



February 10, 2022

Assemblymember Phil Ting
Chair, Assembly Budget Committee
Senator Nancy Skinner
Chair, Senate Budget Committee

Dear Chairs Ting and Skinner:

On behalf of the coalition of businesses and industry groups below, we urge your support for the Governor's Budget Change Proposal to enhance enforcement of organized retail theft:

- \$6 million annually to the California Highway Patrol for expansion of the Organized Retail Theft Task Force (ORCTF) into Sacramento and San Joaquin Counties and the Fresno region.
- \$10 million annually to the Board of State and Community Corrections for grants to counties in support of dedicated prosecutors for organized retail theft cases.
- \$85 million annually to the BSCC for grants to enhance local law enforcement presence at retail locations.
- \$6 million annually to the Department of Justice for a special unit on organized retail theft.

Organized retail crime (ORC) is defined as theft or fraudulent activity conducted by two or more persons with the intent to convert illegally obtained merchandise, cargo, cash, or cash equivalent into financial gain, where those thefts occur multiple times, often in multiple stores and frequently in multiple jurisdictions. While the ORC threat takes many forms and is ever evolving, these networks frequently

include the recruitment of individuals who are paid a small bounty to steal on behalf of the theft ring, which will then “fence” those items on the internet or in flea markets, false storefronts, etc., for larger profits. It can also include coordinated “flash mob” attacks on stores that have frightened and, in some cases, resulted in injuries to our employees and customers – and which have degenerated recently into more violent episodes such as the “smash-and-grabs” that made headlines this past fall.

Long before those headlines, retailers experienced a substantial rise in organized retail crime that is now accelerating. California is one of the hardest-hit states by this trend: according to a survey of retailers by the National Retail Federation (NRF), three of the top-ten regions for ORC are in California (Los Angeles, San Francisco, Sacramento). ORC is far more than an issue of property loss – it is a threat to the safety of employees and customers, has forced reduced hours or business closures, and hurts neighborhoods trying to recover from the pandemic.

Mitigating ORC and retail theft requires a comprehensive strategy that attacks the problem at every level. This budget package is vital to disrupting ORC at the organizational level. It makes important investments to expand into other parts of the state the CHP’s Task Force which has proven effective in dismantling organized theft rings through its resources, expertise, and multi-jurisdictional coordination capabilities. Local law enforcement grants will provide local agencies with the resources to sustain ORC investigations through the weeks or months often required. Dedicated prosecutors at both the state and local levels are also needed as many ORC cases have languished for years resulting from local agency resource limitations.

We appreciate your support of these priorities as you develop a State Budget this year. Thank you for considering our views on these issues. If you have any questions, please feel free to contact Steve McCarthy with the California Retailers Association at steve@calretailers.com.

Sincerely,



Steve McCarthy
Vice President, Public Policy
California Retailers Association

On behalf of:

Building Owners and Management Association
California Business Properties Association
California Chamber of Commerce
California Fashion Association
California Grocers Association
California Manufacturers & Technology
Association
California Retailers Association

Hollywood Chamber of Commerce
Institute of Real Estate Management
International Council of Shopping Centers
Los Angeles County Business Federation
NAIOP of California
National Federation of Independent Business
Orange County Business Council