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SJ

SB 239

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Sec. 04.16.110. SALE OF POWDERED ALCOHOL PROHIBITED. No substance having alcoholic content and intended for human consumption may be sold in the state unless in liquid form.

Sec. 04.16.120. REMOVAL OR INTRODUCTION OF ALCOHOLIC BEVERAGES. This section prohibits persons from carrying alcohol on or off premises on which alcohol purchased on the premises only may be consumed, except for licensees, agents, or employees as provided in subsection (b).

Sec. 04.16.130. STOCK CONFINED TO LICENSED PREMISES. This section prohibits storing alcoholic beverages off the licensed premises in any premises other than premises authorized for storage under sec. 04.21.060. The latter section requires that (1) the premises to be used for storage are inspected and approved by the board before their use (2) the use of the premises is authorized by local zoning ordinances (3) the premises are accessible for inspection as provided in AS 04.11.630. Subsection (b) exempts delivery trucks from the coverage of (a).

Sec. 04.16.140. SALE OR CONSUMPTION OF ALCOHOLIC BEVERAGES IN A WAREHOUSE. Prohibits sale or consumption of alcoholic beverages on premises approved for storage under 04.21.060 (described in the preceding section).

Sec. 04.16.150. LICENSEE RESPONSIBLE FOR VIOLATIONS. It is the intent of this section that the licensee is responsible for violations of this title, and its regulations, by his agent or employees if he failed to observe what was plain and easily seen or discovered, or because, having observed, he ignored that which was apparent. This sanction is in addition to the administrative sanctions which may be imposed under sec. 04.11.370(5) against a licensee who allows his agents or employees to violate this title. Also note that under sec. 04.11.535(b) if the board finds that a licensee knowingly, recklessly, or with criminal negligence "allowed" the unlawful action of an agent or employee, the board is obliged to file a criminal complaint charging the licensee with violation of this section.

Sec. 04.16.170. SOURCE OF ALCOHOLIC BEVERAGES. This section prohibits licensees engaged in sales to consumers from buying from unlicensed persons, and persons transporting alcohol into the state from selling to unlicensed persons, except where used for specified purposes.

Sec. 04.16.175. FURNISHING ALCOHOLIC BEVERAGES IN AID OF GAMBLING ENTERPRISE. This section prohibits an agent or employee of a gambling enterprise from furnishing alcoholic beverages to a player. The definitions are identical to those in the criminal code section AS 11.66.280.

Sec. 04.16.180. PENALTIES FOR VIOLATION. This section prescribes both the criminal and administrative sanctions (suspensions and revocations) for violation of this title, except as regards those sections of this title specifically referenced. Subsection (b) limits the period of time a license may be suspended for violations by a licensee, his agents or employees for violations of laws, regulations, or ordinances and permits revocation only upon a third conviction. Under (c) of this section a licensee can have three convictions charged against him solely on the basis of convictions of his agents or employees of laws, regulations, or ordinances if the licensee is found to have allowed or to have acted recklessly with criminal negligence that he is responsible for the violation. Subsection (d) of this section expresses the legislature's intent that the limitations in subsection (c) on suspension and revocation do not apply if the board determines that continuance of a license is in the best interest of the public.

Sec. 04.16.200. UNLICENSED PERSONS. This section prescribes a separate penalty, different from the general penalty prescribed in sec. 04.16.180, for sale by unlicensed persons. Under this section, bootlegging is a Class A misdemeanor unless the illegal sales are made to a minor or the violation is a second offense, in which case the violation is a felony. A mandatory jail sentence is required if the offense is committed in an area where, by local option, sale is forbidden.

Sec. 04.16.210. PENALTY FOR MAKING FALSE STATEMENT. This section prescribes a separate penalty, different from the general penalty prescribed in sec. 04.16.180, for making a false statement on an application.

Sec. 04.16.220. FORFEITURES. This section provides for the forfeiture of alcoholic beverages, as well as materials, equipment, and conveyances involved in violations of liquor laws. Procedures for the seizure of the property are specified, and notice to the owner of the impending forfeiture provided. This section authorizes forfeitures of property either as part of a criminal action leading to forfeiture, or in an

independent civil action. Relief from forfeiture is provided owners of property forfeited or holders of interest in property forfeited who can show they were neither involved in the violation subjecting the property to forfeiture nor knew of the violation. Subsection (g) provides that property can be forfeited in an in rem proceeding regardless of whether criminal proceeding has resulted in a conviction or acquittal. Finally, destruction or sale of forfeited property is provided for.

Section 4

Sec. 04.21.010. MUNICIPAL REGULATION. The purpose of this section is to describe with particularity the regulatory and taxing powers granted municipalities in regard to alcoholic beverages by Title 29 (see AS 29.48.010(7) and AS 29.48.035). Authorization is provided for municipalities to adopt ordinances "necessary to the orderly conduct of the business of selling alcoholic beverages" but the ordinances must be consistent with this title and regulations. Moreover, subsection (b) limits the circumstances in which taxes may be levied on alcoholic beverages inventories and sales.

Sec. 04.21.020. LIMITATION ON CIVIL LIABILITY. It is the intent of this section that a licensee, his agent, or employee who lawfully furnishes an alcoholic beverage to a person who is 19 years of age or older, or a person who is not drunken, may not be held civilly liable for injuries resulting from the consumption of said alcoholic beverage by the above described persons or a third party.

"Lawfully" in this section concerns itself only with the age and physical condition of the person furnished the alcoholic beverage.

Sec. 04.21.030. RESPONSIBILITY OF LICENSEES, AGENTS AND EMPLOYEES. This section requires that a licensee shall make every effort a prudent person would in the operation and management of his licensed business.

It is the intent of this section that it present a standard whereby it may be determined whether a licensee who has no actual knowledge of the violation of a liquor law by an agent or employee has nonetheless acted without the reasonable care that the manager of a business should exercise may be

held to be responsible for the violation. The standards in this section are applied by the board in making the finding required under sec. 04.11.535 before a license may be revoked or suspended on grounds of violation of a liquor law by an agent or employee. It is further the intent of this section that the burden is on the licensee to take reasonable preventive measures to insure violations do not occur on the licensed premises.

It shall be the duty of the board to determine whether the licensee knowingly or negligently allowed violations by his agent or employee.

Sec. 04.21.040. SALES ON FEDERAL RESERVATIONS. This section establishes, and delineates the parameters of, an exception to the requirement appearing in sec. 04.11.160 that holders of general wholesale and wholesale malt beverage and wine licenses sell only to other licensees. It does so by permitting wholesalers of alcoholic beverages to sell to non-licensees when the non-licensee has a "fixed place of business or residence on territory within the state which is maintained by the U.S. government as a military or naval reservation, a national park, or other federal reservation, but only if the purchaser is a ship's service store, officer's club, officer's mess, post exchange, or similar organization."

Sec. 04.21.050. PROOF OF AGE. This section requires licensees, their agents, or employees to secure proof of the age of customers or alternatively, to furnish a signed statement of age. Subsection (b) specifies what is acceptable proof of age. The language in subsection (c) expresses the legislature's intent that the omission prohibited in (a) is the failure to secure proof of age, if and when a valid driver's license or identification card is not forthcoming by a good faith effort to secure a signed statement.

Sec. 04.21.060. WAREHOUSING OF ALCOHOLIC BEVERAGES. This section specifies those conditions under which licensees may warehouse alcoholic beverages off licensed premises.

Sec. 04.21.070. ENFORCEMENT. Requires peace officers to investigate and report to the board violations of this title.

Sec. 04.21.080. DEFINITIONS. This section defines the terms "alcoholic beverage," "board," "criminal negligence," "designated premises," "director," "drunken person," "established

village," "knowingly," "licensed premises," "local governing body," "municipality," "recklessly," and "distributing point."

Section 5

This section amends AS 09.35.087 to exempt liquor licenses not only from execution but also attachment and garnishment.

Section 6

This section amends AS 12.55.025(a) to require the court to prepare a sentencing report whenever the court is imposing sentence upon conviction of a liquor law, thereby adding to the current requirement that the court prepare such a report whenever imposing sentence of over 180 days.

Section 7

This section requires the sentencing report prepared under the amendments in the foregoing section to be sent to the Alcoholic Beverage Control Board, inter alia.

Section 8

This prohibits a local governing body from adopting zoning ordinances which would make illegal the conduct of activities authorized under a license issued before the adoption of the ordinance. (See comment to sec. 04.11.420)

Section 9

This section adds the officers, agents, and employees of the Alcoholic Beverage Control Board to the ranks of the exempt service.

Section 10

This section repeals the law this revision replaces.

Section 11

This section continues in office the present members of the Alcoholic Beverage Control Board until the expiration of their terms.

Sections 12 and 13

These sections establish the effective dates of these amendments.

April 16, 1980

Mr. James Elkins
Fo'c'sle Bar and Liquor Store
312 Front Street
Ketchikan, Alaska 99901

Dear Jim:

The enclosue is the revision of Title 4 in the version in which it passed the Senate the other day. We are also enclosing a copy of the only amendment which was adopted.

After you've read it, you might see that it's circulated among the other dealers in town.

Also, if any changes, amendments, or what-have-you, are in order, your comments and suggestions should be sent to Representative Charles H. Parr, who chairs the House Judiciary Committee.

Best regards,

Robert H. Ziegler, Sr.

RHZ:lk

Enclosure

February 15, 1980

Cabaret, Hotel and Restaurant
Owners Association of Alaska
Mil: 22.5 Old Seward Highway
Anchorage, Alaska

Attention: Executive Director

Dear Sir:

Senator Ray, who serves with me on the Senate Judiciary Committee, has worked laboriously on the recodification of Title 4. You are, of course, familiar with that legislation.

At my request, he researched the comments and proposed changes that you set forth in your recent communication.

His reply thereto is enclosed.

We'll be having a public meeting on the 21st. Thereafter a committee substitute will be prepared and disseminated throughout the state for additional public criticism and comment, if any. I anticipate bringing the bill before the Senate for a floor vote no later than March 15.

Very truly yours,

Robert H. Ziegler, Sr.

Enclosure

RHZ:lk

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

February 21, 1980

The Honorable Bill Ray
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811.

Re: SSSB 239 (revision of alcoholic
beverage control laws -- AS 04)

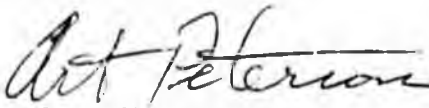
Dear Senator Ray:

Yesterday your staff assistant notified this office that this bill will be coming up for discussion in the Senate Judiciary Committee today. We are interested in the bill and would like to offer some comments on it. However, it is a lengthy bill and we will not be able to complete our analysis of it by this afternoon's meeting and would appreciate being given another opportunity to testify. Our analysis would include a comparison of this bill with the governor's alcohol legislation and the comprehensive revision of AS 04 prepared last year by the Alaska Code Revision Commission (under AS 24.20.075).

Thank you.

Yours truly,

AVRUM M. GROSS
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

AHP:md

cc: The Honorable Robert Ziegler, Chairman ✓
Senate Judiciary Committee

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

420 "L" STREET, SUITE 100
ANCHORAGE, ALASKA 99501

March 4, 1980

The Honorable Robert Ziegler
Chairman, Senate Judiciary Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: SSSB 239 (Revision
of Alcoholic Beverage
Control Laws - AS 04)

Dear Senator Ziegler:

This letter is a follow-up to our letter of February 26, 1980, commenting on SSSB 239. The purpose of this letter is to withdraw the former letter. We are making this request because the views expressed in the February 26 letter, particularly in its appendix, refer to a version of SSSB 239 dated October 8, 1979, when in fact a revised version of SSSB 239 was introduced on January 14, 1980.

The views expressed in the February 26 letter were formulated in a memorandum to my file on December 27, 1979, which was distributed within the Department of Law and Department of Revenue at that time. When instructed to comment on behalf of the Department of Law on February 26, it was my understanding that the views which I was called upon to express at this time were those which I had previously formulated. I was not aware that a revised version of SSSB 239 had been introduced. The Executive Director of the Alcoholic Beverage Control Board brought the oversight to my attention on the 29th of February. I accept the responsibility for this error. Therefore, please disregard the letter of February 26, 1980.

A brief word about the tenor of the remarks in the appendix to the February 26 letter may be in order. In the brief time available, a complete section-by-section

March 4, 1980


analysis of SSSB 239 was impossible. The appendix to the February 26 letter was therefore reproduced from the December 27 internal memorandum. Maybe mistakenly, I thought that even a very informal, impressionistic working paper, which was intended to highlight areas of concern for further thinking, was better than no specifics whatsoever. Had time allowed a more formal critique, I would have been more constructive, and doubtless upon reflection and discussion, my views in some areas could be expected to change. Unfortunately, the instruction that I quickly, on short notice, respond to the Judiciary Committee's request for comments prevented this.

I am reviewing the revised SSSB 239, and will reflect upon the areas of my initial concern. I would like to be helpful and would be happy to assist in any way that I can. My intention is to be responsive to your needs, not to be merely critical.

Very truly yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By:


David T. LeBlond
Assistant Attorney General

DTL:dr

cc: The Honorable Bill Ray
Senator, Alaska State Legislature

Wilson L. Condon
Deputy Attorney General

Arthur Peterson
Assistant Attorney General
Juneau - AGO

SB

277

COMMITTEE REPORT
SENATE

FURTHER: None

4/24/79

Date: 5/8/80

Mr. President:

The Committee on JUDICIARY has had SB 277
making corrective amendments in the Alaska Statutes as recommended by the
revisor of statutes

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 SB 277 same title
 new title
- and recommends CS 277
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{AS FOLLOWS} without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

CHAIRMAN

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 28, 1980

SUBJECT: The Revisors Bill
(HCS for CSSB 277)

TO: Senator Robert H. Ziegler, Sr.
Chairman, Senate Judiciary Committee

FROM: David T. Walker
Co-Revisor of Statutes 

The purpose of this memo is to explain the changes which the House made to the Revisors bill.

A version of SB 438 (relating to energy) is awaiting action by the Governor. It picks up the substance of the amendment proposed by section 48 of the Revisors bill and it also repeals the sections amended by sections 51 and 52 of the Revisors bill. Accordingly, this office requested the House Judiciary Committee to remove those sections (48, 51 and 52) from the Revisors bill.

Section 22 of the Revisors bill repealed a statute related to certain nonconforming highway advertising signs. Some confusion exists about certain of those signs and so the House Judiciary Committee removed section 22 from the bill upon the joint request of this office and their committee counsel.

The House Judiciary Committee added the last section to the bill. It amends the statutes so that all references to workmen's compensator will be changed to worker's compensation.

This office supports the House Judiciary Committee version of the Revisors bill.

Thank you for your assistance.

DTW:ljb

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 22, 1980

SUBJECT: CSSB 277 - "An Act making corrective amendments in the Alaska statutes as recommended by the revisor of statutes."

TO: Alaska Legislative Council

FROM: Donna Spragg Pegues *DS*
David T. Walker *DW*
Co-Revisors of Statutes

This committee substitute was prepared by the revisor of statutes under AS 01.05.036 which provides in part that the revisor of statutes shall

"prepare for submission to the legislature legislation for the correction or removal of . . . deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of . . . the statute law of this state."

It is suggested that this explanatory memorandum accompany the bill through its legislative course.

SECTIONAL ANALYSIS

Section 1 repeals an obsolete section of AS 02.15.180. The underlying federal law (Veterans' Readjustment Assistance Act of 1952) on which this section relies was repealed in 1958.

Section 2 amends AS 05.15.030(a) to delete obsolete language. The "15-day period" referred to in AS 05.-15.030(a) was a suspense period previously set out in AS 05.15.020 which was deleted by sec. 1, Chapter 182, SLA 1976.

Section 3 amends AS 06.30.445(b) to correct a reference in that statute. A 1978 amendment to the section included a reference to "Federal Savings and Loan Insurance Corporation regulations." In fact, the applicable regulations are the responsibility of the Federal Home Loan Bank Board. See also the corrective regulation at 3 AAC 05.150 (adopted April 4, 1979).

Section 4 corrects an incorrect statute reference in AS 06.-30.665. The statute now refers to AS 06.01.660 which was repealed in 1978.

Section 5 repeals a provision of the Alaska Integrated Bar Act relating to disciplinary proceeding and review which was inadvertently left out of the repealer contained in Chapter 181, SLA 1976, involving amendments to the state bar act.

Sections 6 and 7 correct an error in the repeals made by Chapter 177, SLA 1978, which is an act relating to malpractice insurance. That act repealed AS 08.80.115 which had nothing to do with malpractice insurance but rather involved the registration of pregraduate and postgraduate intern pharmacists. However, AS 08.80.117 does relate to malpractice insurance and was not repealed in Chapter 177, SLA 1978. It is apparent that a repeal of 08.80.117 was intended and that the repeal of 08.80.115 was inadvertent.

Section 8 corrects an internal citation in AS 08.80.295(a).

Section 9 corrects a mistake in AS 09.55.238(b). The word "visitation" is substituted for "violation" to make the section consistent with the other sections relating to an action for failure to permit visitation with a minor child. See AS 11.51.125(b).

Section 10 removes an archaic provision from the applicability section of the chapter regulating non-profit corporations. (AS 10.20). The class of corporations referred to by the provision being repealed is now regulated under AS 10.40 (religious corporations).

Section 11 inserts a statutory reference in the definition contained in AS 14.12.170 to clarify the coverage of the definition of school districts.

Section 12 eliminates a reference in AS 14.17.140(b) to a section of AS 28.10 which was repealed in 1978. The correct succeeding code section has been substituted.

Section 13 removes an obsolete reference to the state pay plan in the statute relating to the Postsecondary Education Commission.

Section 14 deletes an obsolete reference to "State Operated Schools" in AS 14.36 relating to community schools. A reference to "regional educational attendance areas" is substituted.

Section 15 repeals the tuition grant program which was held unconstitutional in Sheldon Jackson College v. State, 599 P.2d 127 (1979).

Sections 16 and 17 amends the section relating to sport fishing and hunting so as to properly relocate an existing provision relating to big game tags.

Section 18 repeals an obsolete section in Title 17. AS 17.-05.040 would punish violations of AS 17.05.030 which was repealed in 1968.

Section 19 updates the language of AS 18.50.280 (relating to court reporting requirements under the Vital Statistics Act) to include the reports of dissolution of a marriage.

Section 20 corrects an incorrect internal citation. Facility procurement policy development procedures are found at AS 35.10.160 -- not AS 35.10.060.

Section 21 repeals an obsolete section which refers only to a repealed section which was in former AS 07.

Section 22 repeals a section relating to nonconforming highway advertising which expired by its own terms on July 1, 1971.

Section 23 repeals a section relating to the removal of nonconforming junk yards. This effect of this section expired September 14, 1979.

Section 24 corrects two statute references in AS 21.-
27.420(2).

Section 25 repeals an obsolete reference to the jurisdiction of the district court over proceedings under the defunct Village Incorporation Act.

Section 26 repeals certain sections of the Alaska World War II Veterans' Act (AS 26.15) which have expired. Most of these sections relate to payment of bonuses which have terminated. One of these sections provides for repayment of a loan to the veterans' revolving fund from the general fund. This loan was long ago paid. The title of the Act is also repealed since AS 26.15 now relates to veterans other than veterans of World War II.

Sections 27 and 28 amend the description of an eligible veteran in AS 26.15 to adopt the termination date (plus six months) of the "Viet Nam era" established by Presidential Proclamation No. 4373 (40 Fed. Reg. 20257).

Section 29 corrects obsolete and repealed statute citations in AS 28.35.030(a).

Section 30 corrects obsolete and repealed internal statute citations in AS 28.35.155(a).

Sections 31 and 32 remove obsolete references to "weighted voting" from the Municipal Code. Weighted voting by a borough assembly is no longer allowed under Alaska statutes.

Sections 33 and 34 correct mistaken internal citations in AS 31.05.027 and AS 31.05.110(p).

Section 35 repeals AS 38.05.066 (preference to uplands land for persons for fishery purposes), as the application period for a preference right under that section expired in July 1973.

Section 36 amends the definition of "veteran" in AS 38.-
05.067 (veterans' preference in state land transactions) to adopt the termination date (plus 6-months) of the "Viet Nam era" established by Presidential Proclamation No. 4373 (40 Fed. Reg. 20257).

Section 37 repeals the laws requiring local hire under state leases. These statutes were held unconstitutional by the United States Supreme Court in Hicklin v. Orbeck, 437 U.S. 518 (1978).

Section 38 amends AS 39.05.020 relating to the confirmation of gubernatorial appointments. The amendment conforms this statute to the holding of the Alaska Supreme Court in Bradner v. Hammond, 553 P.2d 1 (1976).

Section 39 amends the section which allows for veterans' preference in state employment to adopt the termination date of (plus 6 months) of the "Viet Nam era" established in Presidential Proclamation 4373 (40 Fed. Reg. 20257).

Sections 40 through 44 correct the list of boards and commissions which are included under the conflict of interest provisions of state law. The defunct Board of Fish and Game is eliminated and the Board of Fisheries and Board of Game are added. The following repealed or obsolete boards are eliminated from the list:

- (1) State Section of Joint Federal-State Land Use Planning Commission (no longer in existence);
- (2) Board of Directors, State-Operated Schools (repealed in 1975);
- (3) Alaska Salary Commission (repealed 1980).

Section 45 repeals the statutes which establish the Joint Federal-State Land Use Planning Commission for Alaska. The Commission expired on June 30, 1979.

Section 46 amends the law relating to the Public Utilities Commission to conform AS 42.05.171 to the quorum requirement in 42.05.071. In Chapter 213, SLA 1973, the commission was increased from three to five members and the requirement for a quorum was increased to three members. However, the section establishing the number of commissioners which may conduct a formal hearing was apparently overlooked. The amendment also conforms to present commission practice.

Section 47 corrects an incorrect definition in the amendment made to the fisheries taxes in 1979. For purposes of the

taxing statutes, (43.75) year was defined as "fiscal year". This definition was related to an earlier version of the fisheries tax bill and when the bill was rewritten all other references to "fiscal year" were deleted. Retaining the definition was a drafting oversight.

Section 48 clarifies the application of limitations in AS 44.47.140. As that section now reads, the limitations could be read as applying to all programs of the Department of Community and Regional Affairs. However, a close reading of the statutes and investigation of the legislative history makes it clear that the limitations were only intended to apply to programs of the department in rural areas.

Section 49 corrects the terminology describing the coverage of the definition of "municipality" contained in AS 44.74.-150(g).

Section 50 deletes the reference to the requirement of United States Citizenship as a qualification of appointment as a notary public. This requirement was deleted from AS 44.-50.020 in the 1976 amendment of that section (section 1, Chapter 160, SLA 1976).

Sections 51 and 52 delete references to nonexistent Alaska permanent fund "guarantees" from the Alaska Power Authority statutes. The sections of AS 37.13 referred to in AS 44.46 were not enacted.

Section 53 removes the Department of Natural Resources functions relating to oil and gas conservation from the list of officers and boards which must comply with hearing procedures of the Administrative Procedures Act. Chapter 158, SLA 1978 transferred these functions to the Oil and Gas Conservation Commission. Chapter 160, SLA 1978, established specific provisions for hearings, etc. by the Oil and Gas Conservation Commission. (See AS 31.05.060(b) added by Ch. 160, SLA 1978.)

Section 54 amends AS 45.55.140(b)(viii) to correct an internal inconsistency which apparently resulted from a technical oversight in 1977 legislation. (See also AS 45.-55.140(b)(A)(v))

Sections 55, 56, 57, and 58 amend the Uniform Gifts to Minors Act to define a minor under that Act as a person under 18 years of age. This conforms with AS 25.20.010 which sets the age of majority in this state as 18 years of age. (See Chapter 63, SLA 1977)

Section 59 corrects a reference to the wrong rules of court.

Sections 60 and 61 clarify the age of the child who comes under the child protection laws. One reference is to a "child under 18" and the other is to a "person under 16". The revisor's bill would change the second reference to a "person under 18."

Section 62 changes references to "inmate of the Alaska Pioneers' Home" to "resident of Alaska Pioneers' Home" to conform with policy embodied in Chapter 11, SLA 1979.

Section 63 relates to the advisory board on alcoholism and reveals obsolete and incorrect provisions relating to the terms of board members.

DSP:DTW:ljb

Enclosure

August 29, 1979

Mr. Robert C. Albietz
Cook Inlet Region, Inc.
Drawer 4-N
Anchorage, Alaska 99509

Dear Mr. Albietz:

I'll be taking your August 20th letter to Juneau with me with
reference to Senate Bill 277.

Your comments are noted.

Regards,

Robert H. Ziegler, Sr.

RHZ/pkz

C

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P

Y



COOK INLET REGION, INC.

P.O. DRAWER 4-N • ANCHORAGE • ALASKA 99509
(907) 274-8638 • 2525 C STREET
TELECOPIER (907) 279-8836

August 20, 1979

Honorable Robert H. Ziegler Sr.
Chairman, Senate Judiciary Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Ziegler:

The Cook Inlet Region, Inc. would like to advise you that we are in favor of the proposed amendments to A.S. 45.60 included in Senate Bill No. 277 Eleventh Legislature Sections 25, 26, 27 and 28.

We understand that these technical amendments have been introduced in the Senate, and are now pending before your committee. The amendments included in these sections eliminates the inconsistency in the Alaska Statutes pertaining to the age of majority that has caused great confusion to our 18 year old shareholders. Passage of these sections will certainly aid us in meeting the needs of these shareholders on a more timely basis and eliminate the unnecessary uncertainty regarding their legal rights. If we can be of assistance to you in your efforts in this regard, please feel free to call on us.

Sincerely,

COOK INLET REGION, Inc.

Robert C. Albietz
Manager, Financial & Shareholder Services

RCA/prs

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 22, 1980

SUBJECT: CSSB 277 - "An Act making corrective amendments in the Alaska statutes as recommended by the revisor of statutes."

TO: Alaska Legislative Council

FROM: Donna Spragg Pegues *DS*
David T. Walker *DW*
Co-Revisors of Statutes

This committee substitute was prepared by the revisor of statutes under AS 01.05.036 which provides in part that the revisor of statutes shall

"prepare for submission to the legislature legislation for the correction or removal of . . . deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of . . . the statute law of this state."

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Sections 6 and 7 correct an error in the repeals made by Chapter 177, SLA 1978, which is an act relating to malpractice insurance. That act repealed AS 08.80.115 which had nothing to do with malpractice insurance but rather involved the registration of pregraduate and postgraduate intern pharmacists. However, AS 08.80.117 does relate to malpractice insurance and was not repealed in Chapter 177, SLA 1978. It is apparent that a repeal of 08.80.117 was intended and that the repeal of 08.80.115 was inadvertent.

Section 8 corrects an internal citation in AS 08.80.295(a).

Section 9 corrects a mistake in AS 09.55.238(b). The word "visitation" is substituted for "violation" to make the section consistent with the other sections relating to an action for failure to permit visitation with a minor child. See AS 11.51.125(b).

Section 10 removes an archaic provision from the applicability section of the chapter regulating non-profit corporations. (AS 10.20). The class of corporations referred to by the provision being repealed is now regulated under AS 10.40 (religious corporations).

Section 11 inserts a statutory reference in the definition contained in AS 14.12.170 to clarify the coverage of the definition of school districts.

April 22, 1980

Section 12 eliminates a reference in AS 14.17.140(b) to a section of AS 28.10 which was repealed in 1978. The correct succeeding code section has been substituted.

Section 13 removes an obsolete reference to the state pay plan in the statute relating to the Postsecondary Education Commission.

Section 14 deletes an obsolete reference to "State Operated Schools" in AS 14.36 relating to community schools. A reference to "regional educational attendance areas" is substituted.

Section 15 repeals the tuition grant program which was held unconstitutional in Sheldon Jackson College v. State, 599 P.2d 127 (1979).

Sections 16 and 17 amends the section relating to sport fishing and hunting so as to properly relocate an existing provision relating to big game tags.

Section 18 repeals an obsolete section in Title 17. AS 17.-05.040 would punish violations of AS 17.05.030 which was repealed in 1968.

Section 19 updates the language of AS 18.50.280 (relating to court reporting requirements under the Vital Statistics Act) to include the reports of dissolution of a marriage.

Section 20 corrects an incorrect internal citation. Facility procurement policy development procedures are found at AS 35.10.160 -- not AS 35.10.060.

Section 21 repeals an obsolete section which refers only to a repealed section which was in former AS 07.

Section 22 repeals a section relating to nonconforming highway advertising which expired by its own terms on July 1, 1971.

Section 23 repeals a section relating to the removal of nonconforming junk yards. This effect of this section expired September 14, 1979.

Section 24 corrects two statute references in AS 21.-
27.420(2).

Section 25 repeals an obsolete reference to the jurisdiction of the district court over proceedings under the defunct Village Incorporation Act.

Section 26 repeals certain sections of the Alaska World War II Veterans' Act (AS 26.15) which have expired. Most of these sections relate to payment of bonuses which have terminated. One of these sections provides for repayment of a loan to the veterans' revolving fund from the general fund. This loan was long ago paid. The title of the Act is also repealed since AS 26.15 now relates to veterans other than veterans of World War II.

Sections 27 and 28 amend the description of an eligible veteran in AS 26.15 to adopt the termination date (plus six months) of the "Viet Nam era" established by Presidential Proclamation No. 4373 (40 Fed. Reg. 20257).

Section 29 corrects obsolete and repealed statute citations in AS 28.35.030(a).

Section 30 corrects obsolete and repealed internal statute citations in AS 28.35.155(a).

Sections 31 and 32 remove obsolete references to "weighted voting" from the Municipal Code. Weighted voting by a borough assembly is no longer allowed under Alaska statutes.

Sections 33 and 34 correct mistaken internal citations in AS 31.05.027 and AS 31.05.110(p).

Section 35 repeals AS 38.05.066 (preference to uplands land for persons for fishery purposes), as the application period for a preference right under that section expired in July 1973.

Section 36 amends the definition of "veteran" in AS 38.-
05.067 (veterans' preference in state land transactions) to adopt the termination date (plus 6-months) of the "Viet Nam era" established by Presidential Proclamation No. 4373 (40 Fed. Reg. 20257).

Section 37 repeals the laws requiring local hire under state leases. These statutes were held unconstitutional by the United States Supreme Court in Hicklin v. Orbeck, 437 U.S. 518 (1978).

Section 38 amends AS 39.05.020 relating to the confirmation of gubernatorial appointments. The amendment conforms this statute to the holding of the Alaska Supreme Court in Bradner v. Hammond, 553 P.2d 1 (1976).

Section 39 amends the section which allows for veterans' preference in state employment to adopt the termination date of (plus 6 months) of the "Viet Nam era" established in Presidential Proclamation 4373 (40 Fed. Reg. 20257).

Sections 40 through 44 correct the list of boards and commissions which are included under the conflict of interest provisions of state law. The defunct Board of Fish and Game is eliminated and the Board of Fisheries and Board of Game are added. The following repealed or obsolete boards are eliminated from the list:

- (1) State Section of Joint Federal-State Land Use Planning Commission (no longer in existence);
- (2) Board of Directors, State-Operated Schools (repealed in 1975);
- (3) Alaska Salary Commission (repealed 1980).

Section 45 repeals the statutes which establish the Joint Federal-State Land Use Planning Commission for Alaska. The Commission expired on June 30, 1979.

Section 46 amends the law relating to the Public Utilities Commission to conform AS 42.05.171 to the quorum requirement in 42.05.071. In Chapter 213, SLA 1973, the commission was increased from three to five members and the requirement for a quorum was increased to three members. However, the section establishing the number of commissioners which may conduct a formal hearing was apparently overlooked. The amendment also conforms to present commission practice.

Section 47 corrects an incorrect definition in the amendment made to the fisheries taxes in 1979. For purposes of the

taxing statutes, (43.75) year was defined as "fiscal year". This definition was related to an earlier version of the fisheries tax bill and when the bill was rewritten all other references to "fiscal year" were deleted. Retaining the definition was a drafting oversight.

Section 48 clarifies the application of limitations in AS 44.47.140. As that section now reads, the limitations could be read as applying to all programs of the Department of Community and Regional Affairs. However, a close reading of the statutes and investigation of the legislative history makes it clear that the limitations were only intended to apply to programs of the department in rural areas.

Section 49 corrects the terminology describing the coverage of the definition of "municipality" contained in AS 44.74.-150(g).

Section 50 deletes the reference to the requirement of United States Citizenship as a qualification of appointment as a notary public. This requirement was deleted from AS 44.-50.020 in the 1976 amendment of that section (section 1, Chapter 160, SLA 1976).

Sections 51 and 52 delete references to nonexistent Alaska permanent fund "guarantees" from the Alaska Power Authority statutes. The sections of AS 37.13 referred to in AS 44.46 were not enacted.

Section 53 removes the Department of Natural Resources Functions relating to oil and gas conservation from the list of officers and boards which must comply with hearing procedures of the Administrative Procedures Act. Chapter 158, SLA 1978 transferred these functions to the Oil and Gas Conservation Commission. Chapter 160, SLA 1978, established specific provisions for hearings, etc. by the Oil and Gas Conservation Commission. (See AS 31.05.060(b) added by Ch. 160, SLA 1978.)

Section 54 amends AS 45.55.140(b)(viii) to correct an internal inconsistency which apparently resulted from a technical oversight in 1977 legislation. (See also AS 45.-55.140(b)(A)(v))

April 22, 1980

Sections 55, 56, 57, and 58 amend the Uniform Gifts to Minors Act to define a minor under that Act as a person under 18 years of age. This conforms with AS 25.20.010 which sets the age of majority in this state as 18 years of age. (See Chapter 63, SLA 1977)

Section 59 corrects a reference to the wrong rules of court.

Sections 60 and 61 clarify the age of the child who comes under the child protection laws. One reference is to a "child under 18" and the other is to a "person under 16". The revisor's bill would change the second reference to a "person under 18."

Section 62 changes references to "inmate of the Alaska Pioneers' Home" to "resident of Alaska Pioneers' Home" to conform with policy embodied in Chapter 11, SLA 1979.

Section 63 relates to the advisory board on alcoholism and repeals obsolete and incorrect provisions relating to the terms of board members.

DSP:DTW:ljb

Enclosure

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

[Handwritten signature]

[Handwritten signature]

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:

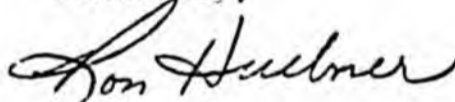
1. Civil Penalties have accounted for about 12% of the total cost of our store detectives expenses.
2. We believe that even in those instances where a person is "suit proof" there is a deterrent effect to their returning to our store to shoplift.
3. Those persons who have paid the civil penalties after 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

Original: Legislative Finance

PHONE 465-3695

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; 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 \$3.66.

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

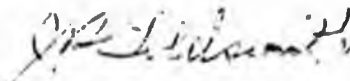
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Very truly yours,



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

Terry Stimson
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Re: Senate Bill 287 (Civil Penalties for Shoplifting)

Senator Stimson,

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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.
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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.
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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

RGH:df

Anchor

ANCHORAGE CHAMBER OF COMMERCE

Crossroads of the Air World

RESOLUTION

BE IT RESOLVED BY THE ANCHORAGE CHAMBER

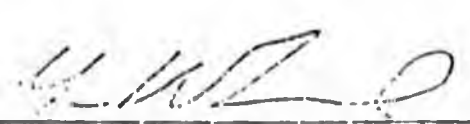
WHEREAS The crime of shoplifting continues to grow each year

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
SUBJECT: PROPOSED BILL

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 Dept. 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

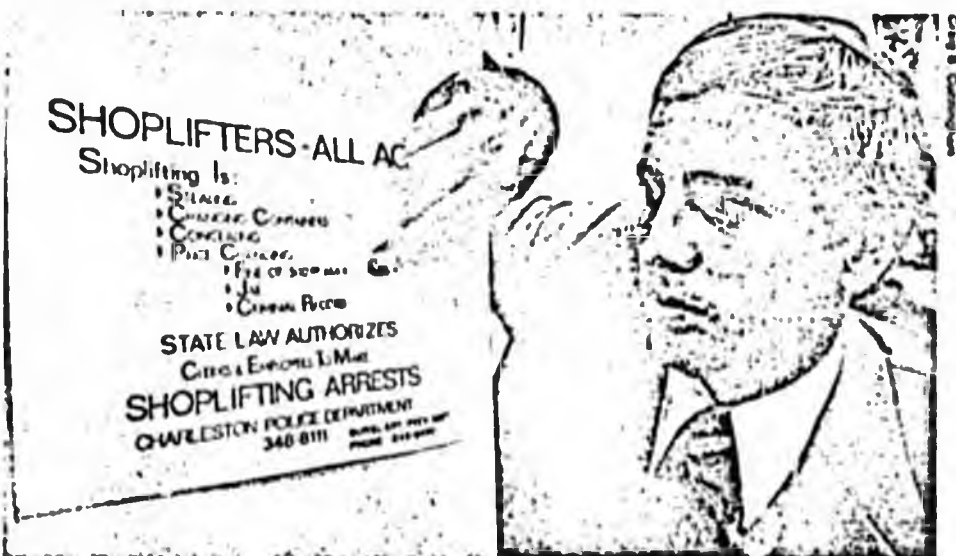
also found that only 1 out of 1,250 shoplifters ever sees the inside of a jail cell. And for those who do, almost none ends up behind bars for the act of shoplifting alone. Instead, they are sentenced for such crimes as illegally possessing drugs or weapons when caught by the store detective.

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.

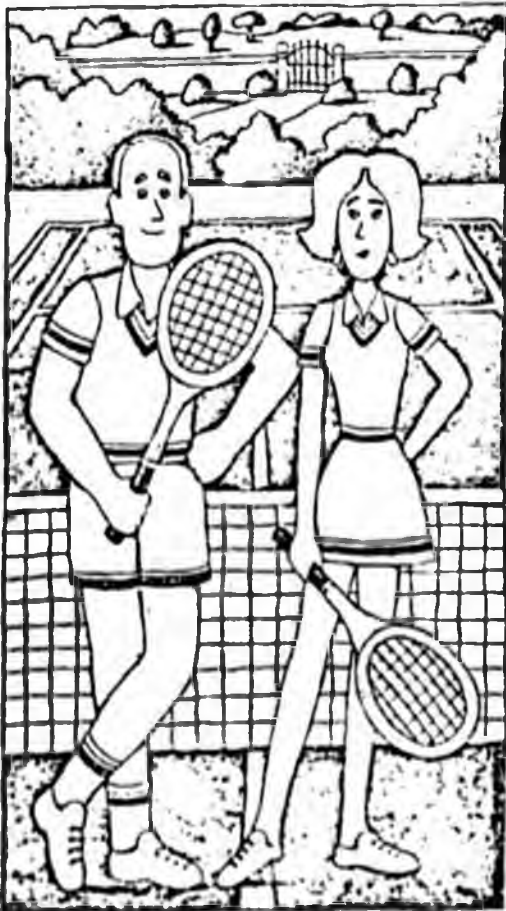
- Hiring actors to pose as shoplifters and periodically staging fake, calm arrests, so that potential thieves get the idea that their misdeeds will be detected. Cobb points out that such ploys have been effective in reducing thefts by employees at major retail chains.

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



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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.

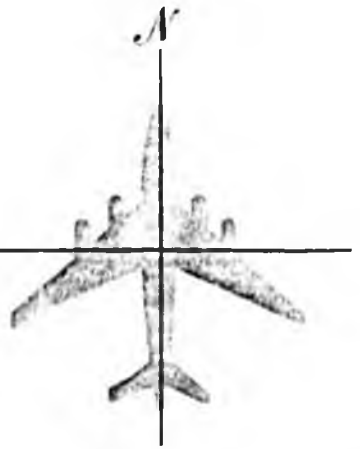
Sincerely,

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 endeavor 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 state or organization that the liability of change the price relative

to the liability, 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 the amount of the purchase price to the extent of

the amount of the purchase price. In addition, the supplier shall be held liable

to the extent of the purchase price to the extent of the purchase price.

The bill also states that the liability shall be held to be limited

by the amount of the purchase price to the extent of the purchase price.

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

the bill and the loss of the purchase price and the cost of purchasing

the bill and the loss of the purchase price.

The bill also states that the liability shall be held to be limited

by the amount of the purchase price to the extent of the purchase price.

Continued on the next page

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
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.

WASHTON WING DIRECTOR

OFFICE OF THE DIRECTOR

CHAMBER 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;

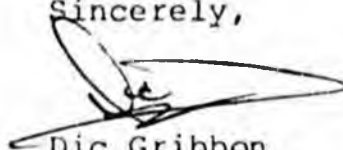
I'm not sure if you remember or not, but when our group was discussing the New Civil Shoplift Restitution Law that was recently enacted in Oregon, we noticed Oregon had provided for situations involving ticket changing or price switching, in addition to shoplifting. We expressed interest at that time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

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 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 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 Diamond 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

Alaska 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 Phi 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 Award.

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

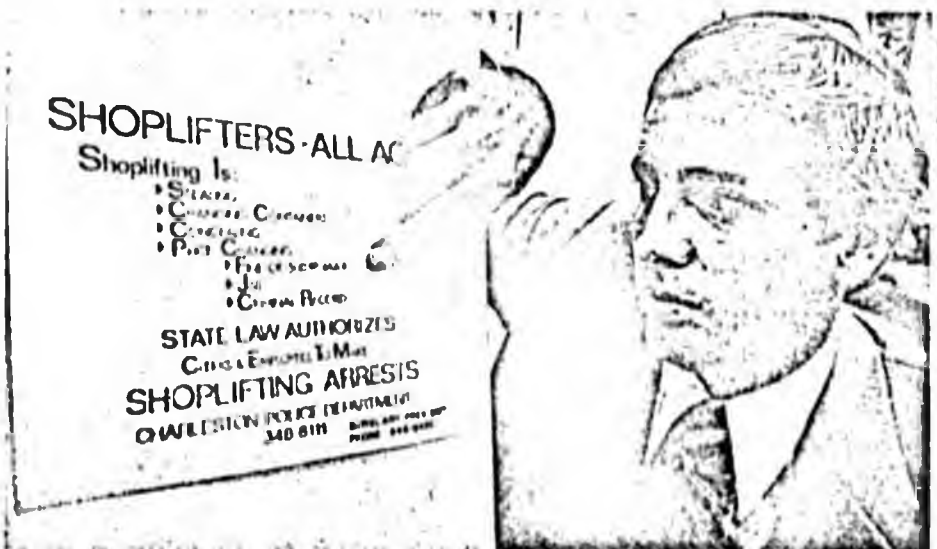
also found that only 1 out of 1,250 shoplifters ever sees the inside of a jail cell. And for those who do, almost none ends up behind bars for the act of shoplifting alone. Instead, they are sentenced for such crimes as illegally possessing drugs or weapons when caught by the store detective.

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.

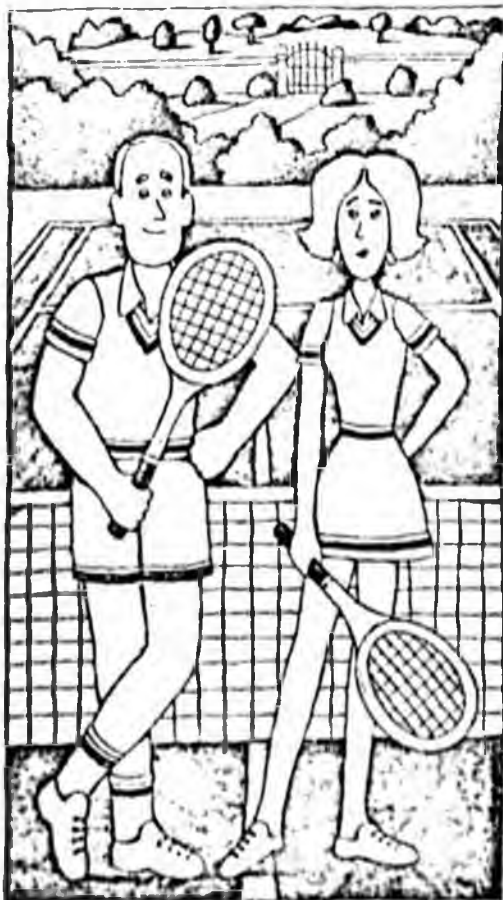
- Hiring actors to pose as shoplifters and periodically staging fake, calm arrests, so that potential thieves get the idea that their misdeeds will be detected. Cobb points out that such ploys have been effective in reducing thefts by employees at major retail chains.

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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Address _____

City _____ State _____ Zip _____

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)

SB

293

SENATE AMENDMENT

By The Judiciary Committee

To: Amend SENATE BILL No. 293

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 13

INSERT "SECRET" be inserted before and after

[Faint handwritten notes, possibly describing the amendment's scope or legal implications]



District Court

State of Alaska

**FIRST JUDICIAL DISTRICT
415 MAIN STREET, ROOM 400
KETCHIKAN, ALASKA
99901**

CHAMBERS OF

H. C. KEENE, Jr., JUDGE

June 29, 1979

Hon. Robert H. Ziegler, Sr.
Alaska State Senate
Ziegler, Cloudy, Smith, King & Brown
307 Bawden Street
Ketchikan, Alaska 99901

Re: Repeal of Alaska Enoch Arden Law or Presumption of
Death After Six Continuous Years of Disappearance

Dear Senator Ziegler:

Pursuant to our conversation of 28 June, 1979 relative to the holding of Presumptive Death Hearing, I have gathered the material concerning repeal of A.S. 20.05.130 which provided that a person missing for six continuous years was presumed to be dead and his estate was to be administered in accordance with the law applicable to the administration of the estate of deceased persons. (Exh. A)

It is noted that this provision was located under Title 20, Infants and Incompetents, and specifically with those sections dealing with Guardianship. Title 20 was deleted out of existence or otherwise amended by the Uniform Probate Code enactment in 1972. This particular section was disposed of by the very last sentence on the last page, 121, of the 1972 Session Laws, Chapter 78, in a most summary manner. (Exh. B)

The above action was noted in the Alaska Statutes Supplement to Title 20 solely with respect to the appointment of a guardian for a missing person. (Exh. C)

Declaration of Death for persons who are missing and presumed to have died without the location of their body is covered under the Code of Civil Procedure, Title 9. Specifically, Sections 09.55.020 - 09.55.060 cover the subject. (Exh. D)

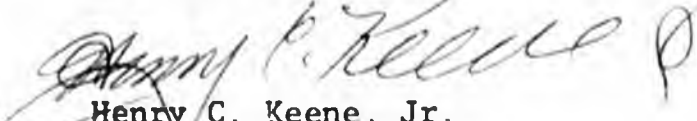
Hon. Robert H. Ziegler, Sr.
June 29, 1979
Page 2

It is my assumption from studying the various statutes and legislative action that the provision for the declaration of death for a person who had been continuously missing for more than six years was inadvertently swept away with the introduction of the Uniform Probate Code. It is felt that this provision should be effective as I indicated when you recently posed questions relative to a Presumptive Death Hearing for a person who had been last seen in 1928 when he went into the woods hunting.

My particular interest in the matter has not been too great since having been relieved of the duties of Coroner some years past. Coroners who have mentioned this to me apparently have not gone further with the subject.

It is my recommendation that a statutory provision be enacted into the Code of Civil Procedure providing that a person missing for a considerable period of time such as six years be presumed dead and a Declaration of Presumptive Death be entered. This would fill the void created by the deletion of this provision from the Guardianship Section, where it really did not belong, and would enable the survivors to administer the estate of the missing person.

Very truly yours,



Henry C. Keene, Jr.
District Court Judge

HCK:ri

Enclosures

February 4, 1980

The Honorable Henry C. Keene, Jr.,
District Court Judge
State of Alaska
First Judicial District
415 Main Street, Room 400
Ketchikan, Alaska 99901

Dear Henry:

Senate Bill 293 (presumptive death) passed the Senate with no dissenting votes on February 1.

I suspect it would be in order for you to write a letter to Charles Parr, Chairman of House Judiciary Committee, much akin to that letter you wrote me when you first called the problem to my attention.

It might be a good idea to send blind copies of your letter to Oral and Terry, both of whom are in a position to expedite House action.

Regards,

Robert H. Ziegler, Sr.

RHZ:lk

February 1, 1980

Clem V. Tillion,
President of the Senate
Room 101 Capital Building
Juneau, Alaska

Re: SB 293.

Dear Mr. President:

When the Senate Judiciary Committee considered the captioned bill at its regularly scheduled hearing on January 29, 1980, Donald P. Koch of the Division of Insurance testified before us, advising us that the Division was not opposed to the legislation.

However, Mr. Koch stated that there had been an occasion when a life insurance company, notwithstanding the double indemnity provision for accidental death contained in its policy, had paid the beneficiary only the face amount of the policy.

It is the intent of the Senate Judiciary Committee that a presumptive death certificate shall have the same force and effect as a regularly issued death certificate insofar as ascertaining the amount of insurance proceeds payable is concerned.

Respectfully submitted,



SENATOR ZIEGLER, CHAIRMAN



SENATOR BENNETT, MEMBER

SENATOR RAY, MEMBER



SENATOR MELAND, MEMBER



SENATOR DANKWORTH, MEMBER



District Court

State of Alaska

FIRST JUDICIAL DISTRICT
415 MAIN STREET, ROOM 400
KETCHIKAN, ALASKA
99901

CHAMBERS OF
H. C. KEENE, Jr., JUDGE

January 21, 1980

Hon. Robert H. Ziegler, Sr.
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Presumptive Death

Dear ^{Bob}~~Senator Ziegler~~:

This is in reply to your letter of January 16, 1980.

First and foremost, I must admit that the section pointed out by Mr. Vassar probably escaped my notice although I have considered it in the past.

However, I do not think it will fit the bill. Sec. 13.06.035 is a rule of evidence only. My evaluation is that this is not sufficient for the average magistrate or judge handling presumptive death certificates to act upon. A provision which is more in the nature of a directive or authority for specific action is needed.

I, therefore, feel that Senate Bill No. 293 is still necessary. This evaluation is based on discussions with other judicial officers and my own experience.

Very truly yours,

Henry C. Keene, Jr.
District Court Judge

HCK:ri

Enclosures

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 15, 1980

SUBJECT: Presumptive Death
(Work Order Number 7316)

TO: Senator Robert H. Ziegler, Sr.

FROM: Kenneth E. Vassar
Legislative Counsel 

Enclosed is the letter from Judge Keene with back-up "exhibits". I have found in the Uniform Probate Code (AS 13.06 - 13.36) a section which is substantially similar to the repealed section referred to in Judge Keene's letter and to the provisions of SB 293. That section is AS 13.06.035(3), which provides:

Sec. 13.06.035. EVIDENCE AS TO DEATH OR STATUS. In proceedings under this code, the rules of evidence in courts of general jurisdiction including any relating to simultaneous deaths, are applicable unless specifically displaced by the code. In addition, the following rules relating to determination of death and status are applicable:

* * *

(3) a person who is absent for a continuous period of five years, during which he has not been heard from, and whose absence is not satisfactorily explained after diligent search or inquiry is presumed to be dead; his death is presumed to have occurred at the end of the period unless there is sufficient evidence for determining that death occurred earlier.

I regret not having seen this section previously. It appears to accomplish Judge Keene's goal.

KEV:ljb

Enclosures