

CGC Crime Prevention Programme



TABLE OF CONTENTS

1. INTRODUCTION-----4

2. AIM -----4

3. INCIDENT MANagements SYSTEM (IMS)-----4

4. BURGLARY-----5

4.1. RISK ASSESSMENT-----5

4.1.1. INTRODUCTION -----5

4.1.2. FINANCIAL LOSS-----5

4.1.3. GEOGRAPHICAL RISK ASSESSMENT -----6

4.2. THREAT ASSESSMENT-----7

4.2.1. INCIDENTS PER MONTH OF THE YEAR-----7

4.2.2. INCIDENTS PER DAY OF THE WEEK-----7

4.2.3. INCIDENTS PER TIME OF DAY -----8

5. ROBBERY-----8

5.1. RISK ASSESSMENT-----8

5.1.1. INTRODUCTION -----8

5.1.2. FINANCIAL LOSS-----9

5.1.3. GEOGRAPHICAL RISK ASSESSMENT -----9

5.2. THREAT ASSESSMENT-----9

5.2.1. INCIDENTS PER MONTH OF THE YEAR-----9

5.2.2. INCIDENTS PER DAY OF THE WEEK-----10

5.2.3. INCIDENTS PER TIME OF DAY -----10

6. HI-JACKING -----11

6.1. OVERVIEW-----11

6.1.1. FINANCIAL LOSS-----11

6.1.2. INCIDENTS PER DAY OF THE WEEK-----11

7. CASH-IN-TRANSIT -----12

7.1. OVERVIEW-----12

7.1.1. YEAR TO DATE COUNT-----12

8. FRAUD -----13

8.1. OVERVIEW-----13

8.1.1. YEAR TO DATE COUNT -----13

9. SHOPLIFTING-----13

9.1. OVERVIEW -----13

9.2. AGE GROUP-----14

10. INDUSTRY PARTICIPATION-----14

10.1. ID CREDENTIALS-----14

10.2. EMPLOYERS REFERENCE SITE (ERS)-----15

CGC Crime Prevention Programme

11. **SABRIC----- 16**

12. **SAPS RELATIONSHIP----- 16**

13. **SMS INSTANT ALERTS----- 16**

14. **STOP REACTING TO CRIME AND START PREVENTING IT ----- 17**

1. INTRODUCTION

South Africa is affected by an almost uncontrolled spread of crime. This is exacerbated by the low economic growth rate of the past few years with its accompanying high rate of unemployment, and a high population growth rate.

Our mission is to conceptualize, inform and improve crime prevention in South Africa (SA), therefore the origin of our motto "Prevention is better than cure". Now the question remains how do we stop crime?

The key to crime prevention is to reduce the desire to commit a crime by increasing the likelihood of detection through best practice response. The CGC Crime Prevention Offices is building new relationships and strengthening old ones. By working collaboratively with the South African Police Services (SAPS), SABRIC and various other institutions we are collecting, interpreting and disseminating information on regular intervals.

We currently follow a problem solving approach to crime in the retail section. This rationale is based on accurate reporting. This strategy involves anticipating crime, identifying patterns, groups and linked crimes. The key is recognizing the risks of crime and initiate action to address the risks. One of our objectives for 2005 is to monitor trends more closely and if necessary develop new and improved best practices.

2. AIM

The intent of this report is to provide an overview of the general trends and analysis of the different incident types. A more in depth focus has been placed on the Violent Crime and the Burglary section. Data gathered from incidents reported to the CGC Crime Prevention Programme for 2004, were analyzed and the results are presented in this report. Where applicable these incidents were compared with previous years. Included in the document are development in new focus areas and relationships and progress with the SAPS.

The reliability of the information contained in this report depends on the quality of the information provided by the participating companies. The number and type of retailers who responded also affect the trends outlined. Some trends might therefore not be representative of a particular segment or of the retail industry as a whole.

3. INCIDENT MANagements SYSTEM (IMS)

Starting with a small core in 2002, the Incident management System (IMS) has grown both in size and orientation. It consists of more than 50 thousand incidents representing a broad spectrum of the retail section.

The Incident Management System (IMS) is becoming one of the largest databases, via this system a service is provided to the Major Store Groups, we are currently improving and expanding both our activities and interests to meet the changing needs of the retail segment.

CGC Crime Prevention Programme

During the last three years of its existence, the CGC Crime Prevention Programme has played a crucial role in preventing crime. During this period CGC acted as an interventionist and activist of fighting crime, defining best practices and sharing information.

4. BURGLARY

4.1. Risk Assessment

4.1.1. Introduction

Burglary can be a simple crime or a complex one. The larger the operation, the more likely that organized crime has a piece of the action. Amateurs and juveniles are responsible for most simple burglaries, typically stealing items they want but cannot afford. Such perpetrators usually do very little surveillance and often steal from places that they have visited for legitimate reasons.

Complex burglary involves a great deal of surveillance and preparation. Professional burglars make a point of knowing what alarm systems are in place and what the police response time is likely to be prior to the actual crime. Each job is carefully planned from entrance to exit, and buyers for the goods are often arranged in advance.

The number of burglary incidents reported to the CGC Crime Prevention Programme in 2004 has increased from 205 incidents reported in 2003, to 235 incidents reported in 2004, which is approximately a 7 % increase in one year.

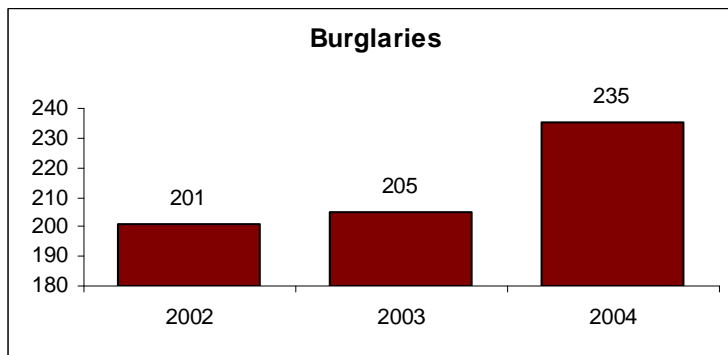


Figure 1: Burglary per Year

A trend that was noticed early in 2004 with burglaries, and still remains, is that the same modus operandi is being repeated often. The burglars are entering through the roof and cutting the radio signal for the alarm, then after entering the premises the alarm is set off, but cannot send the alert to the security company as it has been disconnected.

4.1.2. Financial Loss

As indicated in Figure 2, the industry has experienced a significant increase in rand value (above 18 Million for the year 2004), which result in a 39% increase since 2003, thus an estimated average of R80 000 per burglary incident for the year 2004.

CGC Crime Prevention Programme

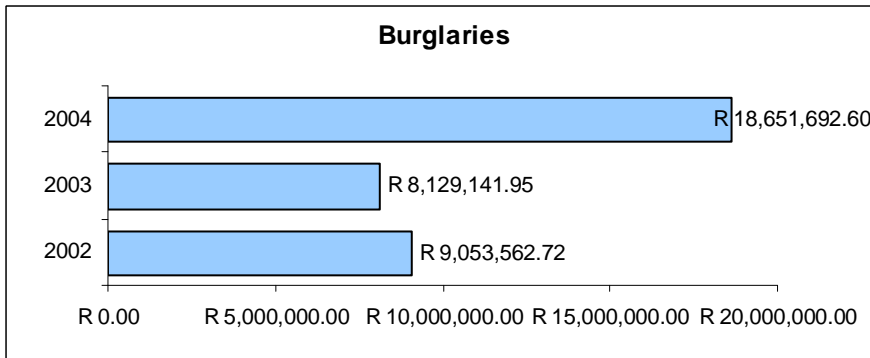


Figure 2: Burglary – Reported Financial Loss

4.1.3. Geographical Risk Assessment

As illustrated in Figure 3, the geographic distribution of burglary incidents as experienced year to date. It is evident that Gauteng is the province with the highest risk, more specific the Johannesburg and Pretoria area. KZN follow just after Gauteng, more precisely the Empangeni and Vryheid area. Within the Eastern Cape Province, Port Elizabeth appears to be a high risk area.

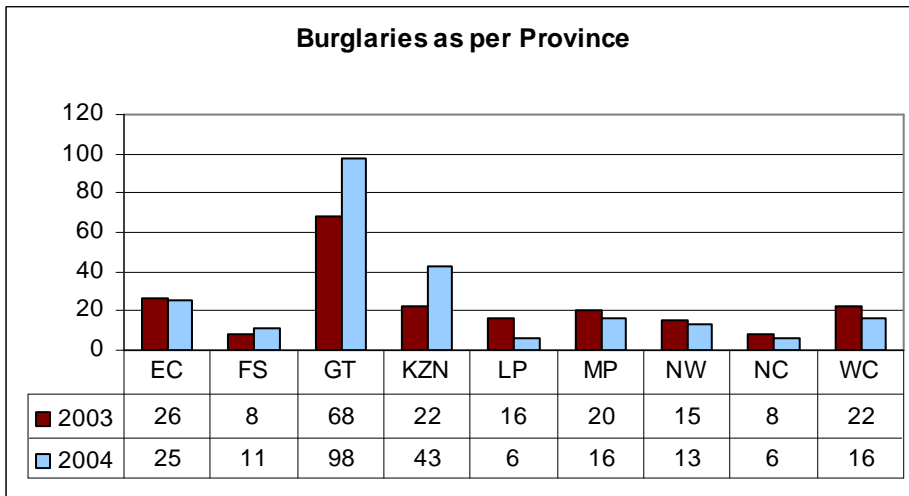


Figure 3: Burglary – Geographic Risk Assessment

Province	Status Quo
Eastern Cape	- 4%
Free State	38%
Gauteng	44%
KZN	95%
Limpopo	-63%
Mpumalanga	-20%
Northern Cape	-25%
North West	-13%
Western Cape	-27%

Table 1: Percentage Decrease per Province

CGC Crime Prevention Programme

Table 1 illustrates the number of incidents (measured in percentage) per province. From the table it is evident that most of the provinces were subjected to an overall decrease with the exception of the Free State, Gauteng and KZN. The province with the highest risk factor is without a doubt KZN, as we can observe from Table 1; with a significant 95% increase in burglary incidents. Gauteng is second on the list with a 44% increase.

4.2. Threat Assessment

4.2.1. Incidents per Month of the Year

In 2004, February saw our joint worst month for number of burglaries 30; this is 1 a day for the month. June remains the month with the lowest burglary rate (5%) in 2004.

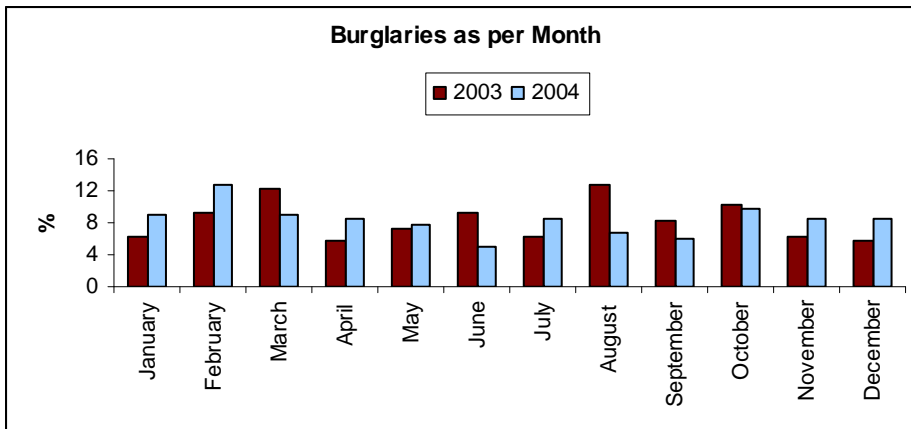


Figure 4: Burglary Incidents per Month

4.2.2. Incidents per Day of the Week

As indicated on the bar chart below the index remains more or less the same as experienced during 2003. Sunday's and Monday's remain the predominant high risk days. The pattern relating to Wednesdays changed, Wednesdays exhibit an urgent situation. The tendency towards Wednesdays will be monitored in order to determine if it is a definite change in modus operandi.

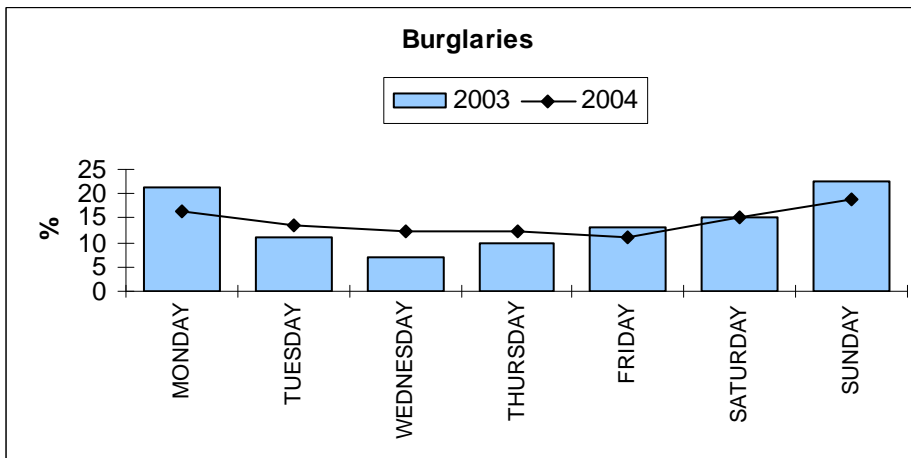


Figure 5: Burglary Incidents per Day of the Week

CGC Crime Prevention Programme

4.2.3. Incidents per Time of Day

Our members continue to be plagued by break-ins to their premises, at present it is clear that the peak hour for burglaries to occur is between 11 and 12 midday, see Figure 6 below. As indicated on the graph, between 2 and 4 in the morning also appear to be an area of concern.

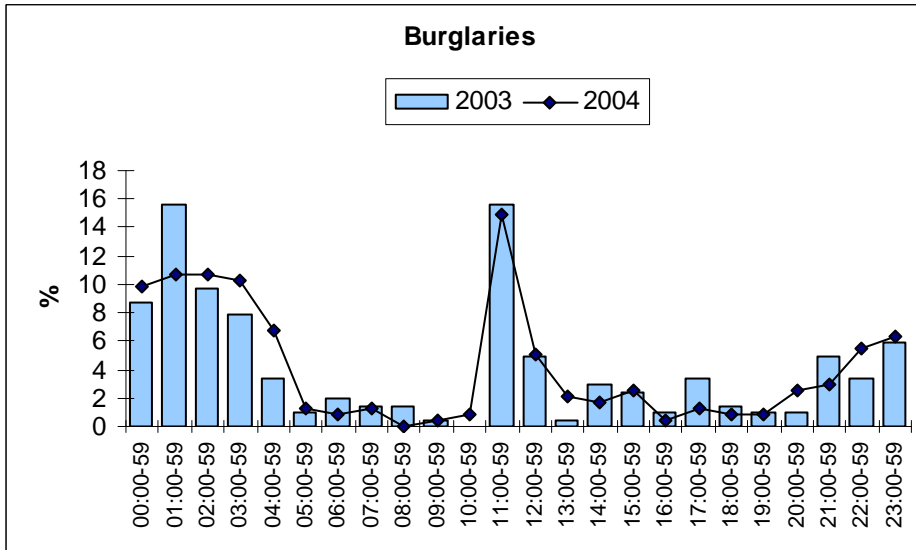


Figure 6: Burglary Incidents per Time of Day

5. ROBBERY

5.1. Risk Assessment

5.1.1. Introduction

The rate of robberies has increased significantly between 2002 and 2003 (a recorded 36%), between 2003 and 2004 robberies has increased with an outstanding 20%. Even though the number seems to be decreasing, robberies still remain an area of huge concern. If armed robberies and other forms of violence (such as vandalism) have occurred in the past at a specific store, the frequency, severity, and characteristics of incidents need to be investigated to come to a better understanding of how at risk the store is. This allows any type of store to identify some high-risk situations, for example, poor lighting, trading at evening in a high-risk neighborhood, or absence of drop safes.

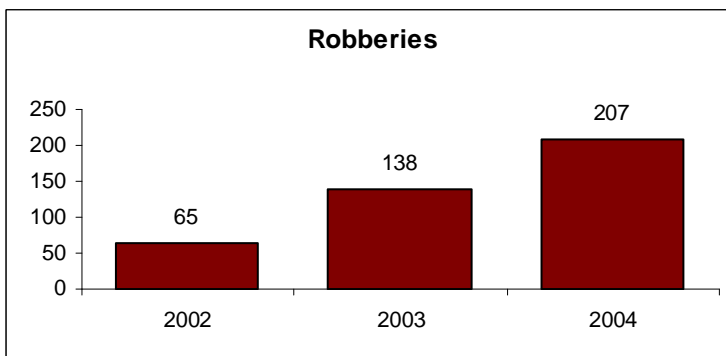


Figure 7: Robbery per Year

CGC Crime Prevention Programme

5.1.2. Financial Loss

As indicated in Figure 8 the industry has experienced a significant increase in rand value (above 15 Million for the year 2004), which result in a 31% increase since 2003, thus an estimated average of R75 000 per robbery incident for the year 2004.

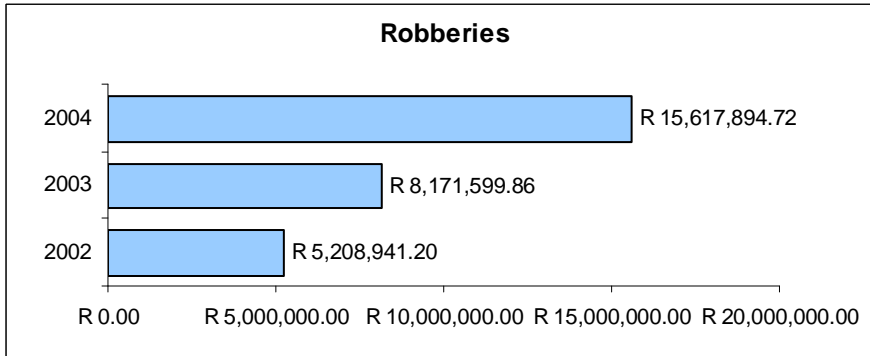


Figure 8: Robbery – Reported Financial Loss

5.1.3. Geographical Risk Assessment

Figure 9 is a graphic representation of the geographical distribution of robberies as experienced year to date. Gauteng is the highest risk province (especially Boksburg and Woodmead), followed by Western Cape and KZN. The number of incidents in the Western Cape province has increased drastically; within this province Brackenfell is one of the high risk areas for armed robberies to take place.

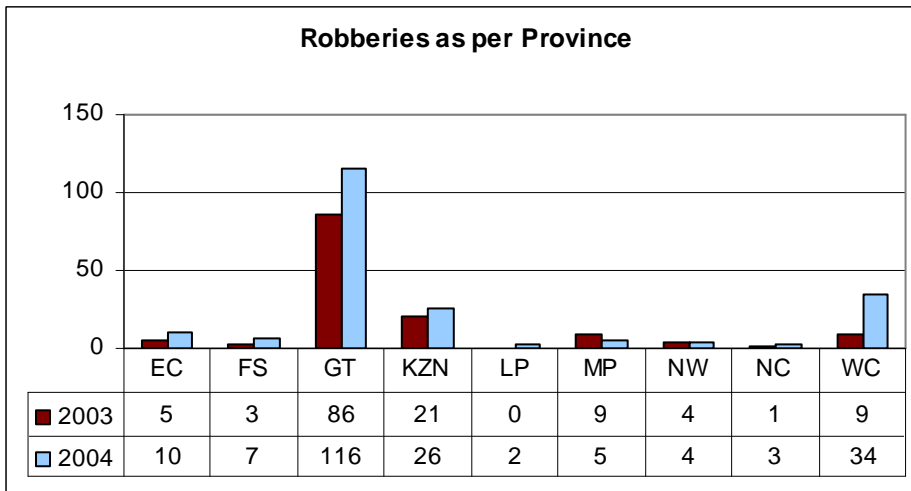


Figure 9: Robbery – Geographic Risk Assessment

5.2. Threat Assessment

5.2.1. Incidents per Month of the Year

For the 1st half of 2004 there is a distinct increase in the number of robberies when comparing it against 2003, as indicated in Figure 10 below. As of July the number of robberies began to decrease slightly when comparing 2004 to 2003. In 2004, May is the worst month with a total of 31 incidents; this is one a day for the month of May.

CGC Crime Prevention Programme

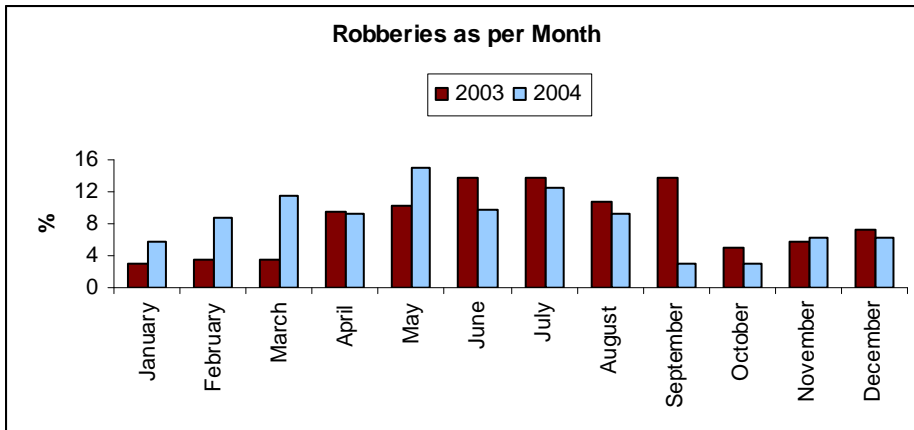


Figure 10: Robbery Incidents as per Month

5.2.2. Incidents per Day of the Week

As illustrated in Figure 11 the index shifted as how we experienced it during 2003. In 2003 weekends seemed to be the predominant high risk days. It is evident that the pattern changed in 2004. There appear to be a significant increase in robbery incidents from Tuesdays through to Thursdays. Please note that Wednesdays appear to be a high risk day for both burglaries and robberies. As we gather the statistics for 2005 we will be able to start identifying trends.

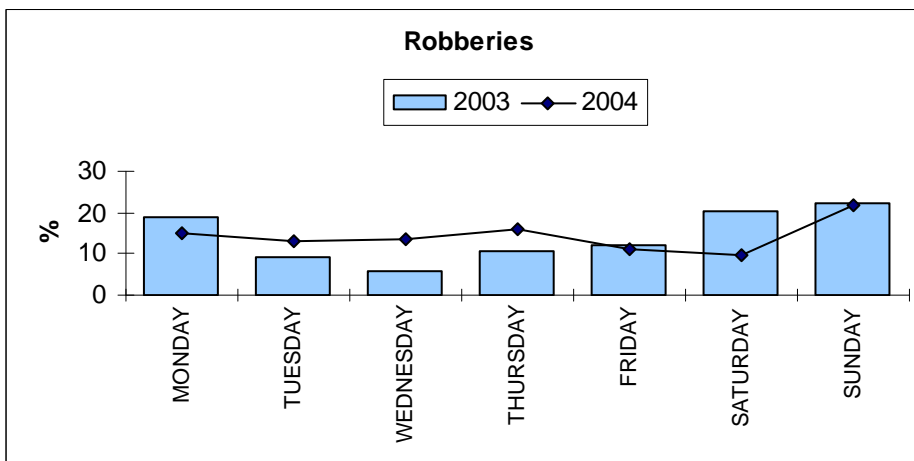


Figure 11: Robbery Incidents as per Day of the Week

5.2.3. Incidents per Time of Day

At present it is clear that the peak hour for robberies to occur is between 11 and 12 midday and 6 and 8 at night see Figure 12 below. Store managers are advised to take extra safety measures, i.e. ensure that the cash registers have been emptied and that the cash is in the drop safe.

CGC Crime Prevention Programme

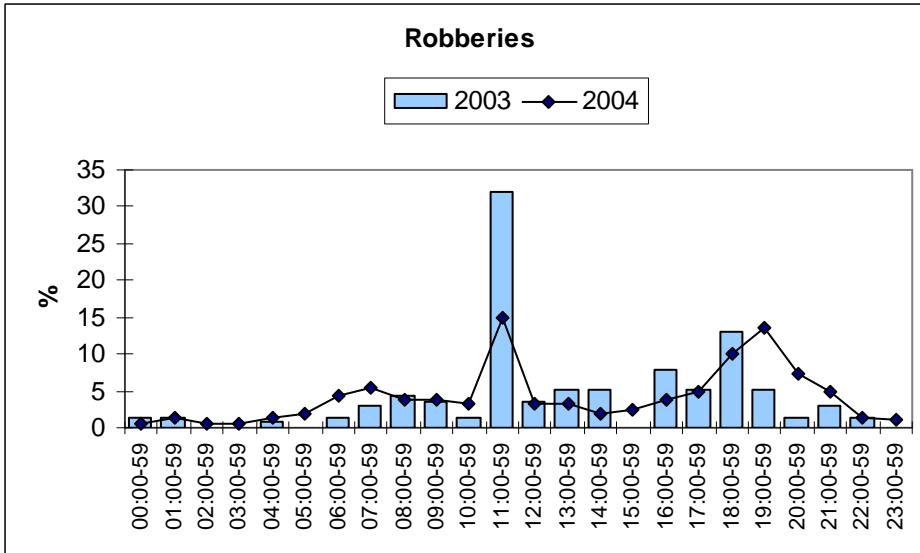


Figure 12: Robbery Incidents per Time of Day

6. HI-JACKING

6.1. Overview

6.1.1. Financial Loss

Since the initiative was started to place a high risk champion in control to look after the hot products solely. The reported financial loss has decreased significantly as indicated in Figure 13. It is clear that the success rate of this initiative in South Africa has been just as effective as in America, where it got its origin from.

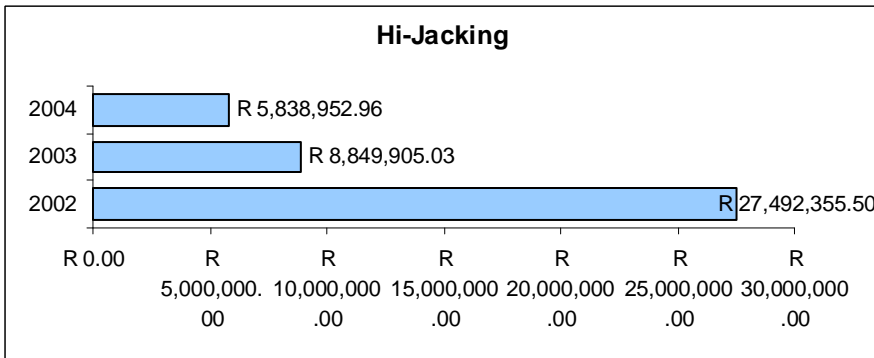


Figure 13: Hi-Jacking – Reported Financial Loss

6.1.2. Incidents per Day of the Week

As indicated in Figure 14, the predominant high risk day has changed from Wednesday's in 2003 to Monday's in 2004. The tendency towards Mondays will be monitored in 2005 in order to determine if it is a definite change in modus operandi.

CGC Crime Prevention Programme

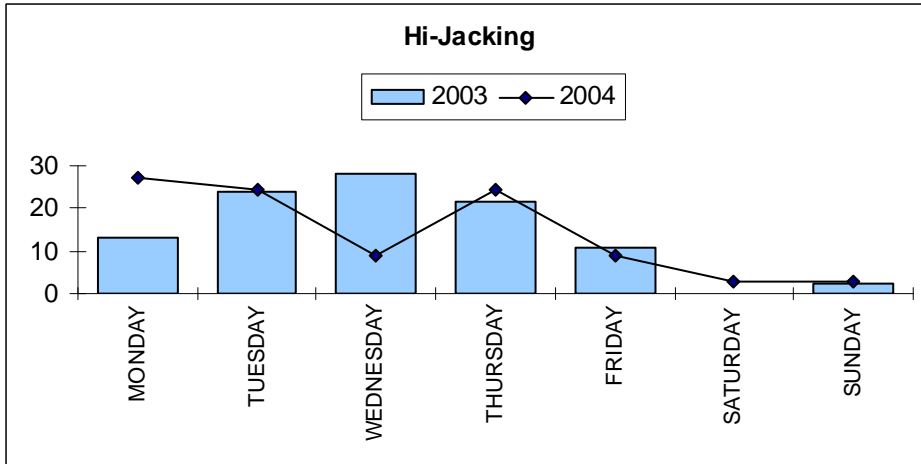


Figure 14: Hi-Jacking Incidents as per Day of the Week

7. CASH-IN-TRANSIT

7.1. Overview

7.1.1. Year to Date Count

Vehicles that are being used to move cash from one point to another has been designed in a way to be able to withstand attack. The vehicle design is intended to eliminate the visible exposure of all the cash in order to reduce any potential loss. Still this is not enough; cash in transit incidents appear to be increasing yearly.

Experience has shown that the period of greatest risk is when cash is being moved between the customer site and the vehicle. A good preventative measure would be to limit the amount of cash that is placed in any one container and also allow people to only transport one bag at a time, minimizing the potential cash loss exposure.

July is the month with the highest count of cash-in-transit incidents reported, 28% of the incidents can be allocated to this month. A financial loss of more than 1 million was loss. As illustrated in Figure 15, the number of cash-in-transit incidents has increased with 23% between 2003 and 2004

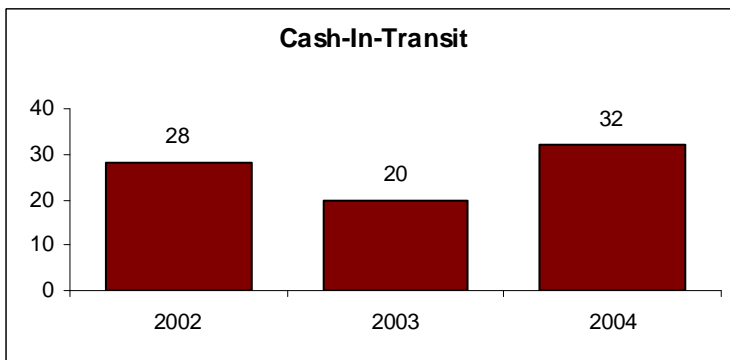


Figure 15: Cash-In-Transit per Year

8. FRAUD

8.1. Overview

8.1.1. Year to Date Count

Check fraud is on the rise. In many cases, technology is working against merchants and financial institutions because criminals are using the latest in printing and duplicating technology to steal and fake checks.

The number of fraud incidents reported per month varies from 25 to 36 per month. In 2004 there were 288 incidents reported, whereof 229 people were arrested. The average lost per incident for 2004 is approximately R9000. The greatest number of frauds occurred during June.

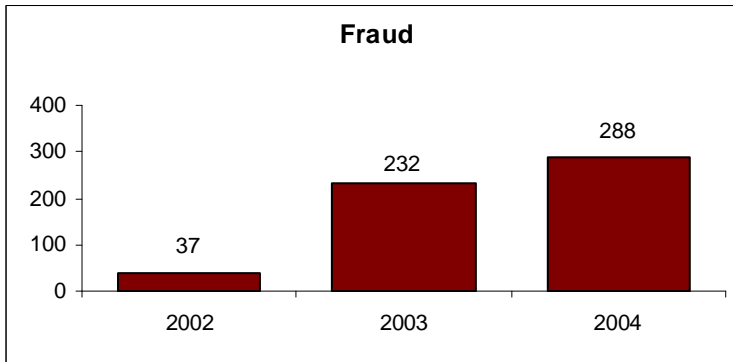


Figure 16: Fraud per Year

9. SHOPLIFTING

9.1. Overview

Is it need, or is it greed, or is it something entirely different that tempts millions of people to steal from retail stores each year. Except for the drug addicts and hardened professionals who steal for resale and profit as a business, most shoplifters are decent people who are otherwise law abiding citizens.

However it is time that people become more aware of the vulnerability of retailers to shoplifting. Shoplifting incidents appears to have skyrocketed in 2004. Although the increase in shop theft may be explained largely by the increased opportunities, it has perhaps been exacerbated by the growth of consumerism.

Whilst shoplifting represents the most common indictable crime and is a major problem for retailers, it is rarely regarded as a serious crime. The unique aspect differentiating shop theft from other forms of theft is a contextual one, the crime is perpetrated against stores and it occurs during operational hours.

Retail theft impacts everyone. It's time we realize that shoplifting and employee theft are serious crimes which continue to negatively impact the bottom-line profits of many retailers. These crimes continue to hurt our economy, costing consumers higher prices at the cash register, and causing a loss of jobs when retailers are forced to close

stores or even go out of business. Ultimately it's consumers that are hurt the most in the form of higher prices.

9.2. Age Group

In South Africa a large proportion of crime is committed by young people. At the same time, the youth also make up a substantial chunk of the victims. This is growing concern about how young some offenders are, and the seriousness of their offences. Both juvenile offenders and victims are becoming younger, and increasing numbers of children are being arrested for serious crimes.

There appear to be a link between shoplifting and age. Sixty-three percent of persons arrested for shoplifting incidents in 2004 were under the age of 25. As illustrated in the bar chart below, persons between the ages of 15 and 19 represented the highest percentage of reported shoplifting incidents, indicating that as this portion of the population continues to grow, shoplifting will rise.

As a general rule, the smaller and more valuable an item is, the more attractive it is to a shoplifter; particularly to those who steal with intent to either sell the merchandise themselves, or return it for a refund. A good preventative measure is to keep small, expensive items behind the counter or locked in a display case. If the display case has a lock, lock it - do not assume that the case alone will dissuade a shoplifter. Legitimate customers will understand this as a necessary evil and won't object shoplifters will go elsewhere.

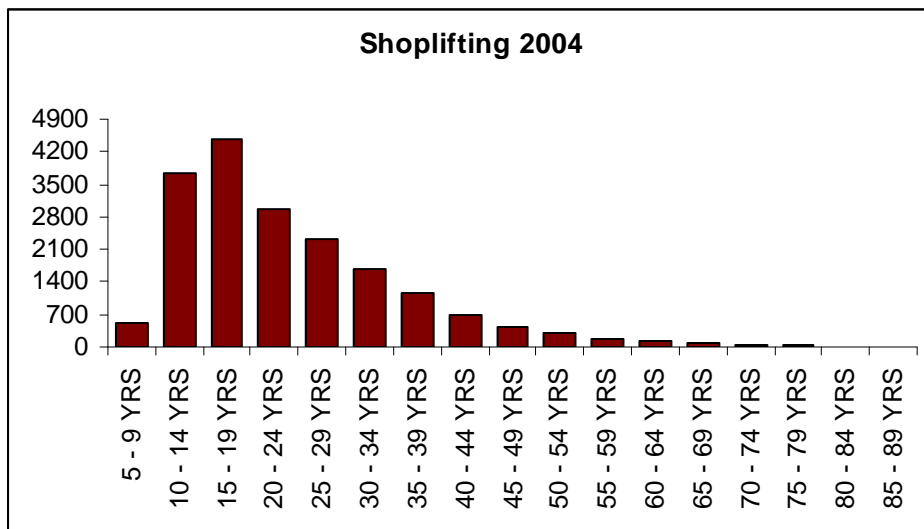


Figure 17: Shoplifting as per Age Group

10. INDUSTRY PARTICIPATION

10.1. ID Credentials

The CGC Crime Prevention has hosted the ID Cards initiative since July 2004, all Sales & Merchandising staff needed to have the green cards by the 01 October 2004 to enter the back of the major store groups (Woolworths, Shoprite Checkers, Spar, Massmart, Metro, Pick 'n Pay, New Clicks Group)

CGC Crime Prevention Programme

As of the 31 March 2005, the stores require all drivers, co-drivers and all promotional staff to be in possession of one of these ID cards. We suggest that all the companies' call in and register as soon as possible to get the cards for all their staff before d-day.

The Purpose of this card is to enhance the control of the various service providers' employees when they work in the stores. The card shows the Store Owner/Management that the particular individual has been screened by the employee through the ERS database and has been issued an ERS number. If the card reflects the ASMC Logo it also tells the Store Owner/Management that the employee works for a member of the ASMC and the employer abides by the Association's Code of Conduct which regulates it's members in order to raise the standard of service provision and are members through the ASMC of the CGCSA and are committed to the objects and goals of the CGCSA.

The staff will not be allowed to enter the stores without the cards as effective the 31 March 2005.

10.2. Employers Reference Site (ERS)

As one of the crime fighting measures the CGC Crime Prevention Programme are requesting that all participants within the wholesale and retail FMCG industry register their personnel through the ERS database.

The key issue now for all the new members obtained through the ID Credentials initiative is to participate in the services and activities. The biggest and most immediate benefit to our new members is that they have access to the Employers Reference Site (ERS). The Crime Office is in the process of allocating user names to each company, with an explanation of how to access the database.

With the Sales and Merchandising companies coming aboard and soon the logistics companies, the ERS database is increasing daily. To date there is 119820 names on the database. It is suspected to see it increase quite a bit due to the number of newly registered companies.

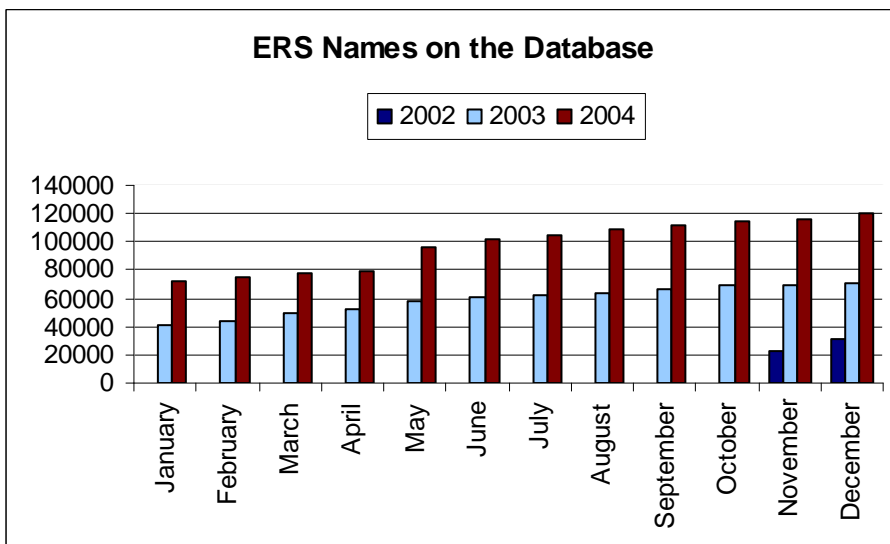


Figure 18: ERS Names on the System

11. SABRIC

SABRIC is the leading private crime combating organization in South Africa, supporting banking/commercial crime combating operations through comprehensive intelligence and partnerships support services.

SABRIC currently has an established client base where violent crimes are primarily analyzed according to certain categories. The aim of CGC Crime Prevention is to share information with other data sources in conjunction with our own established central database to assist our clients to reduce their vulnerability to crime. The objective of CGC is to add value to the business process by facilitating pro-active management decision-making with regards to crime.

12. SAPS RELATIONSHIP

The SAPS are overloaded with the endless stream of serious crimes like murder, burglary and robbery, yet this doesn't prevent them from assisting and informing the public about crime

While SAPS members have become accustomed to the horror of crime that they deal with every day of their lives, many of the public are first-time victims who are shocked and traumatized by their first exposure to crime. Thus the valuable and important role police officers play in offering a sympathetic and professional first-line service to the public.

The Task Teams that have been developed through the CGC Crime Prevention Programme are having consistent meetings and sharing information with each other. This is proving to be successful and cases in the retail sector are being followed up on by the SAPS and many arrests are being made.

Through our liaison with the SAPS now when a member has a problem and needs a contact within the police, we have those contacts, adding great value to our members.

13. SMS INSTANT ALERTS

Businesses find it useful to be able to see where a crime occurred, with the volume, frequency and other surrounding information; the correct preventive measures can be identified to reduce crime. By making use of the SMS Instant Alert system that is implemented at CGC Crime Prevention Offices, surrounding businesses can be warned of possible hits.

This system whereby all schedule 1 incidents (being incidents of high value of loss and high violence such as armed robberies and cash in transit incidents), are called into the offices, where we are available to receive this information 24 hrs a day, 7 days a week. This information is then sent out via SMS to all our members that are situated in the area where the incident took place. Great success has been reported with this form of information sharing, as the members are warned about incidents that are occurring

CGC Crime Prevention Programme

around them and they can be more alert and prevent the incident from happening on their premises.

14. STOP REACTING TO CRIME AND START PREVENTING IT

Community leaders, researchers and police officials recognize the need for a strong, well-articulated role that community members play in preventing crime. It is important that we understand that the police alone cannot substantially impact crime and therefore their appeal at the community to start doing their part in preventing crime. Community involvement is an integral part of any long-term, problem-solving strategy. At the most basic level, the community provides policing agencies with invaluable information on both the problems of concern to them and the nature of those problems.

Traditionally, community involvement in crime prevention and reduction efforts has been limited to serving as the "eyes and ears" for police or helping implement responses. To truly make a difference this needs to be changed. Crime prevention must become a collaborative approach where the police and the community work together in preventing crime. This call for a change in both our attitudes and behavior, we need to start focusing on preventing victimization and preventing criminalization. Its time we place an emphasis on proactive crime control.