

Congress of the United States

Washington, DC 20515

September 12, 2024

The Honorable Patrick J. Lechleitner
Acting Director
U.S. Immigration and Customs Enforcement
Washington, D.C. 20024

The Honorable Katrina W. Berger
Executive Associate Director
Homeland Security Investigations
Washington, D.C. 20536

Dear Acting Director Lechleitner and Executive Associate Director Berger:

With the rise of organized retail crime (ORC) in our communities and its growing threat to our constituents, we write to request an update on Homeland Security Investigations (HSI) efforts to address this problem. The fiscal year (FY) 2024 Department of Homeland Security (DHS) Appropriations Act incorporated bipartisan language that encouraged HSI to consider establishing an Organized Retail Crime Coordination Center.¹

According to HSI's 2022 report in collaboration with the Association of Certified Anti-Money Laundering Specialists, "organized retail crime is leading to more brazen, more violent attacks in retail stores throughout the country, and many of the criminal rings orchestrating these thefts are also involved in other serious criminal activity" such as drug and human trafficking, posing significant societal and health risks to our communities.² The risk of ORC is not only due to the violence oftentimes displayed during the act of retail theft, especially to retail workers, but also health risks posed by consuming stolen goods like baby formula or pharmaceuticals, which may be improperly stored or tampered with prior to the final purchase by a consumer.

Beyond public safety, ORC also endangers Main Street businesses and the economy. A Retail Industry Leader's Association report indicated that ORC caused nearly \$70 billion in financial losses due to stolen goods from U.S. retailers in 2019.³ That number has continued to increase year by year, impacting businesses of all sizes, communities, and consumers. Notably, a Forbes survey recently found that 90 percent of small business retailers nationwide have experienced

¹ See Report of the H. Comm. on Appropriations, Department of Homeland Security Appropriations Bill, H. Rep. No. 118-123, at 35 (2023) ("The Committee recognizes the negative economic and public safety impacts of organized retail crime and urges HSI to engage with relevant external stakeholders on efforts to counter organized retail crime. HSI is encouraged to consider establishing an Organized Retail Crime Coordination Center to further collaborate with relevant stakeholders.").

² Kohr, Lauren, and Tiffany Polyak. Detecting and Reporting the Illicit Financial Flows Tied to Organized Theft Groups (OTG) and Organized Retail Crime (ORC) a Comprehensive Educational Guide for Law Enforcement and Financial Crime Investigators 2 ACAMS | HSI Detecting and Reporting the Illicit Financial Flows Tied to OTG and ORC. <https://www.acams.org/en/media/document/29436>.

³ Dunham, John, and Associates. The Impact of Organized Retail Crime and Product Theft in the United States. <https://www.rila.org/focus-areas/public-policy/study-retail-theft-balloons-to-over-68-billion>.

theft at their stores.⁴ Costs associated with ORC due to stolen merchandise or heightened security measures also trickle down directly to American families, costing them more than \$500 annually according to DHS estimates.⁵

We applaud the significant progress being made at the state level in combating ORC and encourage DHS to work collaboratively with law enforcement to disrupt these significant criminal operations and help keep employees, consumers, and communities safe. Currently, 18 states have established Task Forces dedicated to fighting ORC. In collaboration with the California Highway Patrol and other agencies, California's Attorney General has actively arrested and charged individuals involved in ORC. Additionally, the state's Southern Division Organized Retail Crime Task Force has been instrumental in tackling these crimes, as evidenced by the recent arrests related to a large-scale theft operation targeting Home Depot stores across Southern California.⁶

ORC is widespread and impacts every state. Ohio's Franklin County Sheriff's Department has an ongoing investigation into a retail theft ring occurring across central Ohio⁷ and the Las Vegas Metro Police Department's Organized Retail Theft Section recovered over \$300,000 of stolen merchandise last year.⁸ These efforts underscore the importance of coordination among multiple levels of law enforcement to address ORC effectively across the country.

HSI is critical in combating organized retail crime due to its broad jurisdiction and expertise in investigating complex transnational crimes. We acknowledge and appreciate the efforts of Operation Boiling Point in coordinating with federal, state, local, and international law enforcement agencies to combat ORC. We continue to believe, however, that establishing a formalized Organized Retail Crime Coordination Center within HSI would significantly enhance the ability of law enforcement and businesses to mitigate the threats posed by these sophisticated criminal networks. This Center could facilitate better information sharing, resource allocation, and strategic planning, ultimately leading to more effective prevention and enforcement actions.

Given the urgency and importance of this issue, we respectfully request an update on the status of HSI's engagement with external stakeholders and any progress on establishing an Organized Retail Crime Coordination Center, including details on the actions already taken by the agency to consider congressional intent, planned next steps, implementation challenges encountered, and

⁴ Metz, Jason. The Impact of Retail Theft on Small Businesses and States. <https://www.forbes.com/advisor/business-insurance/impact-retail-theft-on-small-businesses/>

⁵ "Operation Boiling Point Takes on Organized Theft Groups | Homeland Security." www.dhs.gov/hsi/insider/op-boiling-point#:~:text=Operation%20Boiling%20Point%20is%20Homeland.

⁶ "Attorney General Bonta Charges Organized Retail Theft Suspects with Theft of Approximately \$76,000 in Goods from Home Depot Stores." *State of California - Department of Justice - Office of the Attorney General*, 14 Apr. 2023. <https://oag.ca.gov/news/press-releases/attorney-general-bonta-charges-organized-retail-theft-suspects-theft-0>.

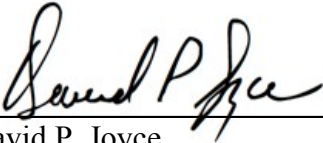
⁷ "Ohio theft ring appears to be part of larger issue: Law enforcement." 22 Apr. 2024. <https://fox8.com/news/ohio-theft-ring-appears-to-be-part-of-larger-issue-law-enforcement>.

⁸ "Las Vegas police bust illegal fencing operation with \$300K in stolen merch." 15 Dec. 2023. <https://news3lv.com/news/local/las-vegas-police-bust-illegal-fencing-operation-with-300k-in-stolen-merch-lvmpd-retail-theft-southern-nevada>.

additional resources or authorities that you believe may be needed. We request this update in writing no later than September 27, 2024.

We appreciate your attention to this matter and look forward to working together towards protecting our communities.

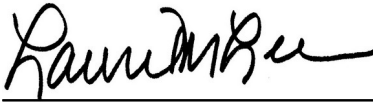
Sincerely,



David P. Joyce
Member of Congress




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Member of Congress



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Member of Congress



Susie Lee
Member of Congress



Kevin Kiley
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Lance Gooden
Member of Congress



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John Joyce, M.D.
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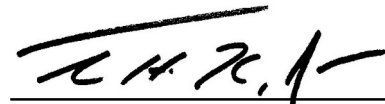
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Beth Van Duyne
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Brian Fitzpatrick
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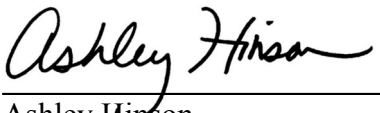
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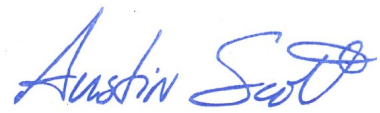
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Brandon Williams
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Nicholas A. Langworthy
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Austin Scott
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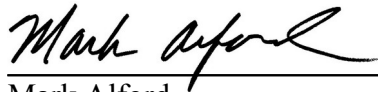
Randy K. Weber, Sr.
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Ken Calvert
Member of Congress



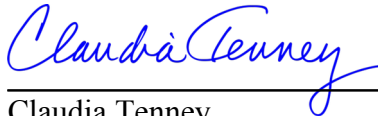
Josh Harder
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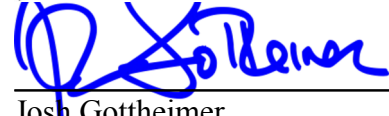
Mark Alford
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Jared Moskowitz
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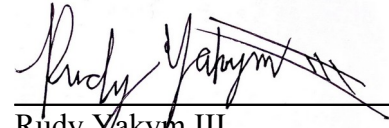
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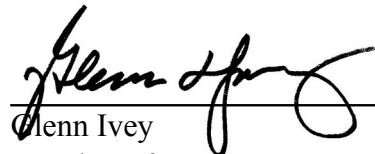
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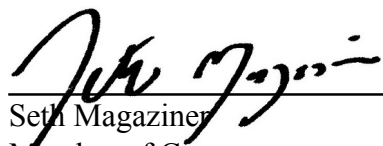
Cathy McMorris Rodgers
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Debbie Wasserman Schultz
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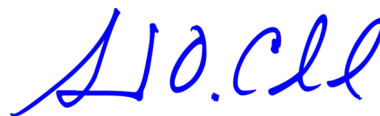
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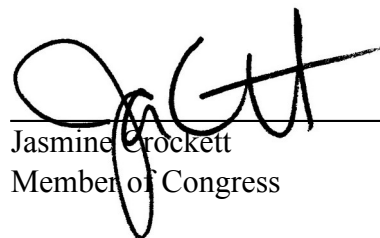
Rich McCormick, MD, MBA
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Jefferson Van Drew
Member of Congress



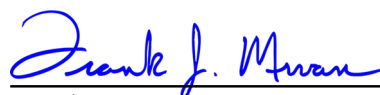
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Jasmine Crockett
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Henry Cuellar
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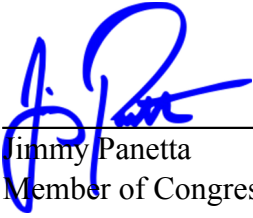
Frank J. Mrvan
Member of Congress



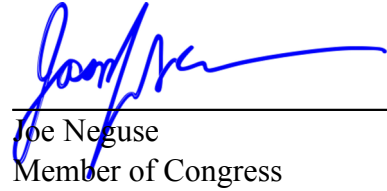
Marilyn Strickland
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Ami Bera, M.D.
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Jimmy Panetta
Member of Congress



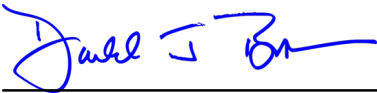
Joe Neguse
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Mike Levin
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Mike Carey
Member of Congress



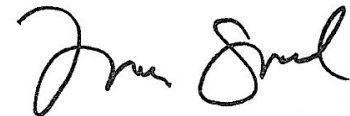
Don Bacon
Member of Congress



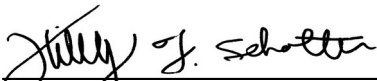
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Ruben Gallego
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Lucy McBath
Member of Congress



Andre Carson
Member of Congress



Pete Stauber
Member of Congress



Gabe Vasquez
Member of Congress



Mike Thompson
Member of Congress

CC: The Honorable Alejandro Mayorkas, Secretary, U.S. Department of Homeland Security