

2023 CITY LEADERS SUMMIT

**STRATEGIES FOR
LOCAL GOVERNMENTS
TO PREVENT
ORGANIZED RETAIL
CRIME**

Organized theft continues to be a challenge for local municipalities across California. This session aims to introduce new strategies to local leaders to effectively combat this issue. By coordinating the right stakeholders in the public and private sector, you can be a force for change to create a safer shopping experience for your constituents, protect your tax base, and make it harder for your community to be targeted.

SESSION DESCRIPTION

PANELISTS

Captain Jason Daughrity

Commander of the Field Support Section (FSS)

California Highway Patrol



Michael Lamb

Manager of Organized Retail Crime
& Special Investigations

Rite Aid



Rachel Michelin

President

California Retailers Association



WHAT IS ORGANIZED RETAIL CRIME?

The large-scale theft of retail merchandise with the intent to resell the items for financial gain (National Retail Federation)

Organized retail theft (ORT) or professional shoplifting, involves two or more people who conspire to steal retail merchandise with the intention of reselling the items at a profit (Investopedia)

Organized Retail Theft is characterized by organized criminal rings that steal property with the intent to sell and distribute, or return stolen merchandise for value (Office of the CA Attorney General)

WHAT
DOES ORC
LOOK LIKE
LOCALLY?



“...employees did not initially report the crime after it happened ...”

TOP ORC PRODUCTS

C-R-A-V-E-D Model

Concealable

Removable

Available

Valuable

Enjoyable

Disposable

- **Apparel**
- **Health and beauty**
- **Electronics/Appliances**
- **Accessories**
- **Food & Beverage**
- **Footwear**
- **Home Furnishings & Housewares**
- **Home Improvement**
- **Eyewear**
- **Office Supplies**
- **Infant Care**
- **Toys**

NATIONAL TRENDS

Nationwide losses in tax revenue due to retail theft = \$15 billion/year*

\$125.7 billion loss in economic activity

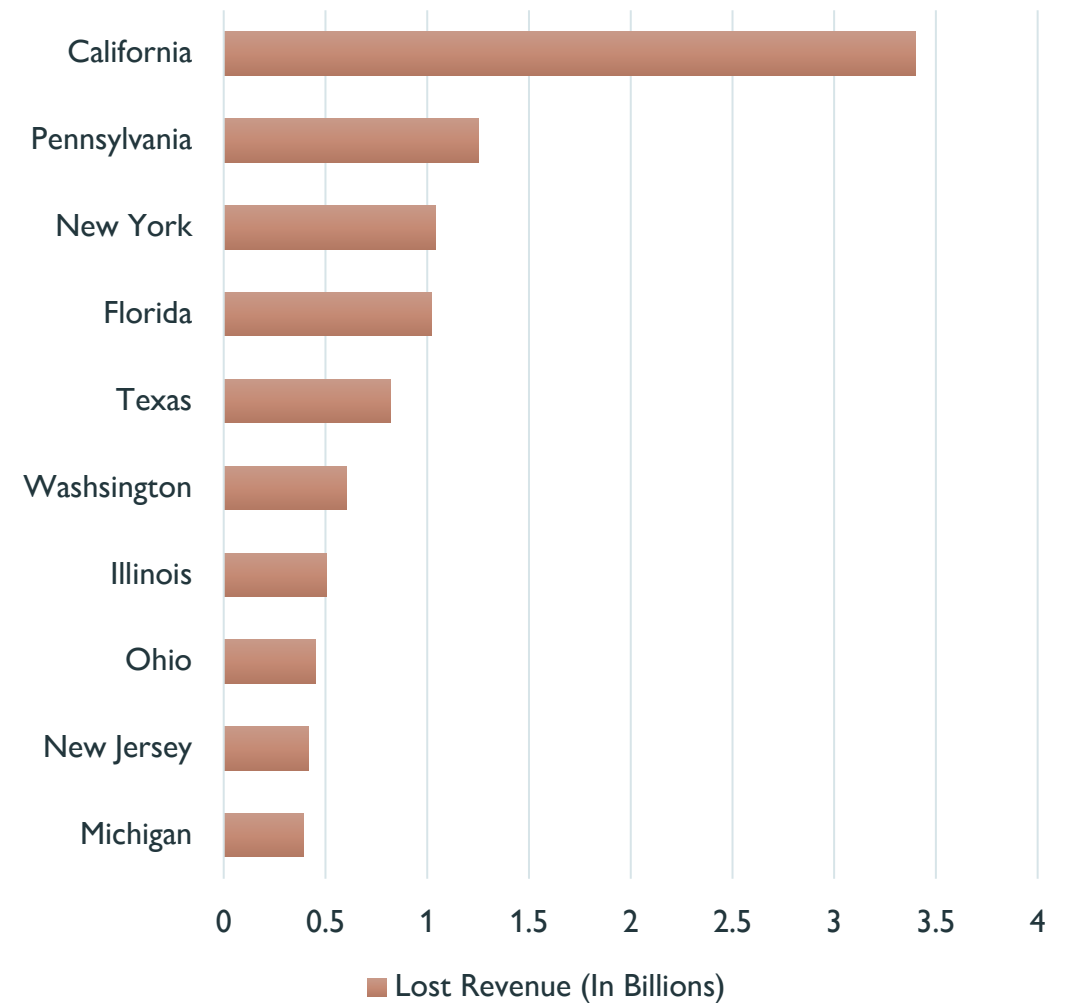
658,375 fewer jobs, paying almost \$39.3 billion in wages and benefits to workers.

86% of Surveyed Retailers Report Increase in Verbal Threats of Violence by ORC Criminals

**Does not include losses to sales tax revenues*

Source: Retail Industry Leaders Association and Buy Safe America Coalition Report 2019

Lost Revenue (In Billions)



CALIFORNIA'S
STANDING
(2021)

% Total Retail Theft in USA = 12.6%

Loss in Tax Revenue = \$3,371,470,600*

Total Value of Stolen Goods = \$13,780,414,032

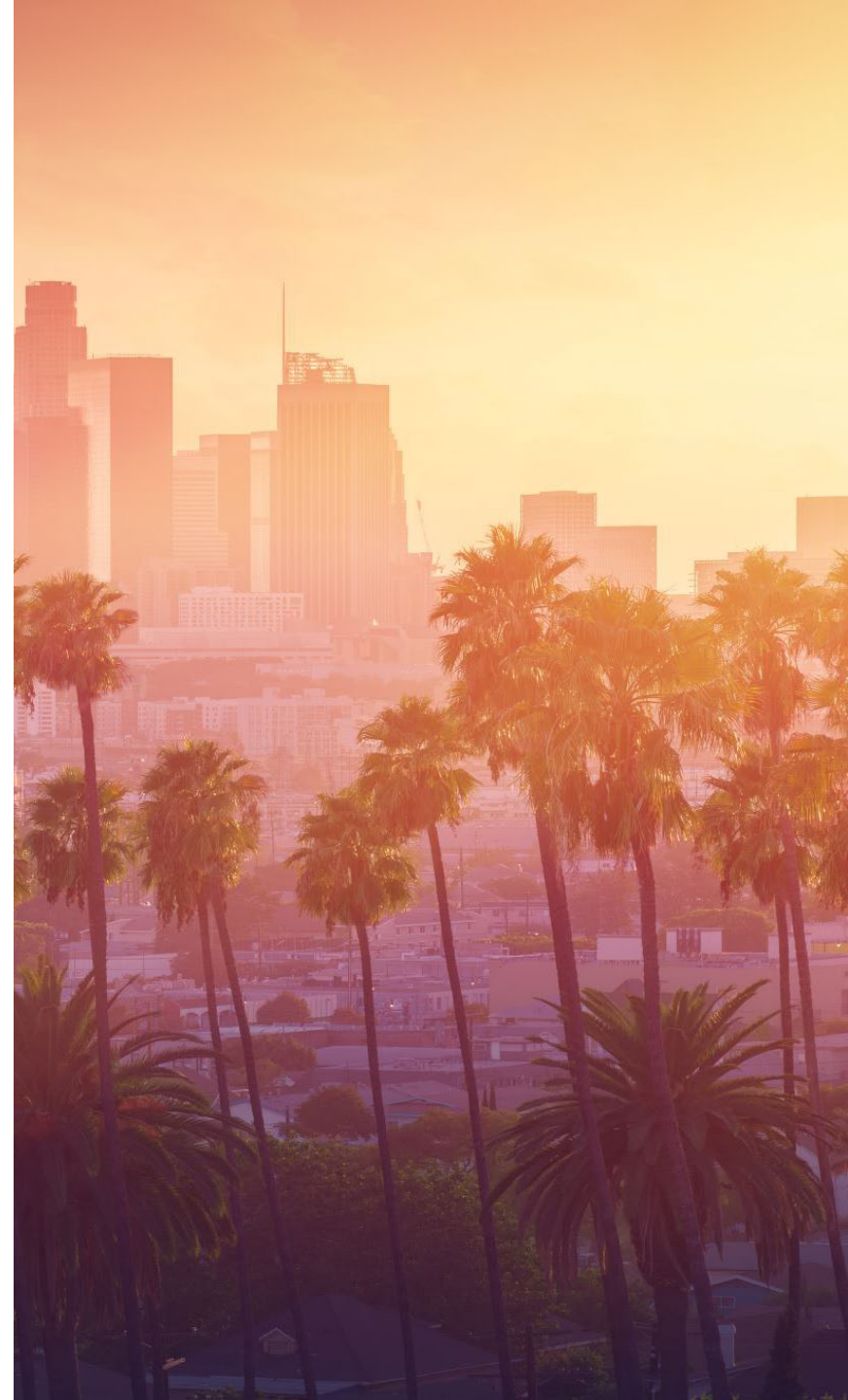
ORC Costs to Businesses in CA =
\$19,081,581,000

**Does not include losses to sales tax revenues*

Source: Retail Crime Data Center, US Chamber of Commerce

TOP 5 US CITIES WITH RETAIL THEFT

- Los Angeles
- San Francisco/Oakland
- New York City
- Houston
- Miami



PANEL
DISCUSSION

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QUESTIONS



SOURCES

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- <https://news.bloombergtax.com/daily-tax-report-state/organized-retail-crime-spurs-action-by-tax-deprived-states>
- <https://www.forbes.com/sites/jiawertz/2022/11/20/shoplifting-has-become-a-100-billion-problem-for-retailers/?sh=2b77f1122d62>
- <https://nrf.com/media-center/press-releases/nrf-reports-retail-shrink-nearly-100b-problem>
- <https://www.investopedia.com/organized-retail-crime-7097862>
- <https://www.uschamber.com/economy/organized-retail-theft-101-what-is-it-and-what-can-be-done-about-it>
- <https://cdn.nrf.com/sites/default/files/2022-09/National%20Retail%20Security%20Survey%20Organized%20Retail%20Crime%202022.pdf>