

Mexican drug cartels are behind the surge in retail thefts

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In a quiet expansion of their global criminal empires, Mexican cartels are infiltrating the world of retail theft, targeting everything from big-box stores to luxury brands and small businesses. These cartels are operating organized retail crime (ORC) rings by selling the stolen goods sold online and laundering the profits through Chinese brokers—growing their criminal network to span multiple continents.

Over the past two years, these same criminal organizations have spearheaded the [largest human smuggling operation across the U.S.- Mexico border in history](#), contributing significantly to America's escalating fentanyl crisis. "It's a \$70 billion a year enterprise — organized retail crime," revealed Eric DeLaune, special agent in charge at the Department of Homeland Security's Homeland Security Investigations (HSI) arm.

These aren't petty shoplifters but part of a [well-oiled criminal machinery infiltrating every American state](#). Beyond the 'boosters' committing the thefts, they employ 'cleaners' to erase stolen merchandise origins, 'fencers' for reselling products, and professional money launderers to funnel illicit profits back to their ringleaders. The same Chinese brokers used by the cartels to move fentanyl profits are facilitating the outflow of money generated from these retail crimes.

The Chinese government has attempted to curb this illegal cash flow, instituting a \$50,000 cap on individuals' annual foreign currency exchanges in 2017. This, however, has led to the emergence of money launderers who aid illegitimate businesses, with the cartels taking advantage of legitimate financial channels, stolen gift cards, and shell companies to clean their ill-gotten gains.

In addition to the direct losses in sales taxes for local and state governments, these activities negatively affect jobs and consumer choices, cause higher prices, and can result in businesses closing.

Senator Chuck Grassley [proposed the Combating Organized Retail Crime Act](#) earlier this year, intending to establish a centralized hub within the DHS to prevent and respond to such crimes. Despite public sentiment favoring more action, the bill has so far languished without success.

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