



March 17, 2009

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 strong support for the "Organized Retail Crime Act of 2009" (H. R. 1173) that you and Congressman Jim Jordan (R-OH) have introduced.

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 these sophisticated theft rings.

ORC enterprises steal 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 to pawn shops, flea markets, swap meets, questionable store-front operations and more frequently from internet auction sites.

Not only do consumers pay higher prices as supermarkets attempt to recover losses resulting from ORC, but state revenues are also adversely impacted. In the 46 states that have a state sales tax, these jurisdictions experience approximately \$1.6 billion in lost sales tax revenue as a result of ORC that otherwise would have been collected. For example, FMI estimates the state of Indiana suffered a loss of some \$36 million in sales tax revenue because of theft by ORC rings.

The supermarket industry views H. R. 1173 as providing long overdue clarity within the U.S. Criminal Code as to that which constitutes ORC criminal activity and to make such crimes a federal felony. As such, FMI firmly believes your timely initiative will allow federal law enforcement to more efficiently go after and prosecute ORC rings if federal law enforcement chooses to do so. FMI commends you for your leadership on this important legislation and we look forward to working with you and Congressman Jordan toward its enactment.

Sincerely,

Leslie G. Sarasin, Esq., CAE
President and Chief Executive Officer