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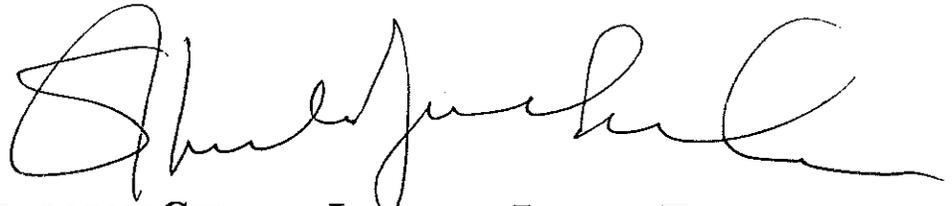
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CONGRESSWOMAN SHEILA JACKSON LEE OF TEXAS

**RANKING MEMBER OF THE SUBCOMMITTEE ON CRIME AND FEDERAL
GOVERNMENT SURVEILLANCE**

STATEMENT IN OPPOSITION TO H. J. RES. 44

BEFORE THE COMMITTEE ON THE JUDICIARY

JUNE 13, 2023

- Recently retailers and industry advocates have sounded the alarm, expressing concern that organized retail crime has become a significant threat to the retail industry. This criminal activity involves groups of individuals who operate in a well-coordinated manner to steal goods or defraud retailers and resell stolen items for economic gain.

- It is a multi-billion-dollar enterprise that evolves and adapts to the latest technological trends within the retail industry and among consumers and inevitably results in higher prices at the cash register.
- Social media and news reports are replete with videos of flash mobs rushing into stores and overwhelming – and sometimes assaulting – employees, then leaving with bags and armfuls of goods. While these anecdotal accounts are alarming, the federal role in deterring these crimes remains unclear.
- The federal government has long recognized the problem and taken steps to combat organized retail crime and protect store employees, customers, and communities. Cooperation between retailers and federal and state law enforcement agencies through task forces and partnerships has been crucial in addressing these crimes and promoting public safety.
- For example, the FBI's Cleveland Field Office partnered with the Retail Industry Leaders Association and state and local law enforcement agencies to share expertise, intelligence, and resources to identify, investigate, and prosecute those who perpetrate these crimes.

- Over the past three years, Homeland Security Investigations has tripled the number of cases it is investigating. Last year, HSI Houston and the Houston Police Department arrested eight people and seized nearly two thousand stolen electronic devices valued at approximately \$1.8 million as part of a joint investigation into a \$65 million transnational organized retail crime operation suspected of smuggling stolen cell phones and other electronics overseas and laundering the proceeds.
- The Federal Bureau of Investigation, the Secret Service, and the Department of Homeland Security have **all** increased their efforts to investigate and prosecute organized retail crime.
- However, despite the efforts of law enforcement to address this activity, the issue of understanding the prevalence of organized retail crime persists – largely due to a lack of consistent and comprehensive data.
- And while various retailers, retail organizations, and law enforcement track retail theft, there is no uniform definition of organized retail crime or a standardized method for tracking such crimes, which makes it difficult to ascertain the full scope of the problem or formulate a targeted response.

- Compound the inconsistency in data collection with retailers' reluctance to report the full extent of crimes committed in their stores, and lawmakers, such as ourselves, are left with very little information that we can use to determine how Congress can help.
- Moreover, the anonymous nature of the internet has made it easier for criminals to coordinate their activities and resell their ill-gotten merchandise. But, monitoring online activity can be complicated, and not all transactions can be traced, making it even harder to understand the prevalence of organized retail crime as it occurs online.
- Last Congress, we were able to pass the INFORM Consumers Act, which takes effect this month. That law will add more transparency to online transactions by requiring online marketplaces to collect, verify, and disclose certain information from high-volume sellers and provides consumers with means to report suspicious activity.
- Despite there being no representatives from the retailers present today, I hope our witnesses will be able to help us determine whether there is more that the federal government can do to combat organized retail crime.

- And, if so, I expect that they will be able to explain their vision for increased federal involvement in this area.
- While there are those who have advocated for a federal organized retail crime statute, many in law enforcement argue that existing tools are sufficient to combat these crimes.
- When considering the creation of new federal offenses, should be both thoughtful and careful, particularly if there are statutes already available to prosecute the conduct in question.
- Bearing that in mind, although federal law does not explicitly criminalize retail theft, the transportation of stolen goods across state lines, the sale or receipt of stolen goods, money laundering, and conspiracy – all of which are components of organized retail crime – and are **all** currently prohibited by federal law.
- Hopefully, today's hearing will also help us determine if impediments to investigating and prosecuting organized retail crime are due more to a lack of resources than a need for additional prosecutorial tools.

- We must do all we can to understand the prevalence of organized retail crime to be able to better prevent it and detect it and ensure that consumers feel safe.
- I look forward to hearing from each of our witnesses.
- Thank you and I yield back.