

# Bulletin

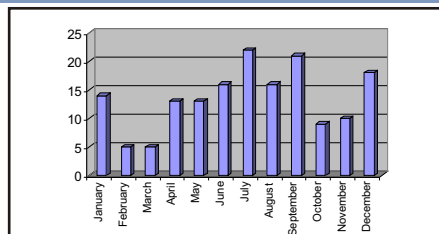
## ECR Crime Prevention

December 2003

### 2003 in Review

This past year saw the expansion of our Crime Prevention Programme from a small base of some 25 companies by an additional 100 companies. This growth has come from Manufacturers as well as companies supplying Sales, Merchandising, Logistic or Security services to the industry. The contribution of Incident data to the Incident Management System continues to improve.

### Armed Robberies

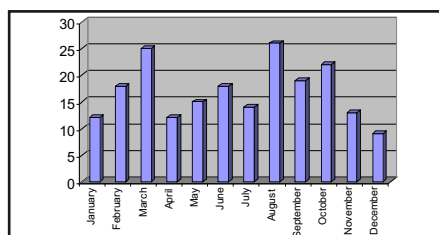


The number of Armed Robberies increased significantly again in December, reversing what we hoped what a decrease seen in October and November. The graph does not show any meaningful pattern or seasonal trend.

The Violent Crime Working Group have been conducting surveys of shopping centres throughout Gauteng from large centres such as Sandton City, down to small suburban centres as well as some stand alone stores. The purpose of these surveys is to assess a range of physical aspects that may play a role in the relative vulnerability of these centres to Armed Robberies.

The Surveys have been conducted by staff from Securicor and ADT and are currently being captured on to an analysis programme for presentation to the next meeting of the Working Group. Our intention is to develop a "Best Practice" document which will set out how Shopping Centres can physically protect themselves against Violent Crime, without negatively affecting customer-friendly access and egress.

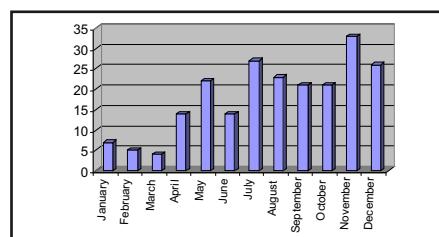
### Burglaries



As with Armed Robberies, the Burglaries graph does not show any particular

pattern. The good news is that as opposed to Armed Robberies where December's incidents were above average, Burglaries for both November and December were below the monthly average for the year (17 per month). Time will tell whether this is a significant phenomenon.

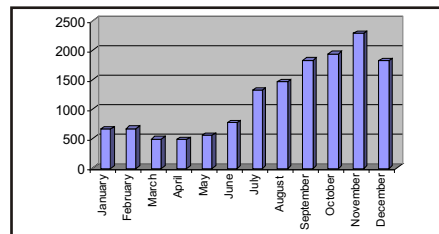
### Fraud



This graph clearly shows that the reporting of fraudulent Cheque or Credit Card transactions only became effective in the second half of the year. This more complete picture led us to open discussions with SAPS Commercial Crime and SABRIC (the Banking Industry's crime prevention operation). As a result of these discussions we have implemented a process to deal with Fraudulent Cheques with the Stores. However, should any of our members be affected by this type of crime, please contact the Crime Office for further information.

Anti-fraud activities take a long time to have any effect, and it is incumbent upon the Stores to ensure that they have effective screening mechanisms in place, prior to accepting a cheque of credit card.

### Shoplifting



Since June this year we have embarked on a campaign to increase the reporting of Shoplifting incidents in the Stores. The graph shows the effect of this reporting campaign, rather than any increase in the number of shoplifting incidents.

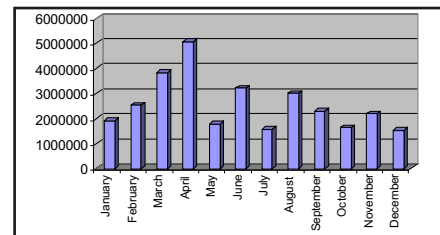
Shoplifting is a difficult crime to address. Individual incidents are generally of low value (our reported average is R12.96), and often relate to hunger alleviation. Dealing effectively with the individual event often costs more (in management time and effort) than the loss incurred.

However, when taken in aggregate, the cost to our industry is huge (in excess of R80 million in 2003), and therefore it demands a higher level of attention than it receives.

The Crime Prevention Programme has approached the SAPS and Prosecution Authority in this regard, and continues to work towards effective counter measures, both in their response and in our internal procedures.

### Value of Loss

A clear indication of the still low percentage of incidents being reported is the Value of Losses on our database R30 million.

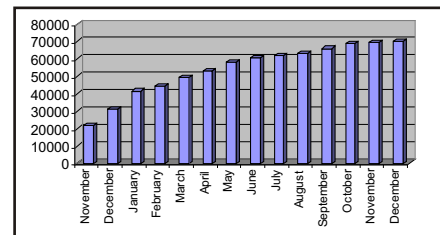


If one excludes 3 large embezzlement incidents in March and April, the graph does not indicate any significant variation in from Month to month.

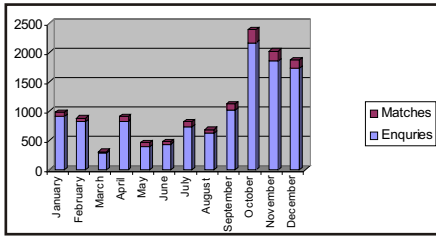
### Employers Reference Site

The ECR Crime Office does not track the consequences of enquiries to the ERS (as dictated to by legal necessity), but we have received a number of calls from members who have had discrepancies in the applications of new employees exposed by the Work History provided by the ERS system. These discrepancies have been followed up and in 2 incidences the candidates had been dismissed for participation in large scale thefts. The potential saving to the prospective employers cannot be measured.

The database reached 70, 105 names by the end of December, making it one of the largest private people databases in the country.



The number of enquiries rose significantly in the last quarter of 2003, as indicated on the graph below.



The ratio of matches found continues to hover around the 10% area, as indicated by the maroon portion of each column. A match is where the name searched for is found on the database.

It must be stressed that this does not indicate any wrongdoing on the part of the individual. All staff that leave the employ of our members are listed, and we do not record any reason for leaving.

## Focus Groups

An important element of the Crime Prevention Programme is the work done by the sub-committees, in their relevant focus areas.

### Violent Crime

This continues to merit the major focus of our initiative. Early best practices in terms of removing cash from being available to the robbers, as well as how to preserve the forensics of a crime scene, have been built on during the year. Over 75 Training or other executives from the Private Security industry were trained by SAPS Crime Scene Management experts at the instigation of the Crime Prevention Programme.

A survey of the physical attributes that contribute (positively or negatively) to a shopping centre's vulnerability to Armed Robberies was launched in December. The results of this survey will be analysed and published during the first quarter of 2004.

### In Store Procedures

The Association of Sales and Merchandising Companies was formed during 2003. This association was formed to represent the interests of the sales and merchandising fraternity. During the year they proposed that all external staff operating within a store should have a standard Identification Card, which would be a prerequisite for entrance.

This idea was agreed to by the stores, and the support of the CEOs of the big 7 Store Groups for this ID Credentials Document is contained in a Memorandum of Understanding.

A Steering Committee has been formed, with representatives from Stores, Merchandising Companies and self-merchandising Manufacturers to finalise the standards and rules that pertain to the issue and use of the ID. Implementation is planned for the second quarter of 2004.

It is imperative therefore that all companies that have staff calling on the store make contact with the Crime Office to become part of this initiative.

### Hot Products

Research was undertaken to determine where in the store the shrinkage is taking place. As a result, this work group put together a concept of securing the internal supply chain (within the store), in order to reduce the shrinkage of these products. To date we have not been able to implement a trial run of this concept, however we have reached agreement with 2 groups to run a test in 5 stores in the next few months.

### Logistics

Hi-jacking continues to be a major source of loss of our manufactured goods. The SAPS established Operation Roadrunner in 2003, to specifically reduce the incidence of truck hi-jackings. This operation has achieved a number of successes in the investigation and prosecution of the hi-jackers and distributors of the stolen goods. However the Logistics Group needs to continue to be pro-active in reducing their vulnerability to this crime.

### Labour Brokers

The ECR Crime Prevention programme made contact with a number of Labour Brokers during the year, and addressed the aims of the Programme and how they can participate and contribute to the fight against Crime. We have reached agreement that the labour Brokers should and will participate in the ERS, and this participation will be effected early in 2004. Illegal Trade Practices

The secrecy provisions governing the work done by SARS prohibits them from telling us the successes they have had in combating VAT evasion in our industry. However, we have knowledge (from the public domain) of a number of actions they have launched against FMCG companies that have been found to be round tripping goods, and selling VAT-free. The Crime Office will continue to forward sanitised information received from members to SARS.

Industry action against Rogue Traders (stores caught selling stolen goods) and Rogue Manufacturers (making sub-legal products) continues.

### Membership

It is pleasing to note that the membership of the Programme grew substantially during the year from 23 to 125 member companies. However, there are a number of member companies that have not paid their financial contribution. This seriously hampers the ability of the Crime office to conduct its affairs, and we appeal to those companies to pay their 2003/2004 contribution.

Similarly, there are companies included in the list below that do not play an active role in the Programme their incidents are not being sent in, and they do not participate in the ERS facility.

3D Marketing	3M
Accantia	Adcock Ingram
ADT Security	AFK Marshall & Son
Agfa	Aluvin
Anglovaal Industries	
Auto Crime Busters	
Aventis	BAT

Beacon Sweets	Bic
Bokomo	Bromor Foods
Central Trade Services	
Chandel Security	Chep
Chubb	Clover
CMR	Coastal Distributors
Coin Security	Cold Chain
Colgate Palmolive	Consol Glass
Cordiner's	
Courlanders Agencies	
Creative Marketing	
Daymon International	
Designer Group	
Dex Security Solutions	
Distell	Energizer
Oceana Brands	Fidelity Security
Firth Brothers	
Focus Retail Services	
Geoff Dakin	GG Longmore
Gillette	GK Sales Solutions
GP Retail	Griffiths Reid
Group 4 Falck	GSK
Illovo	
Imperial Cons. Logistics	
Industrial FingerPrinting	
Irvin & Johnson	Johnson & Johnson
Kellogg's	Kimberly Clark
Knighthatch Security	
Kodak	Kraft Foods
LA Sales	Legend Security
Lever Ponds	Lodge Security
Massguard	Massmart
Master Foods	Meridian Sales
Merisant	Metro Cash & Carry
N Prentis & Son	Nampak Tissue
National Brands	National Safe
Nestlé	
Network Field Marketing	
New Clicks	Nola
Nutritional Foods	Pack 'n Stack
Parmalat	Pick 'n Pay Group
Premier Foods	
Pro Asset Management	
Procter & Gamble	Rainbow Chicken
Rakas	RB Harraway
Real Juice Company	
Reef & Rural	Revert Security
RFF Foods	Roche
Rowlands Pearce	SBV Services
Securicor	Servier Laboratories
Shoprite Checkers	Smollan Holdings
Southern Sales	Spar
Stallion Security	Strategic S & M
Supergroup	
Supply Chain Services	
Tar-Jet Distribution	Terba Agencies
TFD	Thumb Trading
Tibbett & Britten	Tiger Brands
UBR Foods	Ullmann Brothers
Vector Logistics	Vital Health Foods
Vital Merchandising	WG Cooper & Son
Widespread	Wolf & Johnstone
Wolf Security	Woolworths