

U.S. retailers lost \$37.4 billion to theft in 2005

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U.S. retailers lost some \$37.4 billion to theft last year, up about 20 percent from a year earlier, hurt by gangs of professional shoplifters, according to a survey released on Wednesday.

Employee theft remained the biggest source of losses for retailers; but those crimes were actually down from a year earlier, as retailers took security measures such as installing surveillance cameras to watch cash registers and storage rooms, according to the National Retail Security Survey.

The annual survey, which analyzed data from 146 of the largest U.S. retail chains, found that the average dollar loss per incident of theft jumped to \$854 in 2005 from about \$621 in 2004, largely because of a rise in organized retail crime.

Professional shoplifters typically operate in groups of perhaps a half-dozen people and can steal thousands of dollars of merchandise in a single day. They typically hit dozens of stores in one area or along a highway, stealing items ranging from over-the-counter drugs to clothing.

Overall, theft by employees, shoplifting, vendor fraud and administrative error amounted to 1.6 percent of retailers' sales in 2005, up from 1.54 percent the year before, marking the first time in four years that the rate has increased.

The study was conducted by the University of Florida with a funding grant from ADT Security Services. ADT, which is owned by Tyco International Ltd., sells security services to retailers.

Criminologist Richard Hollinger, who has directed the security survey for the last 16 years, said the average loss per organized retail theft incident was more than \$46,000.

"These crime rings work in small organized groups and they can do a lot of damage in very little time, so it looks like that is what is driving up the statistics," he said.