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NC Retail Merchants Support New Bill to Combat Theft

Raleigh, NC (March 16, 2017) - The North Carolina Retail Merchants Association (NCRMA) applauds the introduction of House Bill 384 “Increase Penalties/Organized Retail Theft” by Representatives John Fraley (R-Iredell), Harry Warren (R-Rowan), Jonathan Jordan (R-Ashe), and Michael Wray (D-Northampton) this week. The proposed legislation will be another major step to combat organized retail crime (ORC), which costs retailers \$30 billion nationwide annually and increases costs and safety concerns for consumers and retail employees.

The bill, supported by NCRMA, focuses on the growing problem of gift card fraud through illegitimate returns and includes record-keeping requirements for businesses that purchase gift cards. HB 384 aims to address professional shoplifting rings who prey on North Carolina businesses and continue to use technology and other means to stay one step ahead of retailers and law enforcement.

“We appreciate the effort of these legislators to help North Carolina’s retailers by recognizing the growing problem of ORC and the financial burden it places on our retailers which, unfortunately, is often passed on to our customers,” said Andy Ellen, president and general counsel of NCRMA. “Creating new ways for criminals who are active in organized retail crime to be charged will provide not only a deterrent, but also a way for us to get these criminals off the streets and out of our stores.”

Specifically, the provisions included in this bill will create two new Class H felony offenses if someone is caught exchanging stolen goods for cash, a gift card or store credit as well if false identification is used to return stolen property. The bill also creates two new class G felony offenses which include conspiracy with a partner to steal more than \$20,000 worth of total product from a retailer over a 90-day period with plans to sell the stolen property as well as leading a retail-theft enterprise through which they conspire transfer or sell the stolen property.

“Return fraud and identity theft/credit card fraud are both prevalent in Organized Retail Crime (ORC) of which many are unaware,” said Sergeant Scott Womack with the Raleigh Police Department. “This costs the retail industry tremendous losses, victimizes the customer, and results in higher pricing for all.”

This legislation builds on the ORC laws NCRMA successfully advocated in the 2007 session of the NC General Assembly which defined ORC and classified the theft more than \$100 of infant formula, the removal or deactivation of theft deterrent devices from merchandise, and switching and scanning fake UPC codes as felonies.

Also, in 2016, NCRMA created the Carolinas Organized Retail Crime Alliance (CORCA), an alliance between law enforcement, retailers, and other important partners, focused on at combating the rise of retail theft crime in North and South Carolina. This network of professionals serves to protect and educate consumers, while acting as a resource to partnering law enforcement agencies and retailers in both states.

According to a National Retail Federation retailer survey, retailers lost an average of \$700,259 per \$1 billion in annual sales due to ORC activity. These losses dramatically impact business and drive up costs for retailers and, in turn, the prices for consumers.

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About the North Carolina Retail Merchants Association

The North Carolina Retail Merchants Association (NCRMA) is a nonprofit trade association organized in 1902 to improve the business climate for retailers in North Carolina. Over 100 years later, NCRMA remains the voice of the retail industry for North Carolina. NCRMA represents the interests of individual merchants before the General Assembly and serves as a vital link to state government. Its credibility lies in its longevity and commitment to serving the ever-changing needs of its members. The Association’s membership includes more than 25,000 stores from across the state whose business represents 75 percent of North Carolina’s retail sales volume. NCRMA serves both large and small retailers from multi-state chains to local “mom and pops” and all types of merchants including antique, apparel, art, automotive, book, carpet, department, drug, electronics, floral, furniture, grocery, hardware, jewelry, paint and variety stores. For more information, visit <http://www.ncrma.org/>.

About Organized Retail Crime

ORC is more than ordinary shoplifting committed by individuals seeking goods for personal use. ORC is large-scale theft of retail merchandise with the intent to resell the merchandise for financial gain. It typically involves a criminal enterprise that employs a group of individuals who steal large quantities of merchandise from a number of stores combined with a fencing operation that then converts stolen merchandise into cash. This stolen merchandise gets sold through online auction sites, at flea markets, and sometimes even to other retailers. In addition to targeting stores, ORC gangs may hijack truckloads of merchandise and commit a variety of other frauds, such as using stolen or cloned credit cards to obtain merchandise.