

Organized Retail Crime (ORC) Advisory Board Meeting

June 16, 2022

Attendees:

Ms. Lacy Harding, MSP
D/Lt. Theresa Maylone, MSP
Ms. Stefanie Wirth, MSP
Trp. Kristina Droste, MSP
Sgt. Travis Fletcher, MSP

Mr. Ryan Themm, Meijer
Mr. Jason Salkisk, SpartanNash
Ms. Amy Drumm, Michigan Retailers Assoc.
Mr. Bryant Osikowicz, AG
Mr. Jeff Pfeifer, USA-IT

Meeting was called to order on Thursday, June 16, 2022, at 1:30 p.m.

Legislative Update

Sargent Fletcher provided the Legislative Update.

Senate Bill 134: Which would prohibit manufacture, advertisement, sale, or distribution of a drug masking product. This would be a misdemeanor (1 year), or \$1000.00 penalty. This was introduced February of 2022 by Sen. VanderWall and has passed the Senate floor and is currently with the House.

Senate Bill 135: Would go along with SB 134, assuming it goes through. Which gives sentencing guidelines.

Senate Bill 691: Would add Organized Retail Crime to the Michigan Penal code for the Racketeering statute. Introduced last October, passed the Senate floor and is currently with the House, where there have been comments by Legislators wanting to add a threshold in the Statute so a prosecutor couldn't charge someone for simple retail fraud.

Senate Bill 870: Would amend section 116 of penal code and would include language that would prohibit the possession of, with the intent, of electronic devices used to bypassing security features in vehicles (like Propads used to clone keyfobs). This was introduced by Sen. Runestad in February of 2022. Reported favorably out of Senate Judiciary and referred to Committee of the Whole.

Sargent Fletcher then gives an update on legislation to watch.

House Bill 4472: This section would specify elders 80 years and older. Introduced in March 2021.

Rereferred to House Judiciary.

Sargent Fletcher then gives an update on signed legislation.

House Bills 4631 and 4632 / Public Act 86'22 and Public Act 87'22:

Which are regarding forfeiture on controlled substances. Together the bills would amend Article 7 of the Public Health Code to allow cash or property seized in connection with drug offences to be subject to forfeiture without conviction or guilty plea. With cash or property exceeding \$20,000.00 and seized by enforcement officers or certain airport authorities.

House Bills 4780, 81,82,83 / Public Act 139'21, Public Act 140'21, Public Act 141'21, Public Act 142'21:
Bottle Bill Enforcement Fund – creation of bottle bill fund, which was signed by the Governor last December and made effective this March.

Old Business

The last meeting minutes from March 17, 2022, were approved. Approval was motioned by D/Lieutenant Maylone, approved by Ms. Amy Drumm, and seconded by D/Lieutenant Maylone.

New Business

No new business was discussed.

Roundtable

Trp. Kristina Droste discusses the \$500.00 threshold being pushed to add ORC to the Racketeering statute. D/Lieutenant Maylone also comments on the threshold and the prosecutor's discretion. Trp. Kristina Droste responds with how ORC has clear behavior and is the only part roped into Racketeering. Trp. Kristina Drosete then discusses baby formula, and the fraud schemes related to reselling of baby formula. Thresholds and the definition of Organized Retail Crime are then briefly discussed. Ryan Themm then comments that the spirit of the ORC Act is there are always elements that show a pattern of a crime, repeat offences, and travelling.

D/Lieutenant Maylone then discusses the state of the economy and how its relating to the amount of crimes happening, exampling credit cards being used at gas pumps to commit crimes.

Mr. Ryan Themm then acknowledges that Meijer is also getting similar crimes. Mr. Themm was at the House Judiciary Committee last week in regard to House Bills 5486 and 5487, and Senate Bills 1023 and 1024 which are mirroring the National Inform Act, and Meijer was there in support. Mr. Themm comments that this would be good for ORC investigations, as far as getting more accountability for online marketplaces. Meijer has different pay at the pump scams occurring right now, which were quickly spread through social media. They are also seeing cash for gas on Facebook marketplace. Walmart and Sams Club are having similar attacks. Meijer has a 110% increase in cart push-out offenses. Just on items associated with ORC, Meijer is at a loss of \$120 Million in 2021.

Mr. Jason Salkisk of SpartanNash gives his thanks to the MSP Fraud West Team for a quick resolution of a case, pending charges. They have also seen a slight increase in push-out offenses, due to staffing and other issues, specifically in the last couple months, of items such as liquor.

Mr. Ryan Themm also gives thanks to the MSP Fraud Teams. Specifically mentioning a case regarding coupon fraud, which developed to organized retail crime. It is a 1.1-million-dollar case. This case included manipulating bar codes.

Ms. Amy Drumm gives an update that they have been working on several legislative items. She hopes they can keep the vote clean thanks to help from MSP and the AG's office. She then states that on the Inform Act, that the committee had a hearing and they do plan to move some of the bills out, they aren't sure if it will be all four, or a mix or combination of them. She also gives thanks to MSP for lending them D/F/Lientenant Cox this week to be on their panel for panel discussion on Organized Retail Crime.

Mr. Bryan Osikowicz states that the AG's office was intent on starting an Organized Retail Crime Unit, with the Governors proposed budget included funding for that. However, after many committees, the current budget does not have any funding for the proposed unit. Their legislative liaison is working on that. Ms. Amy Drumm believes that money may work its way back into the budget, from large

negotiations. Mr. Ryan Themm comments that Illinois has been very vocal about their AG taskforce, which not only deals with protecting store proffits, but with protecting the community.

Public Comment

None.

Next Meeting

Next Meeting is scheduled for Thursday, September 15, 2022, at 1:30 p.m. at Michigan State Police Headquarters.

Meeting adjourned at 1:57 p.m.