



Written Testimony of Summer Stephan

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“Protecting Consumers and Businesses: Confronting Organized Retail Crime”

**U.S. House Judiciary Committee, Subcommittee on Crime and Federal
Government Surveillance**

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Chairman Jordan, Ranking Member Raskin, and respected Members of the Committee. Thank you for the opportunity to speak before you on this critical issue. My name is Summer Stephan, and I have the honor of serving as the elected District Attorney for San Diego County, CA which is the fifth largest county in the United States with a population of 3.3 million people. I bring my experience as a 35- year prosecutor, District Attorney and a national law enforcement/prosecutor perspective as Chairwoman of the National District Attorneys Association (NDAA).

I've devoted my entire professional life to protecting my community from crime and violence. Today, I'm here to give you a prosecutor's perspective on the vital role we play in addressing the serious challenges and destructive impact of organized retail crime (ORC) and other organized theft networks including Transnational Criminal Organizations engaged in commercial and residential burglaries and fraud-based theft impacting consumers, businesses and community. From San Diego County's lens along with the NDAA lens with 6,000 prosecutor members, a compelling picture emerges demonstrating that Organized retail theft and related crimes pose a significant threat to businesses, employees, consumers, communities, and the overall economic stability of our nation. From my firsthand experience of walking the floor with retail employees, whether in large retail chain stores or small mom and pop shops, they conveyed to me the lack of safety and trauma caused by these crimes. Organized theft crime's impact is not limited to economic loss; it's a crime that threatens people's well-being and livelihoods. It is a visible reflection of whether we live in a democracy with a functioning rule of law—and that is why I'm honored to bring the voices of the many victims of these organized criminal groups before you.

In December of 2023, I testified in front of the House Homeland Security Subcommittee on Counterterrorism, Law Enforcement, and Intelligence on the rise of organized retail crime. In July of 2025, I testified in the Senate Judiciary Committee. Today, I am here to highlight what has been working, what still needs to be addressed, and potential solutions that could curb organized retail and other theft crimes. Organized retail crime inflicts real harm and is never a victimless crime, and that's why I am grateful for this committee's deep commitment to effective solutions to combat this public safety threat, including the potential for new laws like the Combating Organized Retail Crime Act of 2025 (CORCA) that has the same language currently with bipartisan support in both the Senate and the House, along with other strategies.

Background

In 2024, Capital One reported that stores in the U.S. lost an estimated \$45 billion to retail theft.¹ The same report projects that shoplifting and retail theft could cost retailers over \$53 billion as soon as 2027.² Multiple reports have found that 76% of retailers were more concerned about organized retail crime theft in 2023 than they were the year before.³ This data paints a concerning picture for the retail industry and our communities. This level of financial loss directly impacts retailers' livelihoods. This leads to higher prices for consumers, additional security measures and ultimately a worse customer experience that deters repeat or consistent customers.

An often overlooked but treacherous impact of retail crime is the report of jobs lost in the retail industry. When organized crime becomes rampant within a community, store closures and reduced hours usually follow. Each store closure and reduction of hours directly translates to a loss of jobs or hours for all employees at that location. With rampant crime, store closures, and a loss of jobs an area can quickly crumble into an unsafe, economic desert. Large retailers such as Target, Walmart, Walgreens, and Dollar Tree have all cited increases in violent crime and retail theft as a contributing factor for closing stores around the country.⁴ In 2022, the US Chamber of Commerce reported that more than 650,000 jobs were lost nationwide due to organized retail crime.⁵ The impact is not just felt by the retail industry but others such as banking, capital markets, and IT services.⁶ Often cited as a victimless crime, retail crime is actually a crime that erodes the core of a safe community.

The reports of an increase in violence and aggression by criminals are very concerning when looking at the overall public safety impact of these crimes. As top public safety official for the fifth largest county in the U.S., I want to make sure our small and large businesses, homes and neighborhoods are safe from organized criminals. I have made combating organized crime syndicates and groups who are proliferating in the organized theft arena a top priority in my office. From the beginning, I wanted to send a clear message to businesses, their employees, customers, and our community that we will follow the rule of law and bring accountability and justice. Several years ago, I formed a specialized team of prosecutors and investigators to fight organized retail theft. Together they worked with local businesses and law enforcement to build sound evidence, which ultimately led to stronger cases. Another theft area that we addressed through the expertise of a "Major Violators Team" is countering the organized criminal rings directly targeting people's homes in San Diego and across the nation. Through this work, I have found several key challenges that are consistently the largest areas for improvement.

Challenges

First is the evolution of organized retail crime. Like any illicit crime ring, the networks, sophistication and ever-increasing willingness to use force and violence to achieve their goals are

¹ CapitalOne, CapitalOne Shopping Research, *Retail Theft (Shoplifting) Statistics*, May 4, 2025, available at [Shoplifting Statistics \(2025\): Retail Theft Data by State](#).

² *Id.*

³ *Id.*; National Retail Federation, Loss Prevention Research Council, SensorMatic by Johnson Controls, *The Impact of Retail Theft & Violence*, p.6, 2024, available at [NRF ImpactofRetailTheftViolence 2024.pdf](#).

⁴ Thomson Reuters, *How Retailers Can Protect Themselves Against Organized Retail Crime*, May 28, 2024, available at [How retailers protect themselves from organized retail crime](#).

⁵ Grant Baker, Isabella Lucy, U.S. Chamber of Commerce, *Retail Crime Data Center*, Mar. 15, 2023, available at [Retail theft by criminal organizations costs consumers, employees, businesses | U.S. Chamber of Commerce](#)

⁶ *Id.*

constantly evolving. Long gone are the days of retail crime being the work of isolated lone criminals. Instead, it has evolved into highly elaborate operations, often conducted by well-organized networks and coordinated across multiple locations, making identification and prosecution much more challenging. Another area that organized criminal groups are operating in across the United States goes beyond commercial properties like retail stores to brazen residential homes targeting very specific resaleable items such as jewelry and designer bags. Organized retail crime is a multi-billion-dollar illicit industry, and the criminals are willing to do what it takes to protect their investments.

The second challenge is an inadequate legal framework. At the state level, existing laws and penalties in many states are not sufficient to deter or appropriately punish criminals engaged in organized retail theft. Law enforcement and retailers agree that the increase in retail theft-related incidents has been the direct result of changing laws to lighten penalties for theft. The message that these deficient laws send is that organized retail crime is not a priority. Overly narrow statutory definitions of organized retail crime or in some cases, no mention of organized retail crime, forces prosecutors to address sophisticated, multi-layered illicit theft rings as isolated shoplifting cases. Many states require proof of multiple incidents or a high dollar-value threshold to be triggered before felony charges can be considered. Intelligent organized theft ringleaders are aware and adapt to this by spreading their operations across several counties and jurisdictions to circumvent any accumulation of charges and to stay well below the statutory thresholds.

Fortunately, in California we were able to reform our weak laws that allowed repeated and habitual theft under \$950 to be treated as a citation or low-level misdemeanor. We took the issue to the People through Proposition 36 which passed by 68 percent of the vote in California. As of December 18, 2024, prosecutors can charge felony crimes on a third theft conviction and can aggregate thefts from different locations and time periods. It also simplified the ability to bring accountability to organized crime groups through California Penal Code § 490.4 which made it a crime to act in concert to steal merchandise; receive, possess, or purchase merchandise known to be stolen; be involved in a coordinated theft plan; and/or recruit, organize, direct or finance thievery.⁷ An important provision within the statute is that penalties under § 490.4 depend on the value and frequency of offenses committed by the individual. If two or more violations occur within 12 months and the aggregated value is over \$950, the offense can be charged as a felony.⁸ This has provided prosecutors and courts with the tools necessary to properly charge and review cases from a holistic, full-lens view of the offender and the situation at hand. Our new laws can be a model for the nation.

The third key challenge is coordination among all parties affected by organized retail crime. The lack of coordination and information-sharing among retailers, law enforcement agencies, and other stakeholders hinders our ability to combat organized retail theft effectively. A continuous, collaborative and multi-teamed approach is necessary to address organized retail crime theft comprehensively. Organized crime rings easily traverse jurisdictions and state lines to evade detection and to continue their nefarious operations. Without a coordinated response, theft incidents get siloed within jurisdictions and justice is never fully achieved. This results in local law enforcement focusing only on individual cases, retailers tightening security in isolation, and it being more difficult for prosecutors to thread the needle and charge the most serious offenders. A

⁷ CA Pub. Law, Cal. Penal Code, Part 1 Crimes and Punishment, Title 13 Crimes Against Property, § 490.4 (West 2024), verified Jul. 7, 2025 available at [California Penal Code section 490.4 \(2025\)](#).

⁸ *Id.*

unified and coordinated effort ensures that patterns and offenders aren't lost when crimes cross geographic, jurisdictional or organizational boundaries. This is one of the challenges where a coordinated national center like one proposed in CORCA can be beneficial.

What We Are Seeing & What's Been Working

My experience in San Diego County can illustrate the scope and sophistication of the organized retail and other theft crimes that communities across the country are dealing with. I also want to highlight the helpful legal framework that is integral to combatting this issue, as well as the enhanced coordination that we are utilizing daily to bring justice and accountability to our community. I believe what is working in San Diego is not unique to our area and many of these initiatives can be implemented in other communities across the country to establish best practices to address organized retail crime.

In a three-year period (2023, 2024 and 2025), my office filed criminal cases involving organized retail theft against 336 defendants with a loss to stores of \$3,208,175, which resulted in prison or jail terms for the majority of the criminals who have been convicted.

Here is a sampling of some of these Organized Retail Crime cases: Nine masked suspects entered a Nordstrom department store and used wire cutters to take 77 designer bags worth \$147,090.00 in flash mob style. After extensive investigation, only two of the criminal crew were identified, prosecuted and sentenced to prison. The handbags were already gone and very likely resold.

In a case where we worked with an Organized Retail Theft Task Force headed by California Highway Patrol, we were able through search warrants and other investigative tools to successfully get beyond what we call the 'booster level' of the criminal organization to the 'fence' level. The thefts involved an organized retail crime crew of four which hit Home Depot, Lowes, and Target with a focused theft of resaleable item like Lego toys and home tools.

Two men were sentenced to 44 months in prison for a series of brazen, organized retail theft crimes where multiple Sunglass Hut store locations were targeted resulting in a reported loss of more than \$230,000. Hundreds of pairs of sunglasses were stolen from nine Sunglass Hut store locations, some of which were targeted more than once.

Another theft ring stole more than \$350,000 in Victoria's Secret merchandise over a seven-month period.

We successfully prosecuted another retail theft crew for 42 felony counts for breaking into ULTA Beauty, Nordstrom Rack, and other stores. Those thieves caused over \$700,000 in losses to businesses.

These prosecutions were made possible by a law passed in 2019 that allows aggregation on different theft dates and at different stores. The law is specific to organized retail theft, which requires several legal elements to be met, and doesn't apply to theft in general.

Transnational Criminal Networks are also engaged in sophisticated commercial and residential burglaries and thefts that span across county and state lines and require a new level of law enforcement coordination to effectively investigate and prosecute them. In San Diego County, we've waged a battle to protect our community from these syndicates. Our region has mostly prosecuted South American Theft Groups (SATG) which have been categorized by the FBI as a transnational criminal network. Our cases have syndicate members that originate from Colombia,

Chili, Peru, Venezuela and Mexico. Members of the group are interchangeable; however, many specialize in either commercial or residential burglaries and thefts. They use aliases, obtain fraudulent identity documents and communicate via prepaid cellular phones, walkie talkies, Nextels or hand signals. These criminal syndicates utilize rental vehicles that blend into an area, acquired by using a fraudulent or stolen credit card. In one large multi-million-dollar jewelry heist complete with fake construction worker clothing, we've verified stolen goods are shipped internationally and criminal activity in two states. Based on our experience, we believe expanding the recommended task force beyond retail to organized theft would yield additional benefits because the same transnational criminal organizations are engaged in both commercial retail and residential crimes.

Here is a sampling of Transnational Criminal Organization cases the San Diego District Attorney's Office has prosecuted:

After an extensive investigation, we successfully prosecuted four defendants that evidence showed are part of a South American Theft Group (SATG) that committed six residential burglaries in our county and are part of a larger group believed to be responsible for over 100 burglaries in San Diego County and surrounding jurisdictions. The target is high end homes that back up to an open space and the burglars—wearing hooded sweatshirts, gloves and masks, focused on the master bedroom targeting expensive jewelry, designer handbags, safes and cash. The burglary team members often use a pre-paid cellular phone and change the phone and/or Sim card every 30 days or less. This tactic defeats any attempts from law enforcement to track or identify a phone belonging to the group.

Three defendants responsible for high end residential burglaries in San Diego, Los Angeles, Colorado and Chicago were identified as part of the SATG and prosecuted in San Diego after an extensive multi-county investigation.

Multiple suspects arrested after an extensive investigation of an \$8 million jewelry heist from a retail jewelry store in a mall in San Diego were identified as SATG syndicate. The evidence shows that 99 percent of the stolen Rolex watches and other items were shipped overseas by the time the investigation concluded. The same group was linked to the same jewelry store chain in the state of Washington.

Luckily, most states have improved their organized retail crime laws, like California, to allow the aggregation of multiple, individual incidents tied to organized retail theft activity to be tried under the same case. Many states have also established partnerships between law enforcement and retailers, indicating the necessity to address this type of crime at a nationwide level. Currently 34 states have organized retail crime laws. It's important that these laws include increased penalties for those involved in these criminal activities and provisions that enable law enforcement to better investigate and prosecute offenders.

In addition to improved statutes, my office has made strides with retailers, business association representatives, retail industry employee representatives, law enforcement and others to discuss the scope of organized retail crime and address the problem in San Diego County. We communicate frequently and update retailers on the steps law enforcement is taking to thwart and prosecute these types of crimes. We also conduct regular meetings to discuss possible prevention strategies and

measures. As this crime is constantly evolving, so is our communication and how we are addressing it.

My office has also partnered with the California Highway Patrol's (CHP) Organized Retail Crime Task Force and as a result, several successful prosecutions have occurred. This has become an invaluable partnership when investigating organized retail crime rings that traverse county lines. CHP investigators have the ability to build significant cases for our office to prosecute by acting as liaison between retailers and the San Diego County District Attorney's Office. This effort is also supported by the Organized Retail Crime Alliance (ORCA) in our county, which includes retailers, law enforcement and prosecutors working together. They gather reports and video evidence, conduct surveillance, execute search warrants, return stolen products to retailers, and write complete investigative reports with spreadsheets of thefts and loss amounts so we can prosecute defendants for as many thefts in one case as possible. Many of the cases would not have been solved without leveraging state and local resources, and data sharing through successful task force models. It stands to reason that if these local task force models were elevated to a national task force, we would advance the ability to solve more crimes and reach the higher level of organized theft criminal groups.

At the national level, I've partnered with the U.S. Chamber of Commerce, National Retail Federation (NRF), and the Retail Industry Leaders Association (RILA) to host virtual in-person education and dialogues to promote enhanced safety and expertise for businesses, law enforcement, prosecutors and community.

NDAA and the Retail Industry Leaders Association (RILA) created the first-of-its kind national partnership in 2022 to unify prosecutors and retailers in the fight against organized retail crime. The partnership has successfully opened lines of communication, raised awareness of the issue, and elevated the response to organized retail crime. Those NDAA-RILA initiatives include a [National Store Walk Initiative](#) where prosecutors nationwide walk retail stores with retail asset protection teams and local store employees, providing both parties with an exchange of insights and comprehensive understanding of challenges. Over 100 District Attorney offices across the nation participated in store walks with leading retail asset protection leaders and store management teams.

My team participates in store walks at Home Depot, Dick's Sporting Goods, Target, Walmart, Lowes and Ulta Beauty. Our local Ulta store in San Marcos, California was one of the 21 Ulta stores in South California consistently were falling victim to what seemed like localized smash-and-grab incidents, but what quickly became clear was they were tied to organized retail crime syndicates. I have also toured local, small retailers, like Sunny Perfumes, a small business near the U.S.-Mexico border that has also been targeted by retail theft. Through these walkthroughs, I not only get the chance to understand the challenges each owner faces, but I also connect face-to-face on a human level with the victims of these crimes and better understand their loss and trauma.

A highlight of the NDAA and RILA partnership is the [Vibrant Communities Initiative](#) (VCI). The purpose of the initiative is to address safety concerns for employees and consumers by launching a partnership among public and private stakeholders focused on identifying and tackling issues

that contribute to the increase in crime and violence in and around retail environments, business districts and communities.⁹

Fraud Based Theft

There are many more forms of theft and fraud that potentially intersect with organized retail theft and have a devastating impact on our consumers. For example, gift card fraud where gift cards are compromised through a sophisticated scheme that allows the criminal actors to obtain the money value instead of the gift recipient along with scams where payment is requested through gift cards. Another massive fraud-based theft that is run by sophisticated criminal networks are elder scams that have devastated many seniors by ripping off their life savings. The reason I include it here is because having a national database working seamlessly with federal, state and local law enforcement could expose a connection amongst the criminal networks that might be working in multiple criminal lanes without our ability to connect them. In San Diego County, I was able to help lead the formation of a first of its kind Elder Justice Task Force with FBI as lead agency along with federal and local law enforcement and prosecutors. By tracking the data in a fusion center (Law Enforcement Coordination Center, we confirmed losses of 149 million dollars in the last year from San Diego County alone. We were able to have some positive restitution and prosecutions on the federal and state side that brought some accountability.

Potential Solutions

Several years ago, Congress passed the INFORM Act, which requires online marketplaces, like Amazon and eBay, to collect, verify, and disclose certain information from high-volume sellers and provide consumers with means to report suspicious activity. This was a positive initial step to curb criminals from selling stolen goods online. It removed the anonymity of the seller and made it easier for law enforcement to find online sellers of stolen goods and prosecute them. The INFORM Act directly addresses the interstate aspects of organized retail crime— something I know this committee is concerned about. But there is still room for improvement of organized retail crime law at the federal level.

As both San Diego County District Attorney and in my role with NDAA, I support (S.1404) and its House version (H.R. 2853) Combatting Organized Retail Crime Act with bipartisan support, which would expand federal enforcement of criminal offenses related to organized retail crime and establish an Organized Retail Crime Coordination Center within an appropriate federal agency. We know that an investment in technology consistent with this proposed law can be a game changer. The bill empowers prosecutors with the necessary tools to go after offenders and formalizes the public-private partnerships we are currently fostering and implementing at the local level. With all the efforts and resources San Diego County puts into solving and prosecuting organized retail theft, we've only been able to make arrests at the 'fence level' and not the other parts of the criminal organization responsible for shipping across county, state and international lines, resulting in the large number of profits that are laundered. We have utilized our regional Law Enforcement Coordination Center (LECC), also referred to as a Fusion Center successfully to respond to the threats of mass violence, especially school threats. We've also used it to connect the dots and prosecute cases of Elder Scams in our unique Elder Justice Task Force that I helped

⁹ Retail Industry Leaders Association, *Vibrant Communities Initiative*, 2024, available at [Vibrant-Communities-Proposal-6-15-23.pdf](https://www.rila.org/-/media/assets/advocacy/vibrant-communities-initiative/2024/6-15-23.pdf).

pioneer with the FBI, and this allowed us to track our reported elder scams resulted in losses of approximately 149 million dollars in the last year alone ripped from our seniors in our region alone. An expanded national model would improve investigations and advance our fight to meet the moment.

The burden of addressing this important and evolving challenge should not rest solely on the shoulders of retailers. Instead, effective collaboration and communication among retailers, prosecutors, law enforcement, and community partners are critical. Locking even more products behind the counter or other protective measures only further diminishes the customer experience and results in further business losses. The Combatting Organized Retail Crime Theft Act's provision on creating a center within a federal agency is a welcome way to establish and foster coordination among federal, state, and local law enforcement efforts against organized retail crime.

When it comes to prosecuting these cases, we simply need to restore the rule of law and have balanced accountability that fits the crime. Prosecutors should continue to pursue justice by assessing and differentiating a youthful offender who had a lapse of judgment and was recruited by more sophisticated criminals to make quick money, or a homeless person being motivated by a few dollars to feed their drug addiction who may be best served through a treatment court, as compared to what we see in organized retail theft or habitual theft. The latter category involves premeditated criminal behavior and lawlessness which require accountability that can include a full measure of consequences. When confronted with organized retail theft operations, we must utilize all legal options and appropriately align the punishment with the culpability and societal harm of the crime. The ability to apply clear and just charges, distinguishing petty theft from sophisticated criminal ring leaders, ensures prosecutors have the tools to properly assess and try each case as a direct and fair review of the facts, circumstances, and consequences at play.

In addition to strengthening the tools used within the court system to address this issue, measures outside the courtroom can also result in effective deterrents. The launching of a nationwide public awareness campaign to educate consumers about the consequences of purchasing stolen goods online or at swap meets, and the role they can play in reducing organized retail theft, is an often-overlooked outreach effort that may result in more dividends than anticipated. A well-informed public can act as an invaluable ally and additional deterrent to these criminal activities.

Conclusion

In closing, my experience of 35 years as a prosecutor tells me that we can only solve complex public safety issues such as Organized Retail Crime and Organized Theft/Fraud that are impacting the financial and personal security of communities across America is by strategically strengthening our laws, our partnerships and our resources. The adoption of common-sense legislation; an increase in coordination and collaboration; advanced prosecutions; advanced data collection in order to strategically combat this harm to our consumers and businesses by better understanding the criminal structures behind their operations, improving public and private partnerships so that social media platforms are doing more to protect consumers from fraud can all be effective and need to happen concurrently to properly combat organized crime.

I appreciate the opportunity to speak before you about this complex and timely issue. The office of the District Attorney of San Diego County and NDAA will continue to do their part in fighting against this incredible harm to our small and large businesses, employees, consumers and community. We stand ready to assist in your congressional efforts to improve laws and resources to safeguard the rights and safety of our communities, and ensure justice is attained.