Organized Retail Crime

The Issue

Organized retail crime (ORC) involves the association of two or more persons engaged in illegally obtaining retail merchandise in substantial quantities through both theft and fraud as part of an unlawful commercial enterprise. This growing problem has a serious detrimental effect on retailers, their employees and consumers.

Congressional Action

There are several bills in Congress aimed at deterring criminals from methodically stealing from storefronts and keeping retail employees and our communities safe.

- *Integrity, Notification, Fairness in Online Retail Marketplaces (INFORM) Act* (H.R. 5502/S. 936): would crack down on criminal enterprises behind the theft and resale of stolen and counterfeit goods on third party marketplaces.

- *Improving Federal Investigations of Organized Retail Crime Act* (H.R. 7499): would improve coordination and information sharing among federal law enforcement agencies, retailers and state-run retail crime task forces, and to assist state and local authorities in compiling evidence for the prosecution of organized retail crime.

- As much as $68.9 billion worth of merchandise is stolen from retailers each year.
- In 2021 strong-armed tactics in ORC events increased by 64% and armed robberies increased by 50%.
- 75.9% of retailers said an ORC subject has physically assaulted an associate.

The Ask

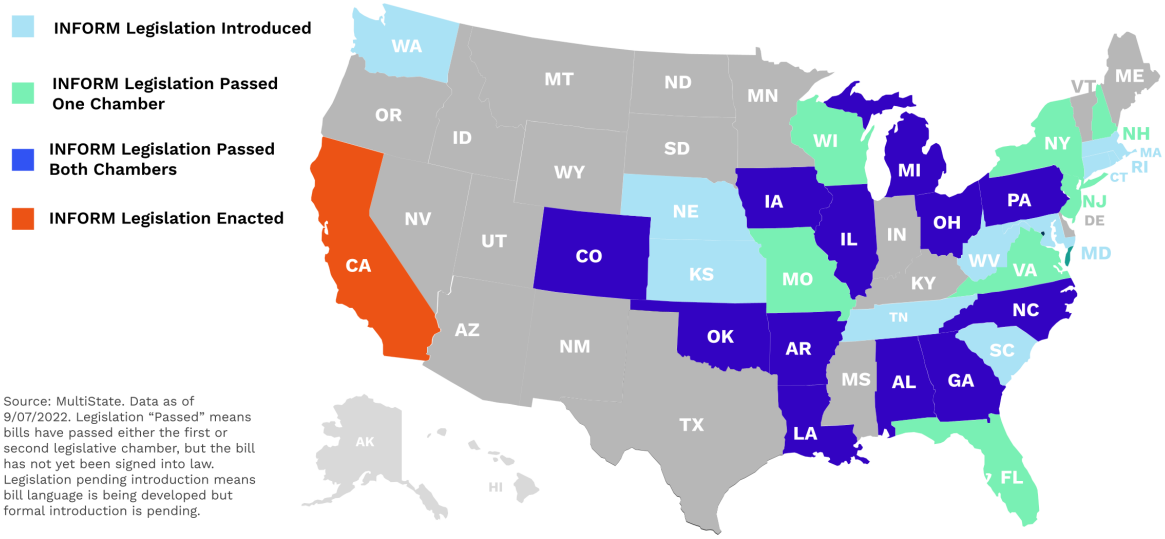
Organized retail crime is leading to more brazen and more violent attacks in retail stores throughout the country. The time is now for Congress to modernize consumer protection laws by requiring online marketplaces to collect and verify basic seller information, and for sellers to provide that information to consumers. The *INFORM Act* was folded into the legislation passed by the House earlier this year but was ultimately left out during Senate consideration. Senators Durbin (D-IL) and Cassidy (R-LA) plan to resurrect the proposal by adding it to other legislation moving this fall.

State Legislative Measures

In 2022, 61 Inform Consumer bills were introduced and12 states enacted "INFORM" consumer bills (AL, CA, CO, GA, IL, IA, LA, OK, NC, OH, PA, WA).

State legislatures are considering proposals that generally fall into the following categories:

- Decreasing felony threshold levels or generally increasing penalties for theft;
- Codifying the offense of organized retail crime; and
- Allowing for a series of thefts to be aggregated and allow aggregation to happen across jurisdictions.



Source: MultiState. Data as of 9/07/2022. Legislation "Passed" means bills have passed either the first or second legislative chamber, but the bill has not yet been signed into law. Legislation pending introduction means bill language is being developed but formal introduction is pending.

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