

How Professional Thieves Steal \$2K From CVS in 2 Minutes

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- Execs at Walmart and Target have both warned that retail theft is higher than usual in 2022.
- CVS Health's director of organized retail crime investigations [testified to Congress](#) in 2021 about the topic.
- Retailers are [pointing to e-commerce for the spike](#) in "sophisticated and highly dangerous" crime rings.

One year after a CVS executive testified about the "massive" scale of organized retail crime in the US, other major retailers are also issuing warnings about a surge in thefts. And this time they say big profit drops and even store closures may come as a result.

According to the [National Retail Federation](#), organized retail crime incidents jumped 26.5% on average in 2021. One of the people who brought the problem into the national spotlight last year was Ben Dugan, director of organized retail crime and corporate investigations at CVS Health.

In congressional testimony, he said organized retail crime-related events are reported in a CVS Pharmacy store every three minutes. In just two minutes, he testified, the average professional thief targeting CVS steals \$2,000 worth of goods.

A year later, Target Chief Financial Officer Michael Fiddelke has also sounded the alarm on theft.

Missing inventory has reduced Target's gross margin by more than \$400 million in 2022 compared with last year, and Target expects those profit losses to grow to \$600 million by the end of the fiscal year, Fiddelke said last month during a company earnings call. Target predominantly [blamed the inventory shrink on organized crime](#).

"Along with other retailers, we've seen a significant increase in theft and organized retail crime across our business," Target CEO Brian Cornell said during the earnings call.

And Walmart CEO Doug McMillon [made waves when he told CNBC](#) this month that theft is "higher than what it has historically been" and if it doesn't slow down, prices will be higher, and/or stores will close."

Dugan appeared before a Senate judiciary committee in November 2021 to discuss the illegal sales of stolen and counterfeit goods online. He had personally investigated organized retail crime for over 30 years. He said such crimes had only been getting worse due to the lack of regulation surrounding online marketplaces such as Amazon and eBay.

"The ease with which online sellers can open and close their sites, essentially undetected, is directly related to this increase in criminal activity in our stores," he told legislators, adding that an estimated \$500 billion in illicit stolen and counterfeit goods are sold on third-party marketplaces like Amazon each year.

"Let me just be clear about what organized retail crime is not. It is not everyday shoplifting," Dugan told the committee. "It is not individuals committing singular opportunistic thefts for personal reasons. It is organized, it is sophisticated, and it is massive in scale."

He said these complex crime rings often begin with a "booster" who steals from stores directly or recruits others to steal for them. The use of a weapon or physical violence during these thefts has more than doubled from mid-2020 to the end of 2021, Dugan added.

The booster then delivers the haul to a "fence" who collects and transports the stolen goods to a consolidation site such as a warehouse.

From there, "the stolen goods can be sold directly online to unsuspecting customers, to other third-party sellers (some of whom know the goods are stolen or counterfeit) or distributed to the marketplaces themselves to fulfill orders," he explained.

Crimes like these cost retailers an estimated \$45 billion in losses each year, according to the Coalition of Law Enforcement and Retail.