

Material World

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The Great Shoplifting Freak-Out

Why is it so hard to figure out if America's enormous surge in theft is real?

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DECEMBER 23, 2021

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You've probably seen the shoplifting stories, if only because there are a lot of them. On local news and in national publications, they paint a shocking picture: Across the United States, retail stores are fighting a war against large, violent, highly organized

criminal gangs. The attacks are common, and they're escalating in severity. Thieves smash windows at luxury clothing stores, go full-on *Supermarket Sweep* in the aisles of drugstores, and sell their wares undetected on Amazon or eBay or Facebook Marketplace. In the process, they're endangering people's lives and sapping corporate profits. The stores are losing the war.

According to the retail executives, industry advocacy groups, and law-enforcement officers who have described their failing battles against these attacks, the problem has been building for years, but a spate of recent changes in laws and attitudes has threatened to tip American shopping into chaos: Felony-theft laws, they say, are now too permissive. Bail reform means that thieves are roaming the streets before they stand trial. Internet platforms where criminals profit are indifferent to pleas to shut down illegal storefronts. Employees don't feel safe in stores, and understaffing makes theft even easier. To stabilize their businesses and make their communities safe, these executives, advocates, and officers say, they need different changes in both local and federal law.

The incidents these stories use to illustrate the problem are genuine mayhem: At a Bay Area Nordstrom, police say, as many as 80 thieves executed a coordinated attack on the store. At another Nordstrom, this one in Southern California, thieves were caught on video assaulting workers with bear spray. At a Louis Vuitton boutique in an Illinois mall, more than a dozen robbers overwhelmed sales clerks and made off with \$120,000 in loot. Before dawn on a November day in New York City, thieves used a hammer to smash their way into a closed Givenchy boutique and left with \$80,000 in designer duds.

But wait. Are we still talking about shoplifting?

No, we're not. Recent news stories describe a shoplifting surge, but this narrative conflates an array of very different offenses into a single crime wave said to be cresting right now, all over the country, in a frenzy of naked avarice and shocking violence. Smash-and-grabs are awful, but they're pretty rare (and already very much felonies). Nevertheless, a handful of viral videos and some troubling statistics from retailers and industry groups have set Americans on edge during the year's most economically essential shopping season, wondering if the mall where they buy their Christmas presents might be next. The deeper you search for real, objective evidence of an accelerating retail crime wave, the more difficult it is to be sure that you know anything at all.

To determine what, if anything, is up with shoplifting in America, we have to answer two questions: Is theft really more common than it was in the recent past, and is current theft really more severe or harmful? You would think that answers to both of

these questions would be readily available, if only because the topic has been discussed so much, but the reality of the situation is not quite so clear-cut.

The first indicator that the theft-wave narrative may not hold water is that stories about it tend to garble terms and numbers. They pair broad statistics about the commonness of shoplifting or larceny of any kind with lurid descriptions of brazen armed robberies (which aren't included in any shoplifting stats, because they are a different crime entirely) to illustrate a narrowly defined problem: organized retail crime. This is identified as repetitive, mostly nonconfrontational theft for profit, whose perpetrators strive to evade detection and keep each theft strategically below local dollar thresholds for felony larceny. Misdemeanors don't attract law-enforcement attention, the theory goes, so criminals are able to strike again and again and flip their hauls to fences, who consolidate millions of dollars of stolen goods into inventory for online storefronts, where Amazon and Etsy and eBay shield them from detection and punishment.

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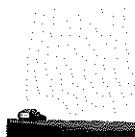
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Whether any of these offenses—simple shoplifting, organized theft, or violent smash-and-grabs—are actually happening more frequently overall is, at best, ambiguous. If we look closely at crime statistics in San Francisco, which news stories paint as the epicenter of this crime wave and whose crime stats are often used to illustrate these stories, the idea doesn't seem immediately ridiculous. Robberies, which is where smash-and-grabs generally fall, are slightly down citywide from 2020, according to the San Francisco Police Department, but larceny theft, which is where shoplifting would fall, is indeed up more than 19 percent. In the city's central district, where expensive fashion boutiques and other kinds of retail outlets are clustered together, larceny theft

was up 88 percent from 2020 as of early December, when CNN used the number to demonstrate the dire nature of San Francisco's crime problem.

You've gotta admit, that's a worrying number. Except, as you might remember, 2020 was kind of a weird year—people stayed home and many stores were closed for months at a time, which helped make the year's crime statistics, to put it mildly, *unique*. In San Francisco, the murder rate was (and still is) up, but recorded larceny thefts were way, *way* down compared with 2019. Robberies were also down by almost a quarter. This year, the 88 percent increase in the central district's larceny reports is still not enough to bring the area's theft rate back up to pre-pandemic levels, which themselves had been dropping for decades.

So far, this dynamic holds true for much of the country, according to FBI statistics. In 2020, the most recent year for which data are available, reports of robbery and larceny fell off a cliff. If we see a big jump in the near future, especially in violent smash-and-grabs, it's worth asking how much the recent media attention itself contributed to the spike. Research has shown that sensational news coverage can influence potential offenders to adopt highly publicized tactics in copycat crimes.

Retail theft, organized or not, affects some kinds of stores more than others. Big-box stores, discount stores, and drugstores—which tend to be thinly staffed and stock lots of small, easy-to-steal, easy-to-flip products—experience more losses from sales-floor theft than, say, furniture stores do, and it makes sense that those types of retailers would be particularly outspoken about it. Questioning how much things have really changed doesn't mean denying that a problem exists. If you've worked on a big-box sales floor, as I have, then you know that people attempting to steal large quantities of stuff that they probably intend to resell never has been particularly rare. The question is whether the way the problem is now being talked about matches reality.

When I asked retailers how they squared falling property-crime rates with their own assertions that theft has skyrocketed, they weren't exactly forthcoming. A spokesperson for Walgreens, which announced over the summer that it was closing some San Francisco locations because of high theft rates—a claim that has prompted skepticism in local media—declined to discuss the topic with me in any specifics. A spokesperson for CVS Health, which has been vociferous about organized theft and the need for new laws, told me that shoplifting has increased 300 percent in its stores since the beginning of the pandemic, and that the increase isn't reflected in police data, because police were less responsive to reports of property crime when criminal courts were closed. The company would not say what that change represents in absolute numbers, elaborate on its theft-tracking methodology, or explain whether the rate has fluctuated significantly in the nearly two-year period since the pandemic began.

As with San Francisco's shopping-district larceny jump, a change of 300 percent is alarming at face value, as are other rates of change commonly cited in media reports on shoplifting. For example, a [survey conducted in early 2020](#) by the National Retail Federation (NRF), a trade association and advocacy group, found that of surveyed retailers that reported being victims of organized retail crime, three-quarters said that the crime had increased in their stores at least slightly in the previous 12 months. But according to Anita Lavorgna, a criminologist at the University of Southampton, in England, who specializes in organized crime, those numbers are not especially meaningful if we do not know what data are being compared or the methodology that produced them. Without more transparency, accounting for all of the variables that could have affected the results is hard. If store managers receive the message from corporate that documenting theft is of the utmost importance, for instance, one could easily imagine a spike in reported incidents of theft much more significant than any actual spike in theft itself. (The NRF [surveys dozens of retailers](#), but it does not disclose which retailers participate in its surveys, which makes checking its work impossible for third parties.)

This type of fuzzy data is a common problem, Lavorgna told me. Another common problem is one of semantics: She's not convinced that, from a criminological perspective, the "organized" label fits much of the theft that these retailers are describing. There's just not much empirical evidence that flipping stolen makeup or baby formula or designer handbags online is primarily the province of huge, violent criminal-conspiracy organizations, she said. Meanwhile, certain states with specific statutes about organized theft define the act so broadly that it loses its usual meaning. In some places, two or more people conspiring together to steal anything a store might carry meets the legal definition of organized retail crime.

Just because a type of offense isn't *organized crime* doesn't mean it isn't serious or worth trying to stop, Lavorgna was careful to stipulate. But, she said, people or organizations that want to elicit fear in service of some goal—harsher laws, greater surveillance capabilities, access to increased funding—tend to stretch the "organized" label to fit all kinds of group crimes. This can create a gap between the scale of a problem and the scale or severity of the measures adopted to address it, according to Lavorgna's research—a sign of a moral panic.

In the U.S., states are already responding to widespread concern: Many have either already created organized-retail-crime task forces or are in the process of doing so. In California, Governor Gavin Newsome has proposed \$255 million in additional law-enforcement funding to address retail theft. The INFORM Consumers Act, which would require online marketplaces to verify state-issued IDs for millions of sellers, has bipartisan support in Congress. Large brick-and-mortar retailers stand to benefit greatly from these measures, which encourage people to see even the pettiest property crime as a mortal sin, allocate public funding to help companies shore up their

inventory issues, and weaken the competitive advantage of large-scale online-shopping platforms, whose success is a much larger existential threat to their bottom line than thieves could ever be.

If you've made it this far and still feel unsure whether you understand how big of a problem "organized" retail theft is, well, take a number. Trying to quantify it means wading through a morass of slippery terms, questionably reliable estimates, and statistical sleights of hand. When you make it to the other side, you find a significant discrepancy between the enormity of organized retail crime as described by the retail industry and the actual dollar losses it attribute to the problem.

Consider "shrink." That's the term retailers use to describe inventory losses from any cause—shoplifting, sloppy checkout practices, shipping errors, warehouse mistakes, or simple misplacement—usually expressed as a percentage of total sales. It can be very difficult for stores to determine how any particular piece of inventory was lost, so they are forced to estimate how much different kinds of losses contribute to their bottom line. In both 2019 and 2020, annual surveys of NRF members pegged the industry's average overall shrink rate at 1.6 percent—for every \$100 in sales, an average of \$1.60 in inventory was lost. The NRF's estimate of how much organized retail crime contributes to shrink is \$700,000 for every \$1 billion in sales, or \$0.07 for every \$100. Even by the estimates of groups lobbying lawmakers and the public to take the problem seriously, these types of crimes account for a tiny proportion of overall losses, on average. Paperwork errors and self-checkout machines are both far graver threats to inventory management.

Consider, too, that *organized retail crime* and *organized retail theft* do not refer to the same phenomenon, even though they are sometimes used interchangeably. Theft of goods from sales floors is only one part of that seven cents of shrink. Returns fraud, gift-card schemes, and cargo theft are all also significant factors, but they're rarely discussed in news reports about criminal threats to businesses. The stories just aren't as good—there are no terrifying viral videos of people entering Home Depot, picking up a brand new drill, walking it up to customer service, and returning the unbought drill for store credit, which is then sold for half of its cash value on Craigslist.

The CVS Health spokesperson I talked with argued that the company's alarming shoplifting statistics during the pandemic failed to match police data because the cops themselves were showing up less to document theft. There is likely some truth to that theory. Read Hayes, the founder of the Loss Prevention Research Council, which conducts research on behalf of retail-industry clients, says that retirement and turnover trends in local police forces have led to fewer patrol officers available to respond to reports of petty crimes, which in turn has made retail workers less likely to bother reporting low-level offenses to the police. Hayes sees shoplifting and organized

retail crime as big threats to the industry, but according to Jay Kennedy, a criminologist at Michigan State University, police declining to get involved in low-level offenses doesn't necessarily signal a crisis. Kennedy echoed Hayes's explanation for the sometimes scant police response to small thefts, but told me that his research has found that people tend to be fine with police and prosecutors prioritizing more serious or violent crimes over petty offenses.

Where to draw the line between a misdemeanor and a felony has become central to how shoplifting is discussed, thanks in large part to the advocacy of the retail industry itself. The NRF, for example, blames states' increases in the felony-theft threshold—the value of goods that must be stolen in order to charge a thief with a more serious crime—for stores' increased losses, and argues that the thresholds should be brought back down to combat theft. Kennedy doesn't buy it. Increasing penalties for lesser offenses “would make some people feel comfortable and happy, but in reality it's not going to have any substantial impact on the crimes,” he said. “It doesn't hold up empirically, and it just doesn't hold up practically.” This is War on Drugs logic, and it hasn't panned out there either.

Indeed, research on dozens of states that have increased their felony-theft thresholds since 2001 suggests that doing so presents no threat to public safety. And felony thresholds don't map neatly onto how liberal a state's government tends to be, or how “progressive” its prosecutors are. Even after loosening its law, California's \$950 minimum is still more conservative than most other states'. South Carolina and Texas, by comparison, set theirs at \$2,000 and \$2,500, respectively, but as far as I can tell, they are not being widely accused of legalizing theft.

This year, when the NRF asked the retailers in its survey which problems had become more of a priority for them in the past five years, organized retail crime wasn't the most popular answer. It was in-store violence, specifically shootings. Retail stores are the site of a tremendous amount of violence in American life, and have been for a long time. When I worked at Best Buy in the late 2000s, there was plenty of shoplifting, both recreational and professional, but the incidents I remember most vividly had nothing to do with theft. They involved people putting their hands on me or my co-workers, or, in one case, trying to run over one of us in the parking lot. The situation has deteriorated since then. At their most extreme, malls, grocery stores, and big-box stores have been the scene of scores of mass shootings in the past two decades, including atrocities such as the 2019 Walmart shooting in El Paso, Texas, that left 23 people dead.

More recently—and far more commonly—retail workers and sometimes patrons have had to put up with a wave of assaults during the pandemic, including a number of murders. Many of these attacks have been provoked by simple safety protocols, and

this violence, combined with the industry's low pay, has helped make retail-job openings particularly difficult to fill this year. Understaffed stores can invite more theft, as can stores where existing employees hate their job. How many people who make \$12 an hour to get screamed at by strangers for 31 hours a week (any more and the company would have to give them health insurance) are going to interrupt someone dumping bottles of shampoo into a garbage bag so that they can save their corporate overlords a rounding error's worth of losses? Is it worth finding out if that guy has a gun?

If we're concerned with the types of crime that destroy lives and businesses, endanger retail workers on the job, and discourage people from going out to enjoy themselves, then shoplifting is the wrong crime to focus on. The problem is violence, which frequently has nothing to do with shoplifting at all. But shoplifting is an easier conversation for the retail industry to have, and one that plenty of people—journalists included—are keen to get in on. It's a thousand other zeitgeisty arguments in one: about the role of police and prison in society, about the efficacy of tough-on-crime politicians or "Defund the police" as a slogan, about how serious property crime is relative to other types of harm, about whether liberal local governments are actually inept, about why there's so much open human misery on the streets of San Francisco.

Good old thieves, that is to say, are a palatable common enemy. Better to fear them than the other types of casual violence that have seeped into everyday life in America, and the rot that may have created it.

