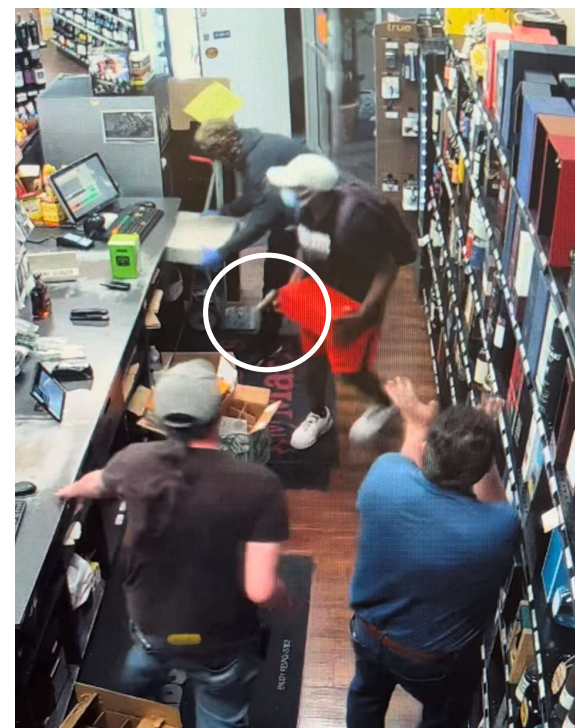


Crime at OR Liquor Stores

1

- ❑ Shoplifting Claims up over 450% since 2018
- ❑ Burglaries up over 500% since 2018, claim value up 25-50 times 2018 claims
 - ❑ Previously rare (1182 – one burglary in 2009, 5 in 2020, 1 to date 2022)
- ❑ At least 4 robberies in 2022
 - ❑ First since 2019 (2 total 2017-2021)
 - ❑ Knife, hammer, pistol
- ❑ Caveats
 - ❑ Data obtained from OLCC tracker spreadsheet
 - ❑ FY used, not CY
 - ❑ Formatting inconsistent year-year



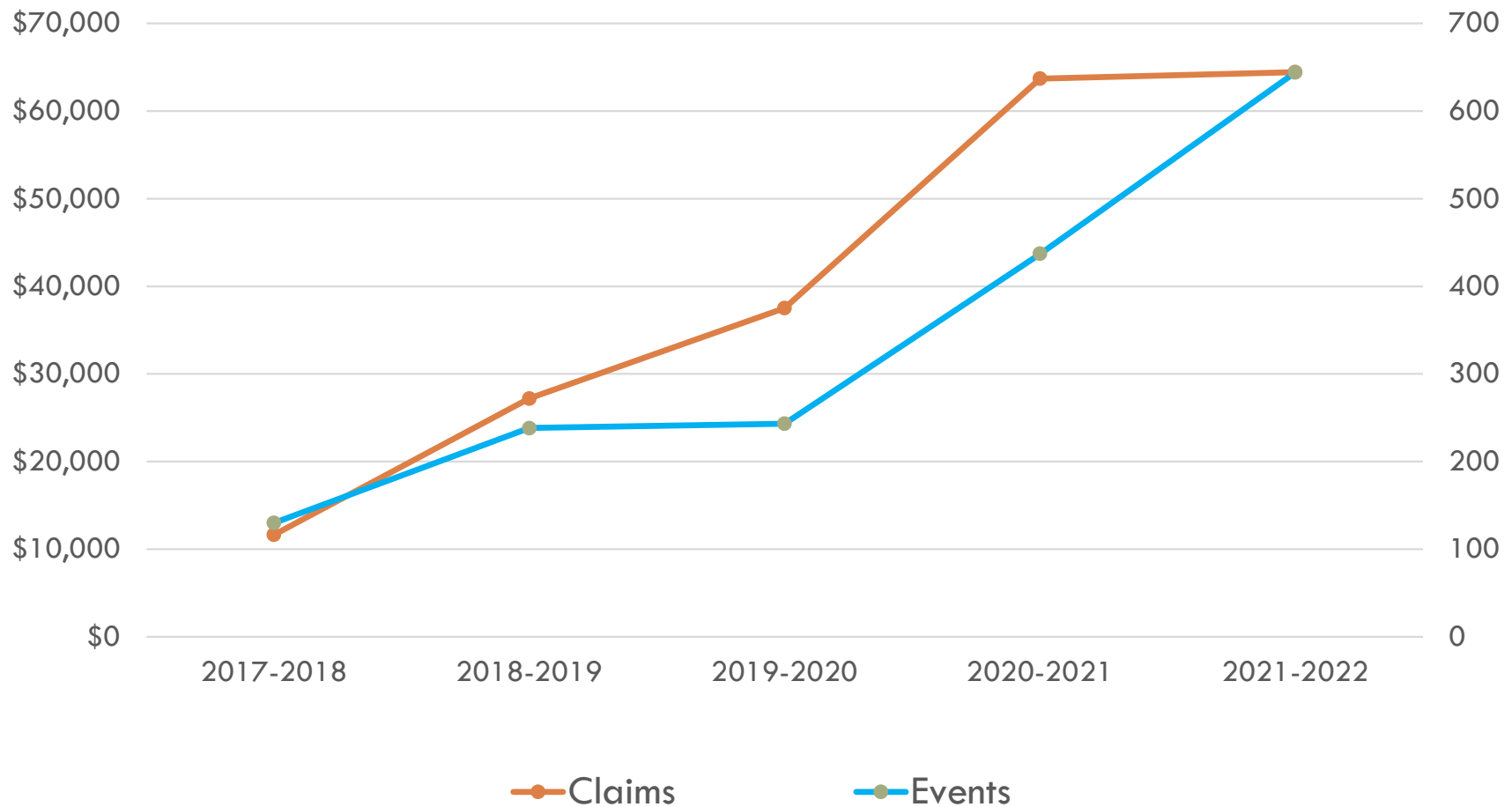
Reporting Shoplifting

2

- If Agent identifies theft, submits Shoplifting Incident Report to OLCC
 - ▣ Requires Police Report #
- Agent must explain “how reasonable care was exercised) to obtain financial relief
- Historically, 4-8 weeks to process at OLCC, now usually within 2-4 weeks (often faster!)
- Conventional Wisdom suggests only 10-15% of incidents are discovered
 - ▣ Audit Shortage for un-reported/unidentified

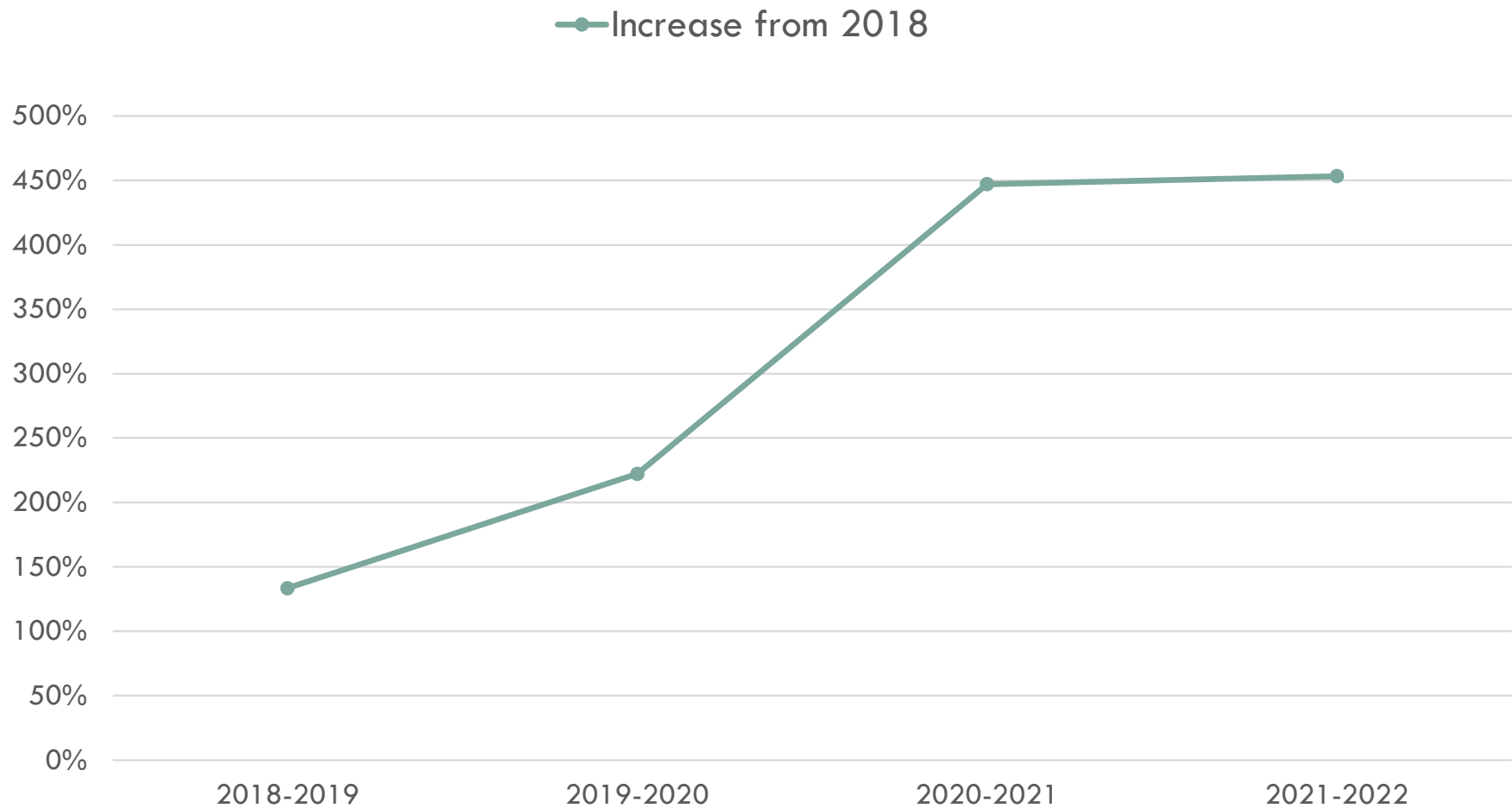
Shoplifting Claims and #Reports

3



Rate of Increase

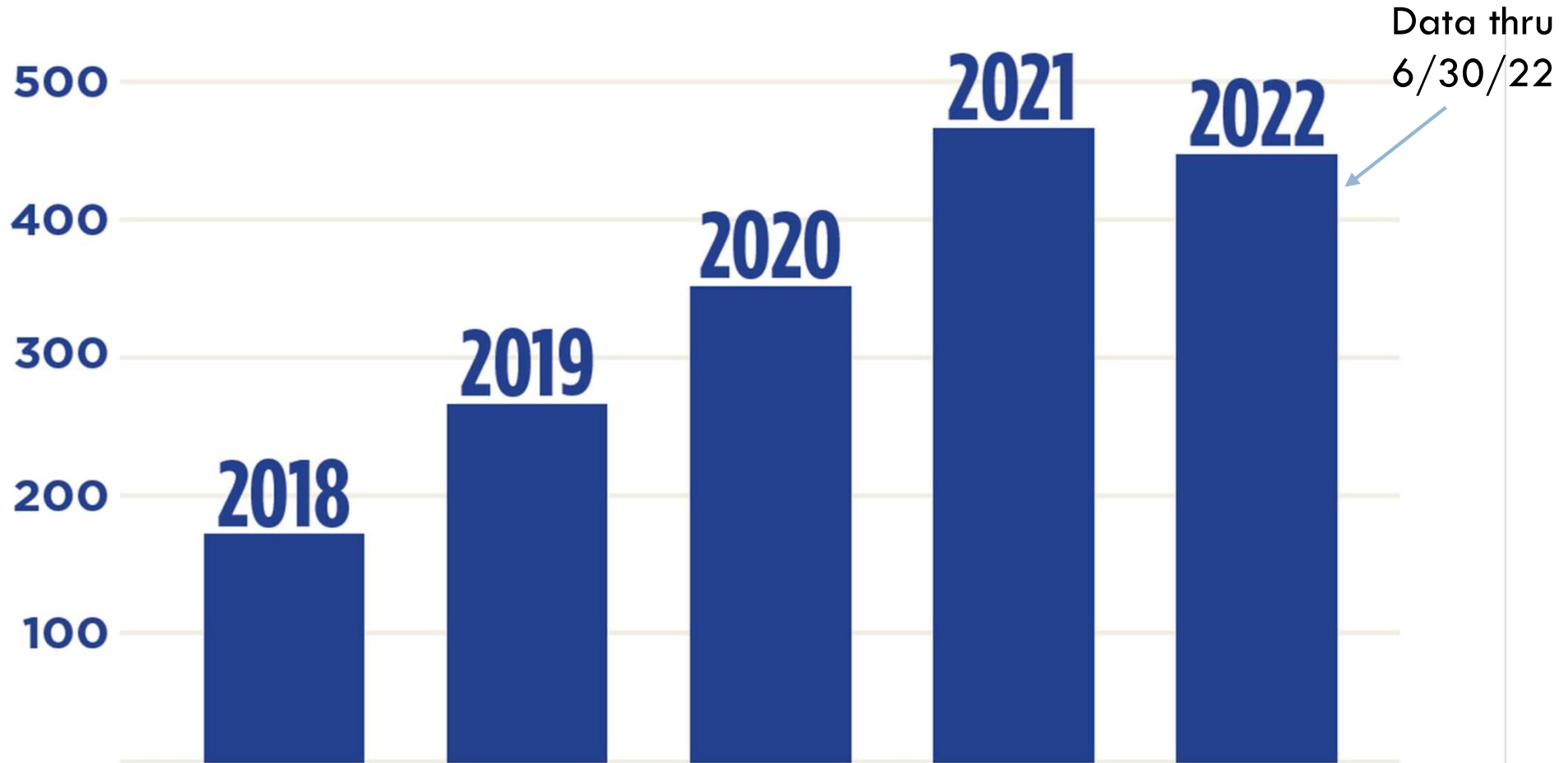
4



Willamette Week Article

7 Sep, 2022

5

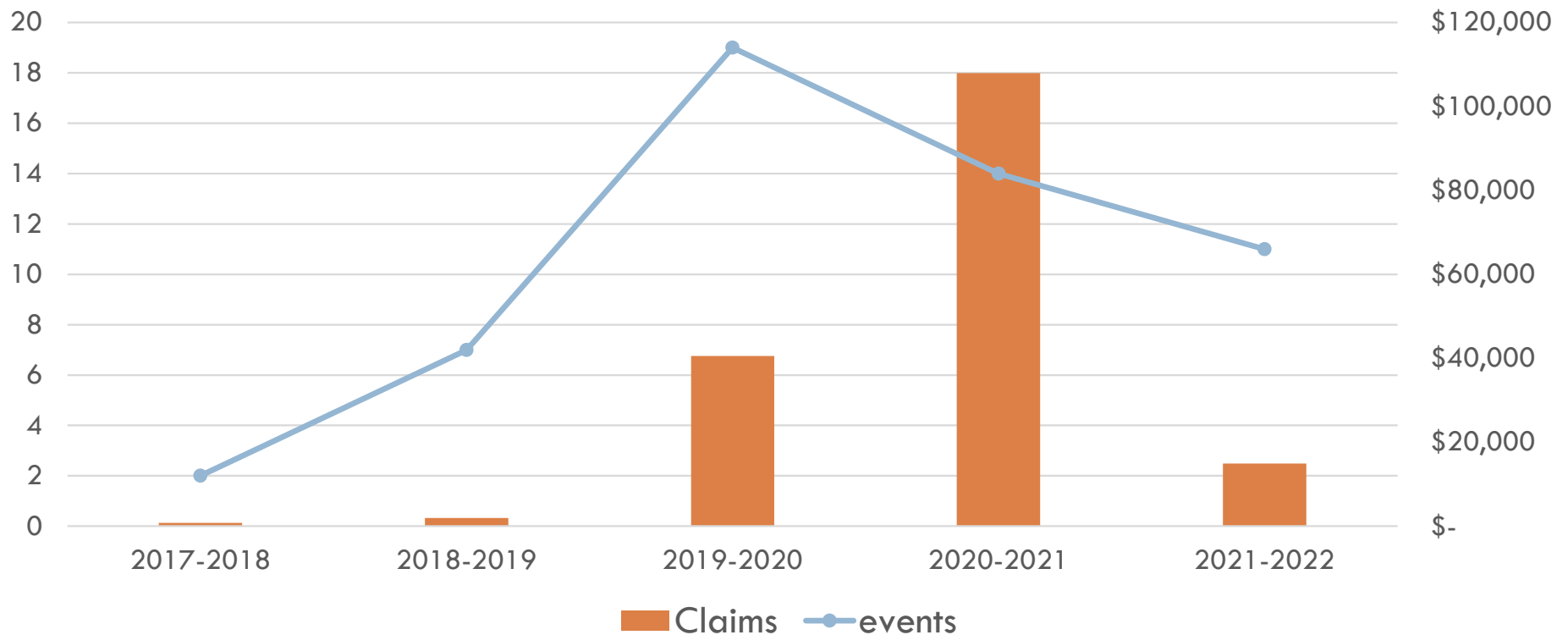


Police reports of shoplifting at liquor stores.

Source: Oregon Liquor and Cannabis Commission

Burglaries also Increased

6



- ❑ \$ figures represent only distilled spirits, total loss of other products, lost productivity/sales, repair costs not tracked
- ❑ Burglaries involving other loss not included (ATM theft)

Agent Concerns

7

- Employee and Customer safety
- Employee willingness to work when robberies are commonplace (knives, hammers, pistols)
- Rising insurance costs, higher deductibles
- OLCC/State does not consider itself a victim
 - ▣ Little/no analysis of data – trends missed
 - ▣ Information not shared with Agents
 - ▣ One DM aggregating reports, informally
- Lack of Police Presence/ Prosecution emboldens criminals (crime at liquor stores is a broken window in our communities)

Serial Shoplifters A Known Issue

8

2022



Brazenly stealing cases

2021



Often, identifying info
is developed but little
or no LE follow up



Some thieves resell in
liquor store parking
lots



Recommendations / Requests

9

- Timely analysis from OLCC, results shared with Agents
 - ▣ Dedicated staff effort
- Explore opportunities for resources
 - ▣ State Emergency funds?
 - ▣ Additional LE effort at state, county, city level – with prosecution
 - ▣ OLCC audit team for burglaries
- Temporary relief from Audit Shortages
 - ▣ Unconditional 40% discount from retail (freight carriers pay damages at cost)
 - ▣ Request made summer 2020, still “staffing”

Liquor Agents Do Their Part...

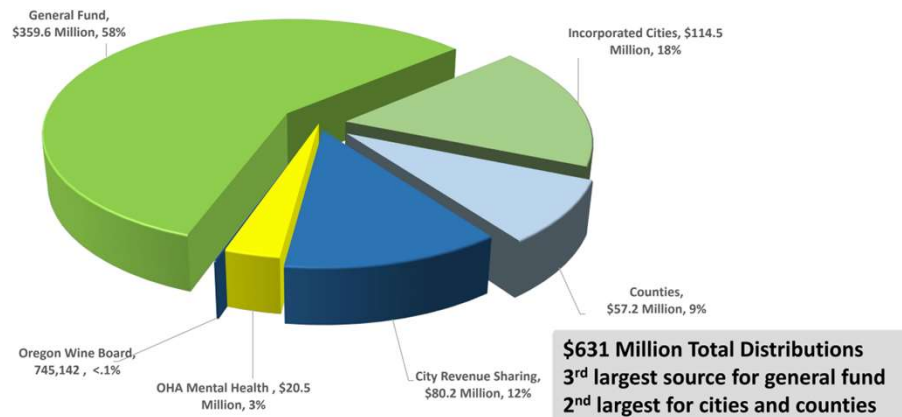
10

Liquor Revenue Sources Available for Distribution

- **Net profit on distilled liquor sales (\$750 million per biennium)**
 - 36% of the gross sales of bottle of liquor
- **Wine and Beer Tax (\$40 million per biennium)**
 - \$0.67 per gallon for table wine (less than 14% ABV)
 - 2 cents per gallon goes to the Oregon Wine Board
 - \$0.77 per gallon for fortified wine (greater than 14%)
 - 2 cents per gallon goes to the Oregon Wine Board
 - \$0.08 per gallon for malt beverage
- **Liquor License Fees (\$18 million per biennium)**
- 2019-21 recorded **\$311.4 million** in marijuana tax revenue collections (Department of Revenue)

PROJECTED ALCOHOL NET REVENUE DISTRIBUTION

2021-23 LEGISLATIVE BUDGET - All Revenue Sources -



□ Agents must sell \$10 to cover \$1 in undetected shoplift; the State earns revenue 3.6 times faster

Data from OLCC “Sholifting Incident Log”

(obtained 9 Aug, 2022)

11

| Shoplift | | | | | |
|-----------|----|-----------|--------|------------|--------------------|
| FY | | \$ Claims | Events | % Increase | Increase from 2018 |
| 2017-2018 | \$ | 11,643.85 | 130 | | |
| 2018-2019 | \$ | 27,179.25 | 238 | 133% | 133% |
| 2019-2020 | \$ | 37,506.30 | 243 | 38% | 222% |
| 2020-2021 | \$ | 63,695.90 | 437 | 70% | 447% |
| 2021-2022 | \$ | 64,391.22 | 644 | 1% | 453% |

| Burglary | | | | |
|-----------|--------|---------------|------------|--------------------|
| FY | Events | \$ Claims | % Increase | Increase from 2018 |
| 2017-2018 | 2 | \$ 745.35 | | |
| 2018-2019 | 7 | \$ 1,946.55 | 161% | 161% |
| 2019-2020 | 19 | \$ 40,562.45 | 1984% | 5342% |
| 2020-2021 | 14 | \$ 107,968.80 | 166% | 14386% |
| 2021-2022 | 11 | \$ 48,318.12 | -55% | 6383% |