

SONOMA COUNTY

BUSINESS CRIME PREVENTION REPORT



Summer 2002

*Developed in Cooperation with the Business Crime Prevention Task Force, A
Business Crime Prevention Partnership between Local Businesses and Public
Safety Departments throughout Sonoma County*

A Report Prepared by
The Sonoma County Economic Development Board

Ben Stone, Director



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Appendix: 2002 Business Crime Prevention Survey Questionnaire

This report highlights several opportunities that could increase mutually beneficial collaboration among business, public safety, and other groups in Sonoma County to aid in preventing crimes against businesses. The Economic Development Board stands ready to offer assistance towards fostering this collaboration whenever possible.

Ben Stone
Executive Director, EDB

2002 Sonoma County Business Crime Prevention Report

Overview and Executive Summary

The Business Crime Prevention program—now in the second year of a multi-year initiative to effectively mobilize and utilize resources to fight business crime—is a unique partnership between Sonoma County law enforcement agencies and business owners and managers. The business crime prevention project brings together for the first time Sonoma County leaders from the business, agriculture, and public safety communities and the organizations that support them, with staff support provided by the Sonoma County Economic Development Board.

The mission of the task force is to assess the current extent of business crime and prepare an overview report on the ways to enhance the support and coordination of voluntary business crime prevention efforts in the county. Among these goals are:

- ◆ Enhanced coordination of existing crime prevention practices
- ◆ Greater awareness of business crime prevention resources
- ◆ Increased crime prevention training through a web site, workshops, and written materials
- ◆ Development of an education component for information sharing and creation of new prevention programs.

Crimes against business hamper economic vitality and reduce quality of life. Before proceeding with the planning of a business crime prevention workshop, set for Fall 2002, task force members designed a survey to find out what impact crime is having on Sonoma County businesses. Distributed in March 2002, the survey attempted to gauge the extent of crimes against businesses in the county. A variety of programs could be instituted to help prevent and mitigate business crimes. The Business Crime Prevention Task Force offers these findings to support the coordination of crime-fighting efforts in Sonoma County.

Background

Business crime is often seen as "victimless" because of the perception that all businesses are profitable and insured. Although crime statistics are not recorded separately for businesses, they are twice as likely to be the victims as individuals. For small businesses struggling to survive, crime can tip the balance from success to failure. When businesses fail, communities are deprived of goods and services. Without successful small businesses, efforts at regeneration will flounder and employment and investment opportunities will suffer. An effective strategy for tackling crime against businesses is essential if the economy is to flourish and communities prosper.

Last month the FBI reported an overall increase in major crimes nationwide for the first time in a decade. An Associated Press article said that the reversal of nine years of declining crime numbers is certain to generate considerable interest in Congress, as well as among the law enforcement community. The latest release of statistics shows major crimes were up 2%, including increases in robberies, burglaries and car thefts in both urban and suburban areas. Most of the increase in 2001 was driven by jumps in various property crimes, led by car thefts at 6%, while the overall number of violent crimes rose by less than one percent. The number of murders rose 3.1% nationally in 2001 over the previous year, excluding the 3,000 deaths caused by the Sept. 11 terrorist attacks, which would have skewed the statistics.

Santa Rosa is included in the FBI's Uniform Crime Reporting Program and shows approximate 15% increases in two major crime categories from 2000 to 2001: larceny-theft and motor vehicle theft. Incidents of robbery, burglary, aggravated assault and arson declined over the same period. The article said criminologists have been warning for some time that surges in the numbers of teenagers and released prisoners, along with recent economic declines, threatened a return to rising crime.

Key Opportunities

Based on survey results, the Business Crime Prevention task force and the Sonoma County Economic Development Board wish to recommend consideration of the following:

- ◆ Continue the efforts of the Business Crime Prevention task force to provide ongoing support and coordination between local public safety agencies and businesses
- ◆ Raise awareness of business crime prevention strategies by producing a workshop for business owners and managers focused on the areas of concern expressed by survey respondents
- ◆ Help small businesses train employees in recognizing criminal activity (such as ID theft and credit card fraud) by offering workshops in the spring and fall before busy commercial seasons
- ◆ Develop a youth component that educates teens on the costs and the lasting, far-reaching impact that can be caused by criminal activity against businesses
- ◆ Establish an ongoing review committee of volunteers to update a business crime prevention web page now being developed on the County of Sonoma site
- ◆ Work with local public safety departments and businesses to develop an email relay system that would advise business owners and managers of crime trends in their particular areas.
- ◆ Offer programs to local chambers and service groups on ways to combat business crime to raise community awareness
- ◆ Continue to investigate short and long-term support for business crime prevention education

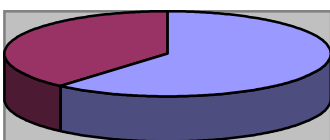
SURVEY RESULTS

Public safety organizations throughout the county have limited resources and those resources are often concentrated in protecting all citizens against major crimes of violence and enforcement of laws against traffic violations, misdemeanor and felony fraud, theft, burglary, robbery, arson, and personal assault. The Cities and their police departments work together with the Sonoma County Sheriff's Department, the District Attorney, and the California Highway Patrol to exchange information about crimes and suspects that fall under the jurisdiction of these public safety units. Often, however, crime prevention education falls to a single officer or one who also has other assigned duties. In smaller towns, public safety departments do not have the resources to assign crime prevention duties to officers.

Recognizing these limitations, the Phase II Business Crime Prevention task force undertook to identify the extent of business crime and make recommendations that would address areas of concern that would not further tax existing resources.

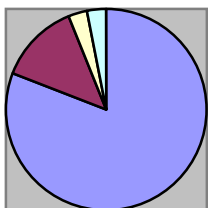
In the Spring of 2002, the Task Force undertook a survey of 1,400 businesses, with a response rate of 15%. Key Findings include:

Business Crime Experience in the last 12 months



Yes: 61% reported one or more crime incidents

No: 39% of businesses reported no crime



Of those who reported crimes:

80% report 1 to 5 instances of business crime

13% report 6 to 10 instances of business crime

None report between 11 and 20 instances

3% report 20 to 50 or over 50 instances

Choosing from a list of types of crimes, respondents were asked to select all offenses that have been committed against their businesses and estimate the frequency of instances in the last 12 months.

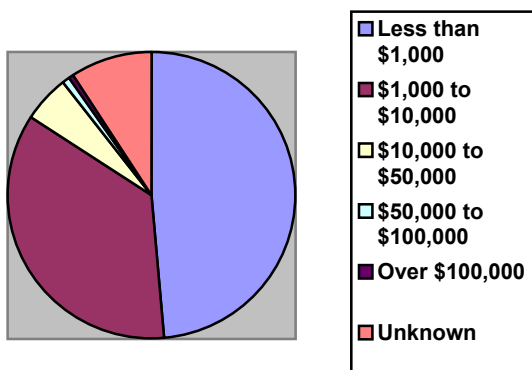
- ◆ 23% report experiencing both burglary (196 incidents) and graffiti (196 incidents) as the most frequent crimes
- ◆ 16% report experiencing vandalism as a frequent offense (143 incidents)
- ◆ 14% report physical damage to vehicles (126 incidents)
- ◆ 9% say that they have experienced employee theft (82 incidents)
- ◆ 6% report fraud (50 incidents)
- ◆ 3% report vehicle theft (24 incidents)
- ◆ 2% report incidents of workplace violence (16)
- ◆ 1% report incidents of attempted burglary (12) and the same percentage reports Internet/High Tech crime (11)
- ◆ A combined 3% report other types of crime that include robbery, arson, personal injury or violence, mail theft, loitering, and panhandling. The percentage of each category of offenses falls below one percent.

Reporting of Business Crime

When asked whether instances of crimes against their businesses were reported to the police, almost one-third of respondents did report 75% to 100% of all business crime. Another third only report up to 25% of the business crime they experience to police. Eighteen percent of respondents said they did not make a report. Nine percent report between 50% to 75% of business crime incidents. Five percent report between 25% and 50% of the crimes they experience.

Topping the list of the main reasons for not calling police about crimes against their businesses, 30% said that none or little damage or loss was incurred as a result of a crime incident. Respondents (29%) said their own staff or security personnel usually handled the problems. The third most frequent answer, that they had “no confidence in police response,” was selected by 24% of respondents, followed by 12% who chose “time constraints” as their reason for not reporting crime incidents to the police.

Cost and Impact of Business Crime



Asked to estimate both the costs of crime incidents and loss of business, almost 50% estimated the cost at less than \$1,000 over the past 12 months. One-third of respondents said the cost was between \$1,000 and \$10,000. Only one business reported losses of more than \$100,000 and two reported losses in the \$50,000 to \$100,000 range. Five percent estimated losses at \$10,000 to \$50,000. Nine percent said they did not know what expense they incurred as a result of crime.

Respondents were asked to choose as many answers that may apply when reporting what impact crime has had on their businesses.

- ◆ 37% said that the crime they experienced had no impact on their business
- ◆ 28% said crime incidents resulted in increased security costs
- ◆ 9% experienced crime that resulted in higher insurance costs
- ◆ 7% made physical changes in building layout and design after experiencing crime
- ◆ 6% reported damage to their business image and low staff morale
- ◆ 4% said instances of business crime resulted in loss of customers

Among other negative impacts on their businesses as a result of crime, respondents cited postponement of business investment, expense of repairs, internal policy changes, loss of productivity, delay in delivery of goods to customers, and difficulties in recruiting/training staff.

Business Crime Prevention and Reduction

Only 13% of respondents were aware of any type of community or business crime prevention programs in the vicinity of their location, specifically mentioning community watch, sheriff and police patrols, and the DA's bad check program. The other 87% said they didn't know of any business crime prevention programs.

When asked if they had ever received crime prevention advice, 28% of respondents said they had not. Topping the main sources of information about crime prevention were police/public safety departments at 27%. Respondents cited security services and insurance companies as the second best sources of information. Tied in third place were local chambers of commerce and business advisors/consultants. Other sources of crime prevention advice added by respondents were banks, trade associations and attorneys.

The next three questions related to initiatives already underway by the Business Crime Prevention task force. When asked if they would take advantage of a crime prevention workshop or a web site focused on business crime prevention, if available, more than 75% said they would. If a printed handbook of crime prevention information was available, 90% said they would use it to establish or change business practices and train current and new employees. Those who indicated they would not take advantage of any prevention education said their losses were too insignificant and cited time constraints or no computer access at their businesses.

The final question asked businesses to choose from a list of deterrents commonly thought to be among the best at reducing crime. Although requested to choose only one, many chose several. Most believed that video camera/other surveillance was the best deterrent, closely followed by private security patrols/on-site presence and better staff training. These three choices made up 59% of responses. Another 37% of businesses cited crime prevention advice, tougher sentencing of criminals and restitution to victims by criminals as being the best crime deterrents. Faster police response and a business watch program were chosen by 17% of respondents.

SURVEY METHODOLOGY AND DEMOGRAPHICS

The intent of the survey was to provide a general "snapshot in time" of crimes experienced by businesses during the last 12 months. Consequently, any factor or interest, including company size, has not weighted the averages. The data is as accurate as non-scientific polling and anonymous response survey methods permit. Those surveyed were asked to respond by fax or mail, but no paid reply envelope was included in the mailing. Surveys were mailed to lists compiled by the Sonoma County Economic Development Board that covered all sectors of the County's economy and given to several task force members to distribute to their customers and clients.

The largest number of surveys was distributed to manufacturers and retail/wholesale operations, but an effort was made to include all types of businesses from large to small and agriculture to high tech that contribute to the County's economy. This resulted in replies from a sampling of those involved in hospitality/tourism, such as hotels, wineries and restaurants, in addition to a sampling from sectors such as development and financial services, high tech firms, exporters and car dealers. It is estimated that approximately 1,400 surveys were distributed. The rate of return was unusually high at 15% or 217 responses.

Of the 217 surveys received, the majority was from Santa Rosa (46%), followed by Healdsburg (10%), Petaluma (10%), Rohnert Park (6%), and Sonoma (6%). Seven percent of businesses were located in unincorporated areas. Santa Rosa, divided into four quadrants, showed the highest number of replies from Northwest Santa Rosa, followed by Northeast Santa Rosa and downtown.

Retail/wholesale operations dominated the types of businesses that responded with 26% followed by manufacturing at 22% and agriculture at 13%. Most businesses were located in an industrial, warehouse or business park (34%). The second largest number occupied office or retail space in a downtown area or retail center (27%), and rural locations came in a close third.

The majority of businesses employed between 10 and 19 employees, slightly ahead of those who employed between 20 and 49 employees. Fifteen percent of businesses have more than 100 employees. Eighty-seven percent of those who responded have been in business for more than 10 years.

In addition to the high survey return rate, 47 % included contact information on this anonymous survey to indicate their interest in receiving the survey results.

OVERVIEW OF THE BUSINESS CRIME PREVENTION PARTNERSHIP

Beginning with a crime prevention workshop in 1995 that drew more than 100 attendees, the Sonoma County Economic Development Board has been involved in efforts to work with businesses, public safety agencies, insurance companies and other firms that provide security services or equipment. Recognizing that crime can deter business development and expansion, the EDB has supported business and law enforcement partnerships to address and find solutions to the changing needs of the community. The phases of implementation are detailed below:

Phase I (2000-2001): In its first year, the Business Crime Prevention task force was highly successful in meeting its objectives:

- ◆ Formed a task force with members from both the business and law enforcement sectors to make recommendations
- ◆ Researched, prepared, produced and distributed a Business Crime Prevention Handbook
- ◆ Using the above material, proposed development of a web site
- ◆ Investigated methods of short or long term funding support for the program

Phase II (2001-2002): Some of the following goals for the Phase II task force were identified during the first year of the Business Crime Prevention initiative:

- ◆ Increase the emphasis on high-tech crime and target those sections in the business crime prevention handbook that need development
- ◆ Help develop and update a new web site based on the Business Crime Prevention Handbook, hosted by the County of Sonoma site
- ◆ Explore ways to develop a Crime Crushers e-mail relay/bulletin system initiated from the web site that can warn businesses of current or continuing threats/incidents of crimes committed against similar businesses or commercial areas
- ◆ Explore methods to print and more widely distribute copies of the Crime Crushers Handbook
- ◆ Raise awareness of business crime prevention by planning a business crime prevention workshop
- ◆ Develop a youth component of the crime prevention program that raises awareness among teens about the costs and the devastation that can be caused by criminal activity against businesses
- ◆ Make presentations to community groups, such as Chambers of Commerce, about business crime prevention resources

Phase III (2002-03): Planned goals for the third phase may be altered based on findings and recommendations of the Phase II task force:

- ◆ Form a task force to develop ideas created by previous participants consisting of members of law enforcement, citizens groups, businesses, educators and youth groups
- ◆ Establish an ongoing, coordinated program to utilize the resources of law enforcement and businesses to produce voluntary training programs and “best practices” certification programs
- ◆ Set up an ongoing voluntary business/public safety/citizens group that will serve as a resource for law enforcement and educational training. The objectives of this ongoing group will be to:

- ◆ Research and develop a voluntary certification program for businesses that recognizes those who have taken additional or extraordinary steps to educate their staff or raise awareness of crime prevention.
- ◆ Continue to update and improve the Crime Crushers web site to meet the changing needs of the business community and public safety organizations.
- ◆ Continue to develop new sources of funding to support business crime prevention education, training and initiatives

The business crime prevention program has the full support of the Sonoma County Sheriff's Department, the District Attorney's office, and the Sonoma County Police Chiefs Association. Among those who have contributed to the Business Crime Prevention Partnership are the following:

Advent Office Furniture
Agilent Technologies
California Highway Patrol
Coddington Regional Mall
Exchange Bank
Historic Railroad Square Association,
KOMAG
Long's Drug Stores

Luther Burbank Savings
Matsen Insurance Brokers
McDonald Leavitt Insurance Agency
Merrill, Arnove & Jones LLP
Price Pump Co.
Santa Rosa Fire Department
State Senator Wesley Chesbro's Office
Sonoma State University.

VII. Acknowledgements

The 2002 Business Crime Prevention Report would not have been possible without the contributions of many companies, organizations, and individuals.

Most of the credit belongs to the local business community that participated in the survey. Their responses created the foundation upon which the business crime prevention issue in Sonoma County could be studied and analyzed.

The staff at the Economic Development Board contributed a significant amount of support work. Much gratitude goes to Colette Thomas and Catherine Harper for their coordination of the survey tasks. Without their relentless work, the survey response would not have been so high.

In addition, many thanks go to the British Chamber of Commerce, the Liverpool Chamber of Commerce, and the Northeast of England Chamber of Commerce for providing information on British trends in business crime prevention.

Special thanks are due to the following members of the Business Crime Prevention Partnership, who provided the context and concerns to address in conducting the survey.

Mr. James W. Carney
Mr. Ken Gnos, Chief Deputy District Attorney
Mr. Keith Hinton, Santa Rosa Police Department
Ms. Mel Konrad, Advent Office Furniture
Mr. Michael Leonard, Exchange Bank
Mr. Paul Livramento, Santa Rosa Police Department
Mr. David R. McDonald, McDonald-Leavitt Insurance
Mr. George N. Meeks, Hilltop Ranch
Ms. Tina Montgomery, Coddington Mall
Ms. Debby Pitkin, Sonoma County Sheriff's Office
Mr. Brent Smith, Sonoma County CDC

Finally, Dee Stewart, a staff member with the EDB, developed the final report. Dee brought together the Task Force's research efforts, combined it with additional research, analyzed the results and recommendations, and presented the final report. Dee's diligence, dedication, and continuity were remarkable throughout this project.

Ben Stone

Business Crime Prevention Survey

Demographic Information:

County Area (check one): Cloverdale Coastal Cotati Healdsburg East Petaluma West Petaluma Rohnert Park
 Russian River/West County NW Santa Rosa NE Santa Rosa SW Santa Rosa SE Santa Rosa Sebastopol Sonoma
 Windsor Unincorporated area Other: _____

Business Sector (check all that apply): Agriculture Fishing Manufacturing Construction Hospitality/tourism
 Financial/business services Transportation/distribution Retail/wholesale Utilities Entertainment Other

Business Location (check one): Business park Industrial park/warehousing Strip center Office or store front in downtown area
 Office or store front in retail center Rural location Other: _____

Number of Employees (circle one): Self-employed 1-4 5-9 10-19 20-49 50-100 100-200 more than 200

Number of Years in Business (circle one): Under 1 year 1-2 yrs 3-5 yrs 6-10 yrs More than 10 yrs

A. Business Crime Experience

- Has your business been a victim of crime in the last 12 months? ____ Yes ____ No (If no, skip to #6)
- About how many instances of crime have you experienced in the last 12 months? *Check one.*
 ____ 1-5 ____ 6-10 ____ 11-20 ____ 20-50 ____ More than 50
- What were the most common offenses committed? *Check all that apply and estimate the number of instances(#), if possible, for each type of crime your business has experienced.*

____ Physical damage to vehicles / # ____	____ Graffiti / # ____	____ Personal injury/violence / # ____
____ Vehicle theft / # ____	____ Employee theft / # ____	____ Fraud / # ____
____ Burglary / # ____	____ Workplace violence / # ____	____ Internet/High Tech crime / # ____
____ Attempted burglary / # ____	____ Robbery, involving weapons or violence / # ____	____ Other: please specify _____
____ Vandalism (damage to structure or property) / # ____	____ Arson / # ____	_____

B. Reporting of Business Crime

- About what proportion of business crime did you report to the police? *Check one.*
 ____ None ____ 1-25% ____ 25-50% ____ 50-75% ____ 75-100%
- If you did not report 100% of all crimes, what were your main reasons for not doing so? *Check all that apply.*

____ It was only an attempt.	____ Unable to contact the police	____ Fear of negative publicity
____ My staff/security guards handled it.	____ No confidence in police response	____ Other: please specify _____
____ No loss or damage.	____ Increase in insurance costs	_____
____ Time constraints	____ Fear of reprisal/violence	_____

C. Cost and Impact of Crime

6. Please estimate the total cost of crime to your business per year, including both the costs of the incidents and loss of business. *Please check one.*
 Less than \$1,000 \$1,000-\$10,000 \$10,000-\$50,000 \$50,000-\$100,000 More than \$100,000 Unknown

7. What impact has crime in your area had on your business? *Check all that apply.*

<input type="checkbox"/> No impact	<input type="checkbox"/> Relocation of business	<input type="checkbox"/> Physical changes in building layout
<input type="checkbox"/> Loss of customers	<input type="checkbox"/> Low staff morale	<input type="checkbox"/> Damage to business image
<input type="checkbox"/> Increased security costs	<input type="checkbox"/> Difficulties in recruiting/training staff	<input type="checkbox"/> Other: please specify
<input type="checkbox"/> Postponement of investment	<input type="checkbox"/> Difficulty in obtaining insurance	_____
	<input type="checkbox"/> Higher insurance costs	_____

D. Crime Prevention and Reduction

8. Are you aware of any community or business crime prevention programs in the vicinity of your business location?
 Yes No If yes, please specify _____

9. From which of the following organizations have you received crime prevention and reduction advice? *Please check all that apply.*

<input type="checkbox"/> Never received advice	<input type="checkbox"/> Security service companies	<input type="checkbox"/> Other: please specify
<input type="checkbox"/> Police/Public Safety Departments	<input type="checkbox"/> Insurance company	_____
<input type="checkbox"/> Chamber of Commerce	<input type="checkbox"/> Business advisors/consultants	_____

10. If a business crime prevention workshop were offered at a convenient time and location, would you attend?
 Yes No If not, why? _____

11. If you had access to a business crime prevention web site, would you review the information and check it frequently for updates?
 Yes No If not, why? _____

12. If you had a business crime prevention handbook, would you use the information to establish or change business practices and/or train current and new employees?
 Yes No If not, why not? _____

13. What do you consider to be the best deterrent to crime against your business? Check one.

<input type="checkbox"/> Business Watch program	<input type="checkbox"/> Better staff training	<input type="checkbox"/> Restitution to victims by criminals
<input type="checkbox"/> Faster police response	<input type="checkbox"/> Tougher sentencing of criminals	<input type="checkbox"/> Other: please specify
<input type="checkbox"/> Video camera/other surveillance	<input type="checkbox"/> Crime prevention advice	_____
<input type="checkbox"/> Private security patrol/presence		_____

Thank you for taking time to answer this business crime survey. If you wish to know the survey results, please give us your contact information below. If you have any comments or need more information, please feel free to contact us.

Send me the survey results by mail, fax or email. Contact Information (*optional*): _____

Comments: _____

Remember to fax back both survey pages to 707 565-7231 by March 15, 2002