

AMENDMENT IN THE NATURE OF A SUBSTITUTE

TO H.R. 2853

OFFERED BY M__. _____

Strike all that follows after the enacting clause, and
insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Combating Organized
3 Retail Crime Act of 2025”.

4 SEC. 2. FINDINGS.

5 It is the sense of Congress that—

6 (1) organized theft groups, involving sophisti-
7 cated and structured groups of individuals, continue
8 to increase criminal activities carried out by the
9 groups against the retail industry and the supply
10 chain of the Nation, and these activities, at unprece-
11 dented levels, involve theft and fraud of both phys-
12 ical and digital goods, leading to escalating financial
13 losses and violence in the workplace—all impacting
14 the national economy and security of the United
15 States;

16 (2) retailers face mounting thefts and fraud be-
17 cause of organized retail crime in and around stores,
18 online, and throughout the retail ecosystem, and, ac-

1 cording to the National Retail Federation, larceny
2 incidents increased by 93 percent in 2023 compared
3 to 2019, with a 90 percent rise in average dollar
4 loss;

5 (3) these thefts are often orchestrated by orga-
6 nized theft groups reselling and redistributing the
7 stolen goods back into the economy of the United
8 States or overseas to gain illicit profit and to finance
9 other criminal activity, and more than 84 percent of
10 retailers report that violence and aggression from
11 these criminal activities has become more of a con-
12 cern since 2022, resulting in injuries and deaths
13 among employees, customers, security officers, and
14 law enforcement personnel;

15 (4) product manufacturers and the supply chain
16 of the Nation are victims of alarming increases in
17 cargo theft across rails, roads, and the various dis-
18 tribution points across the Nation;

19 (5) CargoNet, a database of reported incidents
20 in the United States, reported a 27 percent increase
21 in cargo theft incidents in 2024 compared to the
22 previous year, while during the same period, the av-
23 erage value per theft rose to over \$202,000;

24 (6) these thefts range from large-scale physical
25 theft of goods from containers and storage to sophis-

1 ticated cybercriminal methods that divert shipments
2 to illicit receivers, causing significant financial losses
3 and operational supply chain disruptions;

4 (7) since 2022, more than 30 State laws have
5 been enacted to address organized theft, allow for
6 aggregation of thefts, and adjust penalties and en-
7 hancements, includin in 2024, California voters over-
8 whmilingly approving a constitutional reform to
9 allow aggregation of multiple or repeated thefts;

17 (9) organized theft groups vary in scope and
18 scale, operating across State jurisdictions to avoid or
19 disrupt local, State, and Tribal law enforcement re-
20 sponse, and these organized theft groups build hier-
21 archies to easily redistribute stolen goods and illicit
22 profits back into the economy of the United States
23 or overseas with disregard for product and consumer
24 safety;

1 (10) the groups exist and operate at the local,
2 regional, and transnational level, targeting goods
3 that include raw and finished materials, various
4 branded retail products across all consumer cat-
5 egories, operational assets in retail commerce such
6 as reusable transport packaging products, and
7 consumable goods including agriculture, food prod-
8 ucts, and medicines;

9 (11) these groups are often polycriminal organi-
10 zations, using profit from the reselling of stolen
11 goods to support crimes involving drugs and weap-
12 ons trafficking;

13 (12) the organized theft groups engage in
14 human smuggling and have been known to use mi-
15 grants to commit crimes to support the organiza-
16 tions;

17 (13) the groups move products and illicit pro-
18 ceeds beyond the borders of the United States, fund-
19 ing nefarious groups and activities and threatening
20 the integrity of the international economy;

21 (14) organized theft groups—

22 (A) threaten the safety and liberty of individuals in the United States when those individuals engage in commerce;

23

24

1 (B) impact the ability of the Nation to dis-
2 tribute goods to consumers, undermine con-
3 sumer confidence in the supply chain, and
4 threaten the integrity of agricultural and
5 consumable goods;

6 (C) erode the national economy by increas-
7 ing the cost of goods, resulting in higher prices
8 for consumers, reducing tax revenues, and im-
9 pacting employees, customers, and businesses
10 alike; and

11 (D) impact the national security of the
12 United States through financing transnational
13 criminal activity and providing profit and pro-
14 ceeds supporting larger criminal goals of the
15 criminal organizations; and

16 (15) it has become necessary for Congress to—

23 (B) direct the executive branch to create a
24 central coordination center to align Federal,
25 State, local, territorial, and Tribal efforts to

1 combat organized retail crime and organized
2 supply chain crime.

3 **SEC. 3. AMENDMENTS TO TITLE 18, UNITED STATES CODE.**

4 Part I of title 18, United States Code, is amended—

5 (1) in section 982(a)(5)—

6 (A) by redesignating subparagraphs (C),
7 (D), and (E) as subparagraphs (D), (E), and
8 (F), respectively;

9 (B) by inserting after subparagraph (B)
10 the following:

11 “(C) section 659 (interstate or foreign ship-
12 ments by carrier; State prosecutions);”;

13 (C) in subparagraph (E), as so redesign-
14 ated, by striking “; or” and inserting a semi-
15 colon;

16 (D) in subparagraph (F), as so redesign-
17 ated, by striking the period at the end and in-
18 serting a semicolon; and

19 (E) by inserting after subparagraph (F),
20 as so redesignated, the following:

21 “(G) section 2314 (transportation of stolen
22 goods, securities, moneys, fraudulent State tax
23 stamps, or articles used in counterfeiting); or

1 “(H) section 2315 (sale or receipt of stolen
2 goods, securities, moneys, or fraudulent State tax
3 stamps);”;

4 (2) in section 1956(c)—

5 (A) in paragraph (5), by striking “and
6 money orders” and inserting “money orders,
7 general-use prepaid cards, gift certificates, and
8 store gift cards”; and

9 (B) in paragraph (7)(D)—

10 (i) by inserting “section 659 (inter-
11 state or foreign shipments by carrier; State
12 prosecutions),” after “section 658 (relating
13 to property mortgaged or pledged to farm
14 credit agencies);” and

15 (ii) by inserting “section 2314 (trans-
16 portation of stolen goods, securities, mon-
17 eys, fraudulent State tax stamps, or arti-
18 cles used in counterfeiting), section 2315
19 (sale or receipt of stolen goods, securities,
20 moneys, or fraudulent State tax stamps),”
21 after “section 2281 (relating to violence
22 against maritime fixed platforms);”;

23 (3) in section 2314, in the first paragraph—

1 (A) by inserting “or of an aggregate value
2 of \$5,000 or more during any 12-month pe-
3 riod,” after “more,”;

4 (B) by inserting “embezzled,” after “sto-
5 len.”; and

6 (C) by inserting “, false pretense, or other
7 illegal means” after “fraud”; and

12 SEC. 4. ESTABLISHMENT OF A CENTER TO COMBAT ORGA-
13 NIZED RETAIL AND SUPPLY CHAIN CRIME.

14 (a) IN GENERAL.—Title III of the Trade Facilitation
15 and Trade Enforcement Act of 2015 (19 U.S.C. 4341 et
16 seq.) is amended by inserting after section 305 the fol-
17 lowing:

20 "(a) DEFINITIONS.—In this section:

21 “(1) CENTER.—The term ‘Center’ means the
22 Organized Retail and Supply Chain Crime Coordina-
23 tion Center established pursuant to subsection
24 (b)(1).

1 “(2) ORGANIZED RETAIL AND SUPPLY CHAIN
2 CRIME.—The term ‘organized retail and supply
3 chain crime’ includes—

4 “(A) any crime described in section 659,
5 2117, 2314, or 2315 of title 18, United States
6 Code that is committed by, in coordination
7 with, or at the instruction of an organization;

8 “(B) aiding or abetting the commission of,
9 or conspiring to commit, any act that is in fur-
10 therance of a violation of a crime referred to in
11 subparagraph (A); and

12 “(C) other crimes related to those de-
13 scribed in subparagraphs (A) and (B).

14 “(3) SECRETARY.—The term ‘Secretary’ means
15 the Secretary of Homeland Security.

16 “(4) EXECUTIVE ASSOCIATE DIRECTOR.—The
17 term ‘Executive Associate Director’ means the Exec-
18 utive Associate Director of Homeland Security In-
19 vestigations.

20 “(b) ORGANIZED RETAIL AND SUPPLY CHAIN CRIME
21 COORDINATION CENTER.—

22 “(1) ESTABLISHMENT.—Not later than 90 days
23 after the date of enactment of the Combating Orga-
24 nized Retail Crime Act of 2025, the Secretary shall
25 direct the Executive Associate Director to establish

1 the Organized Retail and Supply Chain Crime Co-
2 ordination Center.

3 “(2) DUTIES.—The duties of the Center shall
4 include—

5 “(A) coordinating Federal law enforcement
6 activities related to organized retail and supply
7 chain crime, including investigations of national
8 and transnational criminal organizations that
9 are engaged in organized retail and supply
10 chain crime;

11 “(B) establishing relationships with State
12 and local law enforcement agencies and organi-
13 zations, including organized retail crime asso-
14 ciations and cargo theft associations, and shar-
15 ing information regarding organized retail and
16 supply chain crime threats with such agencies
17 and organizations;

18 “(C) assisting State and local law enforce-
19 ment agencies with State and local investiga-
20 tions of organized retail and supply chain crime
21 groups;

22 “(D) establishing relationships with retail,
23 transportation, and other companies determined
24 by the Executive Associate Director to have sig-
25 nificant interests relating to organized retail

1 and supply chain crime threats, sharing information
2 with those companies regarding such threats, collaborating on investigations and loss
3 prevention activities as appropriate, and providing a mechanism for the receipt of investigative
4 information on such threats;

5 “(E) establishing a secure system for sharing information regarding organized retail and supply chain crime threats by leveraging existing information systems at the Department of Homeland Security and the Department of Justice;

6 “(F) tracking trends with respect to organized retail and supply chain crime and releasing annual public reports on such trends; and

7 “(G) supporting the provision of training and technical assistance in accordance with subsection (c).

8 “(3) LEADERSHIP; STAFFING.—

9 “(A) DIRECTOR.—The Center shall be headed by a Director, who shall be—

10 “(i) an experienced law enforcement officer;

1 “(ii) appointed by the Director of
2 U.S. Immigration and Customs Enforce-
3 ment; and

4 “(iii) in a Senior Executive Service
5 position as defined in section 3132 of title
6 5, United States Code.

7 “(B) DEPUTY DIRECTOR.—The Director of
8 the Center shall be assisted by a Deputy Direc-
9 tor, who shall be appointed, on a 2-year rota-
10 tional basis, upon request from the Executive
11 Associate Director, by—

12 “(i) the Director of the Federal Bu-
13 reau of Investigation;

14 “(ii) the Director of the United States
15 Secret Service; or

16 “(iii) the Chief Postal Inspector.

17 “(C) FEDERAL STAFF.—The staff of the
18 Center shall include—

19 “(i) special agents and analysts from
20 Homeland Security Investigations; and

21 “(ii) detailed criminal investigators,
22 analysts, and liaisons from other Federal
23 agencies who have responsibilities related
24 to organized retail and supply chain crime,
25 including detailees from—

1 “(I) U.S. Customs and Border
2 Protection;
3 “(II) the United States Secret
4 Service;
5 “(III) the United States Postal
6 Inspection Service;
7 “(IV) the Bureau of Alcohol, To-
8 bacco, Firearms and Explosives;
9 “(V) the Drug Enforcement Ad-
10 ministration;
11 “(VI) the Federal Bureau of In-
12 vestigation; and
13 “(VII) the Federal Motor Carrier
14 Safety Administration.

15 “(D) STATE AND LOCAL STAFF.—The
16 staff of the Center may include detailees from
17 State and local law enforcement agencies, who
18 shall serve at the Center on a nonreimbursable
19 basis.

20 “(4) COORDINATION.—

21 “(A) IN GENERAL.—The Center shall co-
22 ordinate its activities, as appropriate, with
23 other Federal agencies and centers responsible
24 for countering transnational organized crime
25 threats.

1 “(B) SHARED RESOURCES.—In estab-
2 lishing the Center, the Executive Associate Di-
3 rector may co-locate or otherwise share re-
4 sources and personnel, including detailees and
5 agency liaisons, with—

6 “(i) the National Intellectual Property
7 Rights Coordination Center established
8 pursuant to section 305(a)(1); or

9 “(ii) other existing interagency cen-
10 ters within the Department of Homeland
11 Security.

12 “(C) AGREEMENTS.—The Director of the
13 Center, or his or her designee, may enter into
14 agreements with Federal, State, local, and Trib-
15 al agencies and private sector entities to facili-
16 tate carrying out the duties described in para-
17 graph (2).

18 “(D) INFORMATION SHARING.—

19 “(i) IN GENERAL.—Subject to the ap-
20 proval of the Director of the Center, infor-
21 mation that would otherwise be subject to
22 the limitation on the disclosure of con-
23 fidential information set forth in section
24 1905 of title 18, United States Code, may

1 be shared if such disclosure is operationally
2 necessary.

3 “(ii) NON-DELEGABLE AUTHORITY.—

4 The Director may not delegate his or her
5 authority under this subparagraph.

6 “(5) REPORTING REQUIREMENTS.—

7 “(A) INITIAL REPORT.—

8 “(i) IN GENERAL.—Not later than 1
9 year after the date of enactment of the
10 Combating Organized Retail Crime Act of
11 2025, the Secretary shall submit a report
12 regarding the establishment of the Center
13 to—

14 “(I) the Committee on the Judi-
15 ciary of the Senate;

16 “(II) the Committee on Home-
17 land Security and Governmental Af-
18 fairs of the Senate;

19 “(III) the Committee on the Ju-
20 diciary of the House of Representa-
21 tives; and

22 “(IV) the Committee on Home-
23 land Security of the House of Rep-
24 resentatives.

1 “(ii) CONTENTS.—The report required
2 under clause (i) shall include a description
3 of—
4 “(I) the organizational structure
5 of the Center;
6 “(II) the agencies and partner
7 organizations that are represented
8 within the Center;
9 “(III) any challenges required to
10 be addressed while establishing the
11 Center;
12 “(IV) any lessons learned from
13 establishing the Center, including suc-
14 cessful prosecutions resulting from the
15 activities of the Center;
16 “(V) recommendations for ways
17 to strengthen the enforcement of laws
18 involving organized retail and supply
19 chain crime;
20 “(VI) the intersections and com-
21 monalities between organized retail
22 crime organizations and other orga-
23 nized theft groups, including supply
24 chain diversion and theft; and

1 “(VII) the impact of organized
2 theft groups on the scarcity of vital
3 products, including medicines, per-
4 sonal protective equipment, and infant
5 formula.

6 “(B) ANNUAL REPORT.—Beginning on the
7 date that is 1 year after the submission of the
8 report required under subparagraph (A), and
9 each year thereafter, the Secretary shall submit
10 an annual report that describes the activities of
11 the Center during the previous year to the con-
12 gressional committees listed in subparagraph
13 (A)(i).

14 “(6) SUNSET.—

15 “(A) IN GENERAL.—The authority of the
16 Center shall terminate on the date that is 7
17 years after the date on which the Center is es-
18 tablished under paragraph (1).

19 “(B) WIND DOWN.—The Secretary shall
20 take such actions as may be necessary to wind
21 down the Center in accordance with subpara-
22 graph (A).

23 “(c) TRAINING AND TECHNICAL ASSISTANCE.—

24 “(1) EVALUATION.—Not later than 180 days
25 after the date of enactment of the Combating Orga-

1 nized Retail Crime Act of 2025, the Secretary and
2 the Attorney General shall conduct an evaluation of
3 existing Federal programs that provide grants,
4 training, and technical support to State, local, and
5 Tribal law enforcement to assist in countering orga-
6 nized retail and supply chain crime.

7 “(2) EVALUATION SCOPE.—The evaluation re-
8 quired under paragraph (1) shall evaluate, at a min-
9 imum—

10 “(A) the Homeland Security Grant Pro-
11 gram at the Federal Emergency Management
12 Agency;

13 “(B) grant programs at the Office of Jus-
14 tice Programs within the Department of Jus-
15 tice; and

16 “(C) relevant training programs at the
17 Federal Law Enforcement Training Center.

18 “(3) REPORT.—Not later than 45 days after
19 the completion of the evaluation required under
20 paragraph (1), the Secretary and the Attorney Gen-
21 eral shall jointly submit a report to the congressional
22 committees listed in subsection (b)(5)(A)(i) that—

23 “(A) describes the results of such evalua-
24 tion; and

1 “(B) includes recommendations on ways to
2 expand grants, training, and technical assist-
3 ance for combating organized retail and supply
4 chain crime.

5 “(4) ENHANCING OR MODIFYING TRAINING AND
6 TECHNICAL ASSISTANCE.—Not later than 45 days
7 after submitting the report required under para-
8 graph (3), the Secretary and the Attorney General
9 shall jointly issue formal guidance to relevant agen-
10 cies and offices within the Department of Homeland
11 Security and the Department of Justice for modi-
12 fying or expanding, as appropriate, the prioritization
13 of training and technical assistance designed to
14 counter organized retail and supply chain crime.”.

15 (b) CLERICAL AMENDMENT.—The table of contents
16 for the Trade Facilitation and Trade Enforcement Act of
17 2015 (Public Law 114–125; 130 Stat. 122) is amended
18 by inserting after the item relating to section 305 the fol-
19 lowing:

“Sec. 305A. Organized Retail and Supply Chain Crime Coordination Center.”.

