



Statement of

**Rich Mellor**

**Vice President for Loss Prevention**

**National Retail Federation**

Submitted to the

**United States House Committee on Homeland Security**

For its hearing on

**From al-Shabaab to al-Nusra:  
How Westerners Joining Terror Groups Overseas Affect the Homeland**

Held on

October 9, 2013

Chairman McCaul, Ranking Member Thompson, distinguished members of the Committee, my name is Richard Mellor and I am the Vice President for Loss Prevention for the National Retail Federation (NRF). Thank you very much for the opportunity to come here to testify today on the important topic of whether retail outlets can be considered “soft targets” for potential terrorist attacks.

The recent tragic events at the Westgate Shopping Mall highlight the potential for malls, shopping centers and other public meeting areas around the world to be targets of terror. Today I would like to highlight some of the actions the retail community has taken to ensure the safety and security of their customers and their employees.

As the world’s largest retail trade association and the voice of retail worldwide, the National Retail Federation represents retailers of all types and sizes, including chain restaurants and industry partners, from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation’s economy. NRF’s [This is Retail](#) campaign highlights the industry’s opportunities for life-long careers, how retailers strengthen communities, and the critical role that retail plays in driving innovation.

As Vice President for Loss Prevention for the National Retail Federation, I am responsible for the direction of initiatives ranging from NRF’s Annual Loss Prevention, or LP Conference and Loss Prevention Advisory Council to NRF’s Investigator’s Network. I have over 40 years of experience within the retail loss prevention community. Prior to joining NRF, I spent 12 years with Helzberg Diamonds, having most recently served as Divisional Vice President of Loss Prevention. I have also served as Divisional Vice President of Loss Prevention and Security for The Bon-Ton Stores and Regional Director of Security for Macy’s East. Prior to joining the retail industry I spent time in law enforcement as a police officer.

I also have the pleasure to serve on several working committees within the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) that focus on infrastructure protection. These include participation in DHS’ Commercial Facilities Sector Coordinating Council, the National Infrastructure Coordinating Center team and the National Business Emergency Operations team. I am also participating in FEMA’s Private Sector Sub Working Group (PSSWG) working on the National Exercise Program (NEP) Capstone Exercise 2014.

### **Safety and Security are Paramount**

The safety and security of employees and customers is paramount for any retailer.

Retailers have sophisticated protocols to deal with the threats from a wide range of situations, including organized retail crime (ORC) activities, robbery, active shooter incidents, impacts from natural disasters such as hurricanes or tornadoes as well as being a potential target for a terrorist attack. Because these threats are always present, retailers invest heavily to ensure that they are prepared to deal with any and all threats against their businesses, their employees and their

customers. Moreover, retailers are consistently evaluating the effectiveness of their programs and seeking improvements. As criminals and threats become more sophisticated, so do retailers.

I would like to discuss some of the steps the retail industry is currently taking to protect their businesses and customers. This includes the industry's close work with law enforcement at both the local and federal level, specifically partnering with the Department of Homeland Security (DHS) on key initiatives. One such initiative is the development of DHS's Active Shooter program. Finally, I will discuss retail's role in helping law enforcement throughout the investigation of the recent Boston Marathon bombing.

### **Retail Asset Protection Activities**

The National Retail Federation has a longstanding commitment to work closely with law enforcement and our members to share information through tools such as the Department of Homeland Security's guidelines, online training programs, and the emergency response protocols on the NRF's Loss Prevention Information website, which can be accessed at [www.lpinformation.com](http://www.lpinformation.com).

Additionally the National Retail Federation convenes an annual Loss Prevention Conference open to retail loss prevention and security practitioners and law enforcement agencies. At every conference since the terrorist attacks of 9/11, the conference agenda has included multiple presentations by retailers, law enforcement partners and experts in violence intervention on protecting the life and safety of shoppers and employees.

While shopping malls have been categorized by some as "soft targets," it would have been hard to imagine or prepare for the devastating attack conducted by terrorists at the Westgate shopping mall in Kenya last month. Collaboration and partnership between retailers, and law enforcement needs to remain strong and vigilant now more than ever.

Retailers continually partner with law enforcement at every level of government to protect their businesses, their employees and their customers. This partnership is not only in the prevention of crimes against their businesses, but also in the aftermath of a crime to help with the investigation.

In fact, retailers have been on the front lines in the war on terror for years.

Nowhere is this more evident than the continuing private-public partnership to address the growing burden of Organized Retail Crime (ORC). Retailers work closely with law enforcement to investigate these crimes, and their joint efforts have helped to root out millions of dollars in criminal activity with direct links to terrorist groups and other overseas criminal organizations.

Through the Seizing Earnings and Assets from Retail Crime Heists (SEARCH) Initiative, Homeland Security Investigations (HSI) is actively seeking and pursuing investigative leads related to organized retail crime that have a nexus to transnational criminal organizations.

These investigations effectively link federal, state and local law enforcement along with prosecutors and the financial services and retail communities to provide a multi-faceted approach to prosecuting and deterring individuals and organizations involved in organized retail crime. The retail industry strongly supports HSI's efforts in making SEARCH a national initiative.

All too often this type of organized criminal activity has been looked upon as a local problem. However, Federal investigations have proven time and time again that these ORC organizations are extremely sophisticated and regularly cross jurisdictional boundaries. It is critical that ORC be recognized as a significant national threat to our economy and security.

One thing Congress can do to strengthen the line of defense is passage of ORC legislation to properly define ORC as a federal crime. Not only will ORC legislation help draw attention to a growing national problem but a law on organized retail crime will also provide law enforcement the appropriate resources to deal with the problem in a holistic way. The need for this legislation grows almost daily as we see the trend of ORC activities becoming more sophisticated and violent.

In addition to these partnerships, retailers continue to seek the best technologies to protect their businesses and provide the most convenient and safest shopping environment for their customers. These technology solutions include systems to protect internal operations from unauthorized access, including safeguarding customer information, as well as surveillance systems to ensure that the stores and parking areas are as safe as possible.

Electronic surveillance plays a major role in providing a safe shopping experience for today's customer. Security personnel cannot be in all places at all times but video surveillance has become the standard in the retail business to ensure total coverage. Security personnel can now view video images remotely on handheld devices, including their smart phones, which enable them to respond quickly to incidents and safety concerns.

Technology advances in detecting movement of an individual in a restricted or remote area can be transmitted instantly to a video operator to investigate. These new systems also include analytic software for facial recognition, although this is not widely utilized by retailers at this time. Whether these systems help to prevent an event from happening or they are used in the investigation of an incident, they have become a valuable tool for retailers and law enforcement in reconstructing and investigating crimes.

### **Retail and Law Enforcement "Active Shooter" Partnership**

For more than seven years, the National Retail Federation has been engaged in the development of strategic alliances to assess safety threats to retail customers, employees and the general public in and around retail and business establishments. These efforts have been largely focused on the kind of "active shooter" violence we saw at the Aurora Mall as well as the potential for sophisticated terrorist acts like the Westgate Mall attacks.

Over the past decade, we have seen a rise in a new form of threat, where individuals enter retail venues and begin randomly shooting at innocent shoppers and store employees. The term coined

to describe this new form of violence is "Active Shooter," and it used to characterize a situation where the shooter seems engaged in the killing and injuring of as many people as possible in an area without cause or provocation.

This type of violence is not only unpredictable and life threatening to customers and employees alike but also puts responding police officers at deadly risk.

The retail industry reacted quickly to the rising threats with the facilitation of discussions between retail loss prevention directors and law enforcement agencies from the local, state and federal level. This effort led to the initial Department of Homeland Security Active Shooter Guidelines in 2007 and later, in 2011, a retail specific program known as Emergency Response Protocols to Active Shooters, which was crafted by the NRF.

Since the Active Shooter Guidelines became available in 2007 to authorized members of the retail community and law enforcement, other industries including education, hospitality, sportingevent venues and food service groups have utilized these guidelines to assess risks, establish proactive precautions and procedures as well as investing in safety and security equipment and technology to protect human life.

### **Retail's Role in the Boston Marathon Bombing Investigation**

The importance of the partnership between law enforcement and retailers was never more evident than after the 2013 Boston Marathon bombing. After initially acting to ensure the safety of their employees and customers when the bombing occurred, retailers in Boston quickly shifted their attention to helping law enforcement in their investigation.

As has been reported in the media, video surveillance provided by the Lord & Taylor store on Boylston Street was instrumental in helping police identify the two suspects in the tragic bombing. The Saks Fifth Avenue store served as a temporary staging area for law enforcement during the initial stages of the investigation, and many other retailers provided needed supplies (water, food, batteries, cell phone chargers, etc.) for the officers to continue with their investigation.

Aside from providing supplies and vital necessities, retailers also opened their stores during off-business hours to provide law enforcement with a place to get a much-needed break, to call family members or rest during the long and extensive search for the suspects.

NRF highlighted the retail/police partnership in a video post on our This is Retail website - <http://www.thisisretail.org>. As with the response and recovery efforts during hurricanes like Katrina and Sandy; retailers in Boston were instrumental in providing supplies and technical assistance to help with the emergency response as well as those affected by the disaster.

### **Conclusion**

The protection of a retailer's business, including the safety and security of their employees and customers, is a critical part of a retailer's everyday business.

Retailers face many threats; yet through a mix of technology, partnerships, preparation and training, retailers are able to ensure that they are able to respond to any threat.

Retailers are committed to continuously improving their vigilance in order to stay ahead of those who wish to do harm to their businesses, their employees and their customers.

Thank you again for the opportunity to testify this afternoon.