

# Organized Retail Crime

Retailers Association of  
Massachusetts  
Loss Prevention Committee

# Why does ORC exist?

- Access to merchandise
- Little risk/High reward
- Large market for stolen goods
- Highly profitable
- Technology

# Who is involved?



# Fences

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graph TD; Fences --> Level1; Fences --> Level2; Fences --> Level3;
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## Level 1

Oversees Booster groups, may recruit and train them and may communicate with upper Level fences

## Level 2

Purchases and sells stolen property, cleans and repacks merchandise.

## Level 3

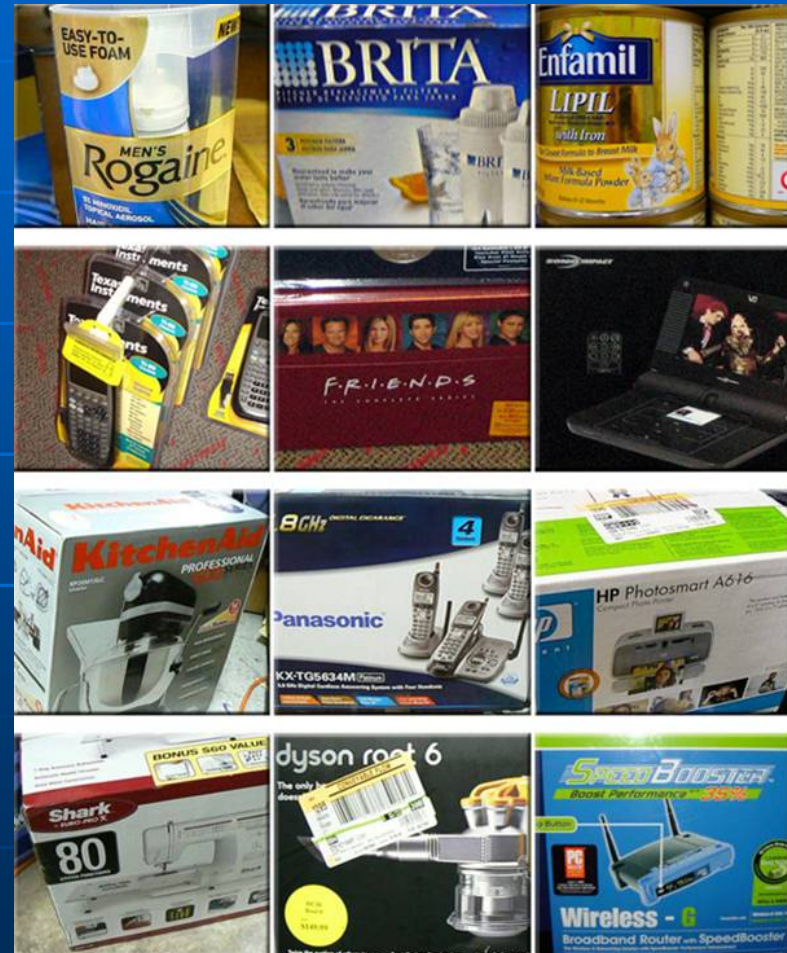
Appears to run as legitimate Warehouse or distributor. May launder money and mix in legitimate merchandise.

# Where do they get the merchandise?



# The merchandise

- Health and Beauty
- Specialty/Clothing
- Electronics
- Small Appliances
- Meat/Shrimp
- Power Tools
- Anything that presents quick resell value.



# Where does it go?

- Flea Markets
- Pawn Shops
- Local convenient stores
- Internet Auction sites
- Redistribution operations
- Back to OUR stores!

# Why is ORC a problem?

- Public health concerns
- Lost revenues for state taxes
- Funds other criminal enterprises including terrorism
- Increased prices for consumers

# Tools



# Other forms of ORC

- Refund Fraud
- Check Fraud
- Credit Fraud
- Cargo Theft
- Ticket Switching
- Counterfeit Currency

# Statistics

- Losses exceed 30 billion dollars annually to retailers.
- Average ORC loss per case is \$5067 according to the 2007 NRSS report.
- \$35 Million in lost state tax revenues due to ORC according to 2004 FMI report.

# The solution

- Retailers building thorough and all encompassing cases.
- Public/Private partnerships between retailers, Law Enforcement and the Prosecutors.
- State and Federal legislation aimed at closing down Organized Retail Crime.