



September 22, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

Dear Speaker Pelosi:

RE: Support the “Organized Retail Theft Investigation and Prosecution Act of 2010” (H.R. 5932)

On behalf of the National Retail Federation (NRF), I am writing to you today to urge your support for the “Organized Retail Theft Investigation and Prosecution Act of 2010” (H.R. 5932) when it comes up for a vote on the suspension calendar this week. We believe this bill is one of the keys to protecting both retailers and consumers against the massive economic costs and very real public health and safety risks posed by organized retail crime. Establishing a team of law enforcement professionals dedicated to fighting these crimes and working in close consultation with retailers shows the importance of this issue to industry, consumers and law enforcement, and serves as an important deterrent to perpetrators.

Retailers lose between \$15 and \$30 billion to organized retail crime (ORC) each year, according to the FBI and retail loss prevention experts. In addition, 89 percent of retailers reported that they were victims of organized retail crime in the past year, according to an annual NRF survey released earlier this year.

ORC rings typically target everyday consumer products that are in high demand and easy to steal, such as infant formula, razor blades, batteries, analgesics, cosmetics and gift cards. More expensive products such as DVDs, CDs, video games, designer clothing and electronics are also highly prized. Once stolen, the goods are resold at pawn shops, flea markets, swap meets and on the Internet. These thefts force retailers to increase prices to cover the losses, and also threaten public health when crime rings tamper with items such as infant formula or medication by extending expiration dates or repackaging and relabeling the items.

This bill will be an important tool in the fight against ORC. It would accomplish this through several key steps. First, it would create an Organized Retail Theft Investigation and Prosecution Unit (ORTIP Unit) in the Department of Justice staffed with investigators, prosecutors and other personnel charged with investigating and prosecuting instances of ORC over which the Department of Justice has jurisdiction. Second, it would define

Liberty Place
325 7th Street NW, Suite 1100
Washington, DC 20004
800.NRF.HOW2 (800.673.4692)
202.783.7971 fax 202.737.2849
www.nrf.com

“organized retail theft” as obtaining retail merchandise by illegal means for the purpose of reselling or otherwise placing such merchandise back into the stream of commerce, aiding or abetting the commission of such acts, or conspiring to commit such acts. Third, it requires the Attorney General to submit a report containing recommendations on how retailers, online businesses and law enforcement agencies can help prevent and combat organized retail crime. Finally, it authorizes \$5 million per year for fiscal years 2011 through 2015 to fund the ORTIP Unit.

As the world's largest retail trade association and the voice of retail worldwide, NRF's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the United States and more than 45 countries abroad. In the United States, NRF represents the breadth and diversity of an industry with more than 1.6 million American companies that employ nearly 25 million workers and generated 2009 sales of \$2.3 trillion.

We thank Representatives Bobby Scott (D-VA), John Conyers (D-MI), Lamar Smith (R-TX) and Bob Goodlatte (R-VA) for their leadership on this important issue. We urge all members of Congress to support their efforts and vote in favor of H.R. 5932.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Pfister". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Pfister".

Steve Pfister
Senior Vice President
Government Relations