



August 1, 2008

The Honorable Bobby Scott  
Chairman  
House Judiciary Subcommittee on Crime, Terrorism and Homeland Security  
B-370B Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Scott:

The Food Marketing Institute (FMI), on behalf of the supermarket industry, wishes to go on record in strong support of the "E-fencing Enforcement Act of 2008" (H. R. 6713) that you have introduced to address the growing problem of the sale of stolen or fraudulently obtained merchandise on internet auction sites.

Organized Retail Crime (ORC) rings are turning to internet auction sites as the preferred venue to sell products that they have stolen from supermarkets. They do so because the internet provides these gangs with anonymity and little risk of actually being apprehended.

Your legislation will make internet auction sites less attractive to ORC gangs because H. R. 6713 calls for much needed transparency for "high volume" sellers. The E-fencing Enforcement Act of 2008 is balanced and fair in that the disclosure and recordkeeping requirements for "high volume sellers" are minimal. In fact, they are considerably less than what is imposed on pawn shops and other secondary sellers which are often required to keep extensive records, and to request state issued identification including the seller's social security number, and in certain instances a fingerprint if the seller is pawning merchandise for a loan.

In terms of supermarkets, ORC enterprises are stealing large quantities of infant formula, analgesics, diabetes supplies, razor blades, high-end cosmetics and gift cards among other items. When products which are regulated by the Food and Drug Administration are taken out of the normal channels of distribution, they are often times not kept under ideal or required storage conditions which can adversely affect the integrity of the product. This places consumers at risk, especially infants and seniors.

FMI applauds you for your leadership on this critical problem of ORC and we look forward to working with you toward enactment of federal legislation in the months ahead.

Sincerely,

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Senior Vice President  
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