

National Retail Federation and Organized Retail Crime

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National Retail Federation urged California to adopt legislation addressing organized retail crime as a senate hearing in June. "Organized retail crime is a serious priority for large and small retailers nationwide," said Joseph LaRocca, NRF vice president for loss prevention, through a prepared statement read by Adel Sayegh, president and CEO of Universal Surveillance Systems. "The continuing growth of retail crime and the damage it does to communities dictates that something needs to be done."

California does not have any such legislation currently pending. Last year, however, NRF completed a 10-bill package of model legislation on organized retail crime that it is lobbying states to adopt. The model legislation attempts to define "organized retail crime," stiffen associated penalties and distinguish between amateur and professional thieves.

With an estimated 15 percent of the nation's retail sales, the group would see California's adoption of legislation as a major coup. "Without new state laws in place, such crimes are treated as petty theft and a misdemeanor," LaRocca's statement read. "Organized retail crime cases are rarely prosecuted, and when they are, individuals who are convicted usually see limited jail time or are placed on probation. Too often professional thieves are getting off with little more than a slap on the wrist. Some would say this is a victimless crime, but organized retail crime affects society because it increases prices, may foster other criminal acts in the community and can compromise the quality and safety of consumer goods."

For example, NRF is concerned that some people alter expiration dates on baby formula and over-the-counter medications as part of return fraud schemes. The Senate Select Committee on Sustainable Development and Economic Progress hearing, held in Redwood City, Calif., followed a large organized retail crime raid in San Jose in June. During the raid, warrants were served at six locations, including stores, warehouses and homes. Authorities claim the raids broke up a shoplifting ring that involved 17 known organized crime family members and "hundreds of professional shoplifters," the trade group reported.

The association released last week its annual ORC survey. It found that 85 percent of surveyed retailers reported being the victims of organized crime and 66 percent had seen an increase in such crime over the past year. An estimated \$40 billion is lost nationally from retail fraud and theft, the group reported. The group's annual Loss Prevention Conference took place June 23-25 in Orlando, Fla.