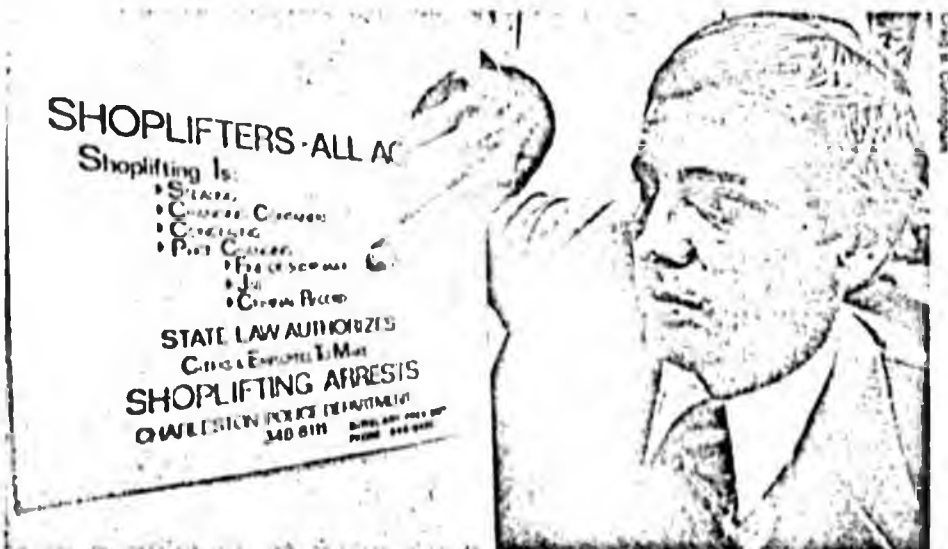
also found that only 1 out of 1,250 shoplifters ever sees the inside of a jail cell. And for those who do, almost none ends up behind bars for the act of shoplifting alone. Instead, they are sentenced for such crimes as illegally possessing drugs or weapons when caught by the store detective.

In fact, a good part of the reason why the benefits are all on the side of the shoplifter is that judges are reluctant to imprison them. Many companies in turn, are reluctant to spend time and money

experts on economic growth and an associate director of the Commerce Dept.'s Bureau of Economic Analysis, says that retail crime takes a significant slice out of U.S. productivity. Extra security means that stores are using money to pay guards and buy electronic equipment that could be spent on adding more consumer goods to the economy. "You are basically adding lots of people and no output," he maintains. And theft means that goods purchased as inventory have disappeared from the store's books and thus, in a sense, from the nation's measurable output.

Compounded losses. Moreover, fences traditionally purchase stolen merchandise for about 25% of its actual value and resell it illegally to stores that are willing to ask few questions in order to buy something at discount. Thus a very real part of the value of the nation's output has been destroyed.

Professional shoplifters often compound the loss still further by returning their stolen goods for a 100% refund to the very stores from which they were taken. And the toll can be even higher—many thousands of times the actual value of the merchandise—because



Economist Cobb: Stores have to get tough on shoplifters by prosecuting all thefts.

prosecuting shoplifters when the courts put them right back on the street. But Cobb and most security experts stress that stores must become tough on thieves. Evidence shows that amateurs, once nabbed, are discouraged from shoplifting again, and that even repeat shoplifters are deterred by being fingerprinted and formally arrested.

But shoplifters prey not just on stores but on the economy as a whole. Edward F. Denison, one of the nation's foremost

many professional thieves shoplift not to walk off with the store's wares but with an eye to a civil lawsuit for false arrest. Says James J. Kerin, former security director at Macy's New York and now president of security consultant Kerin, Duffy & Helwer Inc.: "There's no question that a professional shoplifter can kill you [financially]."

As shoplifting has increased, so has the number of professionals living off it. In 1977 police in New York and other

major U.S. cities reported that members of organized gangs were each netting as much as \$1,000 a day stealing better men's and women's clothes. According to Glen R. Dornfeld, who recently retired as security director at Minneapolis-based Dayton's department stores, the professionals today are far more brazen and more violent than any he has ever seen.

Made to order. At Southern California's Von's Grocery Co., C. R. Gresswell, the chain's loss prevention manager, says that he is seeing both more professional shoplifters and more of them carrying weapons. In fact, grocery stores are finding themselves even bigger prey to organized rings, where such easily resold items as meat, cigarettes, and liquor are often shoplifted to order for fences or well-to-do clients.

Economists stress that the only real solution is to change the actual—as well as the perceived—costs of such thefts. West Virginia's Cobb says that stores should redirect the amount they are currently spending on fancy electronic equipment and put their dollars to work in the following areas:

- Prosecuting all shoplifters they catch. Instead, most stores ask apprehended thieves to return the stolen goods and sign a statement admitting the crime

and agreeing not to set foot in the store again.

- Advertising the fact that both uniformed and plainclothes detectives are on the watch for potential shoplifters. The idea, Cobb says, is to give thieves the feeling that they can never be sure when they are being observed.

- Mounting dummy cameras and large signs promising dire consequences to

Skilled shoplifters can clear \$50,000 a year. Few ever see a jail cell

shoplifters who are caught—even though such threats may not be valid.

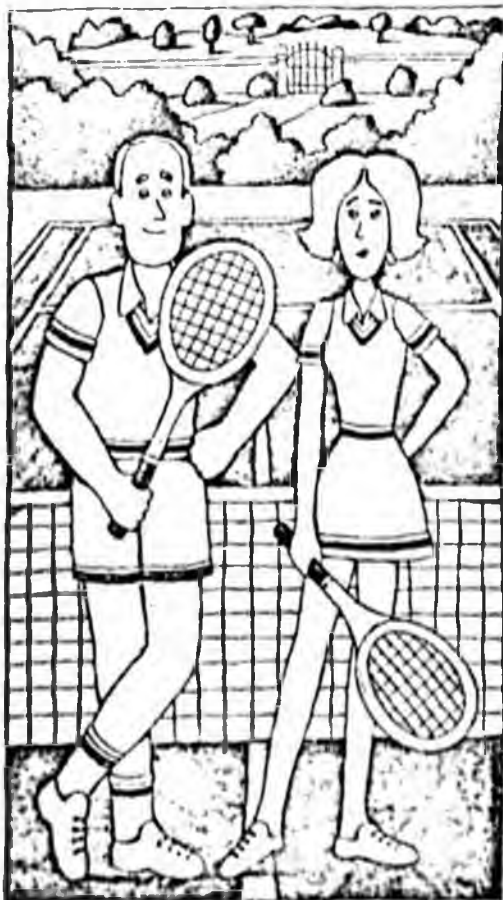
- Hiring actors to pose as shoplifters and periodically staging fake, calm arrests, so that potential thieves get the idea that their misdeeds will be detected. Cobb points out that such ploys have been effective in reducing thefts by employees at major retail chains.

Dallas-based Zale Corp. claims quite a bit of success using some of these methods, plus some more traditional ones. The company has started a special program to train employees in spotting common shoplifting tricks, has installed a network of closed-circuit cameras, and is busy redesigning its 1,723 stores to eliminate any blind spots where thieves

could go to hide merchandise under their clothes or in dummy gift boxes. But most important, says Harry D. Johnson, vice-president for loss prevention, Zale now has a company-wide policy of prosecuting all shoplifters. "Everything has to be done," he says, "to make it difficult for the shoplifter to operate in private."

The big dilemma with all programs aimed at discouraging shoplifters, of course, is that they tend to discourage legitimate shoppers as well. With uniformed guards, ominous-sounding posters, and all kinds of electronic spy equipment around, "people begin to think they are in an armed camp," warns Leonard F. Smith, executive director of the American Management Assn.'s Crimes Against Business Project. Thus, retail stores—particularly those with a wealthier clientele—are constantly faced with the trade-off of more surveillance and less theft or less surveillance and more sales.

But far more significant than this trade-off is the one affecting the cost-benefit ratio for shoplifting itself. Unless repeat shoplifters are treated more like house burglars or bank robbers, and unless the courts and society stop dismissing shoplifting as penny-ante stuff, the toll on inflation and U.S. productivity will just keep mounting. ■



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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 287
Title "An Act Relating to Civil Liability for Shoplifting; and Providing
Requested by Senator Stimpson Date 2/12/80

for an Effective Date"

II. FISCAL DETAIL

Agency Affected Department of Law
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Legal Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill provides for civil action on the part of owners of merchandise to collect damages and penalties from shoplifters. Since the Department of Law is not involved in this process, there will not be a fiscal impact for legal services.

IV. DATE February 13, 1980 PREPARED BY Richard I. Piques Admin. Officer

AGENCY Department of Law

Original Legislative Finance

PHONE 465-3695

cc: Budget and Management

Prime Sponsor (First Legislator Named)