



**In Business Since 1987 in Durham, Raleigh and Wilmington**



*National Pawn Stores Do NOT Look  
Like What is Stereotypically Portrayed  
on Television and in the Movies.*



# Problem

- National Pawn does business in 3 Counties.
- Our company reports electronically to 3 separate agencies using 3 separate formats, 3 separate programs and 3 separate databases.
- In 2009, the N.C. General Assembly passed modifications to N.C.G.S 66 that required all purchasers of precious metals to report their purchases. The ones that do report do so almost exclusively using paper records. These records are not able to be processed in a timely manner.

# Solving Property Crimes

- Pawnbrokers cooperate with law enforcement to solve crimes.
- The public conception that all stolen property is taken to pawnbrokers is just a *myth*.
- If pawnbrokers buy or pawn stolen merchandise, it is confiscated by the police and the pawnbroker is now out the money and the merchandise.



# Pawn Industry Data (2008): Percentage of Pawns Confiscated as Stolen Property

SCOTT LESHER  
Administrator

STATE OF OKLAHOMA  
DEPARTMENT OF CONSUMER CREDIT

BRAD HENRY  
Governor

**Pawnbroker**

**Composite Annual Report for calendar year ending December 31, 2008**

**Schedule A -- Report of Pawn Transactions**

Total Number of Pawns Written	1,327,213
Total Amount Financed	\$126,139,831.00
Total Pawn Finance Charge Collected	\$23,852,539.99
Average Amount Financed	\$94.29
Average Finance Charge	\$17.97

**Schedule B -- Report of Pledged Goods not Redeemed**

Total Number of Pawns Pulled for Sale	498,725
Total Amount Loaned on Pawns Pulled for Sale	\$36,032,004.33
Average Amount of Pawns not Redeemed	\$70.24

**Number and Balance Due on Pawns Surrendered to Peace Officers**

Total Number of Pawns Surrendered to Peace Officers	637
Balance Due Pawns Surrendered to Peace Officers	\$67,961.43
Average Size of Pawns Surrendered to Law Enforcement	\$96.98
Total Number of Employees	882

Monday, October 05, 2009

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Illinois Department of Financial and Professional Regulation  
Division of Banking

PAT QUINN  
Governor

MICHAEL T. MORATH  
Acting Secretary  
JAMES A. WELLS  
Director  
Division of Banking

**2008 Annual Statewide Disclosure Report Results\***

Total Dollar Amount Financed	\$ 102,152,709.98
Total Number of Pawns	826,916
Total Dollar Amount of Extensions	\$ 130,122,098.05
Total Number of Extensions	643,449
Average Pawn Dollar Amount	\$ 123.53
Average Monthly Rate of Interest and Fees	17.82%
Percentage of Pawns Surrendered to Law Enforcement	0.13%
Percentage of Total Pawns Surrendered to Law Enforcement by Dollar Amount	0.12%
Percentage of Pawns Redeemed	63.70%
Percentage of Pawn Loans Extended	77.81%
Total Number of Employees	599
Total Number of Licensees Reporting	219

\*As reported by licensees

500 East Monroe Street, Springfield, Illinois 62701-1000  
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Pawnbroker Program Annual Report

**SUMMARY OF PAWNBROKERS ANNUAL REPORTS as of DECEMBER 31, 2008**

	December 31, 2007		December 31, 2008	
ANALYSIS OF LOANS	Number	Aggregate Amount	Number	Aggregate Amount
Total loans outstanding at beginning of year	76,886	\$ 9,205,251	89,136	\$ 10,623,130
Loans made during the year	992,840	\$ 44,007,687	448,394	\$ 54,803,788
<b>Totals</b>	<b>1,069,726</b>	<b>\$ 53,212,938</b>	<b>537,530</b>	<b>\$ 65,426,918</b>
Loans cancelled during the year				
Redeemed (Loans Collected)	297,059	\$ 36,786,565	355,080	\$ 41,184,767
Forfeited	61,706	\$ 6,584,575	95,092	\$ 8,167,000
Charged off as Loss	258	\$ 25,859	348	\$ 41,187
<b>Total loans cancelled</b>	<b>358,999</b>	<b>\$ 43,396,999</b>	<b>450,520</b>	<b>\$ 50,392,854</b>
<b>Total loans outstanding at year end</b>	<b>89,208</b>	<b>\$ 19,714,739</b>	<b>104,774</b>	<b>\$ 13,053,898</b>
<b>Other activity during year</b>				
Total interest charges collected on pledge loans		\$ 3,132,917		\$ 3,545,746
Total of all other charges and fees collected on loans		\$ 5,408,877		\$ 5,678,271
Total of police pickups	302	\$ 27,126	425	\$ 41,440
Forfeiture Rate (Number forfeited / number of loans made)		20.8%		21.3%
Police Pickup Rate (Number Police Pickups / number of loans made)		0.077%		0.095%
Average loan amount at year end (Aggregate Amount / number of loans)		\$ 136.11		\$ 124.87
Number of licensed pawnbrokers at year end		60		65

2008annual.xls

**Oklahoma .048%**

**Illinois .12%**

**Oregon .095%**

**National Pawn .075%**

# Charlotte-Mecklenburg's Own 2001 Study Proved No Correlation Between Pawn Shops and Burglaries

## CHAPTER 3

# CHARLOTTE-MECKLENBURG

*A Living Lab For Problem-Solving Policing*

### The Advancing Community Policing Grant

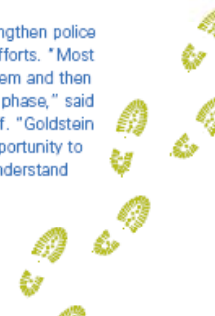
#### Background

Charlotte used its Advancing Community Policing (ACP) grant to bring Herman Goldstein, who is considered the father of problem-oriented policing, to the department as a scholar in residence. Goldstein visited Charlotte for week-long visits over a period of one year. He performed an audit of the department to see how consistently community policing and problem-solving models

were being applied. Goldstein was also available to work with individual officers and help departmental units define their roles in a community policing environment.

#### The Project

Goldstein identified the need to strengthen police officers' problem-solving skills and efforts. "Most officers did a quick scan of the problem and then moved immediately to the response phase," said Darrellyn Kiser, Assistant to the Chief. "Goldstein felt that officers were missing an opportunity to use the power of available data to understand



informed of this finding; the organization is now working to eliminate the rental violations via contractual adjustments.

With an analysis of the data confirming that 60 percent of the arrests in northeast Belmont were for drug offenses committed by people from outside the area, officers knew the area's easy accessibility by automobile was a problem. Further analysis pointed out two of the most prominent routes, so officers suggested installing barricades on these two streets. The hypothesis was that the barricades would create sufficient insecurity among drug buyers and thus reduce their frequency of visits, and by extension reduce their risk of victimization. With mixed support from the community, a single solid-concrete highway barricade was installed at the popular intersection, effectively turning the roads into dead-end streets. The community agreed to allow the barricade on a temporary basis and to remove it if it proved ineffective. To create a relatively sound test environment for analyzing the impact of the barriers, no other intervention strategies were applied at that time.

An analysis of the crimes committed on the same date one year before and one year after the barricades were installed found a 54-percent decrease in violent offenses. When there was no relationship between offender and victim (typically

assumed to be buyers and sellers), violent offenses decreased by 78 percent. Arrests were also down by 43 percent. The highest rates of decrease for all statistics came specifically on those streets that were barricaded. Other area streets showed less substantial decreases.

During the course of this study, many community residents objected to the use of the barricades. The community leadership lent cautious support, requesting periodic evaluations of their effectiveness. Ironically, a year after installation, the residents most strongly supported the continued use of the barricades, while the community leaders objected. Supporters said drug activity in the study area, although not eliminated, was noticeably less prevalent, and they were positively impressed with the reduction in violence. Neighborhood leaders were now opposed to the barricades because they feared the city was imposing them as a permanent solution, which they viewed as inadequate. Everyone involved agreed that the unsightly appearance of the concrete barricades was a problem. As a result, the barriers have been replaced with a post-and-chain divider surrounded by a garden, which pleases area residents.

More than a year after the installation of the barricades, a seven-member Street Drug Intimidation Team was created. Individuals known to be drug dealers were targeted for investigation, arrest, and

prioritized prosecution in a joint effort between police and prosecutors. Between November 2000 and February 2001, violent offenses in the area dropped by 30 percent.

**Pawnshops and Their Possible Connection to Burglaries.** The study of pawnshops in Charlotte-Mecklenburg was designed to examine the activities and behavior of individuals who frequently pawn multiple items, according to Crime Analyst Kristen Knight. Police believe the study was vital both to the recovery of stolen merchandise and to the investigation of crimes such as burglary, robbery, and larceny.

Prior examination of data suggested that people who pawned items occasionally accounted for approximately 90 percent of business, while the remaining 10 percent pawned items quite often. The study examined nine components of the behavior of frequent pawners:

- Whether the transaction involved a loan or a sale
- The type of property pawned (e.g., firearms, electronics, tools)
- The addresses and frequency of pawnshops visited for GIS analysis
- The number of items pawned per visit and the average value of these items



- Each customer's criminal record, if any
- The average value of items
- The point at which a pawnshop owner or manager became involved in the transaction, based on the value of the item
- The average distance from home the customer travels to pawn items
- A comparison of the above factors for frequent pawners and a random sample of less frequent customers

One of the most interesting aspects of this project was its application of the problem-solving philosophy and the scanning, analysis, response, and assessment (SARA) model to an investigative issue. The Investigative Services Division has sought ways to involve detectives in problem-solving activities so they can more closely apply these concepts to their work. This project took an investigative issue and used extensive data analysis to test the theories. The project gave detectives a chance to see the benefits of more extensive data analysis, which the department hopes will be an impetus for similar projects in the future.

Officers often described the SARA process as tedious and slow; however, this project helped them see that their efforts had concrete results.

This ACP project is a good model for the integration of problem solving with data. This particular project did not demonstrate the expected correlation. It was a good example of using SARA to check and overturn an assumption of the relationship between pawnshops and burglary.

### Panel Commentary

Charlotte-Mecklenburg used its ACP grant to demonstrate the power of bringing an outside expert with international prominence to a department. Goldstein's and Clarke's involvement caused officers to take this project seriously. Having an expert onsite for a week at a time created many informal opportunities for spontaneous interaction, including the flexibility to pursue ideas as they came up. As a result of working with Goldstein, people from the department accepted the concept of community policing more powerfully and effectively than they would have through training in another location.

The immediate question that arises, however, is the degree to which this process could be replicated elsewhere. How many agencies can afford such an investment, and how many scholars have the cachet and immediate credibility of Goldstein? Perhaps the larger lesson is that community

policing programs benefit from having access to continuous feedback from an independent, critical source. This function, which should be embedded in implementation programs wherever possible, can be fulfilled by a variety of sources: police personnel, community members, business leaders, and/or retirees. The point is that the inclusion of a credible "touchstone" in the process of program implementation is worth considering, and Charlotte-Mecklenburg clearly benefited from novel and creative use of the ACP grant.

The summary of the "appliance burglary project" is a classic case study and worthy of extended analysis. The panel hopes that Charlotte-Mecklenburg will work up a detailed paper on this project and focus on the process of redefining a program that initially failed. It is rare for police agencies to provide indepth analysis of programs that do not work, and to explain how they redesigned their approach to achieve ultimate success. Charlotte-Mecklenburg earned a profound lesson in its initial attempt to address a specific crime problem without first undertaking rigorous analysis of data and causalities. The point is that failures should be examined and triumphs should be celebrated with equal interest. Although false starts and failed initiatives are plentiful in the law enforcement profession, they are seldom reported.

