

# **Loss Prevention and Control**

## **Tactics and Procedures**

by

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Loss prevention is an ongoing problem at best. Loss prevention is a necessary being even though most business will not even think about it until there is a problem. Loss prevention is something that needs to be kept current and must always be a step ahead of those that wish to commit any type of theft against the company whether it be inventory, or just time. Those involved in loss prevention and its program needs to be diligent about everything within their jurisdiction – not just shrinkage. Loss prevention officers need to make sure they company knows it will be in their best interest to have them on their payroll and explain what could happen if they weren't. Loss prevention mangers need to be involved in the hiring process, asset control, training and awareness, just to name a few. The loss prevention manager also needs to make sure the kind of people hired isn't going to take advantage of the employers or the system.

Although the process of hiring and running background checks on prospective employees often fall under the function of Human Resources or Personnel those in the loss prevention program need to be involved in some of the processes, especially those being hired to fill in a management position, payroll, and/or credit card transactions. These positions within a company are highly sensitive and a great deal of discipline and trust go with the position. Weeding out the undesirables before the actual interview will save the company and the individual time from going through unnecessary steps if they don't make it through the first few items on the hiring checklist.

As part of a new employee's orientation the loss prevention officer should also conduct training as to the rules, regulations, and consequences of larceny and theft as it applies not only to the employee but mostly the company. Theft and loss of assets will not only cost the company money, but also the consumers by the act of raising prices or perhaps having to close down a store if the problem gets out of hand. The loss of time and money should employees have to be replaced in a regular bases also drives the prices up on inventory. So while someone may thing that a store won't notice if a few things come up missing they should remember that if they steal from the company, they are, in affect, stealing from themselves as a consumer.

Loss prevention officers should never take their job lightly. Training is one of the most important tasks the loss prevention officer can utilize in the lessening of losses, whether security or safety in nature. Initial training during orientation gets your face out there to the new employees, and they need to understand you take your job seriously and will do everything within your means to ensure the smooth running of the company as well as keeping loss and safety issues to a minimum. Every new employee should receive a

booklet on the rules and regulations of the company they work for both on a national level (if a chain) or a local level. Ensure employees understand that they too have the responsibility for loss prevention, as it is an all hands effort. Make sure they know that there will be an anonymous hot line should they need it and perhaps a cash/bonus incentive for those tips brought to light that are viable and lead to a recovery of the assets or those suspected of they crime. (Manley, 2004)

Asset control plays a big part in loss prevention with the routine audits and unscheduled inspections of inventory. Loss prevention starts from the time the material is on the loading dock until it is physically bought by a consumer and has left the premises. Security cameras on location, both visible and hidden, within the store and outside in the common areas, break areas, loading docks help the loss prevention officer have eyes when they cannot physically be there. A routine system check of all burglary/silent alarms should be done and a report to be filed with corporate headquarters. Security guards both fixed and roving also help deter those that are having thoughts of shoplifting smaller items that can fit either on their person or in a bag. Loss prevention should also have plain clothes (budget permitting) officers walking the premises both inside the store and the immediate area outside the store along with the uniformed rovers to ensure there have been no breaches in the structural integrity of the building, and ensuring the fence line is intact with no major damage or access from the road, if applicable. (High Impact Training, 2008)

Loss prevention officers should also be on hand to escort the armored car division for pick-ups and deliveries as to provide the face of security and let those that see you know the loss prevention officers and security personnel do not take their jobs lightly. Also inspection of the loss prevention equipment such as tags, monitors, cables, etc., are still in good condition and will work effectively should someone try to leave the area without paying for an item. Ensure the locks on jewelry/secured items are in good working condition and if not, arrange for replacement as soon as physically possible and if not move the merchandise to another showcase. Also ensure that employees understand they are not to ring up or wrap up their own merchandise. They will follow the same rules as consumers and go through the appropriate check out point on their way out of the store and not to purchase something while still on the clock as this can lead to swapping merchandise at a later time. (ADT, 2008)

Limit the number of employees that are allowed to ring up other employees purchases, as this will discourage conspiracy and complicity. Make certain employees know the company will not stand for the use of each other's ID or card-key while on the registers as this could lead to theft and embezzlement as well as false accusations against each other. Hold managers of each department accountable for those under their immediate supervision and answerable for their behavior. The tone set at the top is an important one and should not be taken with a grain of salt or with "Do as I say, not as I do" as this will send out the wrong message to the junior employees. Loss prevention personnel should also be aware that sometimes employees will intentionally damage an item so that it will no longer be an item for sale and perhaps get it at a discounted rate.

One of the best ways of handling loss prevention is taking the opportunity away from the employee. Of the three elements needed to commit the crime, those being opportunity, motive and capability, if loss prevention personnel take away one or more of those elements it lessens the probability that it will happen. Everyone will try, on occasion, to test management and see if they can get away with it. But a vigilant loss prevention department as well as personnel always on hand to walk about the store will take away most opportunities as well as the capability for those that may try to get away with it.

The loss prevention officer's work is challenging and continually under consideration by those that hired them. There may be no other private protection function that exposes the loss prevention officer to greater physical risks or legal liability with perhaps the exception of personal security details. Those employed by larger corporations need their training focus in awareness and prevention of internal theft, types of external theft, and legal issues. They also need to build up their knowledge of basic skills in Homeland Security, Bombs & Bomb Threat Management, Crisis Management, Physical Security of Facilities, Electronic Access Systems, and Personnel Movement. It is imperative that the loss prevention officer not only concern themselves with training employees but also senior management and themselves. Loss prevention officers should take advantage of all training seminars and training opportunities in their area so that they too can stay abreast of changing times with professional shoplifters and even those that only commit the crime on occasion such as persons with mental instability or just peer pressure. Some companies will view additional schooling and training as education and may even pay for their loss prevention officers to attend, budget permitting. (Centre for Training, 2007)

In order to be effective the loss prevention officer must be kept up to date with all the electronic surveillance and monitoring equipment. The loss prevention officer must also be knowledgeable in the latest with Security risks and threat assessments. The overall strength of any company is measured by the weakest link. Being strong in one area of your security program will not make up for the weak area. Successful companies have a strong security, safety, and loss prevention program and will not only set the tone for how the company is run, but will also disable that weak link and send the message that loss prevention is taken seriously. If there had been problems in the past with theft or shrinkage having a proper risk assessment will stop any future thefts and weed out those intent on harming the company, should there be any. A successful loss prevention manager will stay on top of all aspects of their position and will ensure the shrinkage of a company stay at a permissible minimum. (LP Group, 2008)

Perhaps one of the best deterrents is the publishing of employee termination, charges, and type of punishment received. It keeps the others aware that the company will not stand for illegal behavior and termination plus civil charges are inevitable.

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