


# Gross Misconduct



# Crime comes at a heavy cost, and business owners are paying the price

By Conrad Fox



**It's** Thursday night, and customers stream through Lee Rabahani's tiny Halifax corner store for smokes and lottery tickets. Rabahani regales them with one-liners, questions about their health and their families, gentle ribbing. He knows most of them by name, and they leave grinning.

But when the shop empties briefly, he drops his voice and he's no longer smiling. He loses so much to shoplifting he can't keep track, he says. There was a time when he was broken into twice a week. "One time, this guy came in with a shotgun. He was shaking. He was all nervous and telling me to hand over the money. I thought, is this a joke?" The ex-Lebanese Army soldier pushed him, and when the shotgun came up to face level, he realized it wasn't. The thief got away with \$4,000.

After that incident, Rabahani dropped \$20,000 on a state-of-the-art security system. Sixteen video cameras watch over his three tiny aisles. A console sits on the counter next to the till, able to recall any customer who might have stirred Rabahani's suspicions during the day. Has it paid for itself yet? "I've got a family," he shrugs. "It keeps me safe."

A recent survey by Halifax-based think tank GPI Atlantic found that crime in Nova Scotia (there are no similar studies for the rest of Atlantic Canada) costs the province \$1.5-billion a year, or 4.4 per cent of GDP, and much of that is borne by business. Thirty-seven-million is spent on alarms and surveillance systems; \$66-million on private security guards; \$205-million in business shrink (the unexplained disappearance of stock from shelves). And there are other, less tangible, costs to the economy. Lost production due to absenteeism following a criminal attack costs businesses \$6.3-million; lost production due to murder, \$16-million. Those losses have continued to mount, in spite of a slight dip in crime rates over the past decade. The GPI report speculates this is partly due to higher hospitalization costs, as well as higher insurance rates, which have failed to drop in the same period.

The past decade has been an anomaly: the long term trend shows that crime rates have actually risen dramatically in the past 40 years, and Ronald Colman, one of the report's authors, says that has come at a cost. "If crime rates were still at their 1962 levels," says Colman, "Nova Scotians could have saved about \$850-million this year on extra spending on police, prisons, courts, lawyers, security guards, burglar alarms and a lot of other crime costs."

As if they didn't have enough to worry about, businesses are being increasingly targeted by sophisticated gangs with wide reaching networks and the technical know-how to steal credit card numbers

from point-of-sale PIN pads and over the phone. According to the Retail Council of Canada, retailers across the country lost \$500-million to credit and debit card fraud in 2006 alone. Tougher laws in the U.S. have led American gangs to re-establish in Canada and Christine James of the Retail Council of Canada fears Maritimers are particularly vulnerable. "We're so friendly and warm and... definitely not suspicious and I think Atlantic Canadian retailers need to be aware that it may not be the person in their community who is robbing them." In fact, a 2006 report by the Criminal Intelligence Service Canada shows Atlantic Canada has an estimated 17 street gangs, more

per capita than Quebec or British Columbia, although considerably less than the country's gang capital of Ontario.

Obviously, Atlantic Canada is no longer the country's tranquil hinterland. In three of the four Atlantic provinces (PEI is the exception), violent crime rates now surpass the national average. Nowhere is this more evident than Halifax, which has seen a spate of murders and drive-by shootings in the last few years. *Maclean's* magazine ranks Halifax as the country's eighth most violent city.

While police say the crime is drug related, and law-abiding citizens have

## Crimes By Offences

2008 (rate per 100,000 population)	CANADA	N.L.	P.E.I.	N.S.	N.B.
All incidents	7,424.2	7,094.4	6,941.2	7,696.6	6,452.8
Criminal Code offences (excluding traffic offences)	6,589.2	6,322.0	6,208.1	6,956.2	5,664.8
Crimes of violence	931.8	966.3	645.1	1,046.5	947.0
Homicide	1.8	1.0	1.4	1.3	0.4
Attempted murder	2.2	0.0	0.7	3.0	0.9
Assaults (level 1 to 3) <sup>1</sup>	714.2	818.3	550.7	857.6	775.7
Sexual assault	64.5	80.7	55.8	72.3	76.5
Other sexual offences	8.9	12.6	7.9	8.6	25.6
Robbery	96.9	27.4	16.5	61.3	28.1
Other crimes of violence <sup>2</sup>	43.3	26.4	12.2	42.4	39.7
Property crimes	3,079.5	1,997.3	2,991.8	2,748.0	2,354.5
Breaking and entering	629.7	552.3	576.5	540.4	510.6
Motor vehicle theft	376.1	85.3	118.0	168.4	171.7
Theft over \$5,000	50.3	21.3	25.8	28.4	33.9
Theft \$5,000 and under	1,657.6	1,089.2	1,964.0	1,485.0	1,338.7
Possession of stolen goods	92.9	27.2	62.9	233.8	45.9
Frauds	273.0	222.1	244.6	292.0	253.7
Other Criminal Code offences	2,578.0	3,358.4	2,571.2	3,161.8	2,363.3
Criminal Code offences (traffic offences)	429.0	382.8	551.4	342.3	446.0
Impaired driving	254.4	304.4	431.3	268.8	354.7
Other c.c. traffic offences <sup>3</sup>	174.6	78.4	120.2	73.5	91.1
Federal statutes	405.9	389.7	181.7	398.1	342.0
Drugs	306.1	206.7	141.6	299.2	241.4
Other federal statutes	99.8	182.9	40.1	98.9	100.6

1. "Assault level 1" is the first level of assault. It constitutes the intentional application of force without consent, the attempt or threat to apply force to another person, or openly wearing a weapon (or an imitation) while accosting or impeding another person. 2. Includes unlawfully causing bodily harm, discharging firearms with intent, abductions, assaults against police officers, assaults against other peace or public officers and other assaults. 3. Includes dangerous operation of motor vehicle, boat, vessel or aircraft, dangerous operation of motor vehicle, boat, vessel or aircraft causing bodily harm or death, driving motor vehicle while prohibited and failure to stop or remain. Source: *Statistics Canada Last modified: 2009-07-21.*

2010

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nothing to fear, the violence has an indirect effect on business. "It seems like everyday you're reading about someone getting stabbed or robbed and I think that scares people away," says Gordon Stewart, executive director of the Restaurant Association of Nova Scotia. He says bars and restaurants in downtown Halifax have been hurt hard by the negative publicity. How hard? "It's up there with the recession."

Some complain that the publicity is unearned. "In terms of the bottom line, I know we would have done better


locating in the downtown," sighs Michelle Strumm, manager of a youth hostel on Halifax's lower income north end. "It's a stigma held by people who have never come down here. In eight years, we've never had a break in. Not even a broken window." Recently, she had to call the city's Airport Shuttle service and demand drivers stop warning tourists away from her neighbourhood.

The day after she spoke, residents awoke to the news of another shooting, this time outside a Tim Hortons across town. No one was hurt, and no money

was stolen, but law enforcement officials say that dealing with incidents like these has forced police to reduce the staff assigned to investigating property crimes. Mark Palmer runs a computer shop a few blocks from where the shooting took place. He's been broken into several times, he says, and given up hope of recovering stolen property. "You can call the cops and say, here's the color of the car, the model, I can see it now just turning the corner and getting away, and the cops turn up like eight hours later. There seems to be a kind of forced indifference."

Many business owners say they've given up reporting theft. This makes interpreting crime statistics – already a thankless task – notoriously difficult. Experts debate whether crime goes down when more police are out on the streets (as is increasingly happening across the region) and bad guys stay home, or up, as cops report more arrests? Some predict crime goes up along with unemployment. Others suggest it goes up when the economy booms. "There's more stuff to steal," says Stephen Schneider, a criminologist at Saint Mary's University in Halifax and author of the recently published, *Iced: The Story of Organized Crime in Canada*.

Back at his corner store, Lee Rabahani has less doubt. Several customers are short a quarter or two for their purchases, and he makes up the difference. Sometimes, he says, they even ask him for free food. "You never used to see that 10 years ago. These people live like crap. If that keeps getting worse, eventually, they're gonna get a gun and go out and steal. And they're not gonna go rob some shopping mall. They'll go for the easy target. Me."

And for that day, he has his security cameras watching over him. 



## In Self Defense

"It seems to be never ending," says Brenda Dooks about the shoplifters that plague her clothing store in downtown Dartmouth, Nova Scotia. She estimates she loses more than \$200 a week to theft. She is so fed up with the problem, she once chased a shoplifter down the street to recover a stolen dress.

Though you might admire her nerve, experts counsel a softer, safer approach to protecting your investment. "Don't be a hero," says Christine James of the Retail Council of Canada. Her organization has put together an exhaustive list of low- to no-cost recommendations retailers can use to protect themselves. Identifying potential robbers is key. Arrange aisles and displays to leave an unhindered view to the back of the shop and provide adequate lighting outside (studies have found teenagers are less likely to loiter in lighting which makes them look pale and unattractive.) Pay close attention to how people act; shoppers will look at merchandise, shoplifters at you. And if you have doubts about someone? "Go overboard on customer service," says James. Make eye contact - shoplifters hate to feel noticed. And remember the colour of their shoes. A thief on the lam may change their coat, but is

unlikely to change their footwear.

Not all theft is caused by shifty-looking strangers. For some businesses, especially in the food sector, employee theft can dwarf external threats. "Assume the worst about people," says Peter Mombourquette, a business professor at Mount Saint Vincent University. He says owners should be "emphatic" about conducting background checks for new hires, enforcing workplace rules such as not bringing bags to work, and installing video cameras to watch over employees as well as patrons. While that's easier said than done in the compact, family atmosphere of a small business, he warns that some people, especially in small towns where businesses are fewer, don't understand the effects of ripping off their boss. "They see thousands coming in every day and think, 'this guy is rich.' They have no idea how small the (profit) margins can be."

Video cameras may be the ultimate in high-tech protection, but don't take them for granted. Brian Palmeter of the Halifax police says you have to make sure you get them placed correctly, preferably with the help of an expert. "You wouldn't believe how many tapes we get here where you just see the top of some guy's head!"



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Volume 17, No. 4 (2006): The Province of Nova Scotia allocates \$6.4-million to fund two not-for-profit research associations dedicated to removing the regulatory and geologic uncertainty associated with offshore energy development in the Nova Scotia offshore: the Offshore Energy Technical Research Association and the Offshore Energy and Environmental Research Association.