

JEWELERS' SECURITY ALLIANCE

2016 ANNUAL CRIME REPORT



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EXECUTIVE SUMMARY

1. The total number of crimes* committed against U.S. jewelry firms reported to JSA increased from 1,177 in 2015 to 1,245 in 2016, an increase of 5.8%.

2. The total dollar losses from crimes committed against U.S. jewelry firms increased from \$69.3 million in 2015 to \$72.4 million in 2016, an increase of 4.5%.

3. Reports of grab and run thefts increased from 301 in 2015 to 420 in 2016, a 40% increase. The average grab and run loss in 2016 was \$7,664.

4. Off-premises crimes, including traveling salesperson losses, fell to a total of 48 in 2016, the second lowest total since the 1980s.

5. There were six homicides of jewelers in 2016, including a rare triple homicide in Jackson, Mississippi.

***JSA Crime Definitions:**

Robbery – Taking of property from a person by use of force or fear.

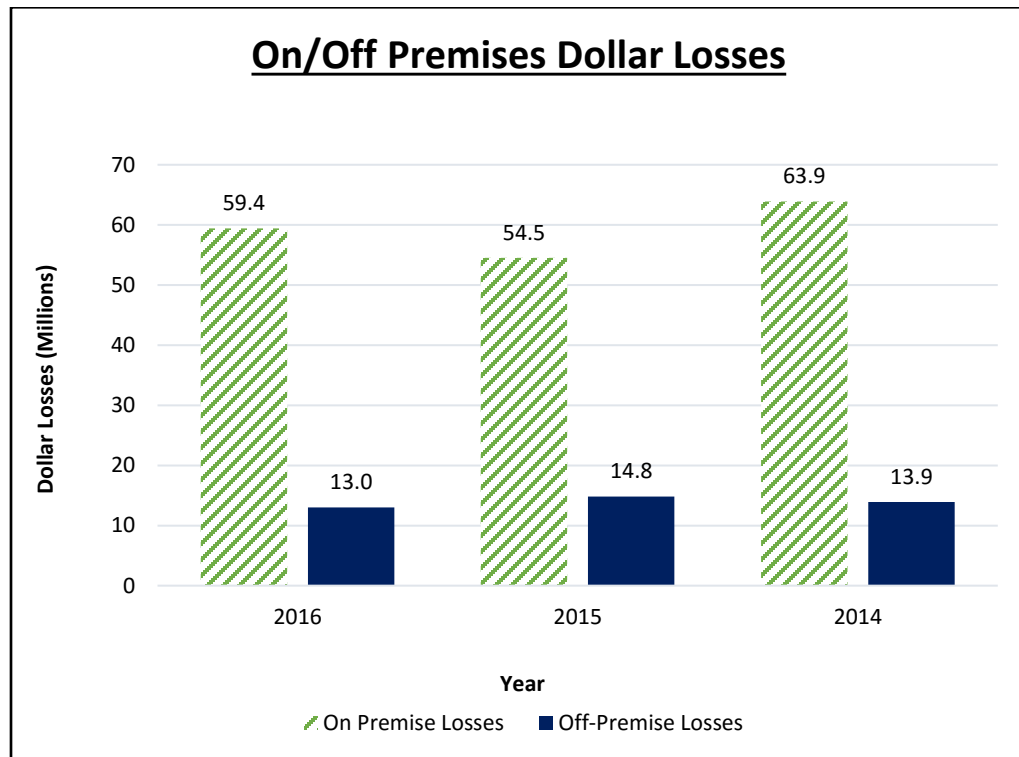
Burglary – Entering premises after closing with intent to commit a crime. Includes hiding in a jewelry location, taking product and breaking out after closing

Theft – Taking of property without force or fear. Includes crimes such as check and credit card fraud, distraction crimes, diamond switches, sneak thefts and shipping losses that present evidence of criminal activity. The term “shoplifting” is too vague and not used to describe events in this report.

Part One: COMBINED ON/OFF-PREMISES LOSSES/EVENTS

1. DOLLAR LOSSES

CATEGORY	2016 Dollars	2015 Dollars	2014 Dollars
ON-PREMISES	\$59.4 mil	\$54.5 mil	\$63.9 mil
OFF-PREMISES	\$13.0 mil	\$14.8 mil	\$13.9 mil
Total:	\$72.4 mil	\$69.3 mil	\$77.8 mil



2. EVENTS

CATEGORY	2016 Events	2015 Events	2014 Events
ON-PREMISES	1197	1120	1323
OFF-PREMISES	48	57	58
Total:	1245	1177	1381

From 2015 to 2016 dollar losses **increased by 4.5%**, and the total number of criminal events **increased by 5.8%**.

Part Two: ON-PREMISES CRIME

This section provides statistical data regarding criminal activity that targets jewelry locations as opposed to couriers, traveling salespersons, or retailers away from their stores. For example, this section includes a robbery, burglary or theft committed at a retail jewelry store, at the plant of a jewelry manufacturer or the office of a wholesaler.

1. TOTAL DOLLAR LOSSES - \$59.4 MILLION

Available data regarding all **on-premises** crime categories indicates a 9.0% increase in dollar losses, and a 6.9% increase in criminal events in 2016 compared to 2015. In 2016 the JSA received 1,197 on-premises crime reports compared to 1,120 reports in 2015.

A. Dollar Losses/On-Premises Crime (in millions)

CATEGORY	2016	2015
Robbery	\$24.2	\$26.8
Burglary	\$28.4	\$17.7
Theft	\$6.8	\$10.0
Total:	\$59.4	\$54.5

B. Incident Percentage Breakdown/On-Premises Crimes

CATEGORY	2016	2015
Theft	61.5%	56.5%
Burglary	24.0%	22.8%
Robbery	14.5%	20.6%

2. ROBBERY – 32 STATES

A. Number of Robbery Events

The number of robberies in 2016 decreased by 24.7% from 2015. There were 174 robberies reported to the JSA in 2016 compared to 231 in 2015. The number of Smash and Grab robberies decreased from 72 in 2015 to 62 in 2016, which is a 13.9% decrease. JSA has seen a 73.3% increase in the use of a gun during the commission of a smash and grab, 15 in 2015 compared to 26 in 2016. In 2016 there were 61 arrests of suspects in smash and grab cases compared to 57 arrests in 2015.

B. Robbery Dollar Losses

Robbery dollar losses decreased by 9.7% in 2016 compared to 2015. Losses for 2016 were \$ 24.2 million compared to \$26.8 million for 2015.

C. Most Active State/Robbery – by percentage of total robberies

2016		2015	
California	20.7%	California	18.2%
Florida	10.3%	Texas	11.3%
Texas	8.6%	Florida	8.2%
Michigan	6.3%	New York	6.5%
North Carolina	6.3%		

Note: Chart reflects the percentage of total number of on-premises robberies and indicates that 52.2% of jewelry industry on-premises robberies were committed in just five states. On-Premises robberies occurred in 32 States.

D. Most Active Month/Robbery

Most Active: January and February both had (10.9% of total robbery events)

Least Active: November (6.8% of total robbery events)

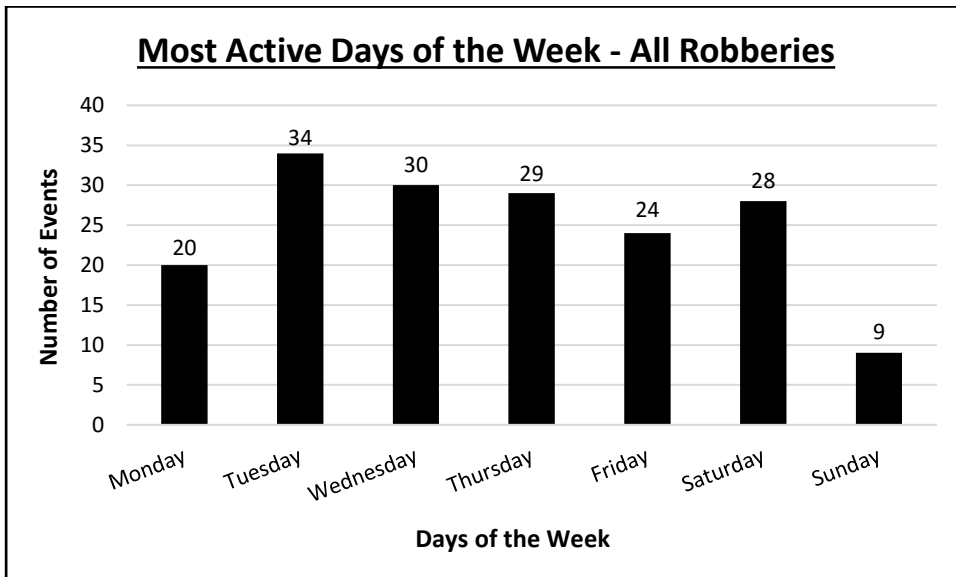
Average Robberies per month: 14.5

E. Most Active Time of Day/Robbery

In 2016 the greatest number of robberies occurred between 10:00 a.m. and 11:00 am. The second most active time of the day for a robbery to occur was between 11:00 a.m. and 12.00 p.m. There was no 60 minute time period during a normal work day when robberies did not occur.

F. Most Active Days of Week/Robbery

As reported in previous years, robbery events occurred with similar frequency on weekdays and with less frequency on weekends. Tuesday was the most active day during 2016. Sunday, when many jewelry firms are not open for business, was the least likely day for a robbery to occur.



G. Percentage of Robbery Events with a Gun/Violence

Robbery events with violence:

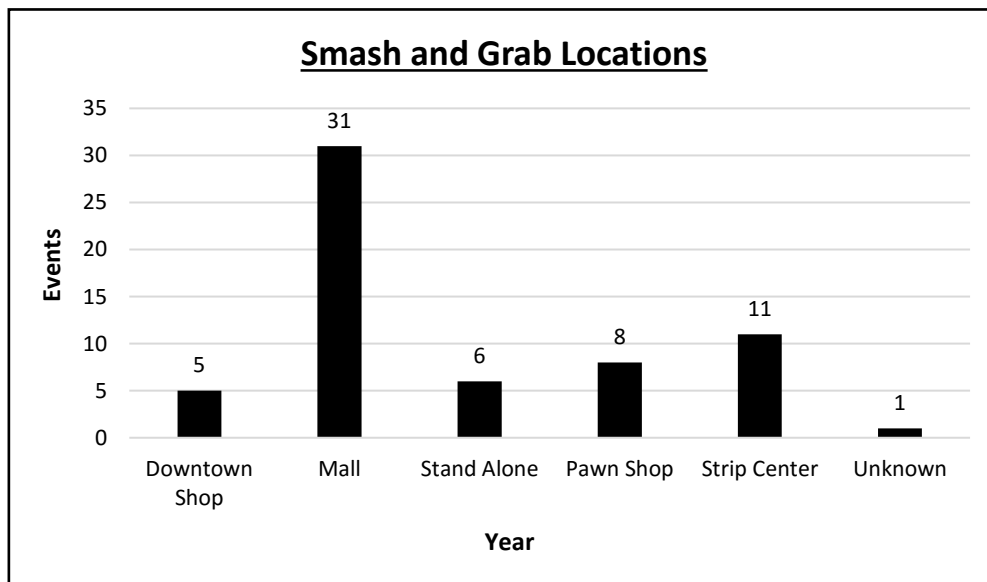
2016	2015	2014
31.6%	27.3%	21.9%

Robbery events with a gun:

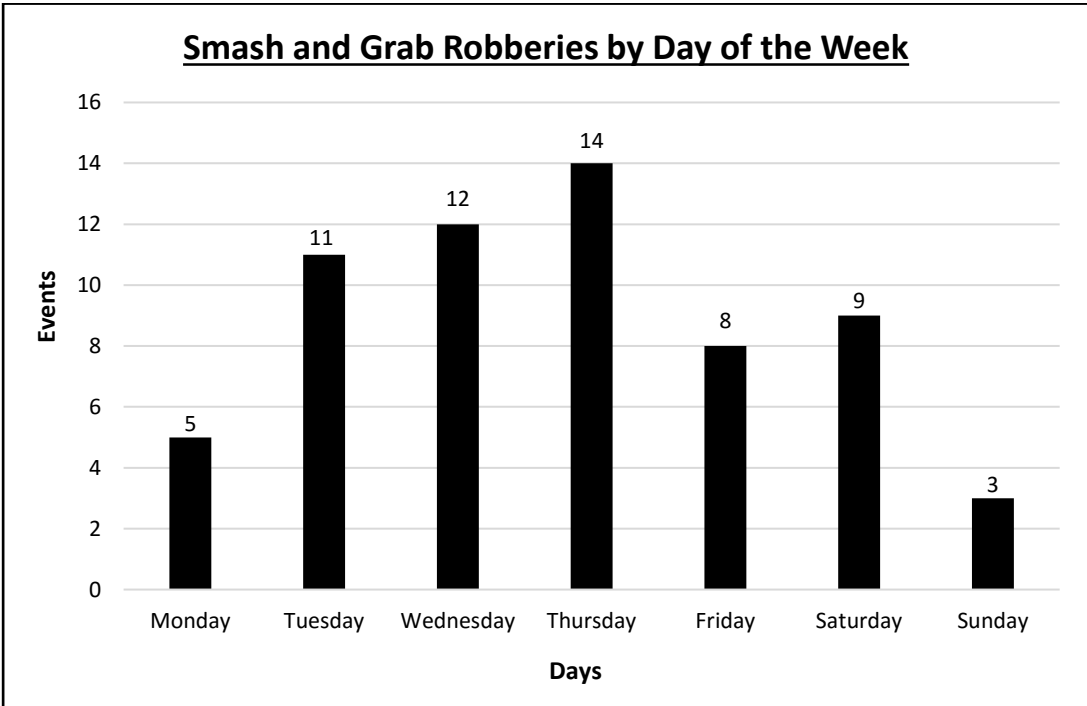
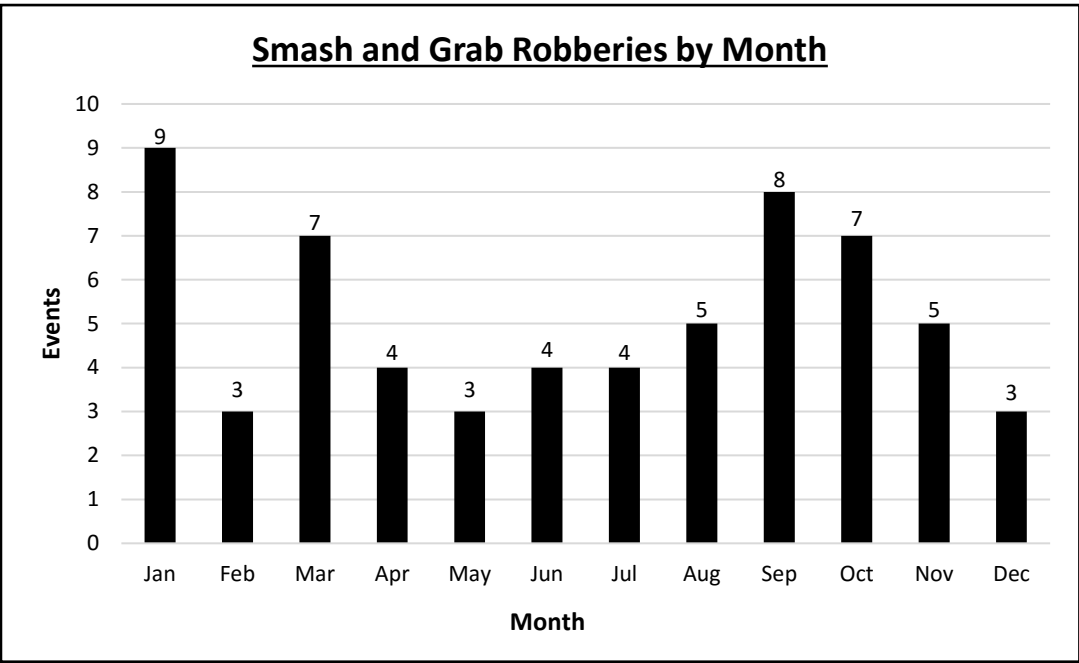
2016	2015	2014
61.5%	59.3%	36.5%

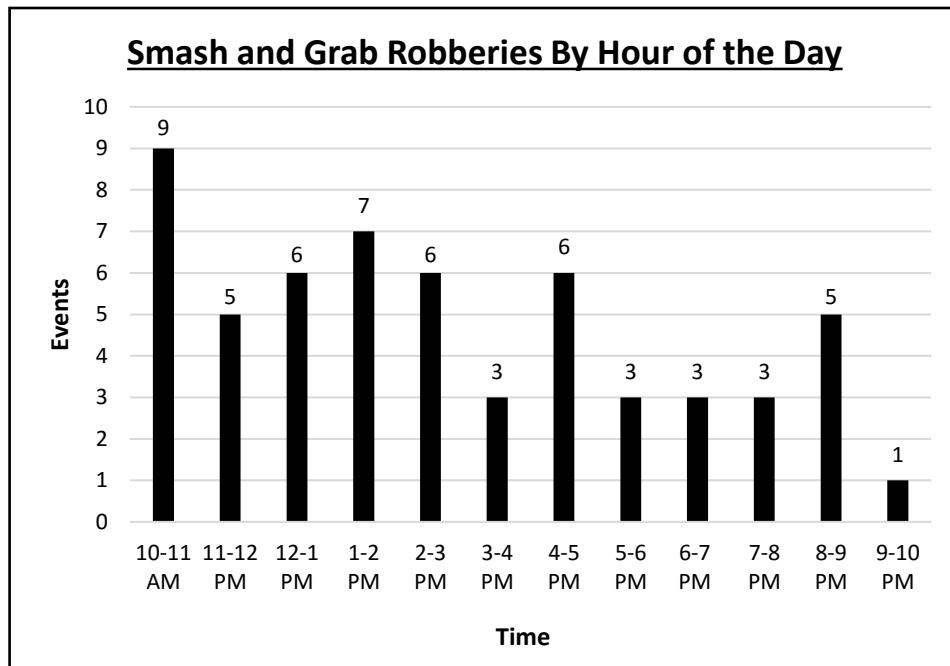
There was an increase in 2016 in the percentage of robberies in which robbers displayed a gun, and an increase in violence during robberies.

H. Smash and Grab Robberies



Smash and grab robbers struck mall locations most frequently.





Based on 57 Cases in which exact time of Smash & Grab was recorded.

3. HOMICIDE

A. Homicide Victim Categories

VICTIM CATEGORY	2016	2015	2014
Retail Jeweler/Relative	5	2	3
Customer	0	0	0
Traveling Salesperson	1	0	0
Police Officer	0	0	0
Total	6	2	3

In 2016, five robbers were killed by jewelers during the commission of a robbery, while in 2015, three robbers were killed by jewelers during the commission of a robbery.

B. Near-Fatal Violent Incidents

INCIDENTS	2016	2015	2014
Someone shot (not fatal)	4	3	15
Shots fired, no one hit	11	15	6

The number of shots fired in jewelry robberies when no one was hit was eleven separate incidents in 2016

4. BURGLARY LOSSES - \$28.4 million - 46 States

A. Dollar losses increased. Losses were \$17.7 million in 2015 compared to \$28.4 million in 2016, which is a 60.5% increase in dollar losses. In 2016, 287 burglaries were reported to JSA compared to 256 in 2015, a 12.1% increase.

B. Safe Attacks. The frequency of safe attacks increased by 16.6% in 2016 compared to 2015. In 2016, twenty-one safe attacks occurred in 16 states and represented 7.3% of the total number of burglaries against the jewelry industry. Florida and Arizona were the most active states for safe attacks and the average loss for a burglary that involved a safe attack was \$726K. There was a total of \$15.3 million in dollar losses in safe attacks for 2016, which included four separate cases where the losses reported were in excess of \$1 million.

C. Three-Minute Burglaries (B3M) \$4.2 Million Losses – 39 States
 These occurrences are identified as “Three Minute Burglaries” because that is the approximate time required to complete this crime. They are usually committed in the middle of the night by smashing a glass front door or window of a retail establishment, and then smashing display cases and stealing out-of-safe merchandise. The B3M category represents approximately 46.7% of the total number of burglaries experienced by the jewelry industry. Out of 287 burglaries reported in 2016, 134 were B3M compared to 124 in 2015, an increase of 8%. Three-minute burglaries occur only when jewelry is not secured and out of sight overnight. The average B3M in 2016 resulted in a loss of approximately \$24K in jewelry, compared to \$23K in 2015. In addition B3Ms cause property damage, business interruption and possible negative customer reaction.

D. (B3M) Three-Minute Burglary

- Frequency by day and month -

DAY		MONTH			
Mon	25	Jan	9	Jul	16
Tue	22	Feb	10	Aug	17
Wed	20	Mar	16	Sep	13
Thu	22	Apr	9	Oct	13
Fri	16	May	10	Nov	6
Sat	17	Jun	6	Dec	9
Sun	12				

Burglary (Not B3M)

- Frequency by day and month -

DAY		MONTH			
Mon	24	Jan	9	Jul	13
Tue	23	Feb	8	Aug	13
Wed	16	Mar	14	Sep	18
Thu	23	Apr	11	Oct	15
Fri	16	May	15	Nov	10
Sat	21	Jun	6	Dec	21
Sun	30				

E. Most Frequent Points of Entry/All Burglaries

During high-tech burglaries that involve a safe or vault attack, entry is often gained by cutting a hole in the roof or an adjacent unprotected wall, ceiling or floor after an alarm system has been compromised in some manner.

ENTRY POINT	2016	2015	2014
Front Door	22%	31%	27%
Window	9%	16%	19%
Wall	8%	7%	7%
Roof	6%	7%	14%
Veh. Smash	6%	3%	4%
Security Gate	1%	1%	1%
Other/unknown	48%	35%	28%

Note: In approximately 48% of the burglary reports received by the JSA, the point of entry was not clearly defined, could not be confirmed, or occurred in a manner not listed above.

F. Rooftop Burglaries: Entry through a roof.

JSA received reports of 16 rooftop burglaries from eleven states in 2016 compared to 19 in 2015, a 16% decline. California and Florida were the most active states with three rooftop burglaries each. The majority of these burglaries resulted in large losses. Alarm systems, often without line security, were compromised. In other cases when alarm signals were sent, responding police units, unable to detect any obvious evidence of a break-in during a cursory exterior inspection, and unable to conduct an internal search, left the scene while the burglars were possibly inside, on the roof or nearby. In most of the recent rooftop burglaries the suspects took merchandise left out in showcases overnight.

G. Most Active States/ All Burglaries

STATE	2016	2015
California	12%	12%
New Jersey	11%	8%
Florida	9%	7%
Texas	7%	6%
Pennsylvania	5%	not listed
New York	4%	8%

Note: Chart reflects percentage of the total number of burglaries and indicates that approximately 48% of the total number of burglaries in the United States occurred in just six states.

5. THEFT: \$6.8 MILLION IN LOSSES (736 CRIMES) IN 2016 vs. \$10 MILLION IN LOSSES (633 CRIMES) IN 2015.

A. Frequent Theft Methods

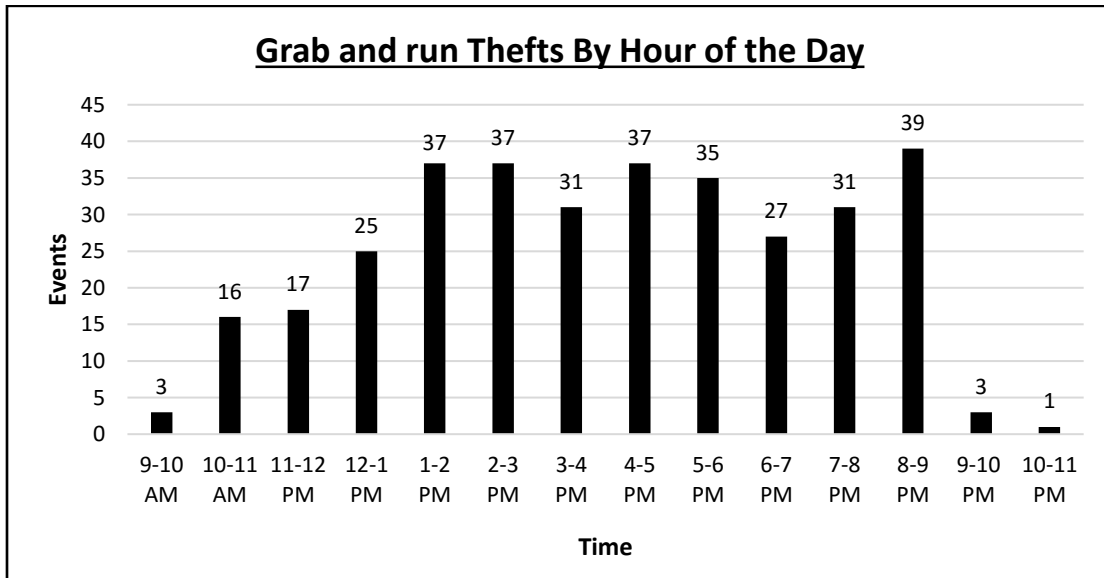
CATEGORY	EVENTS	AVERAGE LOSS
Grab & Run	420	\$7,664
Sneak Theft	77	\$9,202
Distraction	107	\$12,486
Credit Card & Payment Fraud	61	\$10,272
Switches	21	\$4,700
Pried Case	4	\$26,945
Cut/Lift Glass	16	\$7,513
Pick & Key	3	\$7,000

Grab and run losses reported in 47 States.

In 2016, there were 420 grab and run crimes reported to the JSA, compared to 301 in 2015, a 40% increase. Approximately 34% of all thefts reported to the JSA in 2016 were grab and run events. A grab and run can result in a significant dollar loss, and one grab and run in Colorado resulted in a loss of \$118,000 in jewelry merchandise.

B. Theft - Grab and run

-Frequency by Hour of the Day –



Based on 339 cases reported to JSA in 2016 in which the exact time of the loss was reported.

C. Theft - Grab and run

- Frequency by day and month-

DAYS		MONTH			
Mon	61	Jan	31	Jul	50
Tue	64	Feb	27	Aug	37
Wed	77	Mar	32	Sep	42
Thu	58	Apr	35	Oct	36
Fri	61	May	25	Nov	31
Sat	60	Jun	32	Dec	42
Sun	39				

PART THREE: OFF-PREMISES CRIMES

This section provides statistical data regarding criminal attacks occurring away from the victim’s business base of operations. For example, attacks against traveling jewelry salespersons, trunk and remount show operators, couriers, firms exhibiting at jewelry shows, retailers attacked away from their place of business, including at home, and other industry members traveling with jewelry.

1. OFF-PREMISES DOLLAR LOSSES - \$13.0 MILLION – 15 States

Dollar losses decreased 12% during 2016 and the number of criminal events decreased by 16%. This report compared 48 cases from 2016 to 57 cases reported to JSA in 2015. Off-Premise crimes were reported during all calendar months for 2016 with October being the most prevalent month for off-premise crimes (12). In 2016, a total of 28 crimes involved a traveling salesman which was 58% of all off-premise crimes in 2016.

A. Off-Premises Dollar Losses by Crime Category

CRIME CATEGORY	2016	2015	2014
Robbery	\$9.3 million	\$13.6 million	\$11.7 million
Theft	\$3.5 million	\$1.1 million	\$2.2 million
Burglary	\$200K	\$108K	\$22K
Total	\$13.0 million	\$14.8 million	\$13.9 million

B. Percentage of Total Off-Premises Events by Crime Category

CATEGORY	2016	2015	2014
Robbery	73.0%	82.5%	62.1%
Theft	25.0%	14.0%	34.5%
Burglary	2.0%	3.5%	3.4%

2. OFF-PREMISES ROBBERIES

A. Violence

There were 34 off-premises robberies reported to JSA in 2016 which is down 27.6% compared to 2015. The victims included traveling jewelry salespersons, retailers and couriers. In 25% of all the off-premises crimes (12 out of 48) reported to JSA in 2016, a victim was physically assaulted, usually in response to some level of resistance on the part of the victim. A gun was displayed in 15 of the robberies and a knife was displayed during 6 incidents.

B. Trunk/Remount Shows

In 2016 the JSA received two reports regarding Trunk/Remount show losses.

3. OFF-PREMISES THEFT - \$3.5 MILLION IN LOSSES

There were twelve off premises thefts in 2016. Five out of the twelve thefts were from unattended vehicles. Unless special insurance riders have been purchased, this type of loss is not generally covered by insurance.

A. Off-Premises Theft Dollar Losses

2016	2015	2014
\$3.5 million	\$1.1 million	\$2.2 million

4. MOST FREQUENT CRIME SCENES

CRIME SCENE	2016	2015	2014
Parking lots	23%	43%	16%
Highways/Street	36%	19%	21%
Residence	6 %	7%	12%
Show related	17%	5%	14%
Hotel/Motel	2%	3%	5%
Airports	0%	3%	0%
Restaurants	1%	1%	2%
Gas Stations	6%	0%	5%

In 2016 Highways/Street were the most common place of occurrence for off premises attacks, at 36%, and Parking lots was second, at 23%.

5. SUSPECT PROFILE

In the great majority of off-premises losses reported to the JSA, in which suspect descriptions were provided or arrests made, male and female Hispanic suspects were indicated. Based on law enforcement reports, the majority of those arrested were found to be from Colombia and residing in the U.S. illegally. Local and Federal law enforcement agencies have confirmed the existence of organized criminal groups identified as South American Theft/Robbery Gangs (SATG), that target the jewelry industry. SATG are also operating in Canada and throughout the world, including at major jewelry trade shows, and are involved in major criminal activities related to organized retail theft and other non-jewelry related crime.

6. STATES WITH OFF-PREMISE LOSSES - (2016 - 15 States): CA, FL, GA, IL, KY, NV, MS, NY NJ, PA TN, TX, WA, VA, WA.

A. Most Active States for Off-Premises Losses

STATES	2016		STATES	2015
1. California	29.1%		1. Texas	28.1%
2. Florida	10.4%		2. Florida	21.1%
3. Georgia	10.4%		3. California	17.5%
4. Texas	10.4%		4. Illinois	5.3%
Total	60.3%		Total	72.0%

Percentages shown reflect the percentage of the total number of off-premises losses. The information provided in this chart demonstrates that 60.3% of all off-premises losses occurred in just four states during 2016.

In 1999 the U.S. diamond, jewelry and watch industry experienced 323 off-premises losses, overwhelmingly of traveling jewelry salespersons and trunk show personnel. Since then there has been a steady decline in this category of crime. In 2016 JSA received just 48 reports of such crimes. Important contributing factors regarding this reduction are the dedicated interest by law enforcement, particularly the FBI in cooperation with local law enforcement agencies; the greatly reduced number of traveling jewelry salespeople on the road due to the changing methods of jewelry distribution and sales; and greater education and information sharing by jewelry firms and police.

Appendix A

U.S. JEWELRY INDUSTRY CRIME LOSSES 1998 THROUGH 2016

LOSSES STATED IN 2016 INFLATION ADJUSTED DOLLARS

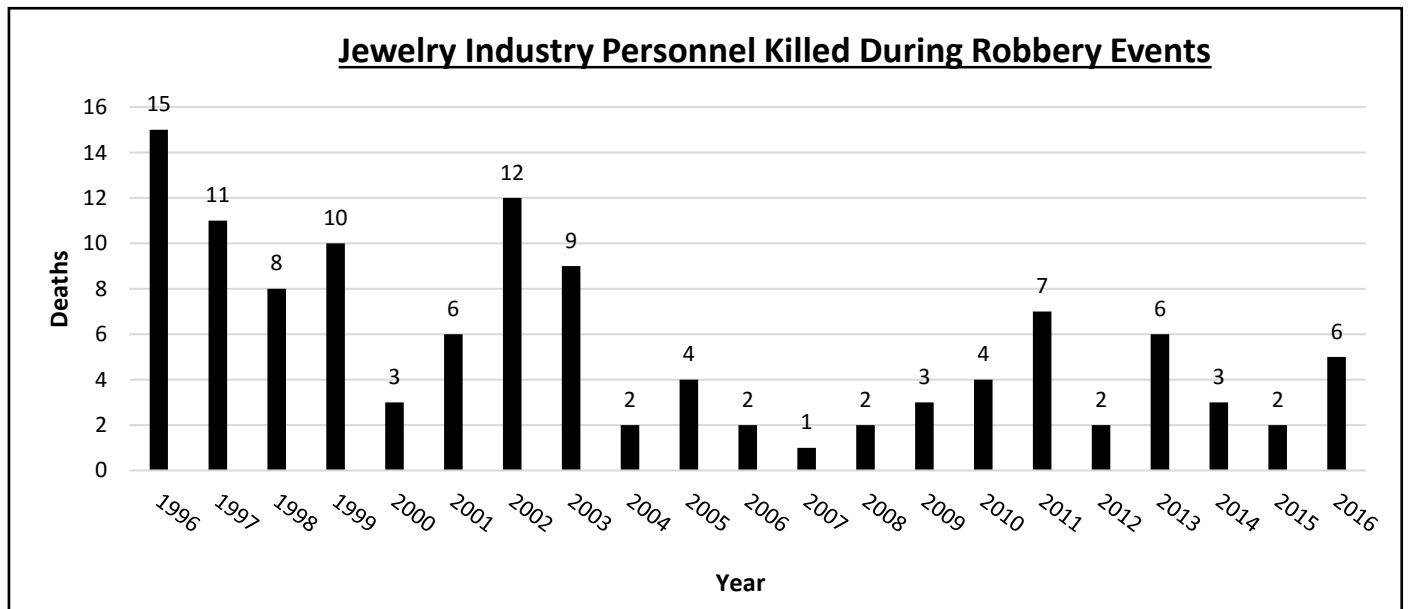
YEAR	LOSSES STATED IN 2016 DOLLARS
1998	\$190.60 million
1999	\$195.83 million
2000	\$164.33 million
2001	\$166.28 million
2002	\$168.09 million
2003	\$173.22 million
2004	\$137.94 million
2005	\$136.40 million
2006	\$125.37 million
2007	\$111.88 million
2008	\$114.84 million
2009	\$108.81 million
2010	\$88.51 million
2011	\$90.64 million
2012	\$62.64 million
2013	\$68.51 million
2014	\$78.87 million
2015	\$70.17 million
2016	\$72.40 million

Appendix B

**JEWELRY INDUSTRY PERSONNEL KILLED
DURING ROBBERY EVENTS, 1996-2016.**

Year	Deaths
1996	15
1997	11
1998	8
1999	10
2000	3
2001	6
2002	12
2003	9
2004	2
2005	4
2006	2

Year	Deaths
2007	1
2008	2
2009	3
2010	4
2011	7
2012	2
2013	6
2014	3
2015	2
2016	6
Total	118



Appendix C

COMBINED ON/OFF-PREMISES 2016 CRIMES AND ARRESTS BY STATE

All crime categories, robbery, burglary and theft, on-premises and off-premises, were included in the preparation of this chart. “Arrests” refers to the number of persons arrested during 2016.

State	AL	AR	AK	AZ	CA	CO	CT	DC	DE	FL	GA	HI
Crimes	11	8	3	23	167	14	13	0	2	108	50	7
Arrests	4	1	2	5	63	0	6	0	0	29	14	0
State	IA	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN
Crimes	13	1	36	23	5	14	15	25	30	4	24	9
Arrests	4	2	13	5	0	1	2	6	2	1	17	2
State	MO	MS	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH
Crimes	22	11	1	49	1	3	5	53	15	29	79	47
Arrests	8	5	1	16	0	0	4	13	4	15	19	3
State	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA
Crimes	7	14	49	3	27	1	41	103	4	2	25	32
Arrests	2	1	13	2	10	0	5	21	0	0	8	0
State	WI	WV	WY									
Crimes	7	9	1									
Arrests	0	0	0									
TOTAL 2016 CRIMES: 1,245 (Crimes in 2015 - 1,177)												
TOTAL 2016 ARRESTS: 329 (Arrests in 2015 – 441)												

California, the state with the most crimes in 2016, also has the most jewelry retail locations, and has traditionally led the U.S. in jewelry crime.

No reports of jewelry crimes were reported to the JSA from the District of Columbia.

Appendix D

Site of On-Premises Crimes 2016

Location	Robbery	Burglary	Thefts
Mall	78	107	534
Strip Center	43	70	60
Downtown/ Center City	23	51	74
Stand Alone	16	32	26
Other	14	27	42

On-Premises Crimes Reported to JSA Chains vs. Independent Jewelers

CRIME CATEGORY & STORE TYPE	2016	2015	2014
Burglary in Multi Branch, Retail Chains & Dept. Stores	31.4%	21.3%	21.7%
Burglary in Independent Jewelers	68.6%	78.7%	78.3%
Robbery in Multi Branch, Retail Chains & Dept. Stores	37.4%	39.3%	36.2%
Robbery in Independent Jewelers	62.6%	60.7%	63.8%
Theft in Multi Branch, Retail Chains & Dept. Stores	70.7%	66.5%	59.6%
Theft in Independent Jewelers	29.3%	33.5%	40.4%

Appendix E

JSA Sources of Case Information

JSA Membership (over 20,000 retail, wholesale and manufacturing jewelry locations.)

Local jeweler crime prevention networks

JSA law enforcement information sharing network

Jewelry retail chains information sharing network Non-member crime victims

Associate trades: alarms, safes, private security, etc.

Insurance companies, insurance brokers and adjusters Media, trade publications and online sources.

The statistics provided in this report are based solely on case specific information obtained by the JSA. Only information that in the opinion of the JSA is credible, and can be verified in some way as to its accuracy, is used in the compilation of these statistics. Extremely large and/or suspect dollar amounts may not be included in some calculations to prevent skewing. The loss values reported should be considered conservative, and may be greater than indicated. JSA seeks to use loss values at cost, not retail value, and no values from past years are adjusted for inflation unless specified.

It is not possible for the JSA to obtain information on every jewelry industry crime which occurs in the United States for several reasons, not limited to the fact that many go unreported, even to the police. However, the JSA database is the largest, most complete and accurate in existence. It is the opinion of the JSA staff that information pertaining to additional criminal events would not have a significant effect on the dollars or percentages derived from existing information.