

DISRUPTING ORGANIZED RETAIL CRIME

Find the receiver, stop crime.

BACKGROUND

A major Australian retailer and police have been working together to combat Organized Retail Crime (ORC) syndicates targeting baby formula and health and beauty products. Booming demand for these products, particularly from Asia, has caught the unwelcome attention of ORC syndicates looking to profit from the opportunity. In this case study, we'll examine the strategy used to disrupt these syndicates and the success of their program to date.

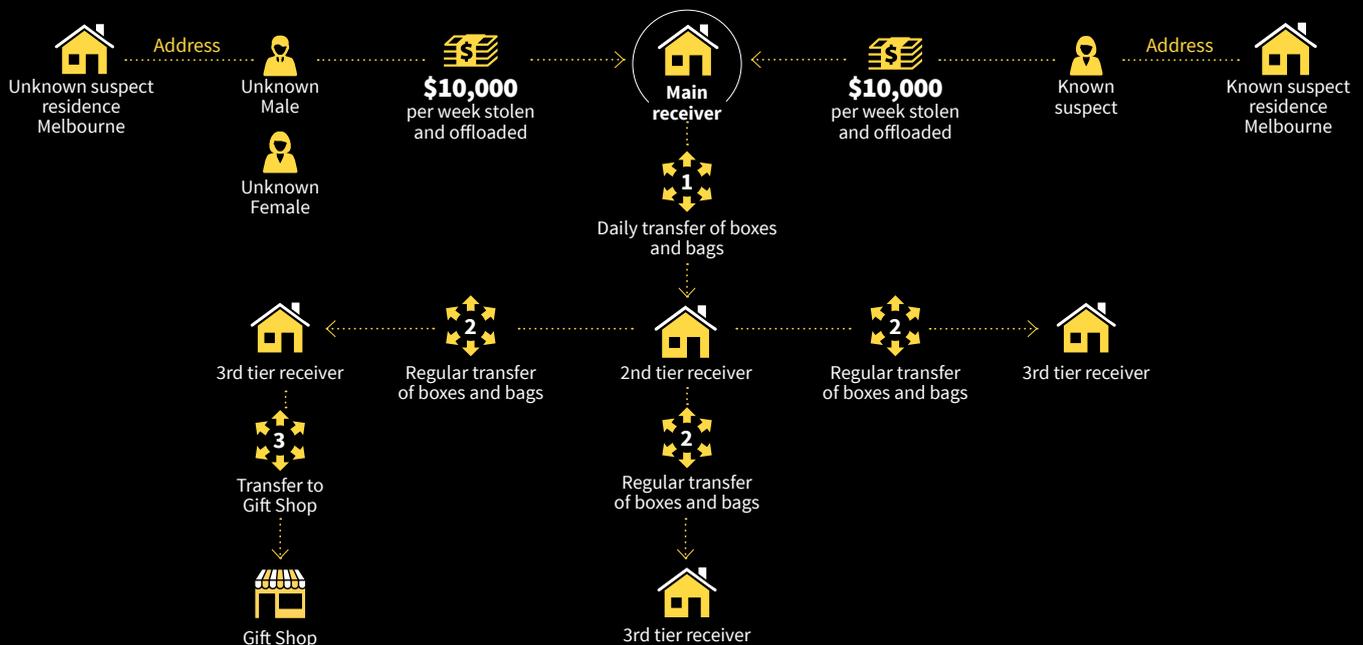
Apprehending shoplifters wasn't helping reduce loss

The retailer found that apprehending the individual shoplifters stealing the products in store was a bit 'whack-a-mole'. So they decided to focus on disrupting the receivers with the view that if the shoplifters couldn't dispose of the stolen product quickly for cash, they would stop stealing the product.

Disrupting receivers

Their approach has been to identify the most prolific offenders targeting specific hot products across the country, put third-party surveillance on them, watch them steal from store to store (including competitors stores), then dispose of the stolen product - this is the magic moment where they identify the receiving hub(s). The receiving hubs then become the

focus of the surveillance. As depicted in the below image, this particular ORC syndicate had set up a complex network of receivers to move, house and distribute the stolen product quickly. Once the receivers and corresponding network had been identified, supporting evidence was provided to law enforcement partners to obtain a search warrant.





What Happened?

With the shoplifters followed, receivers identified and search warrants issued all within a matter of weeks, it would appear to be a fairly simple process. However, the real challenge lies in coordinating the various stakeholders, forming trusted partnerships and gathering the required intelligence.

With operations such as these typically costing in the region of the low tens of thousands, buy in from the business was a must. To achieve this the team showed the resulting ROI from its initial operations, and the results were truly profound.

OPERATION 1

Completed in 4 weeks



6

PROPERTIES SEARCHED



7

ARRESTS MADE



DRUGS

LARGE VOLUME OF CUTTING AGENT FOUND



\$300,000

OF STOLEN GOODS RECOVERED



\$500,000

OF CASH SEIZED

OPERATION 2

Completed in 6 weeks



6

PROPERTIES SEARCHED



6

ARRESTS MADE



\$200,000

OF STOLEN GOODS RECOVERED



MILLIONS

IN STOLEN GOODS PASSED THROUGH RESELLER EACH YEAR

Interesting finding: When they've recovered stock, it's often been boxed, labeled, and ready to send to Asia. Large quantities of the product even had anti-theft lids still attached, which indicated it didn't have the desired deterrent effect on ORC syndicates.

SUMMARY

The retailer now has a repeatable, scalable, and dependable model to disrupt ORC, and has acquired the full backing of the organization to expand the initiative nationwide. With a number of successful operations completed and more on the way, it's great to see an organization not only reducing loss, but also doing their part to create safer communities.