

Organized Retail Crime (ORC) Advisory Board

Meeting Minutes – June 16, 2016

Attendees:

Capt. Chris Stolicker, MSP
Insp. John Card, MSP
D/F/Lt. James Grady, MSP
D/Lt. Brad Cox, MSP
Sgt. Timothy Fitzgerald, MSP
Tami Risner, MSP

Ryan Themm, Meijer
William Hallan, Michigan Retailer's Assoc.
Douglas Lloyd, Eaton Co. Prosecutor's Office
John Schuler, Target
Richard LeBlanc, Member of General Public
Justin Luczak, Lowe's
Rodney Maynard, Lowe's
Trent Peebles, Walmart

Introductions

D/Lt. Brad Cox introduced himself to the group. Lieutenant Cox is working with D/F/Lt. James Grady in the Fraud Investigative Section.

Legislative Update

Sgt. Tim Fitzgerald reported that there are currently three House bills related to pawn shops; 4466, 4467, and 4468, which are essentially dead. These bills, in their draft form, were calling for a single database system; they will likely be re-introduced in the Senate.

ORC Advisory Board Meeting Minutes – March 10, 2016

The meeting minutes of March 10, 2016, were reviewed. Mr. Hallen noted one change to the minutes. Mr. Douglas Lloyd motioned to approve the minutes with the noted change, and Mr. Hallen seconded the motion, all were in favor, the motion carried. Mr. LeBlanc abstained due to his absence on March 10.

Organized Retail Crime Seminar

D/F/Lt. James Grady reported that October 13, 2016 is the date that has been selected for the ORC seminar. The venue will be the Canton Police Department Summit, and the seminar will be a single eight-hour session, from 9:00 a.m. to 4:00 p.m., with a number of different speakers.

Registration will be done through MiTrain. The system allows for attendee tracking, and provides training information, speaker information, etc. MiTrain will be used for the private sector as well as for enlisted members.

Mr. Schuler reported that there was discussion via conference call, with representation from Walmart, Home Depot, Michigan State Police, Target, and Kroger, to review the details of the conference. Discussion included retail support for food, registration cost, number of attendees, speakers and presentation topics.

It was determined that registration will be limited to 200 people who have a vested interest in organized retail crime investigations.

The group would like to have Lt. Colonel Sands or Colonel Etue give an introduction at the start of the seminar.

- ✓ Captain Stolicker will inquire about the availability of Lt. Colonel Sands or Colonel Etue.

The following topics will be presented at the seminar:

- Prosecution segment to discuss how to prosecute organized retail crimes.
- Overview of the ORC law.
- Presentation of specific case examples, from booster apprehension, to working with law enforcement, to search warrants, through the prosecution stage. Walmart and Home Depot have recent cases that would be good case examples.
- Invite representative from the different task forces in the Detroit-Metro area to introduce themselves, talk about the kinds of cases they work, and where their jurisdictional areas are, and to disseminate their contact information to the group.
- Review of the training videos.
- Invite an Ebay representative to talk about how they work with law enforcement.
- ORC website training session.

Once the agenda is finalized we will submit it to the MCOLES board to have the seminar certified to offer MCOLES certification.

The seminar is being offered at no cost to attendees. The cost for lunch will be \$12.50 per person, assuming we have a full registration the cost will be \$3,600. Retailers are being asked to donate items for a raffle drawing.

There was discussion, and all members of the ORC Advisory Board approved the general agenda topics. Speakers will be finalized and hold-the-date fliers will be sent out.

The goal is to have the hold-the-date fliers ready for distribution by June 28th.

ORC Education

D/F/Lt. James Grady reported that he had the opportunity to review the Warren Police Department training videos; an investigative video and a patrol video for first responders. The videos need to be updated, as some of the statistical information is outdated.

The videos discuss the ORC law, give information about the law, elements of the crime, and what needs to be proved to submit evidence to the prosecutor's office. They discuss the difference between retail fraud and ORC, as well as how ORC charges could get bigger and move into the area of the RICO statute and charges for that. The videos did not discuss the push for the CCE. This is information that could be added to an updated version of the video.

Both videos talk about the evidence collection processes, latent prints, witness statements, etc. They talk about eBay, PayPal, Craig's List, pawn shops, where they serve as fencing. They also discuss the possession of instruments to remove the store security devices. Most law enforcement officers have not seen or used these devices, so including this information in the updated videos is a very good idea.

The videos discuss the use of IP addresses between correspondent and purchases, as well as social media like Facebook and Twitter. They spoke about Biometrics and using MIOC for dissemination of information.

Additional information to include in the updated video is the website address for AlertNet and MiRoc, as well as including information about retail investigators.

New Bridge Card Team

D/F/Lieutenant Grady announced that we have a new bridge card enforcement team. While investigating ORC, you may run into bridge card fraud. If so, please contact MSP, our fully-dedicated and committed bridge card enforcement team will handle those types of investigations.

Website Update

John Schuler reported that Lexus-Nexus has committed to having the website updates completed by the end of July. A third-party company called Atomic is developing the website and will assist with updates for the first year. The website will be ready for the October ORC seminar.

Roundtable

Lowe's Update – Rod Maynard with Lowe's distributed a handout entitled, Lowe's ORC Update. Mr. Maynard handles operations for Lowe's loss prevention and ORC for the entire region (four states). He reported Lowe's has over 20 ORC groups that are currently active in the Grand Rapids, Lansing, Kalamazoo, and Flint areas. These cases range from \$1,000 to \$30,000. Most of the significant groups are traveling two or more hours between locations. The products they are targeting are power-tools and accessories, rough plumbing and electrical supplies, and outdoor power equipment.

Lowe's loss prevention and investigation department has made several updates in the past six months. Changes to the refund process, merchandise card changes, merchandise card devalue program, receipt requirements, and some additional enhancements. The refund process will soon be capturing return data in select stores by swiping the driver's license; currently stores have to key in the driver's license information. Lowe's will be working on retro-fitting stores with ID swipers in stages over the next 12 months. Currently metro stores have this technology and the test results are positive.

The refund blocked items list has gone from 100 items to 800 items and continues to grow. The updated receipt required file has over 8,000 names in it. The merchandise card program has been updated to allow us to devalue those merchandise cards believed to be issued for fraudulently obtained merchandise. Card pools can no longer sell fraudulent merchandise cards, as the updated system will only accept gift cards with a magnetic strip.

Mr. Maynard provided his contact information and invited all members on the advisory board to call him with questions. Rod Maynard, Loss Prevention & Operations Support Manager, 616-401-0175.

John Schuler with Target wanted to recognize and offer congratulations to Trent Peebles with Walmart, for their success on the investigation and completion of a large case. The suspect will be prosecuted on a Federal level.

He also reported that within the past two weeks Target has apprehended at least eight different boosters, who have been cooperative during the interviews. One large group was stealing Nicorette, and they were shoplifting from different stores at the same time. Target is doing a generic surveillance of the area that the boosters identified as the drop location. Other hot items include Norelco razors, in packs of 10, champagne, fragrances, and liquor.

D/F/Lt. James Grady reported that the Fraud Investigative Section (FIU) West Team in Kalamazoo is in the beginning stages of dealing with a ring working out of Grand Rapids. The FIU is also working a fencing operation on the west side of Detroit. The information was provided through the use of a confidential informant we are using through Kroger.

Captain Stolicker reported that we have been tasked with a report to the legislator's on the scrap metal bill that was passed a few years ago, and asked whether or not it has been effective. Lowe's reported seeing about a 75 percent reduction in copper theft. They reported that quantities on the shelf have been limited, which has reduced some of the loss. They are exploring the use of sensors in some electrical categories but that technology will be only used in metro locations. The current sensor technology is used on items like circuit breakers in metro locations, which prompts for customer assistance when selecting multiple items.

Next ORC Advisory Board Mtg. Date

The next ORC Advisory Board meeting is scheduled for Thursday, September 8, 2016.

Adjourn

A motion to adjourn the meeting was moved and seconded. With all in favor, the meeting adjourned at 3:50 p.m.