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PRESENTATION OF DONALD BESCHLER  
DIRECTOR OF LOSS PREVENTION FOR McCrORY STORES  
APRIL 19, 1990 - 10:00 a.m.

Good morning and thank you Chairman Caltagirone and members of the House Judiciary Committee, for the opportunity to present testimony in support of House Bill #1882.

I, Don Beschler, represent McCrory Stores and our 183 retail locations in Pennsylvania. We are a 5 & 10 Variety Store environment with 1500 retail locations operated nationwide.

Last year, our total losses amounted to \$39 million or 3.3% of our sales. National statistics have indicated that at least one third of that number represents losses from shoplifting. The 183 stores in Pennsylvania lost \$4.6 million with \$1.5 million attributable to retail theft.

McCrory Stores security personnel apprehended 22,000 shoplifters in 1989. Pennsylvania accounted for 15% or 3,300 of that number. The company has set aside over \$10 million dollars in the security budget to protect our assets in 1990. As a retailer, we are very serious about combatting theft and are at war to protect our assets and profits.

In 25 states, where McCrory stores does business, a form of shoplifting/retail theft civil demand or civil recourse laws has been enacted. They vary widely in their content, however, all are designed to serve as a deterrent to shoplifting. The laws also provide some relief for the retailer with security costs, time spent in pursuing criminal prosecution, damaged nonsalable merchandise, etc.

We have tracked persons by name, who have been stopped or arrested for shoplifting in our stores and later paid a civil penalty. To date we have not discovered any repeaters.

McCrorry Stores Home Office is in York, Pennsylvania. We employ thousands of people throughout the state and last year purchased the G.C. Murphy Company, also based in Pennsylvania. In 1989, we paid to the state \$4.8 million in sales tax.

We ask for the committee's support in passing House Bill #1882. A civil recourse law for retailers will go a long way in deterring shoplifting and protecting assets in Pennsylvania.

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TESTIMONY  
HOUSE JUDICIARY COMMITTEE  
APRIL 19, 1990  
GREG LEHNER  
REGIONAL DIRECTOR LOSS PREVENTION  
AMES DEPARTMENT STORES, INC.

Good Morning, Chairman Caltagirone and other members of the Judiciary Committee, I would like to thank you for this opportunity to speak to you this morning in support of House Bill #1882.

During 1989, I had the opportunity to review the Civil Recovery Program for my employer and make recommendations for its use at AMES DEPARTMENT STORES.

I found during my initial investigation, a number of positive elements in this program both for AMES, "the retailer" and our customers, "the consumer".

Used in conjunction with criminal prosecution, or implemented as a single procedure, the Civil Recovery Program offers the retailer and the consumer the following enhancements:

- 1) Shifts the retailers cost for Loss Prevention (Security) from the consumer to the shoplifter.
- 2) Enables the retailers to pass on their savings in lower prices to the consumer.
- 3) Money received from Civil Recovery can be used to improve the Company's ability to reduce and prevent losses.
- 4) The financial liability for a minor caught shoplifting, can be delegated to the parents.
- 5) Civil Recovery provides a deterrence, while limiting repeat offenders.

We have since established this program in 12 states with Civil Recovery statutes, and have found the program to be an effective Loss Prevention tool.

CIVIL DEMAND CUSTOMER NOTICE

You have been stopped for a shoplifting incident. This state has passed a law permitting merchants to recover civil monetary damages and possible other damages from you as a result of this incident.

These damages may take into consideration the value of the merchandise, whether or not it was blemished or non-salable, the costs of security and any other damages permitted by the law.

You will be receiving a letter from our company in the future, explaining the amount of monetary damages we will be seeking.

\*\*\* THIS COPY IS TO BE GIVEN TO THE DETAINED SUBJECT(S) \*\*\*

*James R. Palmer*

ATTORNEY AND COUNSELOR AT LAW

P.O. BOX 20099  
ORLANDO, FL 32889-0190

Ms.  
Cleveland, OH 44105

Case Number: OH1487  
Date: 3/16/90

Please be advised that this office represents L.P. Specialists which has been retained by Ames/Zayre Department #2332 regarding its claim against you for civil damages. Records provided to us indicate that on 2/07/90, you took possession of the following merchandise/assets without the retailers consent, without paying and with the intent to deprive the retailer of said merchandise/assets. The records indicate that the item(s) taken, valued at \$4.26 were:  
(Candy)

State Statutes: Ohio Revised Code Annotated 2307.60  
Anyone injured in person or property by a criminal act has, and may recover full damages in, a civil action, unless specifically excepted by law, and may recover the costs of maintaining the civil action, exemplary damages, and attorney's fees under the common law of this state.

-----CIVIL DEMAND-----

Based upon such statutes our client is claiming the following amount:

Civil Damages.....\$150.00  
Total Amount Demanded.....\$150.00

Should we fail to receive payment from you within thirty (30) days of the date of this letter, we may advise our client to pursue all civil remedies as allowed by law. In the event you determine to pay the amount demanded herein, please make such amounts payable to LOSS PREVENTION SPECIALISTS, and mail to the address on this letterhead.

Payment should be in the form of cashiers, certified or personal check, or money order. To insure proper credit, please indicate the CASE NUMBER OH1487 on your payment.

If you have any questions regarding this matter, please feel free to call the business office of L.P. Specialists, MONDAY thru THURSDAY, 10:00 A.M. to 4:00 P.M. Eastern time at (407) 671-8239.

Sincerely,

James R. Palmer

## EXPLANATION OF CIVIL DEMAND

Question #1: What is this civil demand that is being made?

Whenever a person commits theft that action is **both** a crime and a civil tort. The retailer may file criminal charges and or take civil action. This civil demand is separate of any criminal action that may have been taken.

Question #2: Why is the retailer demanding this much money?

This civil action is designed to work as a deterrent to future theft as well as to shift the burden of the tremendous cost of theft and the resulting security costs from the honest consumer (through higher retail prices) to the offenders who are creating the problem. Generally the retailer determines the demand amount by calculating the cost to process each offender apprehended in their stores.

Question #3: How may I make payment of the demand amount?

You may make your payment of the civil demand in one of three ways:

1. Check or Money Order. Amount enclosed \$ \_\_\_\_\_.
2. Payment Plan. A minimum of one payment per month with the first payment being a minimum of \$50.00.

Payment 1. \$ \_\_\_\_\_ Payment 2. \$ \_\_\_\_\_

Payment 3. \$ \_\_\_\_\_ Payment 4. \$ \_\_\_\_\_

Payment 5. \$ \_\_\_\_\_ Payment 6. \$ \_\_\_\_\_

3. MASTERCARD Amt. \$ \_\_\_\_\_

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

\$ Limit \_\_\_\_\_ Auth. Signature \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Case #: \_\_\_\_\_

\* Note: Make a copy of this letter for your records.

**SEND THIS FORM WITH YOUR PAYMENT**