Appendix 'C'

Automation Success Cases

Automation has solved numerous cases across the country involving jurisdictions that have implemented the Business Watch Automated Program in their Pawnshops and Second Hand Stores. Winnipeg has this program in place in 12 stores and due to its infancy here, these success cases are slowly increasing in numbers. The busier shops in Winnipeg have adamantly objected to participating in 'Trial Project' to test the Automated System here. This is unfortunate for the citizens and Police of Winnipeg, because the full advantage of using this system has not been realized. Those that have agreed to cooperate with the Police Service have enjoyed the programs benefits and the Police have been able to discover the merits of using this system.

Police Services have achieved successful conclusions to investigations as a result of using this Automated Program as shown in the following situations:

Fraud (Winnipeg)

Members of the Winnipeg Police Pawn Unit located a stolen laptop through use of Business Watch Program and the ensuing investigation with District Investigators resulting in a male being arrested and charged with Fraud. He had been using a stolen credit card to purchase laptop and desktop computers and accessories to the value of $20,000. All of the items were recovered from various shops around Winnipeg.

Break and Enter (Winnipeg-RCMP St.Pierre)

RCMP Cst. Rouire of St. Pierre R.C.M.P. detachment called the Winnipeg Police Pawn Unit during a break and enter investigation that he was involved with. After providing the unit with several unique items that were stolen, a search was conducted on Business Watch. One of the items was located in a Second Hand Store, resulting in a possible suspect for Cst. Rouire. With this information in hand, he was able to solve the crime along with several others; recover property and arrest the suspect for break ins in the St.Pierre district.

There are indications that there may be more stolen property contained in pawnshop inventories and is typified in the following situation that was uncovered during research for this report.

Theft (Regina)

Regina's second hand manually report transactions to police. Contained in the reports from one of these stores was a large volume of transactions by the same customer who was selling digital videodisks to the store. Detective Sergeant Dale Schulz recognized the name as someone he had recently charged with Fraud. We examined the situation more closely and discovered that since January 2000, the person had received in excess of $15,500.00 from this store for the sale of DVD's and computer games. These had been sold to the store in their wrappers and sometimes with several copies of the same DVD being sold at the same time. Staff did question the duplicate copies but accepted that the person had bought them over the Internet. They checked out the Internet site and learned that DVD's could not be purchased for the price suggested by the customer. The store recorded the transactions on the manual sheets they submit and placed the articles in their inventory. They followed the letter of the law, as it exists at this point in time.

The Police Service was only able to commence an investigation to determine the origin of this property four months after the first transaction. Our challenge was to determine the articles' origin, as they were not identifiable. The individual was targeted for surveillance. Investigators found she was an employee of a retail store that sells similar products and she was also the representative for a DVD distribution firm. The wholesaler and security of the stores involved conducted inventory audits. One of the stores reported significant inventory shrinkage and investigated further. They marked their merchandise and conducted surveillance of their stockroom. The employee was caught in the act and charged with Theft and Fraud over $5,000. Thirty thousand dollars ($30,000) worth of product was recovered. This inventory shrinkage would have likely continued unnoticed had it not been for the research we conducted for this report. Focused enforcement initiatives will become commonplace once the registry becomes universal.

Theft Ring Broken (Regina)

Three trays of gold rings were stolen from a department store in Regina, Saskatchewan. The next day some individuals attempted to steal electronic merchandise from two separate stores in Moose Jaw. The following day someone attempted to shoplift a vacuum cleaner from another Regina store. Ordinarily, these four incidents might have been reported to police departments in two different cities and there would be no reason for anyone to suspect they were connected in any way. Within one week however, the association between these thefts was recognized, the culprits apprehended and most of the property recovered.

A *Time Sensitive Crime Alert* was broadcast through the *Business Watch Network* after the first theft. The Moose Jaw merchants and the second Regina store were alerted to the possibility of a theft ring operating in their areas. Armed with this intelligence, the Moose Jaw merchants were able to prevent the thefts and staff at the second Regina store actually caught the culprits. The networking continued and the information exchange provided a clear picture that the incidents were connected. A trace for the stolen rings was conducted through BWIdent and the missing stolen property was located and recovered from several Regina pawnshops.

Arson Investigation Reveals Extortion Plot (Regina)

Investigators from the Regina Police Service and Regina Fire Department were called to a fire that occurred at a rental house in the city. Patrol units had arrested a male who had left the scene in a vehicle described to police by witnesses. The man admitted his involvement but would not identify his accomplices or provide any insight into the motive for his actions. Investigators discovered the place was littered with drug paraphernalia when they examined the fire scene. The occupant of the house was nowhere to be found and did not respond to any of the messages left for him. This meant the arrested man appeared in court facing only the issues then known to the police.

Detective Sergeant Dale Schulz of the Pawn Unit recovered a stolen VCR from a pawnshop because of a BWIdent hit. He phoned the owner to notify her about finding her property. A male answered the phone and took the message. The detective recognized him as the reluctant witness

from the fire investigation. Detective Sergeant Schulz provided the information to the detective assigned to the investigation who persuaded the man to meet with him. This interview revealed the witness had purchased some crack cocaine from a dealer for $300.00. He received a visit from the dealer and two accomplices when he could not pay his debt. They slapped him, threatened him and demanded he pay by midnight or they would be back. The witness packed his valuables after the men left and went into hiding. The suspects returned later, stole some furniture and set the house on fire.

One of the suspects was the man arrested later that evening. The witness identified the dealer and the third person as well. The dealer had been arrested two days after the fire for the armed robbery of a Credit Union. The third man was an associate of an outlaw motorcycle gang who was hiding in Winnipeg from Regina warrants for assaulting a woman. Both were arrested and charged with Extortion, Conspiracy to Commit Extortion and Arson. The successful conclusion of this file was a direct result of BWIdent.

Insurance Fraud (Regina)

A woman reported a burglary and made an insurance claim for the loss of a VCR and some other items. The officer was not comfortable with the woman's story and decided to investigate further. The victim pawned the VCR several months later and police were alerted through BWIdent. The officer continued his investigation and proved the burglary report had been false. The woman was charged with Public Mischief for filing a false police report.

Business Machine Company Suffers Internal Theft (Regina)

Constable Bill Yarnton noticed that an individual had pawned a large number of business machines at several Regina pawnshops over a period of time. He reported his observations to the Street Crimes Unit and Detective Corporal Dennis Derkacht commenced an investigation. The suspect turned out to be a sales representative for a local supplier of business machines. Detective Corporal Dennis Derkacht contacted the company and an internal audit was performed. Inventory with a value of about $15,500.00 was discovered missing. The suspect was questioned and admitted he had been stealing from his employer. Most of the equipment was recovered and the man was charged with Theft Over $5,000.00.

Summary

These anecdotal situations represent a few of the investigations that have been brought to successful conclusions as the result of using BWI. The program is being used more widely across Canada in numerous jurisdictions. This will only allow for the increase in arrests of criminals and larger recovery of taxpayers property, as the number of shops and police forces using the program multiplies.