



**TO: Members of the Senate Majority Policy Committee
Sen. Dan Laughlin, Chair**

FROM: John Holub, Executive Director

DATE: June 10, 2024

RE: Crime Trends and Solutions in Pennsylvania

On behalf of the Pennsylvania Retailers Association (PRA), please accept the following comments for the hearing being held on Tuesday, June 11, 2024, regarding “Crime Trends and Solutions in Pennsylvania.”

The PRA is the Commonwealth’s premier retail trade association whose encompassing membership consists of small and large independent retailers as well as many of the most popular national retail chains. We would like to focus our comments on an issue that has exploded in recent years ... Organized Retail Crime (ORC).

To be clear, ORC is distinct from ordinary shoplifting. Retail stores across the Commonwealth have been targeted by professional, highly organized criminal enterprises, who have been stealing products with relative impunity. Sadly, a Forbes survey from just last year ranked Pennsylvania as the fifth worst state for organized retail crime, finding it has the highest average total value of stolen goods in the country.

Thankfully many local and state leaders have shown true leadership on this issue. To begin to address ORC, thanks to the leadership of Rep. K.C. Tomlinson and Senator Mike Regan, HB 1594 was signed into law in July 2022. This law addresses the ease at which these criminal enterprises operate online by simply requiring verification by an online marketplace of a high-volume third-party sellers most basic information. The federal version of this legislation, the bipartisan INFORM Consumers ACT, was signed into law later in 2022.

However, online marketplace transparency alone will not stop ORC. That is why thanks to the leadership of Senator David Argall, SB 596 was signed into law at the end of 2023. Most importantly, this new law creates the Office of Deputy Attorney General for Organized Retail Crime Theft. This new office will have five attorneys dedicated solely to prosecuting ORC.

Funding for this extremely important office, in the amount of \$2.7 million, is included in Governor Shapiro’s FY 2025 state budget proposal. We are hopeful that retailers can count on your support to ensure that funding remains when final passage of the budget occurs.

This issue is also being addressed at a more local level. Philadelphia DA Larry Krasner has announced the official launch of an Organized Retail & House Theft Task Force. The DA's Office will be issuing an updated policy on retail theft, which will focus primarily on fencing, prolific offenders and fixing underlying issues, such as addiction. The DA stated this updated policy will help push back on what he claims is a "false narrative" that they do not prosecute retail theft. Funding for this initiative was recently earmarked by the City Council. Additionally, other District Attorneys around the state have begun to actively engage on this issue.

The PRA has also helped form and sits on the Board of The Metro Organized Retail Crime Alliance Inc. (METRORCA). The mission of METRORCA is to provide a forum to align private sector & law enforcement professionals throughout the region (New York, New Jersey & Pennsylvania) and jointly develop awareness of crime trends impacting our communities.

Lastly, at the federal level, PRA has joined retailers from across the country in urging Congress to pass the Combating Organized Retail Crime Act (H.R. 895) and provide appropriate resources for its implementation. This bipartisan legislation will create an interagency Organized Retail Crime Center located within Homeland Security Investigations (HSI) and include participation by other federal law enforcement agencies. The Center would align counter-ORC activities by developing national-level ORC intelligence, facilitating information sharing across federal, state, local and tribal agencies, and supporting multi-agency investigations. It will serve as a hub of expertise for training and technical assistance for state, local and tribal law enforcement agencies.

Homeland Security Investigations has significant experience in assisting law enforcement in bringing cases against some of the biggest organized theft groups. They have developed Operation Boiling Point to target domestic and transnational criminal groups profiting from ORC, cargo theft and similar crimes. This experience ensures HSI can lead the interagency taskforce established in H.R. 895 and bring to bear greater investigatory and intelligence-gathering assets of the federal government. State and local police departments throughout the U.S. are under-staffed and sometimes have trouble dedicating resources to thefts and burglaries tied to complicated organized theft gangs. Federal intelligence sharing and investigation support will make a tremendous difference on the frontlines of ORC.

On behalf of the Pennsylvania Retailers Association, we sincerely thank you for the opportunity to comment on this important issue. If we can be of further assistance, please do not hesitate to contact me at john@paretailers.org or (609) 213-6866.