

Opinion

Retail theft is the grift that just keeps on taking

By DENNIS GRUBAUGH

Here's a new year's resolution: Stop the thievery.

Every merchant who watches clothes sneak out the door understands the situation. So, too, do the warehouse managers raided for their goods and the construction yards pillaged for their supplies.



Grubaugh

America's theft epidemic is a big business. And it's hurting the little guys, their employees, morale, and every consumer out there.

It's a multi-billion-dollar national industry that succeeds far better than most business sectors. And it's happening right here in Metro East. Last month, a manager at one retailer told me he'd arrived in his store one morning to find the perfume counter empty. No one on shift noticed the thief at work the previous day — but a surveillance video captured it all. The film showed a man leaning discreetly over the counter, pretending to peruse while stuffing his clothes

with wares that weren't locked down.

A story last month out of Portland, Ore., further illustrates the point.

"Our city is in peril," said a printed note posted on a Rains PDX store, explaining why it was closing. "Small businesses (and large) cannot sustain doing business, in our city's current state. We have no protection, or recourse, against the criminal behavior that goes unpunished. Do not be fooled into thinking that insurance companies cover losses. We have sustained 15 break-ins ... we have not received any financial reimbursement since the 3rd."

Corporations are complicit. They are failing to put enough stress on the subject by choosing to put up with it, warning employees not to stop it, or writing off the losses. Those decisions invariably contribute to an increase in the price of goods.

So, too, responsible are police departments that politely sigh and shrug their shoulders when businesses do call. Officers have too much on their plates to pursue shoplifters. And, when they do chase them to the ground, the same lawmen often are chastised for being abusive.

But this is more than simple shoplifting or police apathy, and we all know it. Organized retail crime was up 26.5 percent in 2021, the latest number I saw, and I would be shocked if 2022, stricken as it

was by inflation, was an improvement.

Matt Shay, president and CEO of the National Retailers, says businesses see around \$100 billion in annual losses. Shay pins some hopes on two bills pending in Congress. One would crack down on goods sold online by making the seller be more transparent about the source of the goods. The other is the Organized Retail Crime Act, which would help unite law enforcement on a common approach.

In Illinois, we'll get to see a test of another proactive policy. Starting Jan. 1, the state has a law that creates harsher punishments for individuals participating in retail theft. House Bill 1091, or The INFORM Act, provides enhanced penalties for people who engage in organized retail theft.

While doing nothing is not a choice, you can only legislate things to the point that someone wants to follow through. Police, merchants and the public at large will have to work together.

All this is not new, of course. Forty-five years ago, I clerked at a grocery store while putting myself through college. I constantly found empty packaging on the shelves — indicative of somebody interested in a meal en route to the exit.

More recently, I saw a reminder of yesteryear — a picture of a shelf in a modern-day store, where sat an empty

box of cereal, complete with a bowl, spoon and jug of milk. Breakfast du jour for some sticky-fingered sort.

Flea markets that traffic in stolen goods are just as bad as the guy with the trench coat lined with watches. Equally guilty are the hordes of people willing to buy the spoils of crime.

Even the biggest of the big are suffering. Retail giant Walmart says it may close some stores because of theft patterns. Target suffered a 50 percent jump in losses in 2022 — \$400 million that will be written off.

Walmart's boss says a laxity on the part of prosecutors is partly to blame. But there are many, many factors, including the pandemic, which drove a lot of people crazy.

The biggest single reason, though, is the individual's willingness to violate the commandment, "thou shalt not steal."

So, it has come down to this: More goods under lock and key, and more stolen goods increasing the price of everything else. If we don't get some control over this problem, our brick-and-mortar shopping choices will grow slimmer while thieves' pockets continue to grow fat.

Dennis Grubaugh is the retired editor of the Illinois Business Journal.

St. Louis City-County consolidation prerequisite to regional success

By ALAN J. ORTBALS

It was recently reported that St. Louis City and County leaders are once again talking about reunification. Let's hope the ninth time is the charm.



Ortals

The City of St. Louis is an outlier among American municipalities—a tiny little burg of 61 square miles. By comparison, Nashville is 475 square miles, Indianapolis is 361, Kansas City, 314. Even Springfield, Missouri is larger. And that is because of what is referred to as "the Great Divorce" of 1876 which removed the city from the county by a so-called vote of the people. It was a sham from the beginning.

The referendum was held on August 22, 1876. City voters approved it by just 353 votes. County voters voted it down by a 3 to 1 margin. That's when the argument really got started. Promoters of the split went to court claiming voter fraud and eventually more than 5,000

ballots were thrown out and the proposal passed. The city declared its independence the following year and the boundaries have been set in stone ever since.

Efforts to try to reverse the Great Divorce began in 1924. There have been 8 attempts in all, the last being in 2019 when a new group called Better Together submitted a unification plan that would create one municipality of 584 square miles and 1.3 million people.

Better Together was a non-profit formed in 2013 to examine the structure and function of the city and county to try to answer the question, "Why does a region with world-class resources struggle to thrive?"

After several years of research, study, and analysis, it concluded that the answer lied in the dysfunction created by 90 independent municipalities, 43 fire districts, 57 police departments, 81 municipal courts and 52,000 pages of ordinances. This mess, they said, led to a situation in which intergovernmental competition took precedence over regional growth and an inability to formulate and execute a plan for regional success.

This Balkanization also divides cities into haves and have nots. A wealthy city like Des Peres, for example, doesn't even levy a property tax yet has lots of amenities and free services. A poor

city like Pine Lawn derives most of its revenue from court fines and fees.

The disparity in wealth causes cities to compete aggressively for sales tax dollars. Over the past 20 years more than \$2 billion has been thrown at developers, much of it to lure retail developments, moving retail sales and sales tax dollars from one municipality to another.

Better Together concluded that this cornucopia of governments was also expensive, wasting over \$750 million annually on duplicate government services.

And then there's the crime problem. St. Louis, a city with a small geography and a high poverty rate, leads the list of large cities for murders per capita. County residents tend to consider that as someone else's problem, but it impacts all of us on both sides of the river. You want to attract young professionals? A 60-second search on Google pops up the "Murder Capital" label.

Put it all together and we have a metropolitan region that has a stagnant population with little or no job growth. This needs to change. Better Together's solution was consolidation. I agree.

Consolidation would change the image of St. Louis nearly overnight. Suddenly, it would leap from 70th largest to 10th. The crime rate would plummet. Public safety personnel could be focused where

the need is greatest. No more fighting over Walmarks and calling it progress. Instead, we'd be organized and positioned to compete for real economic development. We truly would be better together.

It was almost laughable as the city, county and sports authority spent most of last year unable to come to an agreement on even depositing their Rams windfall in higher bearing accounts, losing an estimated \$14,000 per day in interest because of sheer ineptitude. And it was late last year before they agreed on how to split the money. Now comes the hard part—deciding how to spend it.

Do you expect a dysfunctional mess like that to be able to compete for workers, jobs, and economic development in a highly competitive global market? I don't.

St. Louis has lost a long list of companies and regional headquarters. Emerson Electric may be on its way out the door, too. Consolidation is essential. As Benjamin Franklin said at the signing of the Declaration of Independence, "We must indeed all hang together, or, most assuredly, we shall all hang separately." So, it is with St. Louis.

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The *Illinois Business Journal* is owned and operated by Better Newspapers Inc.
P.O. Box C • Mascoutah, IL 62258

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