# RISK INSIGHTS

### LloydSadd

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## Flash Mob Robberies

Organized retail crime (ORC) refers to large-scale shoplifting incidents or other illegal (and sometimes violent) acts conducted by groups of criminals with the purpose of stealing significant amounts of merchandise.

ORC has become a growing concern for retail businesses in recent years. In fact, Canadian retailers estimate that ORC costs them more than \$4.6 billion each year. This surge in ORC has largely been caused by criminals looking to capitalize on the accelerated shift to e-commerce brought on by the COVID-19 pandemic. Specifically, criminals are stealing large amounts of goods and reselling them to unsuspecting online shoppers at reduced prices.

One ORC method that has recently come to light is flash mob robberies. Also called "smash-and-grab" robberies, these incidents involve a group of criminals swarming a retail business all at once (sometimes with weapons), overwhelming staff and law enforcement on the scene, and attempting to steal mass amounts of merchandise. Flash mob robberies have become more common, costly and violent over the past year, drawing widespread concern from retail businesses and their employees.

The following article provides more information on this ORC method, details about flash mob robberies and possible measures to prevent such incidents.

#### What Are Flash Mob Robberies?

Flash mob robberies are not crimes of opportunity. Rather, these incidents are planned ahead of time by a coordinated group of criminals—whether it's five or 100 people. In recent incidents, flash mob robbery plans have often resulted from criminals communicating over social media platforms.

When such an incident occurs, the group of criminals typically approaches the target retail business all at once, making it more difficult for employees or law enforcement to stop them. These criminals may simply rely on the size of their group to carry out the robbery without being apprehended or potentially leverage weapons and acts of violence to further deter anyone from intervening in their plan.

For instance, criminals may utilize the following tactics:

- Breaking storefront glass or display cases
- Carrying guns, knives, sledgehammers or crowbars
- Engaging in physical assault (e.g., punching, slapping, kicking or biting)
- Using pepper spray or other chemical irritants

After swarming the target retail business, the group of criminals usually attempts to steal large amounts of merchandise quickly before promptly fleeing the scene. In some cases, certain criminals may be responsible for waiting outside the business with a vehicle (or several vehicles) to help the rest of the group exit the premises as fast as possible following the robbery.

Because flash mob robberies are group activities, it's rare for every criminal involved in such incidents to get caught. Although a handful of criminals may be apprehended on the scene, the number of people involved in these robberies makes it easier for criminals to escape without consequences—thus allowing them to plan and be involved in future incidents.

#### Flash Mob Robberies in Canada

Retail businesses across the country have been impacted by flash mob robberies, including independent shops and large corporations. Here are some of the incidents that have taken place:

• Quickie—In 2011, a group of 40 or so youth entered a Quickie convenience store in Ottawa and left with \$800 worth of goods. It was reportedly Canada's first flash robbery.

- Mac's—In 2014, a group of people entered a Mac's convenience store in Parry Sound and reportedly took \$30,000 of tobacco products in five minutes.
- Moksha Yoga Studio—In 2017, three masked men broke into a Moksha Yoga Studio in Stoney Creek and reportedly stole about \$20,000 worth of Lululemon clothing.

#### **Prevention Strategies**

Flash mob robberies can carry numerous consequences for impacted retail businesses. In addition to lost merchandise, property damage and substantial recovery costs, these incidents can seriously threaten the safety of retail employees and other customers at the scene.

As such, it's critical for retail businesses to utilize proper strategies for preventing and responding to flash mob robberies. Some risk management measures for consideration include the following:

- Train employees. Be sure to train retail employees on how to detect and respond to potential signs of a flash mob robbery. These signs may include a sudden emergence of excess vehicles in the store parking lot, a large group of people congregating outside the store or quickly heading toward the storefront, and customers who look like they may be carrying dangerous items or weapons. Employees should be stationed throughout the store to be able to detect these signs. Furthermore, train employees on ways to safely mitigate violent incidents. Employees should know to never put their personal safety at risk to stop a robbery.
- Utilize security systems. In addition to training employees, make sure to equip the store with various security systems to help deter criminals. This may include security cameras, laminated glass, merchandise sensors and alarm systems. It's also important to consider security elements that can hinder criminals from fleeing the scene of a flash mob robbery, such as fog systems, strobe lights

and roll-down gates. Hiring dedicated security personnel may also offer further protection.

- Ensure proper product placement. To prevent criminals from stealing high-value merchandise, it's best to place these goods in elevated areas that can't be easily reached without assistance. To minimize overall losses amid a flash mob robbery, place limited amounts of each product on store shelves and keep the excess inventory in a secure area.
- Work with law enforcement. Build strong relationships with local law enforcement and ORC prevention coalitions and follow any guidance they provide for avoiding flash mob robberies. Also, consider asking these parties to help monitor social media platforms for potential ORC plans or other suspicious activity.
- Establish an emergency response plan. In the event that a flash mob robbery does occur, it's crucial to have response protocols and lockdown procedures in place. Be sure to create a documented emergency response plan to minimize losses and protect employees (and customers) amid such an incident. Although specific response plan measures may vary between stores, employees should be instructed to contact the appropriate authorities if they detect signs of a flash mob robbery. When a robbery begins, employees should know how to implement the necessary security systems, shut down the store and protect themselves from harm. This response plan should be regularly reviewed and updated as needed.
- Secure adequate coverage. Lastly, it's critical to ensure the proper protection against losses related to flash mob robberies by purchasing sufficient coverage. Commercial property insurance typically offers reimbursement to retail businesses that experience losses from theft or ORC. Consult a trusted insurance professional for further information on coverage solutions related to flash mob robberies.

If you have questions specific to your business, or would like additional information, please reach out to your Lloyd Sadd Advisor.

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