

JEWELERS' SECURITY ALLIANCE

2009 ANNUAL CRIME REPORT



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EXECUTIVE SUMMARY

In 2009 the total dollar losses from crimes against jewelry firms in the U.S. declined from \$103.5 million in 2008 to \$97.7 million, a decline of 5.6%, while the total number of crimes that were reported increased from 1,505 to 1,557, an increase of 3.5%.

Some significant trends or changes in 2009 were:

- Off-premises attacks, primarily against traveling salespersons, declined from 187 to 137, a decline of 26.7%, to the lowest total since the 1980s. Two major reasons for this decline were greater enforcement by local police and the FBI, and a significant decrease in salespersons on the road due to the economy.
- The number of on-premises robberies, primarily of retail jewelers, increased by 14.2% from the previous year, and dollar losses increased 27.1%.
- There were 58 rooftop burglaries of retail jewelers in 2009, a sharp increase from previous years, with Florida being the most active state.
- There were 520 arrests in 2009 of suspects who committed crimes against the jewelry industry, a 22.4% increase from the previous year.

COMBINED ON/OFF-PREMISES LOSSES/EVENTS

I. DOLLAR LOSSES

CATEGORY	2009 Dollars	2008 Dollars	09 Dollar Pct. Chg.
ON-PREMISES	\$72.9 mil	\$60.6 mil	+20.3%
OFF-PREMISES	\$24.8 mil	\$42.9 mil	-42.2%
Total:	\$97.7 mil	\$103.5 mil	-5.6%

II. EVENTS

CATEGORY	2009 Events	2008 Events	09 Event Pct. Chg.
ON-PREMISES	1420	1318	+7.7%
OFF-PREMISES	137	187	-26.7%
Total:	1557	1505	+3.5%

Note: Dollar losses decreased by 5.6 percent while the total number of criminal events increased by 3.5 percent. The increase in the total number of criminal events can be attributed to the high number of Grab and Run losses (359) and a 14.2 percent increase in the number of robberies (250).*

*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.

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 - \$72.9 MILLION

Available data regarding all on-premises crime categories indicates a 20.3 percent increase in dollar losses and a 7.7 percent increase in criminal events.

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

CATEGORY	2009	2008
Robbery	\$33.8	\$26.6
Burglary	\$21.6	\$19.9
Theft	\$17.5	\$14.1
Total:	72.9	\$60.6

II. INCIDENT PERCENTAGE BREAKDOWN/ON-PREMISES CRIMES

CATEGORY	2009	2008
Robbery	17.6%	16.6%
Burglary	22.3%	24.2%
Theft	60.1%	59.2%

Note: In 2009 the JSA received 1,420 on-premises crime reports compared to 1,318 reports in 2008.

III. ROBBERY

A. Number of Robbery Events

The number of robberies in 2009 increased 14.2 percent. There were 250 robberies reported to the JSA in 2009 compared to 219 in 2008. Robbery arrests increased by approximately 38 percent. Law enforcement reported 117 arrests for on-premises robberies in 2008 and 162 arrests in 2009.

B. Robbery Dollar Losses

Robbery dollar losses increased by 29 percent compared to 2008. Losses for 2008 were \$26.2 million compared to \$33.8 million for 2009.

C. Most Active State/Robbery – 36 States Reported

2009		2008	
California	20.4%	California	16.0%
Texas	9.2%	Texas	11.4%
Florida	9.2%	Florida	10.5%
New York	6.4%	New York	10.5%

Note: Chart reflects percentage of total number of on-premises robberies and indicates that 45.2 percent of jewelry industry on-premises robberies were committed in just four states. These four states have the largest concentration of retail jewelry businesses in the country.

D. Most Active Month/Robbery

Most Active: October (11.2 percent of total robbery events)

Least Active: April (5.2 percent of total robbery events)

Average Robberies per month: 20.8 (In 2008 there were 18 robberies per month)

E. Most Active Time of Day/Robbery

In 2009 the greatest number of robberies occurred between 11 AM and 12 Noon. The second most active time of the day for a robbery to occur was between 5 PM and 6 PM. Retail robberies occurred between 7 AM and 11 PM. There was no 60 minute time period during a normal work day when robberies did not occur.

F. Most Active Days of Week/Robbery

As noted in past years, robbery events occurred with similar frequency throughout the week. Tuesday and Wednesday were the most active days. Sunday, when many jewelry businesses are not open for business, was the least likely day for a robbery to occur.

2009	
Monday	17.5%
Tuesday	18.8%
Wednesday	18.8%
Thursday	16.8%
Friday	13.1%
Saturday	10.0%
Sunday	6.3%

G. Percentage of Robbery Events With a Gun/Violence

Robbery events with violence:

2009	2008	2007
34.8%	33%	29%

Robbery events with a gun:

2009	2008	2007
73.6%	72%	77%

IV. HOMICIDE

A. Homicide Victim Categories

VICTIM CATEGORY	2009	2008	2007
Criminal	3	8	3
Retail Jeweler/Relative	3	1	1
Customer	1	1	0
Traveling Salesperson	0	1	0
Police Officer	0	0	0
Total	7	11	4

Jewelers shot and killed 3 robbers in Omaha, NE and Memphis, TN. In Memphis, a traveling jewelry salesman was attacked by 4/M/H. The salesman used his licensed gun to shoot two of the suspects. One suspect later died of his wounds. In Omaha, on 1/13/09, a retail jeweler had an argument with several men regarding gold teeth they had ordered. The men pulled guns and fired shots at the jeweler, who fired back with his gun, killing two of the gunman and wounding a third.

Near-Fatal Violent Incidents

INCIDENTS	2009	2008	2007
Someone shot (not fatal)	19	3	14
Shots fired, no one hit	10	14	7

These near-fatal incidents had the potential of adding 29 additional homicides to the yearly industry total for 2009. Jewelers shot and wounded six robbers. Robbers shot and wounded eight jewelers, four customers, and one police officer, during the commission of robberies at retail jewelry stores. An off-duty police officer, while escorting a watch salesman in Houston, TX, on 9/11/09, was involved in a shootout with a South American robbery gang. One suspect was wounded and the officer was shot in his leg.

V. BURGLARY LOSSES - \$21.6 million

A. Dollar losses for the burglary category increased by 11.3 percent in 2009. Losses were \$21.6 million in 2009 compared to \$19.4 million in 2008. In 2009 316 burglaries were reported to JSA compared to 319 in 2008. The average burglary loss was approximately \$57K. Law enforcement arrested 93 individuals on the charge of burglary of a jewelry premises, an increase of 18 arrests over 2008.

B. Burglary Synopsis

CATEGORY	2009	2008	2007
States Reporting Burg.	42	43	41
Loss Amount	\$21.6 mil	\$19.9 mil	\$17.4 mil
Safe Attacks*	38/23 States	25/16 States	26/9 States
Most active states:	FL/CA/TX	CA/FL/NJ/TX	FL/TX/CA/NY
Avg. safe attack loss:	\$434,940	\$292K	\$152K

*The frequency of safe attacks increased significantly in 2009 compared to 2008. Safe attacks represented approximately 12 percent of the total number of burglaries against the jewelry industry in 2009.

C. Three-Minute Burglaries (B3M) – \$3.5 Mill. Losses - 43 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 65.2 percent of the total number of burglaries experienced by the jewelry industry. Out of 316 burglaries reported in 2009, 206 were B3M. Three-minute burglaries occur only when jewelry is not secured and out of sight overnight.

D. (B3M) Three Minute Burglary

- Frequency by day and month -

DAY		MONTH			
Mon	37	Jan	22	Jul	18
Tue	26	Feb	11	Aug	15
Wed	38	Mar	20	Sep	14
Thu	26	Apr	13	Oct	23
Fri	22	May	18	Nov	18
Sat	19	Jun	12	Dec	22
Sun	36				

Burglary (Not B3M)

- Frequency by day and month -

DAY		MONTH			
Mon	20	Jan	6	Jul	12
Tue	10	Feb	9	Aug	9
Wed	19	Mar	6	Sep	14
Thu	9	Apr	3	Oct	6
Fri	17	May	12	Nov	11
Sat	18	Jun	19	Dec	2
Sun	16				

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	2009	2008	2007
Front Door	30%	33%	48%
Window	22%	18%	17%
Wall	3%	5%	3%
Security Gate	1%	6%	2%
Roof	18%	7%	6%
Veh. Smash	2%	1%	1%
Unknown/Other	24%	30%	25%

Note: In approximately 24 percent of the burglary reports received by the JSA, the point of entry was not clearly defined, could not be confirmed, or occurred in a manner not listed above. In addition to the above, there were also two burglary reports in which the burglars hid in a store until closing and then broke out after stealing out-of-safe jewelry.

F. Rooftop Burglaries: Initial entry through a roof.

The JSA received reports of 58 rooftop burglaries from 17 states. Florida was the most active state with 24 rooftop burglaries. Six reports of rooftop burglaries were received from Texas. The majority of these burglaries resulted in large losses. Alarm systems, most without the benefit of line-security, were compromised before a signal could be sent to a central station alarm company. Numerous safes, many with a UL rating of TL30, were easily either burned or cut open. Florida law enforcement has identified a criminal group suspected of being responsible for many of these attacks and have arrested several suspects.

G. Most Active States/Burglary

STATE	2009	2008
Florida	16%	14%
California	9%	7%
Texas	8%	17%
Ohio	5%	3%
Georgia	3%	10%

Note: Chart reflects percentage of the total number of burglaries and indicates that approximately 40 percent of the total number of burglaries in the United States occurred in only 10 percent of the states.

VI. THEFT: \$17.5 MIL. LOSSES IN 2009 (\$14.1 MIL. LOSSES IN 2008)

A. Frequent Theft Methods

CATEGORY	AVERAGE LOSS	LARGEST LOSS
Distraction	\$29,243.	\$325K
Grab and Run *	\$12,467.	\$80K
Check Fraud	\$11,085.	\$36K
Internal Theft	\$44,544.	\$130K
Sneak Theft	\$13,569.	\$170K
Diamond Switch	\$7,619.	\$51K

*Grab and Run losses reported in 42 States.

In 2009 the number of Grab and Run crimes reported to the JSA was almost identical to the number reported in 2008. In 2008 there were 362 grab and run crimes reported to the JSA, compared to 359 in 2009. Approximately 42 percent of all thefts reported to the JSA in 2009 were Grab and Run events. Sneak thefts and Distraction crimes account for an additional 25 percent of theft reports.

B. Theft - Grab And Run

- Frequency by hour of the day -

TIME	EVENTS
8 TO 9 AM	0
9 TO 10 AM	0
10 TO 11 AM	14
11 TO NOON	11
12 TO 1 PM	18
1 TO 2 PM	25
2 TO 3PM	18
3 TO 4 PM	24
4 TO 5 PM	24
5 TO 6PM	23
6 TO 7 PM	10
7 TO 8 PM	18
8 TO 9 PM	27
9 TO 10 PM	3
10 TO 11 PM	1
TOTAL	216

Based on 216 cases in 2009 in which the exact time of the loss was known.

C. Theft - Grab And Run

- Frequency by day and month -

DAY		MONTH			
Mon	61	Jan	34	Jul	24
Tue	61	Feb	31	Aug	33
Wed	63	Mar	31	Sep	21
Thu	57	Apr	22	Oct	23
Fri	39	May	41	Nov	33
Sat	52	Jun	28	Dec	38
Sun	26				

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, including at home, and other industry members traveling with jewelry.

I. DOLLAR LOSSES - \$24.8 MILLION

Dollar losses decreased by approximately 40 percent during 2009 and the number of criminal events decreased approximately 27 percent. This report compared 187 cases from 2008 to 137 cases used in the statistical review for 2009. In 2008, nationwide off-premises attacks occurred at a rate of 15.6 per month, in 2009 attacks occurred at a rate of 11.4 per month.

CRIME CATEGORY	2009	2008
Robbery	\$20.9 million	\$34.0 million
Burglary	\$549K	\$596K
Theft	3.4 million	\$8.3 million
Total	\$24.8 million	\$42.9 million

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

The crime category of robbery has accounted for the majority of Off-Premises attacks since 1997.

CATEGORY	2009	2008
Robbery	67%	72%
Burglary	7%	3%
Theft	26%	25%

III. ROBBERY OF TRAVELING SALESPERSONS

A. Violence

In 21 percent of the off-premises robberies (29 out of 137 attacks) reported to JSA in 2009, a victim was physically assaulted, usually in response to some level of resistance on the part of the victim. A gun was displayed in 25 of the robberies and a knife was displayed during 20 incidents. 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 and 2009. The change in the SATG's weapon of choice may be an effort to avoid more severe sentencing guidelines for the use of a gun during the commission of a crime upon conviction in Federal Court.

B. Trunk/Remount Shows

In 2009 the JSA received no reports regarding Trunk/Remount show losses. The use of off-duty police officers to escort show personnel has in recent years drastically reduced losses of this type.

C. Off-Premises Robbery Losses

2009	2008	2007
\$24.8 million	\$ 42.9 million	\$35.3 million

Note: Off-premises robbery dollar losses are down by 42.2 percent compared to 2008 and down by 29.7 percent compared to 2007.

IV. BURGLARY - \$549K IN LOSSES

Ten off-premises burglaries were reported to the JSA in 2009 compared to five in 2008. In six of the ten incidents the victims were retail jewelers and the place of occurrence was a private residence.

V. THEFT - \$3.3 MILLION IN LOSSES

In 2009 off-premises theft dollar losses totaled \$3.4 million compared to \$8.3 million in losses for 2008. Unattended losses are occurring with increased frequency and account for about 17 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

2009	2008	2007
\$3.4 mil	\$8.3 mil	\$3.7 mil

B. Events

CATEGORY	2009	2008	2007
Unattended*	17%	10%	18%
Sneak Theft	2%	3%	7%
Distraction	1%	2%	1%

Note: Percentages shown above reflect the percentage of the total number of off-premises losses.
 *The largest unattended loss was for \$1.5 million. It occurred in Albuquerque, NM, on 9/2/09, when an uninsured line was left unattended in a vehicle.

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 below listed crime scenes.

Note: Overlapping occurs between some crime scene categories.

CRIME SCENE	2009	2008	2007
Parking lots	47%	37%	51%
Hotel/Motel	17%	18%	17%
Residence	18%	12%	16%
Gas Stations	5%	7%	4%
Restaurants	9%	6%	10%
While driving	8%	3%	2%
Show related	5%	4%	8%
Airports	0%	3%	3%

Two (2) home invasions are included in the “Residence” category, for 2009, compared to ten (10) similar crimes in 2008. Parking lots continue to be the most common place of occurrence for an attack on a traveling salesperson. The JSA received no reports of losses at an airport during 2009. There were five losses reported at airports in 2008, three occurred at airport 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 – 30 STATES REPORTING (2008-27 States)

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

STATES	2009	STATES	2008
1. California	34%	1. California	37%
2. Florida	10%	2. Texas	14%
3. TX/NY	7% each	3. FL/NY	8% each
4. Georgia	6%	4. Illinois	5%
Total	64%	Total	72%

Note: Percentages shown reflect an approximate percentage of the total number of off-premises losses. The information provided in this chart demonstrates that 64 percent of all off-premises crime occurred in just five states during 2009.

IX. MOST ACTIVE METROPOLITAN AREAS

- 2009 -	
METRO AREA	ATTACKS
Los Angeles, CA	25
San Francisco/San Jose, CA	12
Miami/West Palm Beach, FL	9
Atlanta, GA	7
New York, NY	6
Chicago, IL	5
Las Vegas, NV	4
Dallas, TX	4
Houston, TX	4
Albany, NY	3
Richmond, VA	3
Sacramento, CA	3

*Note: The jewelry industry has experienced a significant reduction regarding attacks on traveling jewelry salespeople. Two important factors to consider regarding this reduction is the dedicated interest by law enforcement, particularly the FBI, regarding the prosecution of this category of crime, and the greatly reduced number of traveling jewelry salespeople on the road.

**U.S. JEWELRY INDUSTRY CRIME LOSSES
2000 THROUGH 2009**

LOSSES STATED IN 2009 INFLATION ADJUSTED DOLLARS

YEAR	LOSSES STATED IN 2009 DOLLARS
2000	\$146.89 million
2001	\$148.64 million
2002	\$150.26 million
2003	\$151.65 million
2004	\$124.02 million
2005	\$122./48 million
2006	\$112.59 million
2007	\$100.47 million
2008	\$103.13 million
2009	\$97.7 million (Preliminary)

**Note: Losses down 42% from 2000 to 2009 in
Inflation adjusted dollars.**

**JEWELRY INDUSTRY PERSONNEL KILLED
DURING ROBBERY EVENTS**

Year	Deaths
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
2009	3
TOTAL	104

**HOMICIDES DURING CRIMES AGAINST
JEWELRY FIRMS FROM 1980 TO 2009**

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

Year	Deaths
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
2009	7
Total	554

**COMBINED ON/OFF-PREMISES
2009 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 2009 for crimes committed in 2009.

State	AL	AR	AK	AZ	CA**	CO	CT	DC	DE	FL	GA	HI
Crimes	23	9	4	23	223	31	33	1	9	133	45	13
Arrests	13	3	0	18	71	1	28	0	4	39	12	4
State	IA	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN
Crimes	10	3	55	20	10	19	9	38	44	5	44	11
Arrests	1	10	11	2	1	2	4	23	6	2	8	3
State	MO	MS	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH
Crimes	28	8	2	50	1	10	6	58	14	30	106	62
Arrests	4	3	1	25	0	8	2	55	1	9	34	18
State	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA
Crimes	14	17	52	4	25	0	35	110	14	0	40	21
Arrests	2	5	16	4	5	0	13	33	0	0	5	1
State	WI	WV	WY									
Crimes	27	6	2									
Arrests	11	1	0									
TOTAL 2009 CRIMES: 1557 (Crimes in 2008 – 1505)												
TOTAL 2009 ARRESTS: 520 (Arrests in 2008 – 425)												

** California, the state with the most crimes in 2009 has traditionally led the U.S. in jewelry crime. No reports of jewelry crimes were reported to the JSA from states of SD and VT.

Note: The number of crimes indicated in the eight states shown in bold represent 51% of the total number of jewelry crimes reported to the JSA during 2009. The number of arrests indicated for those eight states represents 52% of the total number of arrest during 2009.

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/or suspect 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 unless specified.

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.