

JEWELERS' SECURITY ALLIANCE

2010 ANNUAL CRIME REPORT



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CONTENTS:

EXECUTIVE SUMMARY, p. 2

PART ONE: ON-PREMISES CRIME, p. 3

PART TWO: OFF-PREMISES CRIME, p. 8

DOLLAR LOSSES-INFLATION ADJUSTED-10 YEAR CHART, p. 11

HOMICIDE CHART-JEWELERS KILLED-1996 TO 2010, p. 11

2010 CRIMES AND ARRESTS BY STATE, p. 12

JSA SOURCES OF CASE INFORMATION, p. 12

EXECUTIVE SUMMARY

In 2010 the total dollar losses from crimes against jewelry firms in the U.S. declined from \$97.7 million in 2009 to \$80.8 million, a decline of 17.3%. The total number of crimes that were reported to the JSA decreased from 1557 to 1487, a decrease of 4.5%.

Some significant trends or changes in 2010 were:

- Off-premises attacks, primarily against traveling salespersons, declined from 137 to 113, a decline of 17.5%, to the lowest total since the 1980s. A major reason the decline in off-premises attacks is a significant decrease in the number of salespersons on the road due to the economy.
- The number of on-premises robberies, primarily of retail jewelers, increased by 3.6% from the previous year, however, dollar losses decreased 15.5%.
- There were 377 Grab and Run losses at retail jewelers in 2010. In 2009 the JSA received reports of 359 Grab and Run incidents. California (41), Texas (41) and Florida (33) were the most active states.
- There were 538 arrests in 2010 of suspects who committed crimes against the jewelry industry, a 3.4% increase from the previous year.

COMBINED ON/OFF-PREMISES LOSSES/EVENTS

I. DOLLAR LOSSES

CATEGORY	2010	2009	Dollar Pct. Chg.
ON-PREMISES	\$60.6 mil	\$72.9 mil	-16.9%
OFF-PREMISES	\$20.2 mil	\$24.8 mil	-18.6%
Total:	\$80.8 mil	\$97.7 mil	-17.3%

II. EVENTS

CATEGORY	2010 Events	2009 Events	2010 Event Pct. Chg.
ON-PREMISES	1374	1420	-3.2%
OFF-PREMISES	113	137	-17.5%
Total:	1487	1557	-4.5%

Note: Dollar losses decreased by 17.3 percent and the total number of criminal events decreased by 4.5 percent.

*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 - \$60.5 MILLION

Available data regarding all on-premises crime categories indicates a 16.9 percent decrease in dollar losses and a 3.2 percent decrease in criminal events.

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

CATEGORY	2010	2009
Robbery	\$28.4	\$33.8
Burglary	\$18.4	\$21.6
Theft	\$13.7	\$17.5
Total:	\$60.5	\$72.9

II. INCIDENT PERCENTAGE BREAKDOWN/ON-PREMISES CRIMES

CATEGORY	2010	2009
Robbery	18.8%	17.6%
Burglary	22.7%	22.3%
Theft	58.4%	60.1%

Note: In 2010 the JSA received 1374 on-premises crime reports compared to 1,420 reports in 2009.

III. ROBBERY

A. Number of Robbery Events

The number of robberies in 2010 increased 3.6 percent. There were 259 robberies reported to the JSA in 2010 compared to 250 in 2009. Robbery arrests increased by approximately 4.7 percent. Law enforcement reported 162 arrests for on-premises robberies in 2009 and 170 arrests in 2010.

B. Robbery Dollar Losses

Robbery dollar losses decreased by 19.0 percent compared to 2009. Losses for 2010 were \$28.4 million compared to \$33.8 million for 2009.

C. Most Active State/Robbery – 35 States Reported

2010		2009	
California	28.6%	California	20.4%
Florida	9.7%	Texas	9.2%
Texas	7.3%	Florida	9.2%
New York	7.3%	New York	6.4%

Note: Chart reflects percentage of total number of on-premises robberies and indicates that 52.9 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 US.

D. Most Active Month/Robbery

Most Active: December (14.7 percent of total robbery events)
 Least Active: January (5.8 percent of total robbery events)
 Average Robberies per month: 21.6 (In 2009 there were 20.8 robberies per month)

E. Most Active Time of Day/Robbery

In 2010 the greatest number of robberies occurred between 10 AM and 12 Noon. The second most active time of the day for a robbery to occur was between 1PM and 3PM. Retail robberies occurred at various times between 7:30AM and 11:05PM. 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 previous annual reports, robbery events occurred with similar frequency throughout the week. Tuesday and Wednesday were the most active days during 2010. Sunday, when many jewelry businesses are not open for business, was the least likely day for a robbery to occur.

2010	
Monday	11.6%
Tuesday	19.3%
Wednesday	18.5%
Thursday	13.9%
Friday	18.2%
Saturday	10.8%
Sunday	7.0%

G. Percentage of Robbery Events With a Gun/Violence

Robbery events with violence:

2010	2009	2008
41%	34.8%	33%

Robbery events with a gun:

2010	2009	2008
67%	73.6%	72%

IV. HOMICIDE

A. Homicide Victim Categories

VICTIM CATEGORY	2010	2009	2008
Retail Jeweler/Relative	4	3	1
Customer	0	1	1
Traveling Salesperson	0	0	1
Police Officer	1	0	0
Total	5	4	3

On December 26, 2010, in Woburn, MA, a police officer, responding to the scene of an armed robbery, exchanged shots with a jewelry criminal and both died from wounds received during the exchange.

Near-Fatal Violent Incidents

INCIDENTS	2010	2009	2008
Someone shot (not fatal)	6	19	3
Shots fired, no one hit	15	10	14

These near-fatal incidents had the potential of adding 21 additional homicides to the yearly industry total for 2010. Jewelers shot and wounded 3 robbers and robbers shot and wounded 5 jewelers during the commission of robberies at retail jewelry stores.

V. BURGLARY LOSSES - \$18.4 million

A. Dollar losses for the burglary category decreased by 14.8 percent in 2010. Losses were \$21.6 million in 2009 compared to \$18.4 million in 2010. In 2010, 312 burglaries were reported to JSA compared to 316 in 2009. The average burglary loss was approximately \$42K. Law enforcement arrested 89 individuals on the charge of burglary of a jewelry premises during 2010, a decrease of four arrests over 2009.

B. Burglary Synopsis

CATEGORY	2010	2009	2008
States Reporting Burg.	44	42	43
Loss Amount	\$18.4 mil	\$21.6 mil	\$19.9 mil
Safe Attacks*	29/14 States	38/23 States	25/16 States
Most active states:	CA/FL/NY	FL/CA/TX	CA/FL/NJ/TX
Avg. safe attack loss:	\$385,690	\$435K	\$292K

*The frequency of safe attacks decreased significantly in 2010 compared to 2009. Safe attacks represented approximately 9 percent of the total number of burglaries against the jewelry industry in 2010.

C. Three-Minute Burglaries (B3M) – \$5.4 Mill. Losses - 42 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 71 percent of the total number of burglaries experienced by the jewelry industry. Out of 312 burglaries reported in 2010, 221 were B3M. Three-minute burglaries occur only when jewelry is not secured and out of sight overnight. The average B3M results in a loss of approximately \$38K worth of jewelry plus property damage.

D. (B3M) Three Minute Burglary

- Frequency by day and month -

DAY		MONTH			
Mon	45	Jan	21	Jul	19
Tue	41	Feb	10	Aug	23
Wed	28	Mar	21	Sep	28
Thu	24	Apr	12	Oct	15
Fri	31	May	9	Nov	25
Sat	19	Jun	13	Dec	25
Sun	33				

Burglary (Not B3M)

- Frequency by day and month -

DAY		MONTH			
Mon	13	Jan	9	Jul	6
Tue	7	Feb	5	Aug	7
Wed	8	Mar	7	Sep	9
Thu	17	Apr	10	Oct	8
Fri	14	May	5	Nov	7
Sat	14	Jun	6	Dec	12
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 cutting a hole in the roof or an adjacent unprotected wall, ceiling or floor after an alarm system has been compromised in some manner.

ENTRY POINT	2010	2009	2008
Front Door	31%	30%	33%
Window	24%	22%	18%
Wall	10%	3%	5%
Security Gate	2%	1%	6%
Roof	7%	18%	7%
Veh. Smash	3%	2%	1%
Unknown/Other	23%	24%	30%

Note: In approximately 23 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 21 rooftop burglaries from 12 states. Texas was the most active state with five rooftop burglaries. The majority of these burglaries resulted in large losses. Alarm systems, often without the benefit of line-security, were compromised before a signal could be sent. In other cases when signals were sent, responding police units, unable to detect any obvious evidence of a break-in and unable to conduct an internal search, left the scene while the burglars were possibly inside, on the roof or nearby. Numerous safes, many with a UL rating of TL30, were easily either burned or cut open.

G. Most Active States/Burglary

STATE	2010	2009
California	24%	9%
Florida	8%	16%
Texas	6%	8%
New York	6%	Not listed >2%
Georgia	4%	3%

Note: Chart reflects percentage of the total number of burglaries and indicates that approximately 47 percent of the total number of burglaries in the United States occurred in only 10 percent of the states.

VI. THEFT: \$13.7 MIL. LOSSES IN 2010 (\$17.5 MIL. LOSSES IN 2009)

A. Frequent Theft Methods

CATEGORY	AVERAGE LOSS	LARGEST LOSS
Distraction	\$19,823	\$175,000
Grab and Run *	\$16,040	\$290,000
Check Fraud	\$23,188	\$73,000
Internal Theft	\$37,061	\$104,968
Sneak Theft	\$15,840	\$376,000
Diamond Switch	\$6,427	\$37,500

*Grab and Run losses reported in 34 States.

In 2009 there were 359 grab and run crimes reported to the JSA, compared to 377 in 2010.

Approximately 47 percent of all thefts reported to the JSA in 2010 were Grab and Run events.

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	22
12 TO 1 PM	14
1 TO 2 PM	22
2 TO 3PM	26
3 TO 4 PM	30
4 TO 5 PM	22
5 TO 6PM	21
6 TO 7 PM	20
7 TO 8 PM	13
8 TO 9 PM	28
9 TO 10 PM	3
10 TO11 PM	0
TOTAL	235

Based on 235 cases in 2010 in which the exact time of the loss was known.

C. Theft - Grab And Run

- Frequency by day and month -

DAY		MONTH			
Mon	62	Jan	40	Jul	27
Tue	69	Feb	35	Aug	27
Wed	56	Mar	34	Sep	34
Thu	61	Apr	32	Oct	32
Fri	50	May	27	Nov	36
Sat	43	Jun	26	Dec	27
Sun	25				

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 - \$20.2 MILLION

Dollar losses decreased by approximately 17 percent during 2010 and the number of criminal events decreased approximately 18 percent. This report compared 137 cases from 2009 to 113 cases used in the statistical review for 2010. In 2009, nationwide off-premises attacks occurred at a rate of 11.4 per month, in 2010 attacks occurred at a rate of 9.4 per month. . It is important to note that of the 113 off-premises attacks, 21 or about 19 percent, were actually attacks against retail victims, who were followed to their residences, bank drops, etc.

CRIME CATEGORY	2010	2009
Robbery	\$17.7 million	\$20.9 million
Burglary	\$252K	\$549K
Theft	\$2.2 million	\$3.4 million
Total	\$20.2 million	\$24.8 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	2010	2009
Robbery	63%	67%
Burglary	7%	7%
Theft	30%	26%

III. ROBBERY OF TRAVELING SALESPERSONS

A. Violence

In 16 percent of the off-premises robberies (18 out of 113 attacks) reported to JSA in 2010, a victim was physically assaulted, usually in response to some level of resistance on the part of the victim. A gun was displayed in 16 of the robberies and a knife was displayed during 22 incidents. Additionally, there were four attacks in which a victim jeweler was stabbed. No traveling jewelry salespeople were shot or murdered in 2010. The change in the SATG's weapon of choice, from guns to knives, appears to 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 2010 the JSA received no confirmed reports regarding Trunk/Remount show losses.

C. Off-Premises Robbery Losses

2010	2009	2008
\$17.8 million	\$24.8 million	\$42.9 million

Note: Off-premises robbery dollar losses are down by 14.8 percent compared to 2009 and down by 47.6 percent compared to 2008.

IV. BURGLARY - \$253K IN LOSSES

Eight off-premises burglaries were reported to the JSA in 2010 compared to ten in 2009. In five of the eight burglary incidents in 2010, the victims were retail jewelers and the place of occurrence was a private residence. Only three burglaries involved the residence of a traveling jewelry salesperson.

V. THEFT - \$2.2 MILLION IN LOSSES

In 2010 off-premises theft dollar losses totaled \$2.2 million compared to \$3.4 million in losses for 2009. Unattended losses account for about 15 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

2010	2009	2008
\$2.2 mil	\$3.4 mil	\$8.3 mil

B. Events

CATEGORY	2010	2009	2008
Unattended*	15%	17%	10%
Sneak Theft	1%	2%	3%
Distraction	1%	1%	2%

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

*The largest unattended loss reported to the JSA in 2010 was for \$1million. It occurred in Indianapolis, IN, on June 8. The victim’s line was left unattended in his car, while he made a call at a retail customer. The victim suspected he was being followed but failed to act on his suspicions.

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	2010	2009	2008
Parking lots	42%	47%	37%
Hotel/Motel	16%	17%	18%
Residence	13%	18%	12%
Gas Stations	5%	5%	7%
Restaurants	8%	9%	6%
While driving	5%	8%	3%
Show related	4%	5%	4%
Airports	4%	0%	3%

Parking lots continue to be the most common place of occurrence for an attack on a traveling salesperson. Two home invasions, both at the residences of retail jewelers, are included in the “Residence” category for 2010. The JSA received three reports of losses at an airport during 2010. One case involved stealing jewelry from a checked bag while in the possession of airline personnel. In another case an individual grabbed to jeweler’s line bag, while the jeweler was walking to a shuttle bus at Denver Airport, and escaped in a waiting van. The third loss occurred at Newark Airport, Car Rental Return area. While on a cell phone and seated in his rental vehicle, suspects smashed the driver’s window, reached in and took the keys and used them to open the trunk and steal bags containing approximately \$50K worth of jewelry.

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 – 35 STATES REPORTING (2009-30 States)

States with losses: AL, AZ, CA, CO, CT, DE, FL, GA, HI, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, NC, NE, NH, NV, NJ, NY, OH, OR, PA, RI, SC, TN, TX, VA, WA and WI.

STATES	2010	STATES	2009
1. California	30%	1. California	34%
2. Texas	12%	2. Florida	10%
3. Florida	8%	3. TX/NY	7% each
4. Illinois	5%	4. Georgia	6%
Total	55%	Total	64%

Note: Percentages shown reflect an approximate percentage of the total number of off-premises losses. The information provided in this chart demonstrates that 55 percent of all off-premises crime occurred in just four states during 2010.

IX. MOST ACTIVE METROPOLITAN AREAS FOR OFF-PREMISES LOSSES.

	2010	2009
METRO AREA	ATTACKS	ATTACKS
Los Angeles, CA	22	25
San Francisco/San Jose, CA	7	12
Houston, TX	7	4
Miami/West Palm Beach, FL	5	9
New York, NY	5	6
Salt Lake City, UT	5	Not listed
Dallas, TX	4	4
Chicago, IL	4	5
Richmond, VA	3	3
Orlando, FL	3	Not listed
Atlanta, GA	3	7

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 due to a weak economy.

**U.S. JEWELRY INDUSTRY CRIME LOSSES
2001 THROUGH 2010**

LOSSES STATED IN 2010 INFLATION ADJUSTED DOLLARS

YEAR	LOSSES STATED IN 2010 DOLLARS
2001	\$151.08 million
2002	\$152.72 million
2003	\$154.77 million
2004	\$126.05 million
2005	\$124.49 million
2006	\$114.44 million
2007	\$102.12 million
2008	\$104.82 million
2009	\$100.42 million
2010	\$80.8 million (Preliminary)

Note: Losses down 46.5% from 2001 to 2010 in Inflation adjusted dollars.

**JEWELRY INDUSTRY PERSONNEL KILLED
DURING ROBBERY EVENTS**

Year	Deaths
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
2010	4
TOTAL	92

COMBINED ON/OFF-PREMISES

2010 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 2010 for crimes committed in 2010.

State	AL	AR	AK	AZ	CA**	CO	CT	DC	DE	FL	GA	HI
Crimes	20	16	0	35	214	19	25	2	11	122	52	11
Arrests	7	3	0	17	75	7	15	0	5	49	6	3
State	IA	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN
Crimes	1	0	144	26	8	20	11	50	42	4	44	17
Arrests	0	0	14	7	2	13	2	21	16	1	36	2
State	MO	MS	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH
Crimes	22	7	8	38	1	4	14	44	11	14	90	53
Arrests	1	2	2	14	0	1	9	29	3	0	45	9
State	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA
Crimes	12	16	69	6	23	2	30	119	12	2	46	19
Arrests	1	3	34	1	11	0	18	28	0	1	7	8
State	WI	WV	WY									
Crimes	25	1	3									
Arrests	7	0	3									
TOTAL 2010 CRIMES: 1487 (Crimes in 2009 – 1557)												
TOTAL 2010 ARRESTS: 538 (Arrests in 2009 – 520)												

** California, the state with the most crimes in 2010, has traditionally led the U.S. in jewelry crime. No reports of jewelry crimes were reported to the JSA from states of AK and ID.

Note: The number of crimes indicated in the eight states shown in bold represent 58% of the total number of jewelry crimes reported to the JSA during 2010. The number of arrests indicated for those eight states represents 48% of the total number of arrest during 2010.

JSA Sources of Case Information

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

JSA Law enforcement information sharing network

Local Jewelers Crime Prevention Networks

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.