

# **JEWELERS' SECURITY ALLIANCE**

## **2008 ANNUAL CRIME REPORT**



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**COMBINED ON/OFF-PREMISES LOSSES/EVENTS**

**I. DOLLAR LOSSES**

CATEGORY	2008 Dollars	2007 Dollars	08 Dollar Pct. Chg.
ON-PREMISES	\$60.6 mil	\$57.6 mil.	+5.2%
OFF-PREMISES	\$42.9 mil	\$39.5 mil.	+8.6%
<b>Total:</b>	<b>\$103.5 mil</b>	<b>\$97.1 mil.</b>	<b>+6.6%</b>

**II. EVENTS**

CATEGORY	2008 Events	2007 Events	08 Event Pct. Chg.
ON-PREMISES	1318	1114	+18.3%
OFF-PREMISES	187	177	+5.7%
<b>Total:</b>	<b>1505</b>	<b>1291</b>	<b>+16.6%</b>

Note: Dollar losses and the number of criminal events increased by significant amounts. The increase in the total number of criminal events can be partially attributed to an increase of approximately 122 Grab and Run losses, which went from 240 in 2007 to 362 in 2008.

\* \* \* \*

**PART ONE: ON-PREMISES CRIME**

This section provides statistical data regarding criminal activity that targets jewelry locations as opposed to couriers or traveling salespersons on the road. For example, this section includes a robbery, burglary or theft\* committed at a retail jewelry store, at the plant of a jewelry manufacturer or the office of a wholesaler.

**I. TOTAL DOLLAR LOSSES - \$60.6 MILLION**

Available data regarding all on-premises crime categories indicates a 5.2% percent increase in dollar losses and an 18.3 percent increase in criminal events.

**A. Dollar Losses/On-Premises Crime (in millions)**

CATEGORY	2008	2007
Robbery	\$26.6	\$18.0
Burglary	\$19.9	\$17.4
Theft	\$14.1	\$22.2
<b>Total:</b>	<b>\$60.6</b>	<b>\$57.6</b>

**\*JSA Crime definitions:**

**Robbery** – Taking of property by use of force or fear.

**Burglary** – Entering premises after closing with intent to commit a crime. Includes hiding in a jewelry location, taking product and breaking out after closing.

**Theft** – Taking of property without force or fear. Includes crimes such as check and credit card fraud, distraction crimes, diamond switches, sneak thefts and shipping losses that present evidence of criminal activity.

**II. INCIDENT PERCENTAGE BREAKDOWN/ON-PREMISES CRIMES**

CATEGORY	2008	2007
Robbery	16.6%	16.2%
Burglary	24.2%	29.3%
Theft	59.2%	54.5%

Note: In 2008 the JSA received 1,318 on-premises crime reports compared to 1,114 reports in 2007.

**III. ROBBERY**

**A. Number of Robbery Events**

The number of robberies in 2008 increased 21.7 percent. There were 219 robberies reported to the JSA in 2008 compared to 180 in 2007. Robbery arrests increased by almost 10 percent. Law enforcement reported 107 arrests for on-premises robberies in 2007 and 117 arrests in 2008.

**B. Robbery Dollar Losses**

Robbery dollar losses increased by 45.6 percent compared to 2007. Losses for 2007 were \$18.0 million compared to \$26.2 million for 2008.

**C. Most Active State/Robbery – 36 States Reported**

2008		2007	
California	16%	California	17.8%
Texas	11.4%	Texas	12.2%
Florida	10.5%	Florida	10.6%
New York	10.5%	Georgia	10.0%

Note: Chart reflects percentage of total number of on-premises robberies.

**D. Most Active Month/Robbery**

Most Active: July (11.9 percent of total robbery events)  
 Least Active: May (5.0 percent of total robbery events)  
 Average Robberies per month: 18 (In 2007 there were 15 robberies per month)

**E. Most Active Time of Day/Robbery**

In 2008 the greatest number of robberies occurred between 10 AM and 11 AM. There was no 60 minute time period during a normal work day when robberies did not occur.

**F. Most Active Days of Week/Robbery**

Robbery events occurred with similar frequency throughout the week. Thursday was the most active day. Sunday, as in past years, when many jewelry businesses are not open for business, was the least likely day for a robbery to occur.

2008	
Monday	17%
Tuesday	18%
Wednesday	16%
Thursday	20%
Friday	11%
Saturday	12%
Sunday	6%

## G. Percentage of Robbery Events With a Gun/Violence

Robbery events with violence:

2008	2007	2006
33%	29%	30%

Robbery events with a gun:

2008	2007	2006
72%	77%	70%

## IV. HOMICIDE

### A. Homicide Victim Categories

VICTIM CATEGORY	2008	2007	2006
Criminal	8	3	4
Retail Jeweler/Relatives	1	1	2
Customer	1	0	0
Traveling Salesperson	1	0	0
Police Officer	0	0	1
<b>Total</b>	<b>11</b>	<b>4</b>	<b>7</b>

Police officers shot and killed 3 robbers. Jewelers shot and killed 5 robbers. On 7/2/08 a retail jeweler in Grand Haven, MI, and his customer were murdered during a robbery. A traveling jewelry salesperson was shot to death in Staten Island, NY, on 4/29/08. In both incidents the police have arrested those responsible.

### Near-Fatal Violent Incidents

INCIDENTS	2008	2007	2006
Someone shot (not fatal)	3	14	6
Shots fired, no one hit	14	7	9

These near-fatal incidents had the potential of adding 17 additional homicides to the yearly industry total for 2008. Ten non-fatal shots were fired by robbers and four were fired by jewelers at robbers. Two non-fatal shots were fired by members of law enforcement, one wounding a robber attempting to escape. In another incident a robber shot and wounded a security guard who attempted to disarm the robber. On another occasion a retail jeweler was ambushed outside of his residence, shot four times and survived.

## V. BURGLARY LOSSES - \$19.9 million

Dollar losses for the burglary category increased by 11.5 percent in 2008. Losses were \$19.4 million in 2008 compared to \$17.4 million in 2007. In 2007 327 burglaries were reported to JSA compared to 319 in 2008. The average burglary loss was approximately \$64K. Law enforcement arrested 75 individuals on the charge of burglary of a jewelry premises.

**A. The largest burglary loss - \$1.5 million.** On 6/8/08, in Attleboro, MA, burglars cut a hole in the roof and defeated the alarm system by jamming the cell backup system with high tech devices recovered at the scene. The burglars fled with a 700 lbs safe which contained jewelry and valuable NY Giant Super Bowl rings. (Coincidentally, the gang leader is the owner of a moving company.) Police have made three arrests and recovered the rings and other property.

### B. Burglary Synopsis

CATEGORY	2008	2007	2006
States Reporting Burg.	43	41	41
Loss Amount	\$19.9 mil	\$17.4 mil	\$17.9 mil
Safe Attacks*	25/16 States	26/9 States	16/6 States
Most active states:	CA/FL/NJ/TX	FL/TX/CA/NY	TX/NY/FL/CA
Avg. safe attack loss:	\$292K	\$152k	\$373k
Explosive attacks:	None	None	None

\*The frequency of safe attacks decreased by one in 2008 compared to 2007. Safe attacks represented approximately 8 percent of the total number of burglaries against the jewelry industry in 2008. Dollar losses from safe attacks in 2007 totaled approximately \$7.3 million.

**B. Three-Minute Burglaries (B3M) – \$11.4 Mill. Losses - 40 States**

These occurrences are identified as “Three Minute Burglaries” because that is the approximate time required to complete this crime. Usually committed in the middle of the night by attacking a glass front door or window of a retail establishment, and then smashing display cases and stealing out-of-safe merchandise. The B3M category represents approximately 65 percent of the total number of burglaries experienced by the jewelry industry. Out of 319 burglaries reported in 2008, 207 were B3M.

**D. Largest B3M loss: \$878K.** It occurred on 8/5/08 in Troy, MI at about 5 AM.

Burglars pried the door of a watch retailer located in a mall and fled with merchandise left out of a safe before the authorities could respond.

**E. Most Frequent Points of Entry/All Burglaries**

During high-tech burglaries that involve a safe or vault attack, entry is often gained by making a hole in an adjacent unprotected wall, ceiling or floor after an alarm system has been compromised in some manner.

ENTRY POINT	2008	2007	2006
Front Door	33%	48%	37%
Window	18%	17%	29%
Wall	5%	3%	1%
Security Gate	6%	2%	9%
Roof	7%	6%	3%
Veh. Smash	1%	1%	3%
Unknown/Other	30%	25%	18%

Note: In approximately 30 percent of the burglary reports received by the JSA the point of entry was not clearly defined, could not be confirmed or in a manner not listed above. In addition to the above, there were also three burglary reports in which the burglars hid in a store until closing and then broke out after stealing out-of-safe jewelry.

**F. Most Active States/Burglary**

STATE	2008	2007
Florida	14%	23%
Texas	7%	11%
California	17%	9%
New York	3%	6%
New Jersey	10%	6%

Note: Chart reflects percentage of the total number of burglaries and indicates that approximately 50 percent of the total number of burglaries in the United States occurred in only 10 percent of the states.

**VI. THEFT: \$14.1 MIL. LOSSES IN 2008 (\$22.2 MIL. LOSSES IN 2007)**

CATEGORY	AVERAGE LOSS	LARGEST LOSS
Distraction	\$18,988	\$143K
Grab and Run *	\$14,375	\$300K
Check Fraud	\$1,413	\$13K
Internal Theft	\$95,800	\$700K
Sneak Theft	\$12,432	\$270K
Diamond Switch	\$12,477	\$137k

\*Grab and Run losses reported in 39 States.

In 2008 the jewelry industry experienced an increase of 49 percent in the category of Grab and Run crimes. In 2007 there were 243 grab and run crimes reported to the JSA, compared to 362 in 2008. Approximately 46 percent of all thefts reported to the JSA in 2008 were Grab and Run events.

\* \* \* \* \*

## PART TWO: OFF PREMISES CRIMES

This section provides statistical data regarding criminal attacks occurring away from the victim's business base of operations. For example, attacks against traveling jewelry salespersons, trunk and remount show operators, couriers, firms exhibiting at jewelry shows, retailers attacked away from their place of business, and other industry members traveling with jewelry.

### I. DOLLAR LOSSES - \$42.9 MILLION

Dollar losses increased by approximately 8.6 percent during 2008 and the number of criminal events increased approximately 6 percent. This report compared 177 cases from 2007 to 187 cases used in the statistical review for 2008. In 2007, nationwide off-premises attacks occurred at a rate of 14.8 per month, in 2008 attacks occurred at a rate of 15.6 per month.

CRIME CATEGORY	2008	2007
Robbery	\$34.0 million	\$35.2 million
Burglary	\$596K	\$663K
Theft	\$8.3 million	\$3.6 million
<b>Total</b>	<b>\$42.9 million</b>	<b>\$39.5 million</b>

### II. PERCENTAGE OF TOTAL OFF-PREMISES CASES BY CRIME CATEGORY

The crime category of robbery continues to account for the majority of Off-Premises attacks since 1997.

CATEGORY	2008	2007
Robbery	72%	67%
Burglary	3%	6%
Theft	25%	27%

### III. ROBBERY OF TRAVELING SALESPERSONS

#### A. Violence

In 31 percent of the off-premises robberies (59 out of 187 attacks) reported to JSA in 2008, a victim was physically assaulted, usually in response to some level of resistance on the part of the victim. A gun was displayed in 39 of the attacks and a knife displayed during 36 attacks. Additionally, there were six attacks in which a victim jeweler was stabbed. There has been a significant increase in the use of knives by the SATG as opposed to handguns during 2008. There has also been a strong pattern of attacks on Asian victims, especially on the west coast. The SATG may be targeting Asian jewelers, who may have less familiarity with necessary security precautions in the U.S., believing that they most likely will depart the U.S. soon after being attacked, have language difficulties with police and prosecutors, and are likely to be poor witnesses.

## B. Trunk/Remount Shows

In 2008 the JSA received incomplete reports regarding two Trunk/Remount show losses.

## C. Off-Premises Robbery Losses

2008	2007	2006
\$ 42.9 million	\$ 35.3 million	\$22.6 million

Note: Off-premises robbery dollar losses are up by 22 percent compared to 2007 and up by 89 percent compared to 2006.

## IV. BURGLARY - \$596K IN LOSSES

Five off-premises burglaries were reported to the JSA in 2008 compared to 11 in 2007.

## V. THEFT - \$8.3 MILLION IN LOSSES

In 2008 off-premises theft dollar losses totaled \$8.3 million compared to \$ 3.7 million in losses for 2007. Unattended losses are occurring with less frequency then in past years and account for about 10 percent of the total number of off-premises attacks. Unless expensive insurance riders have been purchased this type of loss is not generally covered by insurance.

### A. Dollar Losses

2008	2007	2006
\$8.3 mil	\$3.7 mil	\$8.9 mil

### B. Events

CATEGORY	2008	2007	2006
Unattended*	10%	18%	18%
Sneak Theft	3%	7%	6%
Distraction	2%	1%	1%

Note: Percentages shown above reflect the percentage of the total number of off-premises losses.

\*The largest unattended loss was for \$600K. It occurred in Dallas, TX on 4/4/08. The line was left unattended in a vehicle, which was also stolen.

## VI. MOST FREQUENT CRIME SCENES

The most common technique used by thieves to identify traveling jewelry salespersons is to wait for them to appear at a retail jewelry store and then follow them to one of the listed crime scenes.

CRIME SCENE	2008	2007	2006
Parking lots	37%	51%	43%
Hotel/Motel	18%	17%	25%
Residence	12%	16%	10%
Gas Stations	7%	4%	4%
Restaurants	6%	10%	6%
While driving	3%	2%	8%
Airports	3%	3%	1%

Note: Overlapping occurs between some crime scene categories.

Ten (10) Home Invasions are included in the Crime Scene, Residence category, for 2008.

Parking lots continue to be the most common place of occurrence for an attack on a traveling salesperson. There were five losses reported at airports in 2008. Three occurred at car rental locations and two involved the arrest of airport baggage handlers caught stealing jewelry from checked bags.

## VII. SUSPECT PROFILE

In the great majority of off-premises losses reported to the JSA, in which suspect descriptions were provided or arrests made, male and female Hispanic suspects were indicated. Based on law enforcement reports, the majority of those arrested were found to be from Colombia and residing in the U.S. illegally. Local and Federal law enforcement agencies have confirmed the existence of organized criminal groups identified as South American Theft/Robbery Gangs (SATG), which concentrate their criminal activities against the jewelry industry.

**VIII. MOST ACTIVE STATES – 27 STATES REPORTING (2007-27 States)**

States with losses: AL,AR, AZ, CA, FL, GA, IL, IN, KY, MA, MI, MN, MO, NC, NJ, NM, NV, NY, OH, OK, OR, PA, TN, TX, UT, VA, and WV.

STATES	2008	STATES	2007
1. California	37%	1. California	7 %
2. Texas	14%	2. Florida	11%
3. FL/NY	8% (each)	3. Georgia	11 %
4. Illinois	5%	4. New York.	20 %
<b>Total</b>	<b>72%</b>	<b>Total</b>	<b>50 %</b>

Note: Percentages shown reflect a percentage of the total number of off-premises losses. The information provided in this chart demonstrates that 72 percent of all off-premises crime occurred in just five states during 2008.

**IX. MOST ACTIVE CITIES**

	2008	2007	2006
1.	Los Angeles, CA	New York, NY	New York, NY
2.	Dallas, TX	Chicago, IL	Las Vegas, NV
3.	Houston, TX	Los Angeles, CA	Atlanta, GA
4.	San Francisco, CA	Marietta, GA	Los Angeles, CA

\*Note: There is a current active pattern of off-premises attacks alternating between Dallas, TX and Oklahoma City, OK. This pattern, first observed during 2008, is continuing into 2009 and may involve SATG members traveling back and forth between the two cities to confuse law enforcement.

**COMBINED ON/OFF-PREMISES  
2008 CRIMES\* AND ARRESTS BY STATE**

\* All crime categories, robbery, burglary and theft, on-premises and off-premises, were included in the preparation of this chart. "Arrests" refers to the number of persons arrested during 2008 for crimes committed in 2008.

State	AL	AR	AK	AZ	<b>CA**</b>	CO	CT	DC	DE	<b>FL</b>	<b>GA</b>	HI
<b>Crimes</b>	24	16	1	32	<b>259</b>	16	21	2	7	<b>156</b>	<b>58</b>	5
<b>Arrests</b>	13	1	0	16	<b>43</b>	3	13	0	1	<b>50</b>	<b>13</b>	2
State	IA	ID	<b>IL</b>	IN	KS	KY	LA	MA	MD	ME	MI	MN
<b>Crimes</b>	9	6	<b>60</b>	14	13	23	9	25	31	1	33	13
<b>Arrests</b>	2	6	<b>10</b>	1	1	6	3	7	3	0	15	2
State	MO	MS	MT	NC	ND	NE	NH	<b>NJ</b>	NM	NV	<b>NY</b>	OH
<b>Crimes</b>	22	4	2	39	0	3	6	<b>75</b>	9	22	<b>87</b>	44
<b>Arrests</b>	10	2	0	11	0	0	3	<b>29</b>	0	7	<b>50</b>	7
State	OK	OR	<b>PA</b>	RI	SC	SD	TN	<b>TX</b>	UT	VT	VA	WA
<b>Crimes</b>	18	17	<b>53</b>	1	23	2	33	<b>125</b>	8	0	35	25
<b>Arrests</b>	1	7	<b>19</b>	0	5	1	7	<b>19</b>	11	0	10	6
State	WI	WV	WY									
<b>Crimes</b>	14	4	0									
<b>Arrests</b>	3	4	0									
<b>TOTAL 2008 CRIMES: 1505 (Crimes in 2007 – 1291)</b>												
<b>TOTAL 2008 ARRESTS: 425 (Arrests in 2007 – 446)</b>												

\*\* California, the state with the most number of crimes in 2008 has traditionally led the U.S. in jewelry crime. No reports of jewelry crimes were reported to the JSA from states of, WY, VT, and ND.  
Note: The number of crimes indicated in the eight states shown in bold represent 58% of the total number of crimes during 2008. The number of arrests indicated for those eight states represents 55% of the total number of arrest during 2008.

**JSA Sources of Case Information**

JSA Membership (20,000 manufacturing, wholesale and retail doors)\*

JSA Law enforcement information sharing network

Non-member crime victims

Associate trades: alarm co., security co., safe mfg., etc.

Insurance companies, insurance brokers and adjusters

Media, Trade publications, General public, On-line sources.

The statistics provided in this report are based solely on information obtained by the JSA. Only information that in the opinion of the JSA is credible, and can be verified in some way as to its accuracy, is used in the compilation of these statistics. Extremely large and unusual dollar amounts may not be included in some calculations to prevent skewing. The loss values reported should be considered conservative, and may be greater than indicated. JSA seeks to use loss values at cost, not retail value, and no values from past years are adjusted for inflation.

It is not possible for the JSA to obtain information on every jewelry industry crime which occurs in the United States for several reasons, not limited to the fact that many go unreported, even to the police. However, the JSA database is the largest and most accurate in existence. It is the opinion of the JSA staff that information pertaining to additional criminal events would not have a significant effect on the dollars or percentages derived from existing information.

\* According to the Jewelers Board of Trade (JBT) there were 22,623 retail jewelry businesses in the United States in 2008.

**U.S. JEWELRY INDUSTRY CRIME LOSSES  
1999 THROUGH 2008**

LOSSES STATED IN 2008 INFLATION ADJUSTED DOLLARS

<b>YEAR</b>	<b>LOSSES IN 2008 DOLLARS</b>
1999	\$173.30 million
2000	\$147.41 million
2001	\$149.17 million
2002	\$150.80 million
2003	\$152.82 million
2004	\$124.46 million
2005	\$122.92 million
2006	\$118.76million
2007	\$100.83 million
2008	\$103.4 (Preliminary)

DOWN 39 %

**JEWELRY INDUSTRY PERSONNEL KILLED  
DURING ROBBERY EVENTS**

<b>Year</b>		<b>Deaths</b>
1995		16
1996		15
1997		11
1998		8
1999		10
2000		3
2001		6
2002		12
2003		9
2004		2
2004		4
2006		2
2007		1
2008		2
<b>TOTAL</b>		<b>101</b>

## HOMICIDES DURING CRIMES AGAINST JEWELRY FIRMS FROM 1980 TO 2008

Total number of persons killed during crimes  
against jewelers in U.S. including criminals

<b>Year</b>	<b>Deaths</b>
1980	46
1981	30
1982	27
1983	27
1984	16
1985	20
1986	15
1987	12
1988	20
1989	22
1990	31
1991	37
1992	28
1993	20
1994	20
1995	18
1996	21
1997	20
1998	19
1999	15
2000	9
2001	13
2002	16
2003	11
2004	3
2005	9
2006	7
2007	4
2008	11
<b>Total</b>	<b>547</b>