



TESTIMONY OF

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CVS HEALTH
NATIONAL COALITION OF LAW ENFORCEMENT AND RETAIL

BEFORE THE OHIO STATE HOUSE OF REPRESENTATIVES
CRIMINAL JUSTICE COMMITTEE

HEARING ON

HB 366

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Chairwoman Abrams, Vice Chairman Williams, Ranking Member Brown, and members of the Ohio House Criminal Justice Committee, thank you for the opportunity to testify today in support of House Bill 366 and the significant public safety concerns connected to the growth of organized retail crime and its impact on Ohio consumers, retail colleagues, and community retailers.

My name is Ben Dugan and I am the Executive Director of Organized Retail Crime and Corporate Investigations at CVS Health.

For four years, I served as President of the National Coalition of Law Enforcement and Retail (CLEAR), a non-profit, non-partisan, national association founded in 2008 to provide a forum for both law enforcement and retail loss prevention professionals to collaborate on efforts to improve the safety of communities nationwide.

Over my 30 years of investigating organized retail crime (ORC) at a national level, I have participated in the dismantling of some of the largest organized retail criminal organizations on record in the United States. Many of those criminal organizations and major criminal networks still operating today are targeting retailers and communities here in Ohio.

Most national retailers have specialized teams and invest significant resources to investigate and measure the impacts of Organized Retail Crime on our businesses. Intelligence gleaned from these investments indicates that Ohio is being victimized by all levels of ORC, from loosely organized and violent street gangs, to sophisticated criminal networks of professional thieves, corrupt local business, and illicit transnational wholesale operations. Ohio also has an elevated risk of e-fencing, with hundreds of bad actors selling stolen product through the online marketplaces to unsuspecting Ohio consumers.

It is important for the committee to understand that HB 366 is not intended to address everyday shoplifting or individuals committing singular acts of theft for personal reasons or use. The bill has provisions to ensure that state resources are being deployed against organized and sophisticated criminal syndicates that steal massive amounts of products that are ultimately reintroduced to legitimate commerce and strain legitimate supply chains. The recent baby formula shortage is a good example of how ORC can trigger shortages in sensitive products the public relies on.

A recent study by the Retail Industry Leaders Association (RILA) reported that Ohio retailers lose \$2.1 billion to theft every year. In accordance with industry standards, CLEAR estimates 60% of those losses to be connected to organized crime.

CVS and CLEAR feel HB 366 is a meaningful step towards tackling retail crime in Ohio. The formation of an Organized Retail Theft Task Force and Advisory Council within the Ohio Attorney General's Organized Crime Investigations Commission will make a tremendous

difference in curtailing the theft and violence we currently face. Without a proactive legislative solution, the growing threat of organized retail crime in Ohio will likely continue.

Accompanying my testimony today is a case study from here in Ohio. I thank the committee for the opportunity to testify today and I welcome your questions.