



NEW YORK STATE SENATOR

Lee M. Zeldin

New York State Senate Passes Legislative Package To Crack Down on Organized Retail Crime

LEE M. ZELDIN June 18, 2012

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State Senator Lee Zeldin (R, C, I- Shirley), Chairman of the Senate Consumer Protection Committee, announced Senate passage today of his legislative bill package designed to crack down on Organized Retail Crime (ORC).

According to the Federal Bureau of Investigation, organized retail theft is an industry that costs United States retailers about \$30 billion per year. Supermarket losses account for \$15 billion of that annual theft. Additionally, state and local governments are losing out on tens of millions of dollars annually in lost sales tax and excise fee revenue.

The legislative package consists of five bills:

S.6956-A:

Defines “Organized Retail Crime”, adds to the General Business Law the crime of “theft of retail merchandise with an aggregated value of \$1,000”, and makes corresponding changes to the Penal Law to define such crime as “grand larceny in the fourth degree”.

S.6958-C:

Relates to jurisdiction and venue for a pattern of criminal offenses, granting jurisdiction to any county when at least one of the crimes constituting a pattern occurs within the county.

S6959-B:

Relates to prohibitions and penalties against persons who lead an organized retail theft enterprise by organizing, supervising, financing or managing such criminal activity.

S.6954-B:

Prohibits criminal practices with an access device and classifies such crime as a class B misdemeanor. This crime would subject individuals to criminal liability for certain actions taken with a fraudulent or counterfeit credit card or other devices that grant the holder access to money, goods, or services.

S.6957-B:

Adds a new section to the General Business Law and a subdivision to Penal Law to provide that use of an emergency exit to facilitate a theft from a mercantile establishment is classified as "grand larceny in the fourth degree".

Additionally, a few weeks ago, the Senate passed S.7370 sponsored by Senator Fuschillo, which prohibits retail sales receipt fraud and Universal Product Code fraud and provides for criminal penalties for such crimes.

"We must protect consumers and businesses impacted as victims of this expanding crime network. This legislative package finally puts teeth into the crackdown on organized retail crime," said Senator Zeldin.

On June 5th, the Senate Consumer Protection Committee held a hearing on ORC and this package of legislation. Among those who testified included:

- Retail Council of New York State
- Price Chopper Grocery Stores
- Town of Colonie Police Department (Albany County)
- Food Industry Alliance of New York State
- Walgreens Pharmacy
- Shop Rite

“There has been quite a proliferation of organized retail crime over the past few years. Not only is organized retail crime expensive to our organization, but it causes our customers to incur additional costs. Astoundingly, organized retail crime accounts for 66% of our known external theft, but makes up only 20% of the incidence.

Individuals or groups that commit organized retail crime have learned to beat the current system. They travel from county to county and steal under the dollar threshold currently contained in the penal law so that they can avoid felony prosecution.

We applaud the Senator for taking the lead on this important issue and addressing this growing problem,” said David Golub, Senior Vice President Administration of Price Chopper.

“Organized retail crime rings operate and threaten consumers in every part of this state,” said Retail Council of New York State President and CEO James R. Sherin. “Senator Zeldin recognized the danger immediately and responded with a package of bold and important

bills that the retail industry wholeheartedly supports.”

“This is not garden-variety, personal use theft,” Mr. Sherin said. “It's highly organized, sophisticated, and dangerous criminal activity that demands a sophisticated and coordinated response. Coupled with the retail industry's partnership with law enforcement throughout the state, these bills will provide the tools necessary to protect consumers, preserve tens of millions in sales tax revenue now lost to ORC, and get the criminals off the street.”

The legislative package, now goes to the Assembly, where it is being carried by Assemblyman Michael Cusick (D- Staten Island).

“Senator Zeldin and I have introduced this legislative package of bills to tackle the growing epidemic of organized retail theft by crime rings of professional shoplifters who target retail stores in a variety of ways. These thieves are costing the industry approximately \$15-\$30 billion annually, which in turn means higher prices for consumers. This legislative package is a step forward to thwart these groups and individuals who are blatantly engaged in illegally obtaining retail merchandise," said Assemblyman Cusick.