



ORGANIZED RETAIL CRIME



The California Retailers Association (CRA) and the California Organized Retail Crime Association (Cal-ORCA) have joined forces to combat Organized Retail Crime (ORC) in the state. ORC is a growing problem not only for businesses but for California communities. ORC fosters a host of illegal activity, including the recruitment of youth, homeless and others into theft crimes. These networks frequently use their proceeds to finance other illegal activity including drug smuggling and human trafficking.

ORC involves theft or fraudulent activity conducted with the intent to convert illegally obtained goods into financial gain. Typically, ORC networks organize multiple theft rings at a number of retail businesses and employ a “fencing” operation to sell the illegally obtained goods. The digital revolution and subsequent growth in online shopping and social networking, along with increasingly lax enforcement of property crimes, have exacerbated large scale criminal theft, contributed to significant business losses for large and small retailers and greatly impacted the industry’s ability to provide jobs and keep their doors open to serve their communities.

ORC is on the rise nationwide, but California is recognized as a “hot spot” for these activities. Now more than ever, we need enforcement tools to fight back against these increasingly sophisticated, complex criminal networks.

CRA, in collaboration with Cal-ORCA, is working to combat ORC in California through legislative and local measures that will empower public safety, in collaboration with the business community to stop existing crime rings and deter future large-scale networks.

3 OF TOP 10 CITIES FOR ORC IN UNITED STATES ARE IN CALIFORNIA

Rank	Cities
1	Los Angeles
2	Chicago
3	Miami
4	New York
5	San Francisco
6	Baltimore
7	Atlanta
8	Washington, D.C.
9	Philadelphia
10	Sacramento

Source: NRF Organized Retail Crime Survey 2020

- One California retailer reports in just the last two years an estimated 42% of the company’s supply shortage comes from losses related to Organized Retail Crime.
- ORC is not just a financial issue for businesses. Organized theft rings also pose safety and morale risk to store associates.

QUICK VIEW: STATS (as of 2/11/21)

CHP STATEWIDE ORC TASK FORCE	Total 2019	Total 2020
Number Of Investigations	24	135
Number Of Investigation Assists	39	307
Assets Recovered	3331	18879
Value Of Assets Recovered	\$241,181	\$1,600,789
Assets Recovered Assists	10000	0
Value Of Assets Recovered Assists	\$2,500,000	\$10,248,703
Public Outreach	6	16

TOP TARGETS OF ORC THEFT

- The online marketplace has eased the resale of stolen goods, or gift cards received in return for stolen goods; “fencing” operations
- Smartphone communications that allow real-time coordination of criminal efforts



Credit: National Retail Federation

CRA AND CAL-ORCA COLLABORATIVE LEGISLATIVE EFFORTS

CHP-ORC Task Force (expires July 1, 2021)

CRA and Cal-ORCA are working to extend the CHP-ORC Task Force, created through legislation approved in 2018 that recognized organized retail theft as a crime and tasked the CHP with coordinating with the Department of Justice to establish regional property crimes task forces. One role of the ORCTF is to provide local law enforcement in three of CHP's geographical divisions with logistical support and other law enforcement resources.

Organized Retail Crime Task Force and Organized Retail Theft Statute – AB 331 (Jones-Sawyer)

California Retailers Association is sponsoring AB 331 (Jones-Sawyer) to extend the sunset on the CHP's Organized Retail Crime Task Force (ORCTF) and the Organized Retail Theft Statute, Section 490.4, enacted two years ago per AB 1065 (2018) and set to expire July 1, 2021. This statute enables law enforcement and retailers to disrupt and dismantle ORC organizations by focusing on ringleaders and conspirators of these criminal networks and not the low-level petty thief. The statute is having a positive impact on combatting ORC. The ORCTF has led or assisted in over 500 investigations. In one recent sting, five individuals were charged recently with organized retail theft in what is estimated to have been a \$50 million enterprise. AB 331 will help California's businesses continue to fight these professional crime rings.

THE LEGISLATION IS WORKING

Retailers large and small have lauded the increased cooperation with law enforcement, highlighting the importance of an interagency task force when combating organized retail crime across the state.

CALIFORNIA RETAILERS REPORT:

- For one company alone, AB 1065 enactment helped close 11 cases totaling \$836,392, make 19 arrests totaling \$25,528 in stolen retail goods recoveries.
- Businesses have seen more reaction from law enforcement and the CHP-ORC task force with multiple search warrants served over the past 2 years.
- More overall cooperation between businesses and Law Enforcement
- Streamlined reporting process. Businesses no longer have to go to different agencies and jurisdictions.
- Increased cross-agency and jurisdiction cooperation.
- CHP-ORC teams now helping in pharmacy robberies arrests.