

SOUTHWESTERN VOCATIONAL COLLEGE

LOSS PREVENTION TRAINING MANUAL



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LOSS PREVENTION

MAIN OBJECTIVE

The purpose of loss prevention is to prevent the loss of:

- 1) Money
- 2) Merchandise
- 3) Company Property or Assets
- 4) Shrinkage
- 5) Workers Compensation Fraud
- 6) Civil Lawsuits

Your goal as an agent or asset protection personnel is to maintain a good relationship with staff and supervisors. Your job is much different than the average employee that works in the stock or retail portion of the store. It takes a special person to be an agent because of the responsibility factor. You are charged with the overall security of the building and the safety of the employees. The key point to remember is this – loss prevention has two main goals: 1-Safety, 2-Security.

Now that you've been given a quick overview of what is expected, how can we as loss prevention agents complete the task at hand?

There are two types of thefts – internal and external:

1. Internal - Any employee, manager or supervisor who has the intention of either committing company theft, damage or vandalism.
2. External - Any outside person not directly associated with the company or business, who intends to commit theft, damage, or vandalism.

It is the goal of this course to give the student a good basic understanding of how to be an effective Loss Prevention (LP) or Asset Protection (AP) Agent.

Undercover Operation

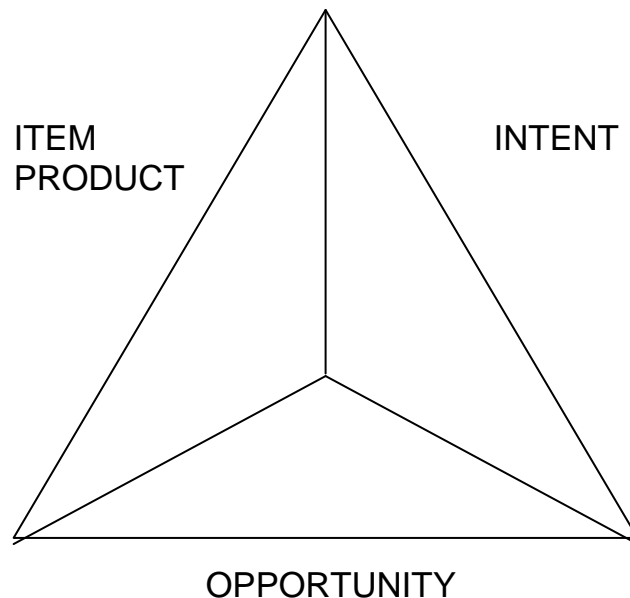
The undercover operation is the basic form in which most of the LP or AP work is done.

Undercover investigations are effective because they allow the LP or AP to move freely throughout the area virtually undetected. Undercover agents are able to complete some of the following tasks:

- 1 – Check the amount of inventory
- 2 – Check breakage or shrinkage
- 3 – Theft and pilferage
- 4 – Report on employee efficiency and moral
- 5 – Observe customers

As an undercover agent one of the biggest problems we will encounter is theft; theft that occurs from both internal and external persons.

EXTERNAL THEFT



- 1) Intention – to specifically intend to permanently deprive
- 2) Items / product – anything for sale or inventory

- 3) Opportunity – exploit a weakness where you have an opportunity to commit theft

SHOP LIFTING

It is your job as the agent to make sure that when investigating an external theft that you meet the following requirements:

- 1) You must observe the person entering the store.
- 2) You must observe the person select specific merchandise (be able to identify the merchandise).
- 3) You must witness the concealment of the merchandise.
- 4) You must never lose sight of the person.
- 5) You must witness the person make no attempt to pay for the merchandise that was concealed and exit the store.

If you believe the person you are observing has met the above criteria you now have probable cause to stop and question that person.

(What is probable cause? Refer to section on laws of arrest.)

It is up to you, the agent, to determine the type of crime you have witnessed; is it a felony, grand theft, burglary, misdemeanor or petty theft? Remember, before you attempt to affect an arrest on any person – it is your own knowledge of the criminal justice system that will keep you and your employer out of criminal and civil court.

INTERNAL THEFT

Internal theft follows some of the same criteria, but is different. Because an employee or supervisor has access to certain parts of the store it is a little more difficult to prove petty theft or grand theft.

The following are some of the things that you need to look for:

- 1 – Price tag switching
- 2 – Employees leaving with large bags, purses, back packs
- 3 – Conspiracy / several employees working together to steal merchandise
- 4 - Trash dumping, merchandise being found in dumpsters

Remember gut instinct is not enough, you will need evidence - eyewitness accounts, videos tape or your own observation before an arrest can be made.

INTERVIEWS

Once an arrest is made it is time to interview your person. Remember that this is a private persons arrest pursuant to Penal Code Section 837 and “Miranda” warning is not necessary at this time. When questioning your subject be specific and most of all professional. Ask question that pertain only to the crime at hand. If you observed everything then there is no need to question, merely state the facts in your written report. However, when dealing with internal theft it might be necessary to conduct an interview with the persons involved. Can you let the person know that is being interviewed all the facts of the case in hopes to get an admission? The answer is yes, however you cannot interview a person and give false findings to where you would make an innocent person believe they were guilty. Always refer to company policy, rules and regulations, when conducting internal investigations.

PHYSICAL SECURITY

As an agent some of your tasks will be to provide physical security to your facility. In some cases we want to keep certain things in while keeping certain things out. Remember no one-security system is perfect in any way. Alarms and locks only delay a person they don't keep a person out. However it is better to create a system that will delay a potential predator and create such a risk of being caught that they move on to an easier target. The following are some methods you can employ:

- 1 – Security and Burglary alarms
- 2 – Lock and key system with key control
- 3 – Fire alarms
- 4 – Hazardous material response and reaction
- 5 – Closed circuit television
- 6 – Security Personnel / loss prevention / uniform security

California Penal Codes

484. (a) Every person who shall feloniously steal, take, carry, lead, or drive away the personal property of another, or who shall fraudulently appropriate property which has been entrusted to him or her, or who shall knowingly and designedly, by any false or fraudulent representation or pretense, defraud any other person of money, labor or real or personal property, or who causes or procures others to report falsely of his or her wealth or mercantile character and by thus imposing upon any person, obtains credit and thereby fraudulently gets or obtains possession of money, or property or obtains the labor or service of another, is guilty of theft. In determining the value of the property obtained, for the purposes of this section, the reasonable and fair market value shall be the test, and in determining the value of services received the contract price shall be the test. If there be no contract price, the reasonable and going wage for the service rendered shall govern. For the purposes of this section, any false or fraudulent representation or pretense made shall be treated as continuing, so as to cover any money, property or service received as a result thereof, and the complaint, information or indictment may charge that the crime was committed on any date during the particular period in question. The hiring of any additional employee or employees without advising each of them of every labor claim due and unpaid and every judgment that the employer has been unable to meet shall be prima facie evidence of intent to defraud.

487. Grand theft is theft committed in any of the following cases:

(a) When the money, labor, or real or personal property taken is of a value exceeding four hundred dollars (\$400), except as provided in subdivision (b).

(b) Notwithstanding subdivision (a), grand theft is committed in any of the following cases:

(1) (A) When domestic fowls, avocados, olives, citrus or deciduous fruits, other fruits, vegetables, nuts, artichokes, or other farm crops are taken of a value exceeding one hundred dollars (\$100).

(B) For the purposes of establishing that the value of avocados or citrus fruit under this paragraph exceeds one hundred dollars (\$100), that value may be shown by the presentation of credible evidence which establishes that on the day of the theft avocados or citrus fruit of the same variety and weight exceeded one hundred dollars (\$100) in wholesale value.

(2) When fish, shellfish, mollusks, crustaceans, kelp, algae, or other aquacultural products are taken from a commercial or research operation which is producing that product, of a value exceeding one hundred dollars (\$100).

(3) Where the money, labor, or real or personal property is taken by a servant, agent, or employee from his or her principal or employer and aggregates four hundred dollars (\$400) or more in any 12 consecutive month period.

(c) When the property is taken from the person of another.

(d) When the property taken is an automobile, firearm, horse, mare, gelding, any bovine animal, any caprine animal, mule, jack, jenny, sheep, lamb, hog, sow, boar, gilt, barrow, or pig.

(e) This section shall become operative on January 1, 1997.

488. Theft in other cases is petty theft.

490. Petty theft is punishable by fine not exceeding one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding six months, or both.

490.5. (a) Upon a first conviction for petty theft involving merchandise taken from a merchant's premises or a book or other library materials taken from a library facility, a person shall be punished by a mandatory fine of not less than fifty dollars (\$50) and not more than one thousand dollars (\$1,000) for each such violation; and may also be punished by imprisonment in the county jail, not exceeding six months, or both such fine and imprisonment.

(b) When an unemancipated minor's willful conduct would constitute petty theft involving merchandise taken from a merchant's premises or a book or other library materials taken from a library facility, any merchant or library facility who has been injured by that conduct may bring a civil action against the parent or legal guardian having control and custody of the minor. For the purposes of those actions the misconduct of the unemancipated minor shall be imputed to the parent or legal guardian having control and custody of the minor. The parent or legal guardian having control or custody of an unemancipated minor whose conduct violates this subdivision shall be jointly and severally liable with the minor to a merchant or to a library facility for damages of not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), plus costs. In addition to the foregoing damages, the parent or legal guardian shall be jointly and severally liable with the minor to the merchant for the retail value of the merchandise if it is not recovered in a merchantable condition, or to a library facility for the fair market value of its book or other library materials. Recovery of these damages may be had in addition to, and is not limited by, any other provision of law which limits the liability of a parent or legal guardian for the tortious conduct of a minor. An action for recovery of damages, pursuant to this subdivision, may be brought in small claims court if the total damages do not exceed the jurisdictional limit of that court, or in any other appropriate court; however, total damages, including the value of the merchandise or book or other library materials, shall not exceed five hundred dollars (\$500) for each action brought under this section.

(f) (1) A merchant may detain a person for a reasonable time for the purpose of conducting an investigation in a reasonable manner whenever the merchant has probable cause to believe the person to be detained is attempting to unlawfully take or has unlawfully taken merchandise from the merchant's premises.

(2) In making the detention a merchant, theater owner, or a person employed by a library facility may use a reasonable amount of nondeadly force necessary to protect himself or herself and to prevent escape of the person detained or the loss of tangible or intangible property.

(3) During the period of detention any items which a merchant or theater owner, or any items which a person employed by a library facility has probable cause to believe are unlawfully taken from the premises of the merchant or library facility, or recorded on theater premises, and which are in plain view may be examined by the merchant, theater owner, or person employed by a library facility for the purposes of ascertaining the ownership thereof.

(4) A merchant, theater owner, a person employed by a library facility, or an agent thereof, having probable cause to believe the person detained was attempting to unlawfully take or has taken any item from the premises, or was attempting to operate a video recording device within the premises of a motion picture theater without the authority of the owner of the theater, may request the person detained to voluntarily surrender the item or recording. Should the person detained refuse to surrender the recording or item of which there is probable cause to believe has been recorded on or unlawfully taken from the premises, or attempted to be recorded or unlawfully taken from the premises, a limited and reasonable search may be conducted by those authorized to make the detention in order to recover the item. Only packages, shopping bags, handbags or other property in the immediate possession of the person detained, but not including any clothing worn by the person, may be searched pursuant to this subdivision. Upon surrender or discovery of the item, the person

detained may also be requested, but may not be required, to provide adequate proof of his or her true identity.

(5) If any person admitted to a theater in which a motion picture is to be or is being exhibited, refuses or fails to give or surrender possession or to cease operation of any video recording device that the person has brought into or attempts to bring into that theater, then a theater owner shall have the right to refuse admission to that person or request that the person leave the premises and shall thereupon offer to refund and, unless that offer is refused, refund to that person the price paid by that person for admission to that theater. If the person thereafter refuses to leave the theater or cease operation of the video recording device, then the person shall be deemed to be intentionally interfering with and obstructing those attempting to carry on a lawful business within the meaning of Section 602.1.

(7) In any civil action brought by any person resulting from a detention or arrest by a merchant, it shall be a defense to such action that the merchant detaining or arresting such person had probable cause to believe that the person had stolen or attempted to steal merchandise and that the merchant acted reasonably under all the circumstances.

(g) As used in this section:

(1) "Merchandise" means any personal property, capable of manual delivery, displayed, held or offered for retail sale by a merchant.

(2) "Merchant" means an owner or operator, and the agent, consignee, employee, lessee, or officer of an owner or operator, of any premises used for the retail purchase or sale of any personal property capable of manual delivery.