



Date: June 10, 2021

To: Members, Senate Public Safety Committee

Subject: **AB 331 (Jones-Sawyer) Organized Retail Theft
SUPPORT – As Amended on March 16, 2021**

Dear Committee Members:

On behalf of the California Retailers Association and the above listed organizations, we are pleased to support Assembly Bill 331. AB 331 would extend until January 1, 2026, the sunset on organized retail theft criminal statute (P.C. §490.4) and the authorization for the CHP's Organized Retail Crime Task Force (ORCTF), both of which are currently due to sunset on July 1 of this year. This measure extends the pairing of an effective criminal statute with a state-level entity dedicated to enforcing it, both of which are essential in the fight against organized retail crime (ORC). We strongly support these extensions.

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.

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

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 and major players in these enterprises with severe criminal sanctions. For instance, in the recent breakup of a major ORC ring in the Bay Area that recruited numerous individuals, five organizers were charged under §490.4. That investigation also netted nearly \$10 million in assets recovered onsite and disrupted an estimated \$50 million operation².

Investigating and prosecuting ORC is a complex undertaking, involving investigations that can be many months in length and can involve multiple jurisdictions. The ORCTF is a dedicated entity with the resources to conduct these investigations, educate other law enforcement agencies on how to address ORC, and establish relationships with retailers and asset protection professionals. As a statewide task force, the ORCTF is uniquely positioned to coordinate and oversee investigations involving local law enforcement agencies across multiple cities or counties, or to assist in local investigations where needed. California will not stem the tide on ORC without this kind of dedicated, state-level commitment. This measure sends the message that ORC will not be tolerated in California.

We ask for your AYE vote on this important measure when it comes before your committee. If you have any questions please feel free to contact Steve McCarthy at steve@calretailers.com, or at (916) 443-1975.

Sincerely,



Steve McCarthy
Vice President, Public Policy
California Retailers Association

California Retailers Association
California Business Properties Association
California Chamber of Commerce
United Chamber Advocacy Network
El Dorado County Chamber of Commerce
El Dorado Hills Chamber of Commerce
Elk Grove Chamber of Commerce

Folsom Chamber of Commerce
Rancho Cordova Chamber of Commerce
Roseville Area Chamber of Commerce
Yuba Sutter Chamber of Commerce
California Downtown Association
Internet Association

² [Operation Proof of Purchase: The Story Behind a \\$50 Million ORC Case \(losspreventionmedia.com\)](https://www.losspreventionmedia.com/operation-proof-of-purchase-the-story-behind-a-50-million-orc-case)