

# Organized Retail Theft Rings: How They Operate, How They Are Structured

Shoplifting is considered a victimless nuisance crime by many courts, legislative bodies, and law enforcement agencies, a crime not harmful to citizens. Many believe that losses from shoplifting can be offset by retail sales and profits. But shoplifting must be considered a high-loss two-tier crime, widespread and growing. Petty shoplifting is in the lower tier, a crime most often in the misdemeanor criminal penalty category that occurs thousands of times every day in retail stores across America. In food retailing, the common petty shoplifting results in a loss of \$52.00 per incident. The total of these losses is extremely high.

The second tier of shoplifting is far more costly to the retailer, presenting risk of harm to store personnel and customers and substantial loss of tax revenue to local, state and federal governments. The second and more costly tier of shoplifting is committed by professional thieves and the crime they commit is professional shoplifting, most often a part of a organized criminal conspiracy. One must not mistake this crime as petty, ordinary shoplifting.

Professional shoplifters are the foot soldiers of organized retail theft rings that operate in most states. The rings are populated by several levels of boosters and fences. The higher level boosters and fences are skilled criminals who deal in billions of dollars of stolen merchandise and who commit many violations of federal criminal statutes. The following discussion about the levels of boosters and criminal fences and how each operate was written by Jerry Biggs, Organized Retail Crime Section Coordinator, Walgreens Co. and used here with permission.

## Boosters

- Professional shoplifters who may work alone or as a member of a professional shoplifting team have become very organized and operate on local, state and national levels. They commonly share the same criminal fences that purchase and sell the stolen goods.
- The individuals who shoplift the merchandise are commonly called "boosters". A booster is an individual who shoplifts with the intent to resell his/her stolen goods.
- A typical booster will profit 10 to 25 percent of the ticketed value of the item. As the stolen property moves its way up through different fencing levels, the profit per item decreases; however, the quantity increases.
- Many boosters suffer from drug, alcohol or gambling addictions.
- Booster groups will often travel throughout several states. The stolen property is often shipped back to the fence via UPS, U.S. mail, or common carrier.
- Booster groups may also utilize storage units in various cities.
- Some booster groups have been identified as illegal aliens who have entered the country specifically to commit this criminal activity.

- Boosters will often be in possession of a shopping list (fence sheet) provided by their fence and several pieces of paper indicating quantities shipped, amounts paid by the fence, retail store locations, etc.

## **Fences**

- Boosters may operate independently or belong to an organized group. The property they steal is usually sold to a low-level fence commonly called a “street fence.”
- Often the street fence owns and operates a small convenience store within a major city; however, many operate out of their homes, flea markets, liquor stores, gas stations, pawnshops, and warehouses.
- The street fence often sells his/her goods to a higher level fencing operation recognized as a “Mid-Level Fence.” The mid-level fence will clean and repackage the merchandise to appear as though it came directly from the manufacturer.
- Repackaged product is sold to “Illegitimate Wholesale Diverters” who often supply retailers. The illegitimate wholesale diverters will often mix stolen merchandise with legitimate merchandise.
- Product that is damaged or not in perfect condition is usually sold off to flea market vendors or similar type operations.
- Law enforcement has discovered on occasion that monies derived from the sale of stolen property were being funneled to suspected terrorist groups.
- Large amounts of currency are often discovered at fencing locations and in vehicles or motel rooms of traveling boosters.
- Boosters often use various methods of operation. They target chain stores due to the predictability of the stores’ operations procedure and layout; work in groups or individually; steal large quantities at one time; steal several of the same type items during a single event; steal high and low-priced items; use foil-lined bags to defeat EAS (electronic article surveillance, i.e., sensor tags); and use cell phones to communicate with group members during theft events.

The following designations and characteristics were developed in order to have a level of recognition and should not be considered all-inclusive. The titles are based on many of the terms currently being used by law enforcement and private industry while pursuing ORT investigations.

## **Shoplifter**

- Shoplifts for personal use, gain or consumption.
- May be an individual who enters a retail establishment with no intention of shoplifting; however, will commit the act if the opportunity is present.

## **Level One Booster**

- May shoplift for personal use, gain or consumption.
- May be in possession of multiple like receipts or UPC (Universal Product Code) labels.
- On occasion, may work for a Level One Fence.

- May have a drug or alcohol addiction.
- May have a gambling addiction.

### **Level Two Booster**

- Shoplifts for the purpose of reselling his/her stolen goods.
- Routinely works alone.
- Shoplifts multiple like items during any one shoplifting event.
- May travel out of state for several days boosting from various retailers.
- May be in possession of maps and/or torn-out phone book pages indicating addresses of various retailers.
- May use boosting aids such as foil-lined bags, fast food carry-out bags/containers that are lined in foil, etc., or be in possession of several unused retail bags.
- May be in possession of multiple like receipts or UPC labels.
- May be in possession of documentation that indicates routine shipments through U.S. Post Office, UPS, Federal Express, etc.
- May be in possession of documentation that indicates acquired money transfers.
- May have a drug or alcohol addiction.
- May have a gambling addiction.

### **Level Three Booster**

- Works and/or travels with one or more boosters.
- Shoplifts for the purpose of reselling his/her stolen goods.
- Usually shoplifts amounts which total value is higher than a typical shoplifter and takes multiple like items.
- May have a drug or alcohol addiction.
- May be part of a Level One Fencing operation.
- May travel out of state for several days boosting from various retailers.
- May be in possession of maps and torn-out phone book pages indicating addresses of various retailers.
- May use boosting aides such as foil-lined bags, fast food carry-out bags/containers that are lined in foil, etc., or be in possession of several unused retail bags.
- May be in possession of multiple like receipts or UPC labels.
- May be in possession of documentation that indicates routine shipments through U.S. Postal Office, UPS, Federal Express, etc.
- May maintain a storage facility to hoard stolen goods while they travel on to the next targeted city (property is picked up by another member of the group and transferred back to a team leader location).

### **Level One Fence**

- May oversee a group of Level Three Boosters or routinely utilize the services of Level Two Boosters. Therefore, may also assure the security and legal fees of the group.

- May routinely recruit different individuals from homeless shelters, methadone treatment centers, etc.
- Oversees the planning, method, and decides which retailers to target.
- Maintains communication with upper-level fencing operations.
- Negotiates the sale of stolen goods to upper-level fences.
- Recruits new booster members into the group.
- Trains new booster group members.
- May transfer monies overseas to launder and/or fund special-interest criminal activity.
- May set up counter-surveillance during criminal activity.
- May report directly to a Level Two, Three or Four Fencing operation.

### **Level Two Fence**

- May purchase stolen property from a Level One Fence.
- May purchase stolen property from Level One, Two or Three Boosters.
- May own and operate a local business such as a convenience store, flea market booth, supermarket, etc.
- May sell stolen property to a Level Three Fencing operation.
- May transfer monies overseas to launder and/or fund special-interest criminal activity.
- May set up counter-surveillance during criminal activity.

### **Level Three Fence**

- Appears to be a legitimate wholesaler or distributor company
- May own and operate several local businesses such as a convenience store, flea market booth, supermarket, etc.
- May purchase stolen property from a Level Two Fence and other level Three fences.
- May sort, repackage, and/or alter expiration dates on certain consumable products.
- May purchase stolen cargo.
- May supply financing to set up a Level Two Fencing operation.
- May transfer monies overseas to launder and/or fund special-interest criminal activity.
- May set up counter-surveillance during criminal activity.
- May move stolen goods to other Level Three fences in other cities and/or states.
- Usually professional criminals.
- May sell stolen goods to retailers small and large, who are “unaware” that the merchandise they are purchasing is stolen.

