



Department of Justice

STATEMENT OF

**JOSE A. PEREZ
DEPUTY ASSISTANT DIRECTOR
CRIMINAL INVESTIGATIVE DIVISION
FEDERAL BUREAU OF INVESTIGATION**

BEFORE THE

**SUBCOMMITTEE ON COUNTERTERRORISM,
LAW ENFORCEMENT AND INTELLIGENCE
COMMITTEE ON HOMELAND SECURITY
UNITED STATES HOUSE OF REPRESENTATIVES**

**AT A HEARING ENTITLED “FROM FESTIVE
CHEER TO RETAIL FEAR: ADDRESSING
ORGANIZED RETAIL CRIME”**

**PRESENTED
DECEMBER 12, 2023**

**STATEMENT OF
JOSE A. PEREZ
DEPUTY ASSISTANT DIRECTOR
CRIMINAL INVESTIGATIVE DIVISION
FEDERAL BUREAU OF INVESTIGATION**

**BEFORE THE
SUBCOMMITTEE ON COUNTERTERRORISM,
LAW ENFORCEMENT AND INTELLIGENCE
COMMITTEE ON HOMELAND SECURITY
UNITED STATES HOUSE OF REPRESENTATIVES**

**AT A HEARING ENTITLED
“FROM FESTIVE CHEER TO RETAIL FEAR:
ADDRESSING ORGANIZED RETAIL CRIME”**

**Presented
December 12, 2023**

Good morning, Chairman Pfluger and members of the subcommittee, and thank you for inviting me here to talk to you about Organized Retail Theft, and more specifically the FBI's Major Theft program.

My name is Jose Perez. I am a Deputy Assistant Director within the FBI Criminal Investigative Division, or CID. In my position I oversee various investigative programs for the FBI, including Violent Crime and Gangs, Crimes Against Children, and Transnational Organized Crime, or TOC, which I will focus on today as that includes our Major Theft Program.

The FBI has a long and rich history combating Organized Crime, and we continue to dedicate resources to combat Organized Crime by using an intelligence-driven approach to identify, disrupt, and dismantle the most egregious TOC actors. Criminal organizations are diverse in trade and employ myriad criminal activities ranging from trafficking narcotics, firearms, and/or persons to fraud and Major Theft. The FBI is aware of the continually evolving trend of Organized Retail Theft and we prioritize efforts to combat it by working with our law enforcement partners to identify these organizations, dismantle them using an enterprise theory of investigation, and employ sophisticated investigative techniques.

While retail theft consists mostly of state crimes, it can quickly evolve into activities used to proliferate transnational organized crime, when stolen goods are transported across state lines or even internationally, or when illicit proceeds from retail crime are used to fund other transnational criminal activity. To better support these investigations, the FBI partners with state, local, and federal partners around the country through various task force initiatives to combat both violent crime and organized crime. The FBI leads several Major Theft task forces around

the country that are dedicated towards defeating criminal organizations involved in interstate transportation of stolen goods.

One of the challenges with investigating Organized Retail Theft is that most of these crimes appear initially as state offenses, such as shoplifting, that are not ordinarily reported to the FBI and may not have clear connection to a transnational criminal organization. To address this challenge, the FBI continually partners with state and local law enforcement to share intelligence on crime trends and patterns and create better networks to identify the criminal actors.

Just this past April, FBI Boston's Organized Crime Task Force arrested seven members of an organized theft crew. Over 70 local police departments throughout New England contributed to this investigation. The members of the organized theft crew were arrested in connection with thefts across the region, including catalytic converters stolen from over 470 vehicles, cash from automatic teller machines, and merchandise from jewelry stores. This crew is allegedly responsible for an estimated \$2 million in losses from thefts across Massachusetts and New Hampshire from 2022 to 2023. The defendants were charged with conspiracy to transport stolen property in interstate commerce and interstate transportation of stolen property. To date, five members of the crew have plead guilty.

In addition to the Major Theft program, the FBI also dedicates efforts towards Retail Theft through its authority to investigate Hobbs Act violations. In those cases, the dollar amount is less important than the overall impact to the community, when theft is facilitated through violence. These crimes might have a lower financial loss associated with them, but a larger impact on communities and greater impact on interstate and foreign commerce.

Additionally, the FBI actively participates in outreach and partnerships with the retail industry and private sector partners. The FBI attends various conferences, such as the National Retail Federation (NRF) conference, and maintains private sector outreach efforts through the FBI's Office of Private Sector, Office of Partner Engagement, and throughout our 56 FBI Field Offices. These relationships and industry events are important to maintain active communication, information-sharing, and coordination between the FBI and retail partners.

While recent "smash-and-grab" type robberies have garnered much of the media attention, the FBI also focuses on investigating and disrupting the more complex theft schemes involving targeted retail theft of high-dollar items, such as sophisticated fraud schemes to steal commercial cargo loads. The FBI is working closely with the private sector to develop a Strategic Cargo Theft Initiative and address the growth in Cargo Theft and Supply Chain Theft. In March 2023, Cargonet (an industry association dedicated to the prevention and investigation of cargo theft) reported a 600% annual increase in strategic cargo theft. Strategic cargo theft involves the use of fraud and deceptive information to deceive shippers, brokers, and carriers to give loads to criminal actors instead of legitimate carriers and can involve both identity theft and cyber-enabled fraud such as Business Email Compromise.

Additionally, the FBI has an initiative targeting South American Theft Groups, which involves individuals from Chile and other South American countries exploiting tourist visas to travel in and out of the United States to facilitate theft and transport of stolen goods internationally. The FBI has shared substantial intelligence with law enforcement partners around the world, and this initiative continues to dedicate resources with various active investigations throughout the country.

Thank you for your support in this area and for your continued assistance in helping us combat this threat.

Thank you again for the opportunity to testify today, and I'm happy to answer any questions you may have on this topic.