

## **Jewelry Crime Hits Los Angeles Area**

In May, a jewelry store employee was walking in downtown Los Angeles during the day on his way to visit a client when a car slowed down. The occupants asked the employee to come closer to the car to look at a map. He was quickly grabbed and a knife was put to his throat. The thieves were able to take \$150,000 merchandise that he was carrying. Also in May, a San Diego courier was on his way to the bank after leaving the client's jewelry store when he was robbed of \$15,000 in cash. In March, three suspects robbed a retail store in Monterey. When mall security attempted to apprehend them, they were threatened with a syringe.

The bulk of crimes against the jewelry industry are against wholesalers, specifically their traveling salesmen. Industry insiders report that there have been approximately five robberies in east Los Angeles in the past two months, with an average of \$400,000 jewelry stolen in each case. Most of the robberies involved foreign salesmen going in and out of retail stores in strip malls, including San Gabriel and Rosemead.

Rate of crime has not significantly increased in recent years, but the level of violence used has. It is reported that BB guns are frequently being used in these robberies. People being robbed, or shot at, do not immediately realize that real bullets are not involved. Although using a BB gun during a robbery carries the same punishment as using a gun, criminals are not cited for carrying this type of weapon in their car if they get stopped by police.

The jewelry industry of California is substantial. Los Angeles is the second largest center in the world, generating \$2.5 billion in sales each year. There are over 5,000 wholesale and retail jewelers, with over 60,000 working in the trade in downtown Los Angeles alone. San Francisco has an active wholesale industry and a large concentration of high-end retailers. There is also a vast retail market outside of the two cities, serving the 36 million residents of the state. With an industry this large, it is no surprise that California also has the highest rate of crime against the jewelry industry.

Organized retail theft costs the U.S. approximately \$15 billion each year. Higher product prices are passed on to the consumer as a result, and business owners are faced with increased insurance rates. While many of the jewelry crimes are distraction, or smash and grab, many are violent. The occurrences come in waves. San Francisco was badly affected in 2002. Los Angeles experienced a rash of crimes in 1999, and again in 2002, prompting the FBI to assign a full-time agent to the Jewelry and Gem Task Force.

Anyone working in the industry should be aware at all times, and those visiting clients in east Los Angeles should be particularly careful. Jewelers should also keep in mind that gangs are extremely active during the show preparation times, especially May and September.

**JSIS Insurance, June 2007**