



January 18, 2022

Governor Gavin Newsom
1021 O Street
Sacramento, CA 95814

Re: Support for the Governor's retail crime package

Dear Governor:

As business leaders and CEO's representing numerous industries from across California, we strongly support the Governor's Budget proposals to address organized retail crime. This package includes substantial new investment in effective strategies for combating the organized crime rings that are victimizing our businesses, employees, customers, and residents.

Organized retail crime is far more than an issue of property loss. ORC is a blight on our communities and an obstacle to economic recovery for businesses still reeling from the effects of the pandemic. Scenes of organized crews rampaging through stores, terrorizing employees and customers, and destroying commercial property have hurt all of us – not just those businesses directly impacted. These brazen attacks frighten, demoralize, and in some cases injure employees. They also scare customers and serve to discourage would-be shoppers and tourists from visiting our urban and suburban business districts, affecting associated industries such as restaurants and hotels. In a few cases, stores have reduced their hours or closed altogether, hurting residents of those neighborhoods that depend on them.

This recent escalation will continue if we don't act. The Governor's Budget represents a critical first step in stemming this tide. First and perhaps foremost, it sends a message to those engaged in these crimes that they will not be tolerated – a message that unfortunately has been muddled in recent years. Second, this package makes important investments to bolster enforcement programs already proven to dismantle organized theft rings, enhances the presence of local enforcement in retail locations, and provides dedicated resources essential to prosecuting these often-complex cases.

Expanded CHP Task Force to Investigate, Dismantle Theft Rings. In recent years, organized crime networks have played an outsized role in perpetrating retail theft, recruiting youth and homeless from our streets to steal on their behalf and then fencing those items for a sizeable profit. Working in tandem with local law enforcement and our retailers over the last two years, the CHP's Organized Retail Crime Task Force (ORCTF) has helped bring hundreds of ORC ringleaders and organizers around the state to justice. The ORCTF's resources, expertise, and coordination have been critical to completing these complex, multi-jurisdictional investigations and have become a model for other states. The Governor's proposal expands the Task Force's work into the San Joaquin Valley and Sacramento where it is needed and makes the program permanent.

Dedicated Prosecutors. Prosecuting ORC cases is both time- and resource-intensive – a challenge for many local prosecutors whose offices already are spread thin. Furthermore, the complexity of ORC cases requires a level of expertise and familiarity that “vertical prosecution” can provide. The Governor’s Budget provides \$30 million over three years for grants to counties to establish and enhance vertical prosecution of ORC.

Attorney General’s Organized Theft Special Unit. The proposed Budget includes \$6 million per year over three years for a dedicated unit of investigators and prosecutors in the Office of the Attorney General. The Attorney General’s unique combination of in-house investigative and prosecutorial capabilities will provide an added boon to local agencies currently overburdened by ORC cases.

Augments Local Law Enforcement Efforts. We cannot keep our stores and our streets safe without our partners in local law enforcement. The Governor’s Budget provides \$85 million per year over the next three years in grants to local agencies to increase law enforcement’s presence at retail locations to ensure that our stores are safe places to work and to shop. It also provides support for diversion programs and supervision of persons who commit retail theft, as we must pair enforcement with an opportunity for these individuals to find a better path forward.

We appreciate both the urgency and thoughtfulness demonstrated by the Governor’s retail crime package and we urge your support when it comes before your respective Budget Committees. The problem of organized retail crime will not be solved overnight but California can take an important first step by boosting its capability and commitment to enforcement of these crimes.


Thank you for your consideration of our views. If you have any questions, you may contact Steve McCarthy of the California Retailers Association at steve@calretailers.com or (916) 443-1975.



Rachel Michelin, President & CEO
California Retailers Association



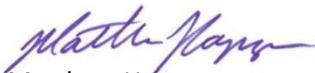
Lance Hastings, President & CEO
California Manufacturers & Technology Association



Mike Roos, President
Southern California Leadership Council



Maria S. Salinas, President & CEO
Los Angeles Area Chamber of Commerce



Matthew Hargrove
President & CEO, California Business Properties Association



Rob Lapsley, President
California Business Roundtable



Jennifer Barrera, President & CEO
California Chamber of Commerce



John Kabateck, President of Kabateck Strategies
for the National Federation of Independent Business



Lynn Mohrfeld, President & CEO
California Hotel & Lodging Association

Cc: Chairs and Vice-Chairs Senate and Assembly Budget Committees
Dee Dee Myers, Director, Go-BIZ