



July 15, 2008

The Honorable Brad Ellsworth  
U. S. House of Representatives  
513 CHOB  
Washington, D. C. 20515

Dear Congressman Ellsworth:

The Food Marketing Institute (FMI), on behalf of the supermarket industry, wishes to express our strong support for the "Organized Retail Crime Act of 2008" that you are introducing along with Congressman Jim Jordan (R-OH).

This legislation is desperately needed to address a growing problem that victimizes consumers and retailers alike. According to federal law enforcement officials, Organized Retail Crime or ORC translates into as much as \$30 billion in retail store losses each year caused by the systematic theft of large quantities of merchandise by criminal gangs.

These sophisticated ORC rings are stealing everything from infant formula, razor blades, analgesics, diabetic supplies and gift cards to more expensive items such as DVDs, video games, consumer electronics, high-end cosmetics and designer clothes. Once stolen, these ill-gotten goods are resold through shops, flea markets, swap meets, shady store-front operations and internet auction sites.

Not only are consumers paying higher prices as supermarkets attempt to recoup losses resulting from ORC, but state revenues are also adversely impacted. The 46 states that have a sales tax have lost approximately \$1.6 billion in revenue as a result of ORC.

The supermarket industry believes your legislation provides long overdue clarity to the US Criminal Code on what constitutes ORC criminal activity and makes such crimes a federal felony. As such, FMI firmly believes your bill will allow federal law enforcement to more efficiently go after and prosecute ORC rings if federal law enforcement chooses to do so. In closing, FMI commends you for your leadership on this important legislation and looks forward to working with you and Congressman Jordan toward its enactment.

Sincerely,

John J. Motley III  
Senior Vice President

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