

April 25, 2022

The Honorable Marina Dimitrijevic  
District 14 Alderwoman  
City Hall  
200 E. Wells Street, Room 205  
Milwaukee, WI 53202

Re: Proposed Plan of Abatement for License Renewal Application for  
Walgreens Store #3509, 620 W. Oklahoma Ave.

Dear Alderwoman Dimitrijevic:

We represent Walgreens in relation to the Food Dealer-Retail and Weights & Measures License Renewal Application for Walgreens Store #3509 at 620 W. Oklahoma Avenue. This correspondence represents Walgreens' proposed written course of action to address the shoplifting activities that have occurred at these premises in connection with our license renewal.

Following notice, Walgreens has appeared at both March 8<sup>th</sup> and April 6<sup>th</sup> hearings related to this matter. As requested by the Alderwoman at the March 8th hearing, Walgreens Store #3509 at 620 W. Oklahoma Avenue has undertaken many efforts to deter and control unlawful shoplifting. As we explain below, we are proposing additional actions to reinforce those ongoing efforts.

We initially do want to emphasize that Walgreens takes its role as a responsible corporate citizen of the City of Milwaukee very seriously. Walgreens' commitment to the State of Wisconsin also is significant, and includes approximately 218 stores and 7100 employees. As it relates specifically to the costs associated with retail theft but also Walgreens' efforts to combat such theft, attached is summary chart reflecting annual spend on theft protection devices in the state and the personnel Walgreens has devoted to maintaining those systems.

As is evident from the statistics in the attached summary chart, there has been a national rise in retail crime. In Store #3509 alone, the retail shrinkage of lost or stolen merchandise for the fiscal year of 2019 was \$174,884. In 2020, Store #3509's shrink rate declined slightly to \$141,426, likely due to Covid-19 quarantine measures. Last year, Store #3509's shrink rate again climbed to \$179,569.

Walgreens has made efforts in product protection to combat these alarming shrinkage costs. Product protection generally consists of locking glass cabinets, updating security systems, and implementing other measures to prevent access to the merchandise. In the 2019 fiscal year, over

\$8,500 was spent on product protection in Store #3509. In 2020, Walgreens made significant additional investments in product protection at Store #3509, spending nearly \$13,000 on product protection. In 2021, Walgreens invested an additional \$5,800.

In order to counter this national rise in organized retail crime, Walgreens has secured the services of ALTO USA, LLC (“ALTO”). ALTO provides sophisticated and enhanced abatement services that target habitual retail offenders. Since March 31, 2021, ALTO has nationally assisted in approximately 599 significant legal cases and improved national “shrink” by approximately 24%.

The ALTO service implements a two-part approach to abating on-site criminal activity. In the first part, store personnel collaborate with ALTO to effectively document instances of shoplifting activity, facilitate periodic meetings with on-site support team members such as ALTO attorneys and customer success specialists, and install a network of deterring signage. In the second part, Walgreens staff coordinate with the City and local law enforcement to build cases so that the Assistant District Attorneys can target and prosecute repeat offenders. In addition to securing convictions for criminal activity and restricting offenders from re-entering the store, the second part of the ALTO plan also reinforces the partnership between Walgreens and the public stakeholders and improves overall effectiveness of deterrence efforts. The expectation is that as word gets out about such successful prosecutions, future shoplifting also will be deterred and reduced.

With the benefit of this background, Walgreens Store #3509 proposes the following in connection with securing its Food Dealer-Retail and Weights & Measures License renewal and in order to avoid any adverse finding under Milwaukee Ordinance 80-10. Specifically, Walgreens commits to the following:

1. Increased Walgreens’ high-risk product protection, securing, and locking up many targeted items that are being stolen, fenced and resold in the City;
2. Maintenance of the video surveillance systems that captures customer entering and exiting the premises;
3. Retrain store staff on video surveillance system;
4. Effectively utilize ALTO resources at Store #3509 to engage in collaborative case building of known, repeat shoplifting offenders with local law enforcement;
5. Maintain positive relationship and open communication with local police department;
6. Install or update “no trespassing & no loitering” signs;
7. Assign an Asset Protection Partner to assist the store with hardening the target in relation to high-risk product and improving adherence to basic security controls on a rolling basis.

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We believe that these enhanced efforts will supplement our existing protocols to address the shoplifting situation at Store #3509, and we are prepared to immediately begin movement on those aspects set out above that are not already underway. We trust that the City also will recognize these efforts as they relate to Store #3509 license renewal and, as we have offered to Alderwoman Dimitrijevic, we are willing to host an on-site walk-through of the store to set out our efforts.

Thank you for your consideration and we look forward to continued cooperation with the City of Milwaukee. In the meantime, do not hesitate to call us if you would like to discuss or have any questions. Thank you.

Very truly yours,

HINSHAW & CULBERTSON LLP

*/s/ Sara M. Butler*

Sara M. Butler

SMB/tmw

cc: Milwaukee Police Department

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