

JEWELERS' SECURITY ALLIANCE

2017 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 1,245 in 2016 to 1,394 in 2017, an increase of 12.0%.

2. The total dollar losses from crimes committed against U.S. jewelry firms decreased from \$72.4 million in 2016 to \$72.1 million in 2017, a decrease of 0.4%.

3. Reports of smash and grab robberies increased from 62 in 2016 to 71 in 2017, an increase of 14.5%. Over 50% of smash and grab robberies occurred in mall locations.

4. Grab and run thefts increased from 420 in 2016 to 556 in 2017, an increase of 32.4%.

5. Off-premises crimes, including traveling salesperson losses, fell to 39 in 2017, the lowest total in over 20 years.

6. In 2017 JSA recorded a large dollar increase in cyber-enabled thefts by deception and impersonation. The average loss from this type of crime was over \$1.2 million.

7. There were five homicides of jewelers in 2017, compared to six homicides in 2016. In the ten-year period from 1996 to 2006, 82 jewelers were killed, while in the ten-year period from 2007 to 2017, 41 jewelers were killed, which represented a 50% decline from the previous decade.

***JSA Crime Definitions:**

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

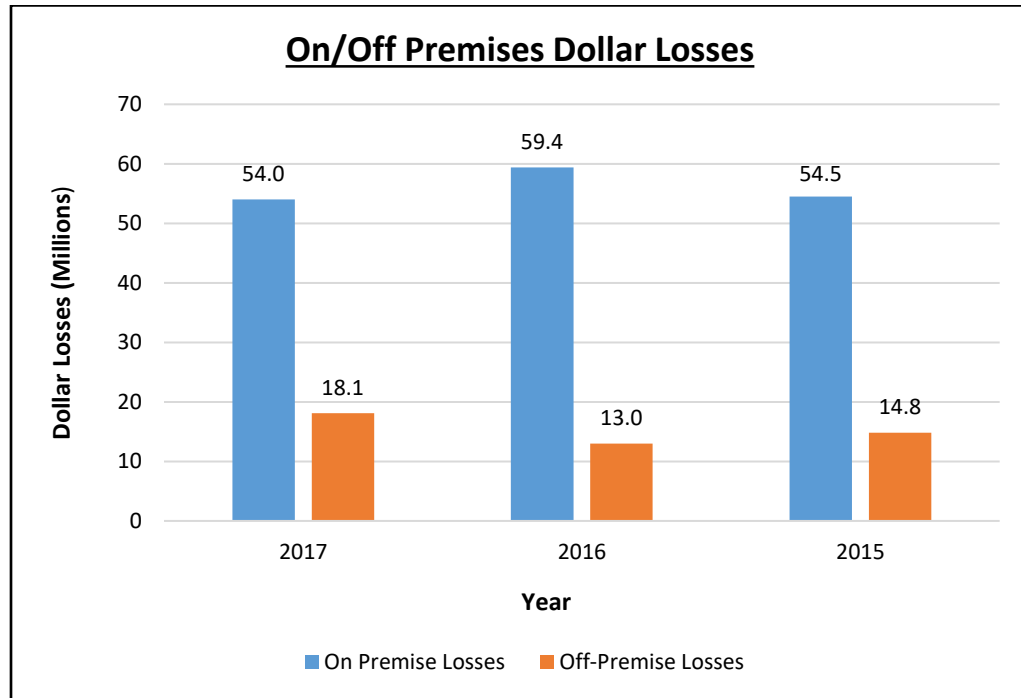
Burglary – Entering premises after closing with intent to commit a crime. Includes hiding in a jewelry location, taking product and breaking out after closing

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	2017 Dollars	2016 Dollars	2015 Dollars
ON-PREMISES	\$54.0 mil	\$59.4 mil	\$54.5 mil
OFF-PREMISES	\$18.1 mil	\$13.0 mil	\$14.8 mil
Total:	\$72.1 mil	\$72.4 mil	\$69.3 mil



2. EVENTS

CATEGORY	2017 Events	2016 Events	2015 Events
ON-PREMISES	1355	1197	1120
OFF-PREMISES	39	48	57
Total:	1394	1245	1177

From 2016 to 2017 dollar losses **decreased by 0.4%**, and the total number of criminal events **increased by 12.0%**.

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 - \$54.0 MILLION

Available data regarding all **on-premises** crime categories indicates a 9.1% decrease in dollar losses, and a 13.2% increase in criminal events in 2017 compared to 2016. In 2017 the JSA received, 1,355 on-premises crimes reports compared to 1,197 reports in 2016.

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

CATEGORY	2017	2016
Robbery	\$21.5	\$24.2
Burglary	\$15.5	\$28.4
Theft	\$17.0	\$6.8
Total:	\$54.0	\$59.4

B. Incident Percentage Breakdown/On-Premises Crimes

CATEGORY	2017	2016
Theft	67.9%	61.5%
Burglary	17.7%	24.0%
Robbery	14.4%	14.5%

2. ROBBERY – 36 STATES

A. Number of Robbery Events

The number of robberies in 2017 increased by 12.1% from 2016. There were 195 robberies reported to JSA in 2017 compared to 174 in 2016. The number of smash and grab robberies increased from 62 in 2016 to 71 in 2017, which is a 14.5% increase. JSA has seen a 19.2% decrease in the use of a gun during the commission of a smash and grab, 26 in 2016 compared to 21 in 2017. In 2017 there were 28 arrests of suspects in smash and grab cases compared to 61 arrests in 2016.

B. Robbery Dollar Losses

Robbery dollar losses decreased by 11.2% in 2017 compared to 2016. Losses for 2017 were \$21.5 million compared to \$24.2 million for 2016.

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

2017	
California	21.0%
Texas	9.2%
New York	8.2%
North Carolina	7.2%

2016	
California	20.7%
Florida	10.3%
Texas	8.6%
Michigan	6.3%
North Carolina	6.3%

Note: Chart reflects the percentage of total number of on-premises robberies and indicates that 45.6% of jewelry industry on-premises robberies were committed in just four states. On-Premises robberies occurred in 36 States.

D. Most Active Month/Robbery

Most Active: January (13.3% of total robbery events)

Least Active: June (2.6% of total robbery events)

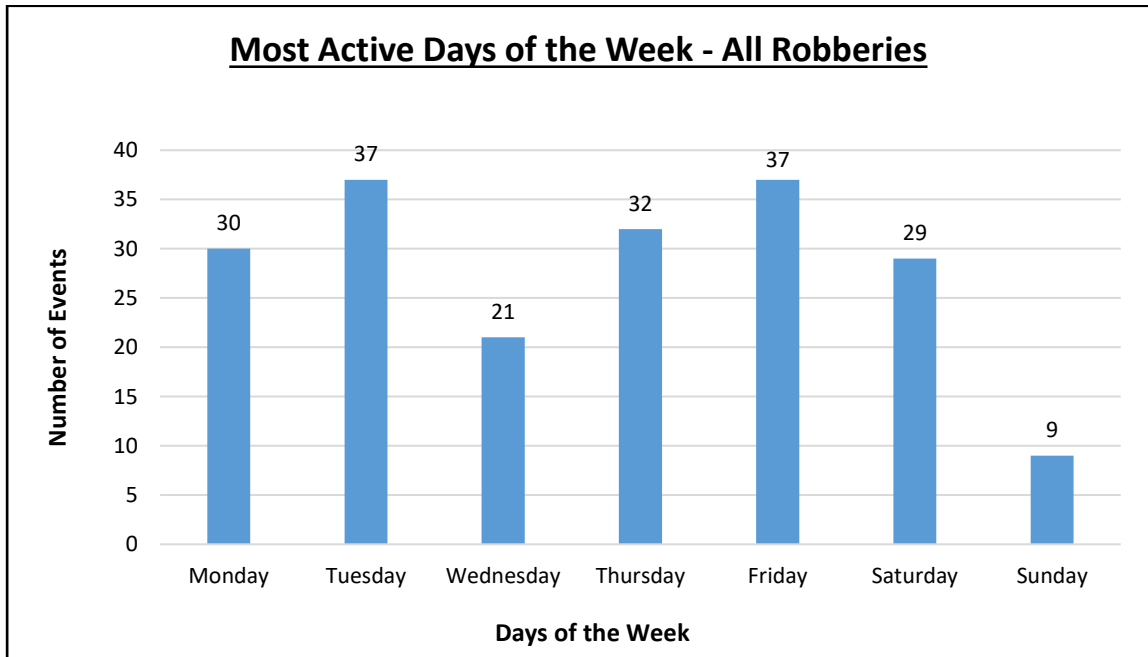
Average Robberies per month: 16.3

E. Most Active Time of Day/Robbery

In 2017 the greatest number of robberies occurred between 11:00 a.m. and 12:00 pm. The second most active time of the day for a robbery to occur was between 8:00 p.m. and 9.00 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 and Friday were the most active days during 2017. 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:

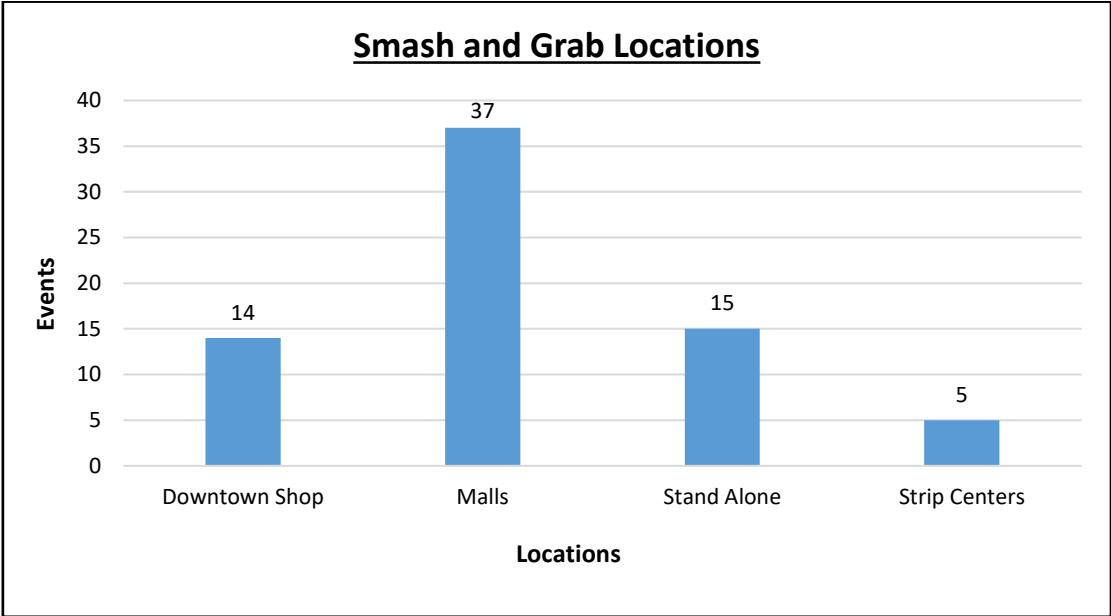
2017	2016	2015
27.7%	31.6%	27.3%

Robbery events with a gun:

2017	2016	2015
49.7%	61.5%	59.3%

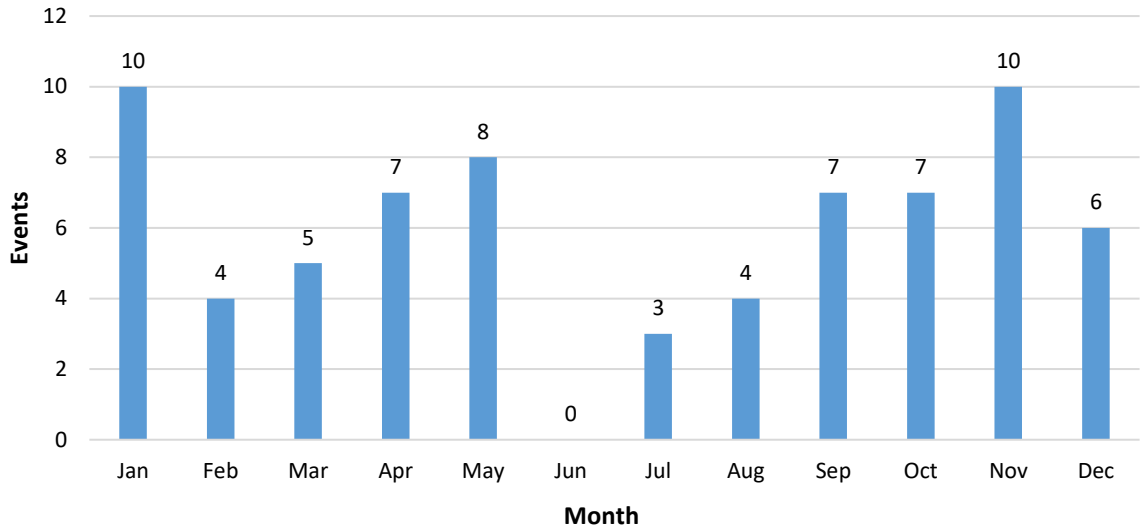
There was a decrease in 2017 in the percentage of robberies in which robbers displayed a gun, and a decrease in violence during robberies.

H. Smash and Grab Robberies

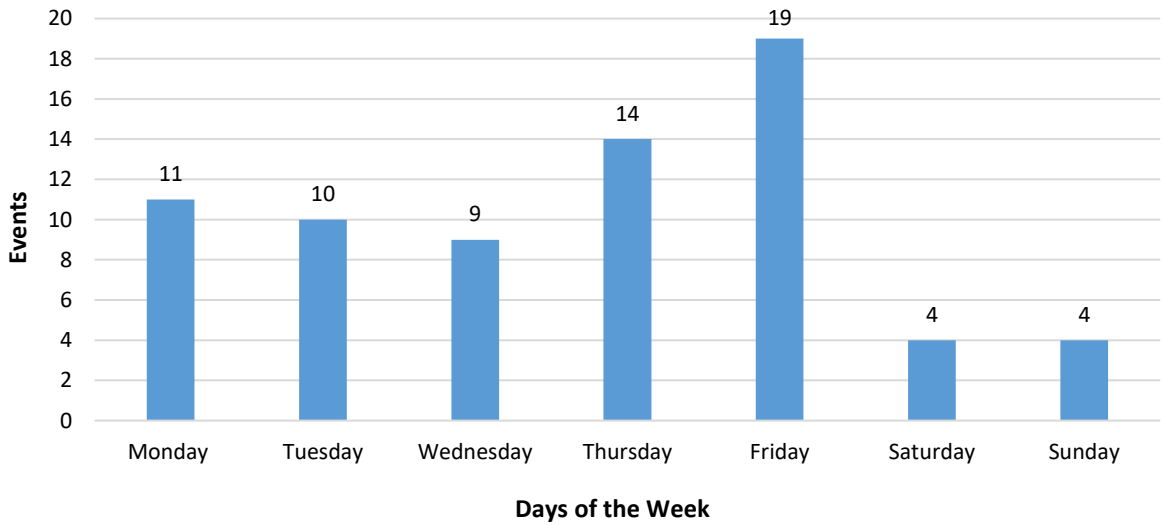


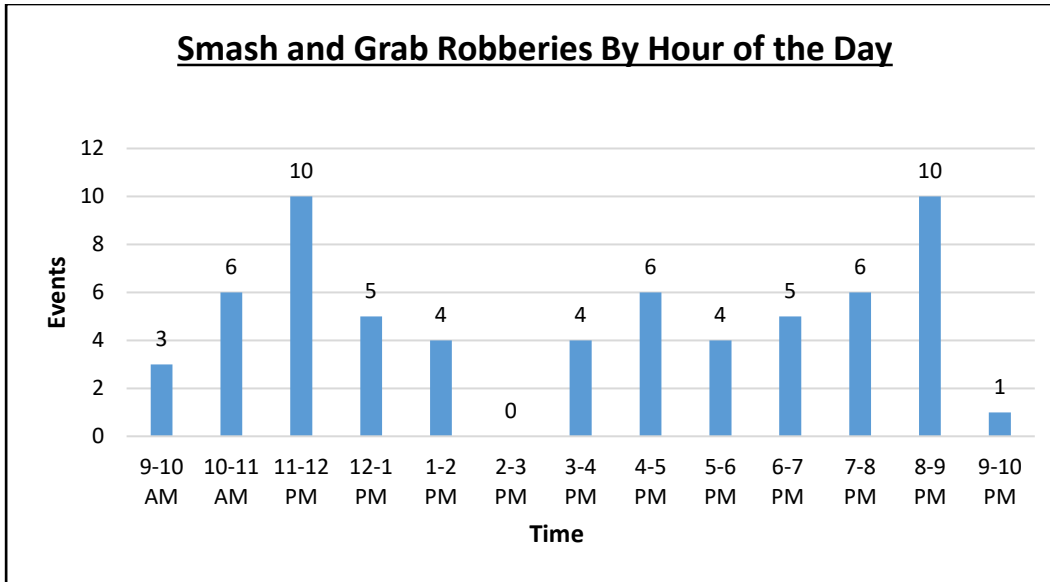
Smash and grab robbers struck mall locations most frequently.

Smash and Grab Robberies by Month



Smash and Grab Robberies by Day of the Week





Based on 64 cases in which exact time of Smash & Grab was recorded.

3. HOMICIDE

A. Homicide Victim Categories

VICTIM CATEGORY	2017	2016	2015
Retail Jeweler	5	5	2
Customer	1	0	0
Traveling Salesperson	0	1	0
Police Officer	0	0	0
Good Samaritan	1	Unlisted	Unlisted
Total	7	6	2

In 2017, one robber was killed by a jeweler during the commission of a robbery, while in 2016, five robbers were killed by jewelers during the commission of a robbery.

B. Near-Fatal Violent Incidents

INCIDENTS	2017	2016	2015
Someone shot (not fatal)	5	4	3
Shots fired, no one hit	6	11	15

The number of shots fired in jewelry robberies when no one was hit was six separate incidents in 2017.

4. BURGLARY LOSSES - \$15.5 million - 40 States

A. Dollar losses decreased. Losses were \$28.4 million in 2016 compared to \$15.5 million in 2017, which is a 45.4% decrease in dollar losses. In 2017, 240 burglaries were reported to JSA compared to 287 in 2016, a 16.4% decrease.

B. Safe Attacks. The frequency of safe attacks decreased from 21 in 2016 to 19 in 2017 which was a 9.5% decrease. Safe attacks occurred in 11 states in 2017 and represented 7.9% of the total number of burglaries against the jewelry industry. In 2017 New York and Florida were the most active states for safe attacks and the average loss for a burglary that involved a safe attack was \$248K. In 2016, the average loss for a burglary that involved a safe attack was \$726K.

C. Three-Minute Burglaries (B3M) \$4.5 Million Losses – 30 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 45.4% of the total number of burglaries experienced by the jewelry industry. Out of 240 burglaries reported in 2017, 109 were B3M compared to 134 in 2016, a decrease of 18.7%. Three-minute burglaries occur only when jewelry is not secured and out of sight overnight. The average B3M in 2017 resulted in a loss of approximately \$29K in jewelry, compared to \$24K in 2016. 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	16	Jan	10	Jul	12
Tue	14	Feb	8	Aug	8
Wed	19	Mar	3	Sep	11
Thu	18	Apr	5	Oct	4
Fri	9	May	11	Nov	14
Sat	18	Jun	8	Dec	15
Sun	15				

Burglary (Not B3M)

- Frequency by day and month -

DAY		MONTH			
Mon	26	Jan	14	Jul	5
Tue	22	Feb	15	Aug	4
Wed	10	Mar	12	Sep	14
Thu	12	Apr	14	Oct	12
Fri	18	May	9	Nov	8
Sat	19	Jun	9	Dec	15
Sun	24				

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	2017	2016	2015
Front Door	34%	22%	31%
Window	22%	9%	16%
Wall	8%	8%	7%
Mall/kiosk	7%	Unlisted	Unlisted
Roof	7%	6%	7%
Veh. Smash	5%	6%	3%
Hid until closing	2%	Unlisted	Unlisted
Security Gate	1%	1%	1%
Other/unknown	14%	48%	35%

F. Rooftop Burglaries: Entry through a roof.

JSA received reports of 18 rooftop burglaries from nine states in 2017, compared to 16 rooftop burglaries in 2016. Texas and Ohio were the most active states with four 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	2017	2016
California	11%	12%
Florida	10%	9%
Texas	8%	7%
New York	6%	4%
Pennsylvania	5%	5%
Ohio	5%	unlisted

Note: Chart reflects percentage of the total number of burglaries and indicates that approximately 45% of the total number of burglaries in the United States occurred in just six states.

5. THEFT: \$17.0 MILLION IN LOSSES (920 CRIMES) IN 2017 vs. \$6.8 MILLION IN LOSSES (736 CRIMES) IN 2016.

A. Frequent Theft Methods

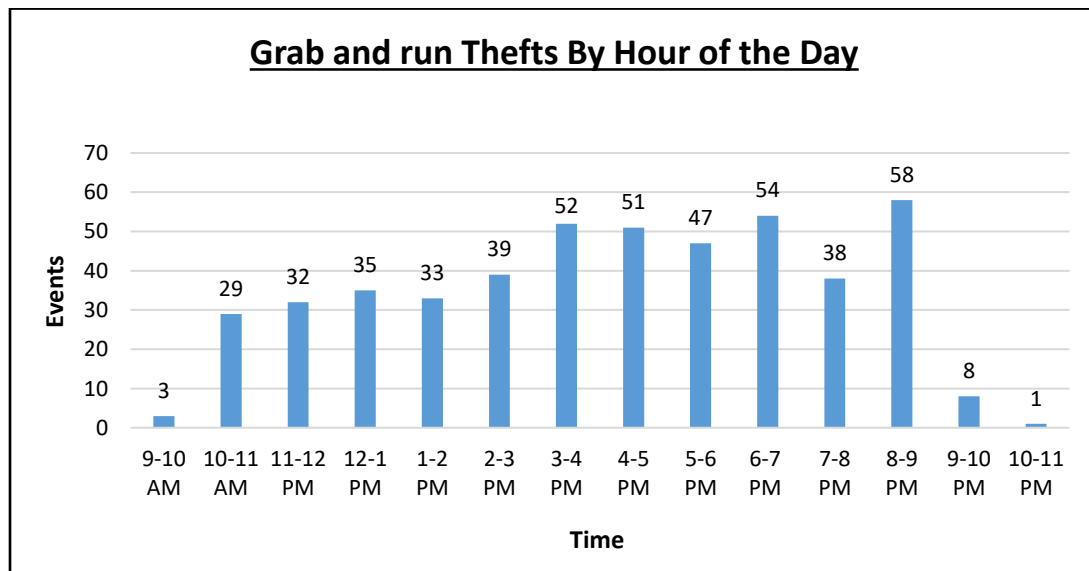
CATEGORY	EVENTS	AVERAGE LOSS
Grab & Run	556	\$7,113
Distraction	124	\$18,596
Sneak Theft	101	\$7,718
Credit Card & Payment Fraud	63	\$9,970
Switches	37	\$6,865
Internal	13	\$33,965
Cyber-enabled Theft by Deception	6	\$1,245,779

Grab and run losses reported in 46 States.

In 2017, there were 556 grab and run crimes reported to the JSA, compared to 420 in 2016, a 32.4% increase. Approximately 60.4% of all thefts reported to the JSA in 2017 were grab and run events. A grab and run can result in a significant dollar loss, and one grab and run in California resulted in a loss of \$75,000 in jewelry merchandise.

B. Theft - Grab and run

-Frequency by Hour of the Day –



Based on 480 cases reported to JSA in 2017 in which the exact time of the loss was reported.

C. Theft - Grab and run

- Frequency by day and month-

DAYS		MONTH			
Mon	84	Jan	42	Jul	51
Tue	68	Feb	27	Aug	62
Wed	91	Mar	25	Sep	62
Thu	86	Apr	37	Oct	59
Fri	80	May	33	Nov	61
Sat	97	Jun	35	Dec	62
Sun	50				

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 - \$18.1 MILLION – 13 States

Dollar losses increased 39.2% during 2017 and the number of criminal events decreased by 18.8%. This report compared 39 cases from 2017 to 48 cases reported to JSA in 2016. Off-Premise crimes were reported during all calendar months for 2017 with August being the most prevalent month for off-premises crimes (9). In 2017, a total of 23 crimes involved a traveling salesman which was 59% of all off-premises crimes in 2017.

A. Off-Premises Dollar Losses by Crime Category

CRIME CATEGORY	2017	2016	2015
Robbery	\$11.4 million	\$9.3 million	\$13.6 million
Theft	\$4.7 million	\$3.5 million	\$1.1 million
Burglary	\$2.0 million	\$200K	\$108K
Total	\$18.1 million	\$13.0 million	\$14.8 million

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

CATEGORY	2017	2016	2015
Robbery	35.9%	73.0%	82.5%
Theft	61.5%	25.0%	14.0%
Burglary	2.6%	2.0%	3.5%

2. OFF-PREMISES ROBBERIES

A. Violence

There were 24 off-premises robberies reported to JSA in 2017, which is down 29.4% from 2016. In 20.5% of all off-premises crimes (8 out of 39) reported to JSA in 2017, a victim was physically assaulted. A gun was displayed in 8 of the robberies and a knife or sharp object was displayed in 3 incidents.

B. Trunk/Remount Shows

In 2017 the JSA received no reports regarding Trunk/Remount show losses.

3. OFF-PREMISES THEFT - \$4.7 MILLION IN LOSSES

There were fourteen off-premises thefts in 2017. Eight out of the fourteen 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

2017	2016	2015
\$4.7 million	\$3.5 million	\$1.1 million

4. MOST FREQUENT CRIME SCENES

CRIME SCENE	2017	2016	2015
Parking lots	28%	23%	43%
Highways/Street	25%	36%	19%
Residence	17%	6 %	7%
Flea Market	7%	unlisted	unlisted
Show related	5%	17%	5%
Hotel/Motel	5%	2%	3%
Airports	0%	0%	3%
Gas Stations	0%	6%	0%

In 2017 Parking lots were the most common place of occurrence for off-premises attacks, at 28%, and Highways/Streets were second, at 25%.

5. STATES WITH OFF-PREMISE LOSSES - (2017 – 13 States): CA, CT, FL, GA, IL, NV, NJ, NY, OR, PA, SC, VA, WA

A. Most Active States for Off-Premises Losses

STATES	2017		STATES	2016
1. California	35.9%		1. California	29.1%
2. Florida	12.8%		2. Florida	10.4%
3. Illinois	12.8%		3. Georgia	10.4%
4. New York	7.7%		4. Texas	10.4%
Total	69.2%		Total	60.3%

From 2015 to 2016, there was a total of 21 off-premises crimes in Texas alone. In 2017, 0 off-premises crimes in Texas were reported to the JSA due to the work of the Federal Bureau of Investigation and local law enforcement.

Percentages shown reflect the percentage of the total number of off-premises losses. The information provided in this chart demonstrates that 69.2% of all off-premises losses occurred in just four states during 2017.

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 2017 JSA received just 39 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 2017 LOSSES STATED IN 2017 INFLATION ADJUSTED DOLLARS

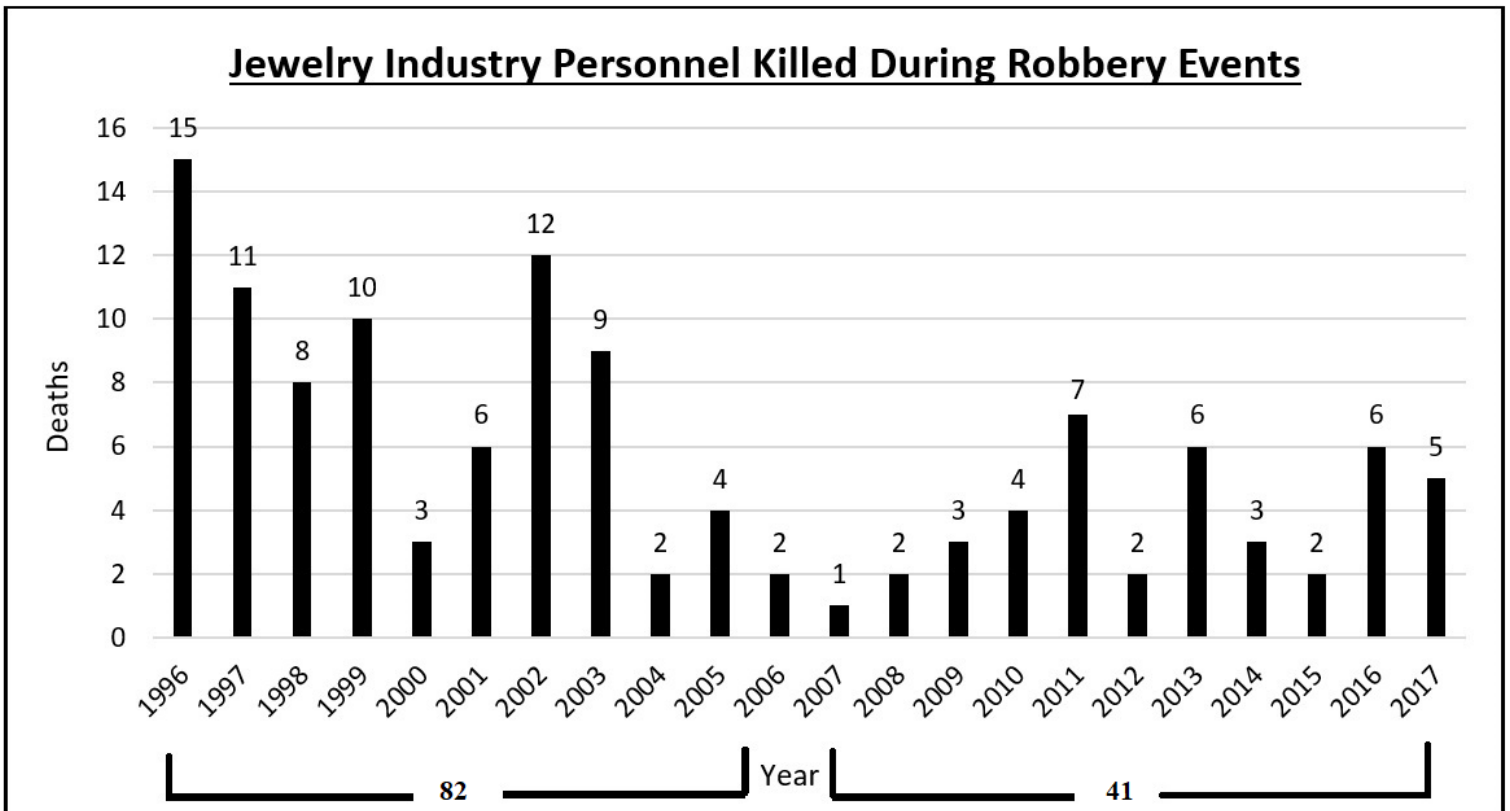
YEAR	LOSSES STATED IN 2017 DOLLARS
1998	\$194.40 million
1999	\$199.73 million
2000	\$167.60 million
2001	\$169.59 million
2002	\$171.44 million
2003	\$176.67 million
2004	\$140.69 million
2005	\$139.12 million
2006	\$127.87 million
2007	\$114.11 million
2008	\$117.13 million
2009	\$110.98 million
2010	\$90.27 million
2011	\$92.44 million
2012	\$63.89 million
2013	\$69.87 million
2014	\$80.44 million
2015	\$71.57 million
2016	\$73.84 million
2017	\$72.10 million

Appendix B

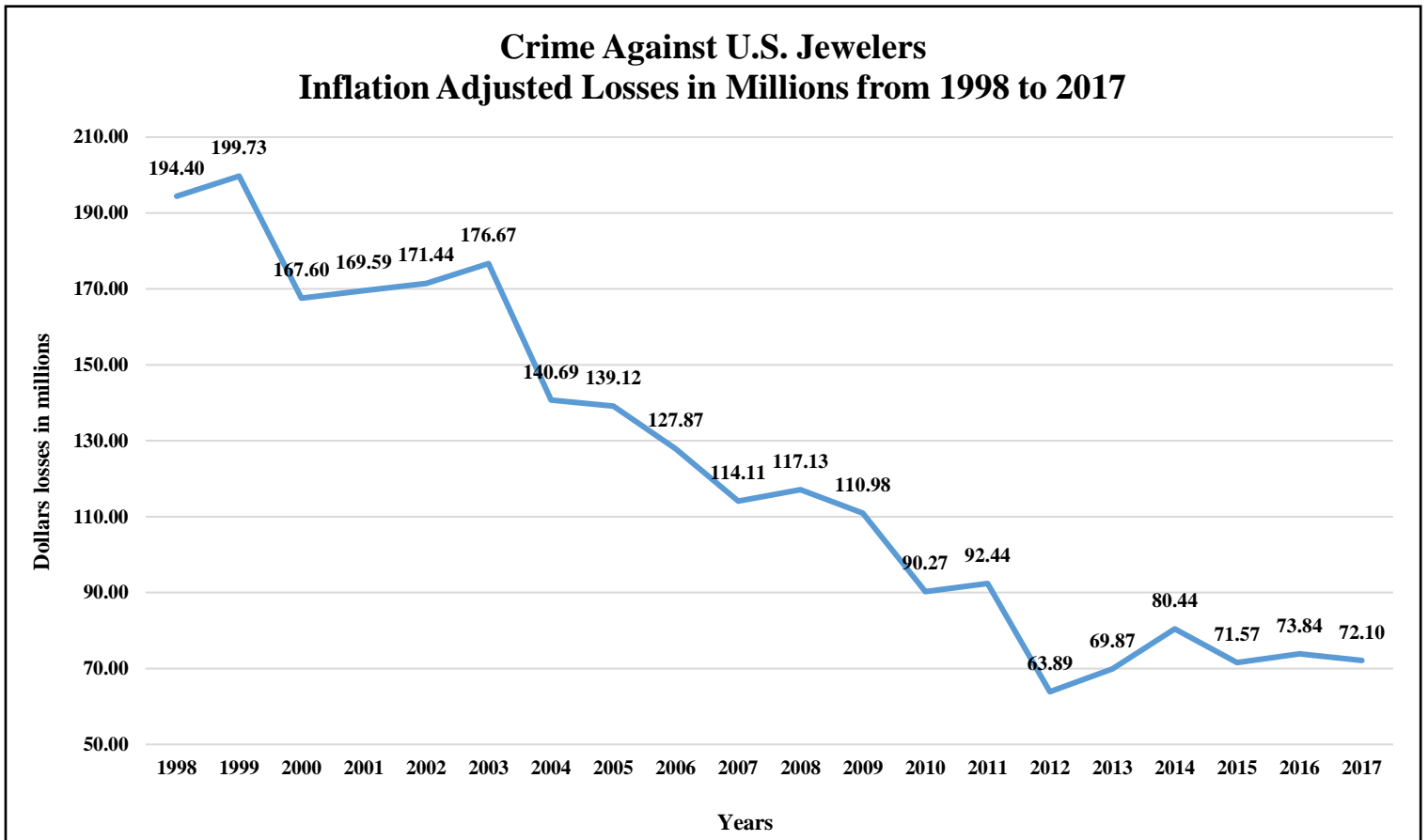
**JEWELRY INDUSTRY PERSONNEL KILLED
DURING ROBBERY EVENTS, 1996-2017.**

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

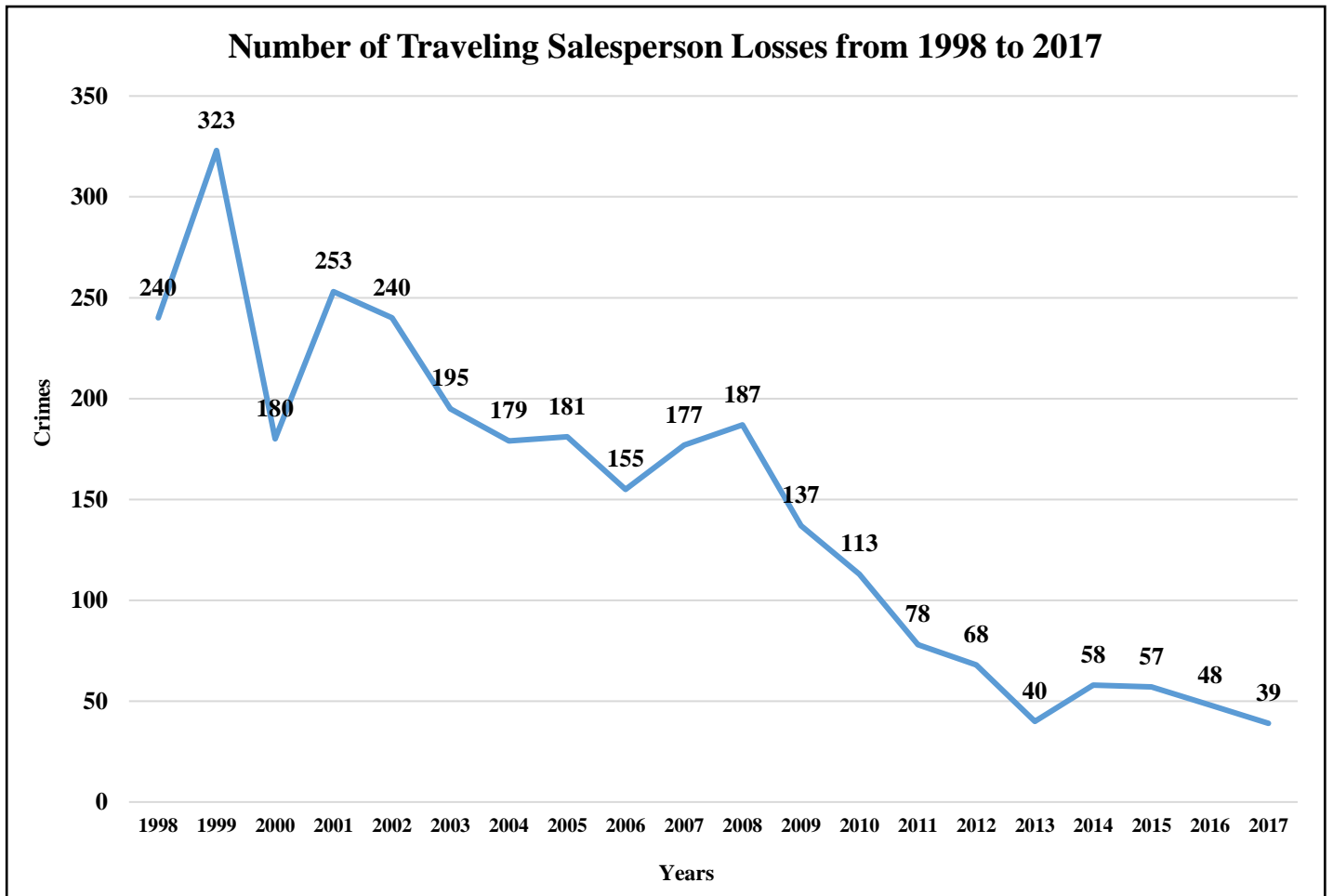
Year	Deaths
2007	1
2008	2
2009	3
2010	4
2011	7
2012	2
2013	6
2014	3
2015	2
2016	6
2017	5
Total	123



Appendix C



Appendix D



Appendix E

COMBINED ON/OFF-PREMISES 2017 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 2017.

State	AL	AR	AK	AZ	CA	CO	CT	DC	DE	FL	GA	HI
Crimes	14	18	4	49	193	22	17	1	8	115	40	9
Arrests	2	0	0	5	38	1	9	1	1	45	17	0
State	IA	ID	IL	IN	KS	KY	LA	MA	MD	ME	MI	MN
Crimes	5	3	31	16	6	10	10	16	23	4	19	12
Arrests	1	2	5	1	1	3	3	3	3	0	5	1
State	MO	MS	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH
Crimes	19	10	0	50	1	11	5	38	17	33	121	60
Arrests	4	3	0	21	0	1	0	6	2	8	50	16
State	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA
Crimes	16	38	45	3	23	0	35	118	5	1	46	39
Arrests	6	11	15	2	10	0	2	31	0	1	4	7
State	WI	WV	WY									
Crimes	6	9	0									
Arrests	1	2	0									
TOTAL 2017 CRIMES: 1,394 (Crimes in 2016 - 1,245)												
TOTAL 2017 ARRESTS: 350 (Arrests in 2016 – 329)												

California, the state with the most crimes in 2017, also has the most jewelry locations, and has traditionally led the U.S. in jewelry crime.

No reports of jewelry crimes were reported to the JSA from South Dakota, Wyoming and Montana.

Appendix F

Site of On-Premises Crimes 2017

Location	Robbery	Burglary	Thefts
Mall	91	93	674
Strip Center	28	57	71
Downtown/ Center City	40	58	88
Stand Alone	29	22	60
Other	7	10	27

Appendix G

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, social media and online sources.

The statistics provided in this report are based solely on case specific information reported to or 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, percentages or trends derived from existing information.