



April 25, 2022

Joint Legislative Committee on Justice and Public Safety
544 Legislative Office Building
Raleigh, NC 27603

Dear Chairs Boles, Britt and Davis and members of the Committee,

On behalf of the Carolinas Organized Retail Crime Alliance (CORCA), I write to respectfully urge you to support proposed legislation to combat organized criminal rings that make it their profession to steal.

CORCA is a collaboration between law enforcement and retailers built to better combat highly organized, professional criminals targeting retailers throughout the state. CORCA serves to create awareness, educate, and train retailers and law enforcement to tackle this ever-growing criminal enterprise and keep our communities safe.

Unlike traditional shoplifting committed by individuals seeking goods for personal use, organized retail crime (ORC) is “the involvement of two or more persons working in concert to illegally obtain retail merchandise in substantial quantities, through theft or fraud, with the intent to resell the items for financial gain.”

Throughout the country, brick-and-mortar retailers have suffered at the hands of experienced ORC rings that target their stores and steal thousands of dollars of goods - often smashing windows and display cases and assaulting store personnel. These criminals also commit other frauds such as using stolen or cloned credit cards to obtain merchandise, changing bar codes to pay lower prices, and returning stolen merchandise to obtain cash or gift cards.

In North Carolina, a person is guilty of a Class H felony if they conspire with another person to steal more than \$1,500 worth of merchandise combined from one or more retail establishments over a ninety-day period. The crime is elevated to a Class G felony if a person conspires with another person to steal more than \$20,000 of merchandise from one or more retail establishments over a ninety-day period. These are important tools, but we are seeing criminal activity that far exceeds these thresholds.

Organized retail crime now costs retailers an average of \$720,000 per \$1 billion in sales. A significant increase from about \$450,000 five years earlier. Additionally, 69 percent of retailers surveyed in 2021 saw an increase in ORC activity over the past year according to the National Retail Federation’s 2021 Organized Retail Crime Survey.

Today's shopper is the most informed consumer of our lifetime, with access to infinite inventories of products all deliverable to their doorstep, in some cases within a few hours. The supply chain built to enable this service is something retailers take great pride in, and those investments ensured every family had access to the food and supplies they needed when the economy was upended due to COVID-19. As North Carolina's families cooked, worked, and educated from home, retailers remained open – maintaining a sense of normalcy and keeping the state's economy moving.

ORC directly impacts the reliability, efficiency, and affordability of that supply chain, forcing retailers to make substantial investments in security personnel, training, and equipment. These investments add significantly to retailers' operating costs and lead to higher prices and less convenience for consumers. Also, most of these stolen goods are re-sold on the black market at sharply reduced prices, robbing state coffers of significant sales tax dollars.

ORC is often tied to other crimes which can, in turn, present public health risks, since these rings frequently steal over the counter medications, infant formula, and other items that require proper storage and handling, but may be stored improperly or sold after expiration. Infant formula is often even used to "cut" drugs such as cocaine to sell a larger volume.

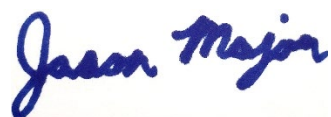
Since the pandemic, societal changes in many cities have also altered the environment for in-store theft: 65 percent of respondents in the 2021 Retail Security Survey conducted by the National Retail Federation said ORC rings now exhibit greater levels of violence and aggression than they have before. According to "The Impact of Organized Retail Crime and Product Theft in the United States":

- 86% of retailers surveyed said an ORC subject has verbally threatened an associate,
- 75.9% said an ORC subject has physically assaulted an associate and
- 41% said an ORC subject has used a weapon to harm an associate

When targeting high-value items, a small group can make off with thousands of dollars in merchandise in less than a minute.

On behalf of our retail loss prevention and law enforcement professionals across the state, I urge you to support the proposed legislation to protect legitimate businesses and consumers from these career criminal operations.

Sincerely,



Jason Major, LPC
President
Carolinas Organized Retail Crime Alliance