

February 10, 2021



The Honorable Reginald Byron Jones-Sawyer, Sr.
Member, California State Assembly
State Capitol, Room 2170
Sacramento, CA 95814

AB 331: Organized Retail Theft – SUPPORT

Dear Assemblyman Jones-Sawyer:

On behalf of the California Retailers Association, I write to express our support for AB 331 as introduced. AB 331 would eliminate the current sunset of P.C. §490.4, which establishes the crime of organized retail theft. This statute is a much-needed tool in the fight against organized retail crime (ORC).

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, fast food restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which, prior to the COVID-19 pandemic, operated over 164,200 stores and employs around 2,776,000 people—nearly one fifth of California's total employment.

ORC is defined as theft or fraudulent activity conducted with the intent to convert illegally obtained merchandise, cargo, cash, or cash equivalent into financial gain, often through subsequent online or offline sales. Organized retail crime typically involves a criminal enterprise that organizes multiple theft rings at a number of retail stores and employs a fencing operation to sell the illegally obtained goods for financial gain. According to a recent survey by the National Retail Federation (NRF), organized retail crime (ORC) is a \$30 billion problem nationwide and rising. That survey also identified Los Angeles, San Francisco, and Sacramento among the top ten metropolitan areas for ORC in the country¹.

ORC is also harming our communities as these networks recruit minors, homeless persons, and others to steal from retail stores. The organized retail theft statute enables law enforcement to target the leadership of these enterprises with severe criminal sanctions. For instance, in the recent breakup of a major ORC ring in the Bay Area that had recruited numerous individuals, five ringleaders were charged under §490.4. That investigation also netted nearly \$10 million in assets recovered onsite and disrupted an estimated \$50 million operation². Combined with effective enforcement, this law is a vital tool in combating ORC and must be extended.

1. <https://nrf.com/research/2020-organized-retail-crime-survey>

2. [Operation Proof of Purchase: The Story Behind a \\$50 Million ORC Case \(losspreventionmedia.com\)](#)

Thank you again for introducing this measure and for your work in fighting organized retail crime.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve McCarthy". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Steve McCarthy
Vice President, Public Policy
California Retailers Association