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An Analysis of Integrating Pawn Shop Internet Database Systems
In Law Enforcement

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An Administrative Research Paper
Submitted in Partial Fulfillment
For Required for Graduation from the
Leadership Command College

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July 2006

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ABSTRACT

Most Law Enforcement agencies across the state still investigate property crimes involving pawnshops the same way they have for years. Police Officers usually will physically check local pawn shops for stolen property or will review pawn receipts looking for stolen goods. This process is outdated and very inefficient.

Recently private companies have developed Internet Database Systems where pawn shops can download daily transactions and make the information available to law enforcement. The data base is web based and requires no additional hardware other than a PC and access to the internet.

This study was conducted to determine if the use of Internet Database Systems (LEADSonline) by Police Departments in Texas resulted in an increase in clearance rates of property crimes, reduction of amount of time spent on each case and quicker resolution when investigating property crimes.

The method used to collect data was a telephone survey of twenty law enforcement agencies of various sizes within the State of Texas. Users currently using LEADS Online for the investigations of property crimes were asked a set of standard questions. Data from the study found that 95% reported an increase in arrest of suspects of property crimes. A total of 100% surveyed said they saw an increase of recovered of stolen property since using Leads Online. In addition, a total of 100% surveyed said they saw a decrease in the amount of time spent by officers checking pawnshops on each case.

The results of the study clearly show that use of Internet Database Systems by Law Enforcement Agencies is the way to conduct property crimes investigations involving pawn shops and should be a standard tool utilized by police departments

INTRODUCTION

The illegal business of buying and selling stolen property has been around since the beginning of time. Historically, property crimes have not been a priority for law enforcement agencies. Investigating property crimes is a tedious, slow process, which requires a lot of manpower and countless hours spent on searching individual resources. One example would include pawn shops. Thus, many departments place these crimes on the “back burner”. Instead, they concentrate their limited resources on “more serious” crimes. In addition, there are usually no witnesses to property crime; therefore the odds of recovery are little to none. In the past, the success rate, or lack of, had a negative effect on law enforcement and the victims. Victims have little faith of recovery and often do not report stolen property. Likewise, law enforcement has conceded to the fact that there is limited success in recovery of stolen property, making them virtually ineffective. Recent advances in technology, specifically the Law Enforcement Automated Database Search or LEADS Online, has made property crime investigations more manageable, efficient and successful in solving cases.

The purpose of this project is to examine the problems faced by law enforcement who are investigating property crimes manually. It includes the success rate of solving these crimes. In addition, this project will compare and discuss the advantages and benefits of using internet automated database searches to investigate property crimes by law enforcement agencies.

Without any witnesses, police efforts of recovering stolen property has been focused on pawn shops or second hand stores. Most police departments in Texas, check the local pawn shops one at a time, or often pick up tons of receipts of weekly

pawn shop transactions. This outdated police practice produces a low recovery success rate, with many hours of police manpower wasted, searching for stolen property that could be spent prosecuting suspects.

There are many problems one can encounter when dealing with pawn shops. One example is the pawnshop owner or clerk runs misspelled names when doing a check resulting in no "hits." In addition, the clerk may not have time to check records carefully; or the information entered in the receipt is incorrect. Needless to say, the amount of time spent on checking pawnshops and pawn receipts in this manner is outdated and inefficient.

Recent technology, such as pawn shop database searches via the Internet, has increased the odds of recovery of stolen property. The Law Enforcement Automated Database Search Online (LEADS Online, the nation's largest pawn shop internet database system) has revolutionized the way police solve property crimes. The service is free to pawnshops and the company makes money from the police department subscriptions based on department size. These searches allow law enforcement to access millions of pawnshop records nationwide from a regular PC, for minimal cost. The user can check on stolen property using key words of property, specific serial or model numbers. The user can check selected jurisdictions for searches. The officer can track known offenders by entering their information. The system will also automatically run daily checks on reported stolen property and the officer will receive e-mail alerts of possible hits meaning the system does automatic searches, giving the officer more time to concentrate on preparing cases.

Currently, few law enforcement agencies in Texas use LEADS Online for property crime investigations. Although the number of police departments and pawn shops participating in the use of LEADS Online increase each year, it is this author's hope this research paper's findings brings to focus the advantages of this type of database system to law enforcement administrators and helps increase the number of agencies participating.

The researcher hypothesizes the use of electronic internet database searches such as LEADS Online is the progressive and modern way of investigating property crimes. This technology enables law enforcement to be more efficient in these kinds of investigations and will lead to an increase in arrests, and recovery of stolen property. Using the system will also reduce the number of hours wasted manually going over pawn shop receipts.

This project includes a review of literature including articles from professional journals and publications. Representatives from various law enforcement agencies were interviewed and a survey was conducted. The survey was analyzed and incorporated into the paper.

The intended outcome of this research project is to demonstrate the need to move Texas law enforcement agencies away from outdated police practices in property crimes investigations and to embrace new technology in law enforcement. It is the intention of the researcher to bring awareness to Texas law enforcement agencies of the benefit of updated and efficient technology. This will cut down on man hours spent on each case when investigating property crimes and will result in more arrests and recovery of property.

REVIEW OF LITERATURE

Lending money for property has dated back before biblical times. It is considered to be the oldest financial institution of mankind. It can be traced back at least 3,000 years to ancient China and has been found in the earliest written histories of Greek and Roman civilizations, "Through the millennia, it has survived overt hostility from Jesus Christ (who threw the money lenders out of the temple and Shakespearean admonition ("Neither a borrower, nor a lender be"-Hamlet, Act:I, Scene: iii)" (Compupawn.com). In today's world, lending money for property has been regulated to pawn shops and second-hand stores. Most pawnshops are legitimate businesses, however many individuals use pawn shops to generate income for stolen goods.

Property crime is one of the largest and most prevalent criminal activities for law enforcement agencies. Data collected from Uniform Crime Reports in the United States published by the U.S. Department of Justice Federal Bureau of Investigation indicate high numbers of property crime in the nation. This report for the year 2002 show there were 2,151,252 burglaries reported and 2,153,464 burglaries for 2003. Burglary offenses accounted for 20.6 percent of all property crimes. The Uniform Crime Reports also shows larceny, which includes the number of shoplifting and burglaries of vehicles for the same years. In 2002, a total of 7,057,379 larceny cases were reported and in 2003 a total number of 7,021,588 cases were reported (UCR 2003). Given these figures one can see the impact property crimes have on society and police departments.

In the turn of the century, there was very little law enforcement could do in investigating property crimes, since the criminal activity usually is committed with no

witnesses which makes it difficult to solve. (Stefensmeier, 1986). Police officers followed up on property crimes by checking on second hand stores, flea markets, car washes, auctions, dope dealers, bars, fences, and known burglars. These are all locations for disposal of stolen goods. (Walsh, 1977). With so many sources to look for stolen properties, one can see that the reason police officers follow up on pawn shops is because they are classified as financial institutions by the federal government and as such are required to fill out paperwork on every transaction (House Research Organization). Anyone 18 years and older can take a valuable item and use it as collateral to receive instant money. The person "pawning" the property has to show proper ID and his personal information is collected from the transaction. This exposes the person pawning stolen goods to prosecution. The police then are entitled, by law, to get a copy of receipts of every transaction conducted by pawn shops. Officers can then trace transactions by name, address, description of property, or serial number if available.

The problem with property crime investigations, as it relates to pawn shops, has been amount of time spent by detectives manually searching pawn receipts. The manual search also would limit the number of pawnshops searched. If a detective is manually checking pawn shops in Dallas and the stolen property was pawned in Houston, the detective stands a zero chance of recovery, yet there would have been valuable time and effort spent on the investigation. "Sometimes, we get a couple of items in (per week) , or a month could go by , it's kind of hit and miss..." (Lipscomb, 2005).

In addition, the records are usually several weeks old and there is not enough time to go through every single one. The other limitation with this process is police department's usually only check stolen goods pawned in their jurisdictions, unless they receive information of the location of stolen property in other jurisdictions (gadsdentimes.com).

The new technology available to law enforcement agencies is the use of internet data base search engines provided by private third party providers. They provide a free service to pawn shops to download business transactions daily into a database, which then allows law enforcement agencies access to the database through the internet. The leader in the field is LEADS Online, which stands for Law Enforcement Automated Database Search. (Rucker, 2005)

LEADS Online has been in business since the year 2001. The company has seen a growth of 25 agencies participating in 2001 in the United States to 350 agencies since May of 2005. In 2001, the LEADS Online property database had a few hundred thousand records. Currently the database stores over 60,000,000 property records and counting. The database can be accessed nation wide at a click of a button. The company lists over 2,000 pawnshops and secondhand store registrations for 2005 nationwide. (LEADS Online.com). The Texas Commission on Law Enforcement Officer Standards and Education records currently shows that there are 2,672 certified law enforcement agencies in Texas. Out of that number, only 181 agencies were subscribing to LEADS Online as of May 2005 (Lillian Aldrete, TECLOSE 2005)

The number of pawn shops and police departments participating in the program would increase the number of cases solved. (gadsdentimes.com). Records show that

684 Texas pawnshops and secondhand stores registered with them as of May 2005(LEADS Online.com). Hopefully this obstacle will be overcome after this legislative session. Currently, the Texas House of Representatives has pawnshops listed as one of the issues the 79th Legislature may consider during its 2005 regular session. The legislature is looking into passing a law that would require computerized pawnshops and secondhand stores operating in the state of Texas, to transfer data on all transactions to law enforcement or third party providers, such as LEADS Online(House Research Organization).

METHODOLOGY

The purpose of this research is to examine the historical methods used by law enforcement agencies and the problems encountered by using these methods. In addition, the purpose of this project is to explore the benefits and determine if modern technology, such as internet automated search engines, will assist modern day law enforcement agencies in increasing clearance rates of property crimes, reduce the amount of time spent on each case investigation, and reach quicker resolution when investigating property crimes with the use of internet data base searches of pawn shop records.

The researcher hypothesizes that utilizing internet data base searches of pawn shop records will increase clearance rate of property crime and reduce the amount of time spent on each case investigation. Consequently, it should result in more arrests, and an increase in the number of property recovered. These are the many benefits of incorporating technology.

A list of participating law enforcement agencies with LEADS Online was obtained and a telephone survey (Appendix 1) was conducted to gather data from 20 Texas law enforcement agencies ranging from small to large departments. By obtaining the name of the contact person from each department and utilizing a phone survey, the researcher was able to speak to the person actually familiar with and working with the internet data base search system which included ranks of detectives, sergeants, and chiefs of police. The information acquired through the survey was compiled. The information was then analyzed to determine if my hypothesis was correct.

FINDINGS

The result of this research supports the findings that using a web-based criminal investigation system such as LEADS Online by police for investigations of property crimes will result in more arrests and property recovered and will cut down on staff hours spent searching for property using pawn receipts.

From the survey of twenty law enforcement agencies of various sizes within the State of Texas, currently using LEADS Online for the investigations of property crimes, it was determined that 95% reported an increase in arrest of suspects of property crimes. A total of 100% surveyed said they saw an increase of recovery of stolen property since using LEADS Online. In addition, a total of 100% surveyed said they saw a decrease in the amount of time spent by officers checking pawnshops on each individual case. (See Appendix 1). In all, most agencies were very positive towards LEADS Online. However, the findings also show that most agencies still keep personal contact with the pawn shops. One interesting finding that was not expected or

anticipated was that many agencies, from PR standpoint, were able to report to the victims that their property had been entered in LEADS Online and was being checked daily nationwide. Findings show that victims were satisfied that something was being done to recover their property.

It is clear that there has not been much change in the way that most law enforcement agencies approached property crime investigations. Thus far, there have yet to be any success stories as far as advancement in tracking possible stolen property other than checking pawnshops and pawnshop receipts. With the development of a web-based automated data base system such as LEADS Online, law enforcement has gone from ancient practices to a more efficient manner in regards to the investigations of property crimes. The system is new and it will take time to get all pawnshops and law enforcement agencies on board. It was disturbing to see that out of 2,672 law enforcement agencies in the state of Texas only 181 are participating, and out of the 20 agencies surveyed 80 percent have been participating for only one year.

The researcher is optimistic Texas lawmakers will pass a law requiring all pawnshops to transfer data on transactions to law enforcement or a third party provider such as LEADS Online. The law would hopefully make the program more attractive and motivate other law enforcement agencies to participate. In addition, it is the objective of the researcher to get more law enforcement agencies to participate in this program and obtain more collaboration among agencies.

Texas law enforcement agencies are fortunate to have LEADS Online headquartered in Texas. Of the 360 plus law enforcement agencies participating in the country, 181 of them are from Texas. Also, of the 2000 plus pawnshops and

secondhand stores registered with LEADS Online in the nation, 684 are in Texas. One can conclude that the high participation in Texas is a direct correlation with the company headquartered in Texas.

The advantages of using a web-based automated database of pawn shop records are numerous. Law enforcement officers don't have to waste time visiting pawnshops and secondhand stores weekly to collect hundreds of transaction tickets. Officers are effectively handling their investigations. Hundreds of staff hours and tax dollars are being saved. Furthermore, agencies will have the ability to search millions of records across many jurisdictions in the time it would take to manually check two pawn receipts. Other advantages of the system are that detectives are not dependant on serial numbers to locate stolen property. Searches can be done with only descriptions to conduct property searches. One can isolate searches to particular jurisdictions and search on broader language to locate property. The system also works as an invaluable database to search suspects under different names and ID's. Suspects can be tracked by the system letting the subscriber know by e-mail when the person has pawned an item. In other words, by entering all known burglars, the agencies will be alerted each time an item is pawned. Police officers can also enter model and serial numbers with each case number. The database will automatically notify the agency if a matching item has been pawned.

DISCUSSION/CONCLUSION

The purpose of the research paper was to illustrate the effect of manually searching pawnshops to investigate stolen property and compare them to the use of

modern technology to do the same. Specifically, the research will address whether the use of a web-based database search of pawnshop records through a third party provider such as LEADS Online increases the number of arrests and property recovered by police departments and reduces the number of staff hours required in investigating property crimes per case.

The findings of the survey and research support the hypothesis that the use of a web-based service such as LEADS Online by law enforcement agencies will result in more arrest of suspects. In addition, more property should be recovered. The efficient and speedier technology will replace the long, tedious staff hours spent checking pawnshops for stolen properties.

The fact that not all pawnshops participate with LEADS Online has been used by administrators of some agencies as a reason why they don't subscribe to LEADS Online. They believe that since not all pawnshops participate, it is not an effective tool. Agencies would still have to look through all other pawn shops to search for stolen goods. However, the fact that 684 Texas pawnshops can be checked in seconds should motivate any police administrator to incorporate this system into their agency.

The growth and success that this system has had is a direct result of the support it is getting by the law enforcement community. Law enforcement agencies are having a high success rate in recovering property and clearing cases, making LEADS Online a valuable resource. In addition, those surveyed reported getting inquiries from other agencies about LEADS Online and requesting assistance in checking for stolen property (Torres 2005). Furthermore, the Texas legislature is currently looking into

passing a law that would require all pawnshops to participate in this type of system. Once this happens, one can surely conclude that there will be more law enforcement agencies using web-based database searches for property crime investigations.

The study is relevant to every law enforcement agency in the country that conducts criminal investigations of property crimes. Technology needs to be incorporated by agencies in order to maximize efficiency of the department. This should be a basic tool used by every law enforcement agency for investigations of property crimes.

Author's Note

This author is employed by a college with an approximate population of 5,000 students and staff and have been using this system since 2002 and can credit the use of this system with the increase in the number of arrests and recovery of stolen property. Personally having used the system to track known burglars with much success, it would be extremely hard to work another property crime investigation without this system and cannot understand how other departments manage without it.

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