

COMBATING RETAIL THEFT

IN NEW YORK CITY



March 2023



The City of New York
Mayor Eric Adams

NYC Criminal
Justice

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Message from the Mayor

MESSAGE FROM THE MAYOR



New York City is the epicenter of the retail market in the United States. From local bodegas and mom-and-pop businesses to bustling retail districts and the department stores on Fifth Avenue, they all make up the heart and soul of this city. They are more than just the drivers of our economy—they are essential to our everyday lives as New Yorkers.

Unfortunately, retailers—many of whom are still struggling from the impacts of the COVID-19 pandemic—are struggling with a recent uptick in shoplifting. Our merchants are being victimized by individual shoplifters and organized crime rings.

This is not just about dollars and cents—this is about people. Retail theft hurts our businesses, our workers, our customers, and our city. New Yorkers shouldn't have to foot the bill for higher prices because of theft. Employees shouldn't feel unsafe going to work and businesses shouldn't have to shutter their doors because of lawless individuals.

I want to be clear: New York City is not the only city in America facing this challenge. Shoplifting is a national problem. However, I will not stand by and let criminals undermine our economy and the livelihood of New Yorkers. We are going to act.

As Mayor, my number one priority has been to improve public safety, and I am committed to finding real, long-lasting solutions to this issue. Last year, this Administration convened stakeholders from across the public and private sectors to create real solutions to tackle retail theft, including both enhanced prevention and enforcement efforts.

This plan builds on the work of that summit. It sets the framework for how we protect our businesses and puts a stop to shoplifting in this city using evidence-backed solutions. With this plan, New York City is leading the nation in addressing shoplifting. The plan outlines how we can solve this problem through prevention, enforcement, diversion, and partnerships with businesses.

In addition to the solutions included in this plan, my Administration will continue to work upstream to stop crime before it happens, addressing mental health and substance use crises, and improving access to well-paying jobs and permanent, affordable housing.

Public safety is the prerequisite to prosperity, and I want our retail partners and New York consumers to know that they are not alone in this fight. Our city is here for you.

Together, we can end the crime run on our retail stores.

Sincerely,

A handwritten signature in black ink that reads "Eric Adams". The signature is written in a cursive, flowing style.

Mayor Eric Adams

Combating Retail Theft



COMBATING RETAIL THEFT

On December 16, 2022, New York City Mayor Eric Adams convened more than 70 stakeholders to collaborate on policy and find creative solutions to address the prevalent increase in retail theft. The summit brought together law enforcement officials, government stakeholders, small business representatives, large retail groups, union leaders, Business Improvement Districts, Chambers of Commerce, and diversion providers with diverse perspectives to discuss a variety of topics, including physical security measures, new diversion programs, leveraging technology to protect businesses and improve citywide responses, and enhancing existing partnerships among private, government, and non-profit sectors.

In developing this report, an evidence-based and stakeholder-informed methodology was followed. The Administration analyzed the information shared by the attendees at the summit, conducted independent research and data analysis, and consulted with law enforcement and retail business management. The Administration also conferred closely with New York State Attorney General Letitia James and with the Loss Prevention Research Council to receive additional input and advice on these matters. A draft of this report was then distributed to stakeholders to solicit feedback and, based on the input received, the report was further refined, and the recommendations developed as described herein.

The plan outlined in this report identifies recurring problems that plague New York City businesses, which the subsequent list of solutions seeks to address in order to ensure public safety and promote economic growth.

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Summit Participants

Government Institutions:

City

- Office of the Deputy Mayor for Public Safety
- Office of the Deputy Mayor for Economic and Workforce Development
- Office of the Deputy Mayor for Strategic Initiatives
- Office of the Chief Counsel to the Mayor and City Hall
- Mayor's Office of Criminal Justice
- Mayor's Community Affairs Unit
- NYC Department of Small Business Services
- NYC Law Department
- Office of the New York County District Attorney
- Office of the Kings County District Attorney
- Office of the Bronx County District Attorney
- Office of the Queens County District Attorney
- Office of the Richmond County District Attorney
- Office of the New York City Public Advocate
- New York City Council
- New York City Police Department

State

- Office of the Attorney General

Business Improvement District (BIDs):

- 125th Street BID
- Grand Street BID
- Fordham Road BID
- Pitkin Avenue BID
- Madison Avenue BID
- Downtown Flushing Transit Hub BID
- Washington Heights BID
- Flatbush Nostrand Junction BID
- Hudson Yards Hell's Kitchen Alliance BID

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Service Providers:

- New York City Criminal Justice Agency
- Center for Justice Innovation
- Fortune Society

Department Stores:

- Target
- Gap
- Walgreens
- Macy's
- Starbucks

Chambers of Commerce:

- Manhattan Chamber of Commerce
- Brooklyn Chamber of Commerce
- Bronx Chamber of Commerce
- Queens Chamber of Commerce
- Staten Island Chamber of Commerce
- The Greater Harlem Chamber of Commerce
- Brooklyn (Kings County) Hispanic Chamber of Commerce
- The Caribbean American Chamber of Commerce and Industry, Inc.

Organizations/Associations/Unions:

- Yemeni American Merchants Association (YAMA)
- Bodega & Small Business Group
- National Supermarket Association
- Fifth Avenue Association
- United Bodegas of America
- Retail Council of New York State
- Korean American Business Council
- Retail, Wholesale, and Department Store Union
- United Food and Commercial Workers International Union Local 1500
- Chinatown Partnership Local Development Corporation

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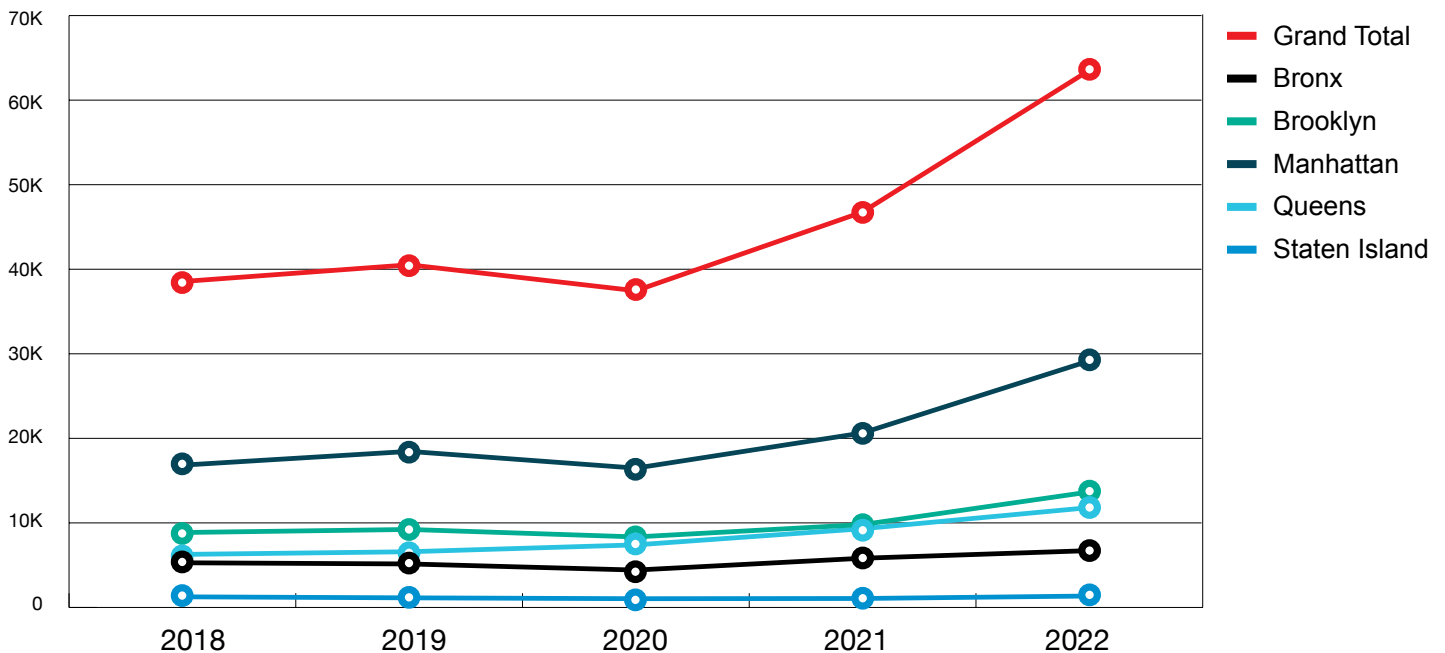
Problems Identified

Identifying retail theft-related challenges New York City’s businesses are faced with is the first step in overcoming the issue. Recognizing this, the following lays out the most prevalent problems identified by summit participants, revealing the multifaceted nature of the crisis at hand. The Administration recognizes that combating retail theft in a meaningful way will take collaboration between stakeholders, especially those facing this threat.

I. Data Snapshot

Complaints of retail theft have increased dramatically over the past several years.

Retail Theft Complaints: By Borough and Year

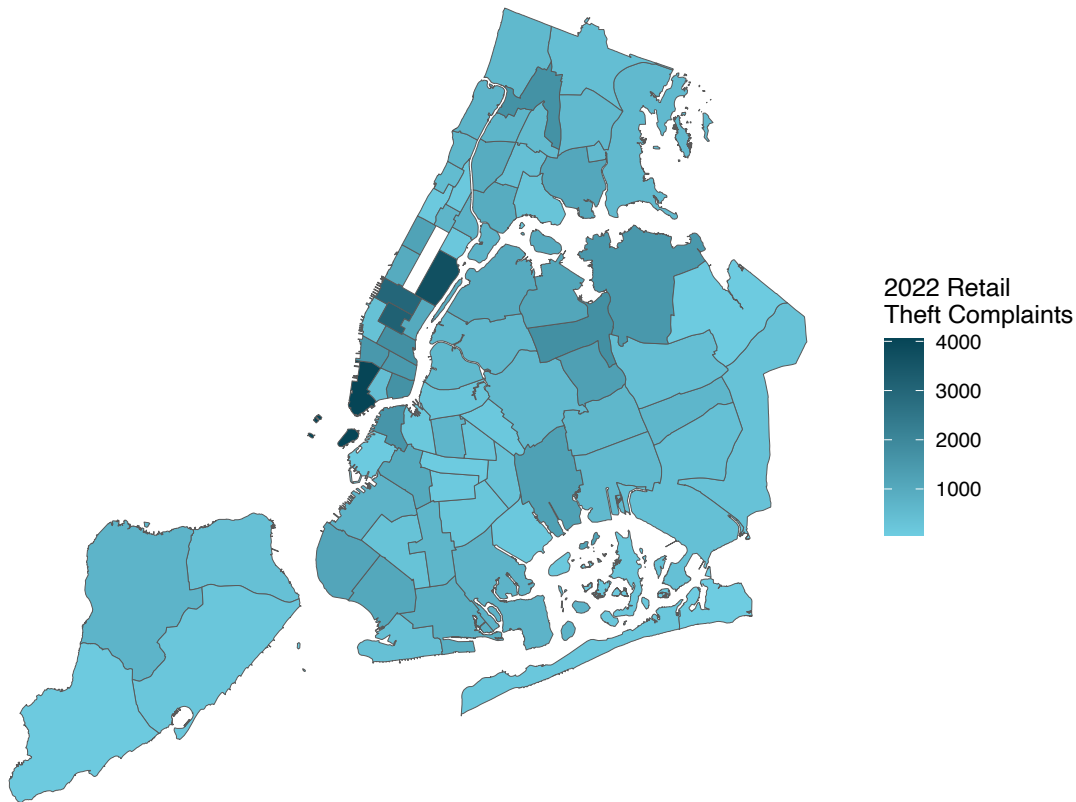


Borough	CY2018	CY2019	CY2020	CY2021	CY2022	Increase from CY21 to CY22	Increase over 5 years
Bronx	4,897	4,947	3,735	5,640	9,012	60%	84%
Brooklyn	8,120	8,596	7,065	9,039	13,412	48%	65%
Manhattan	16,043	17,690	14,570	19,800	28,519	44%	78%
Queens	5,720	6,163	6,546	8,821	11,487	30%	101%
Staten Island	1,266	1,073	808	938	1,495	59%	18%
Total	36,046	38,469	32,724	44,238	63,925	45%	77%

Note: Data from CY2020 and CY2021 may be lower than expected as a result of the COVID-19 pandemic.

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Retail Theft Complaints: By Precinct, 2022



Precincts | Complaints (2022)

1	4054	115	1132	28	713	47	458	23	208
19	3698	43	1088	79	708	107	454	88	201
14	3166	62	1070	70	695	42	424	32	197
18	2996	17	1029	103	680	113	406	83	190
13	1770	78	1029	102	666	60	400	69	186
110	1763	114	1007	33	656	120	397	71	163
7	1712	20	989	108	620	10	392	26	151
52	1705	40	960	50	602	73	350	76	136
84	1607	44	955	94	601	105	347	123	127
6	1522	61	882	104	595	66	334	111	116
109	1514	25	758	49	592	41	309	77	106
9	1466	63	753	106	592	90	264	101	68
112	1287	72	753	45	587	81	262		
75	1283	34	733	48	554	67	257		
24	1226	121	726	30	531	122	242		
68	1145	46	716	5	458	100	219		

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Problems Identified

Retail Theft Complaints: By Premises Type, 2022

Premises Type	Complaints
Chain Store	24,594
Drug Store	13,046
Department Store	13,058
Clothing/Boutique	4,243
Commercial Building	2,934
Grocery/Bodega	1,913
Food Supermarket	1,063
Store Unclassified	381
Telecomm. Store	332
Gas Station	334
Small Merchant	343
Variety Store	284
Liquor Store	222
Candy Store	194
Shoe	186
Beauty & Nail Salon	170
Jewelry	156
Restaurant/Diner	143
Fast Food	144
Book/Card	47
Dry Cleaner/Laundry	43
Gym/Fitness Facility	29
Check Cashing Business	28
Photo/Copy	24
Video Store	14

II. Individual Offenders

First-time Shoplifters

For many people, especially teenagers, an instance of low-value retail theft may be their first time committing an offense. It is important to recognize that the individual's first interaction with the criminal justice system provides an opportunity for meaningful engagement in supportive services. By adequately addressing this population's needs and the underlying circumstances that may have led to the criminal conduct, the Administration can eliminate an individual's need to steal again and discourage repeat offending.

Repeat Offenders

Some common reasons for theft among retail theft recidivists include food insecurity, substance abuse, and underlying mental health issues. The Administration recognizes that these individuals need to be treated separately from those who steal for the sole purpose of making a profit. It is also understood that these individuals put a strain on business owners, particularly small businesses that often do not have the resource capital to maintain a thriving business with consistent losses and who expressed that they are also unequipped and without the appropriate resources to respond to the underlying issue fueling the behavior.

For more information about new city efforts to conduct targeted enforcement and diversion, see "Programming" on page 21 and "Enforcement" on page 26.

III. Organized Retail Theft

The most egregious retail theft is carried out by organized groups of individuals, including those who exploit New York State law by stealing less than \$1,000 worth of merchandise (as this dollar amount is generally punishable by a misdemeanor rather than a felony). These groups often commit brazen, multi-person, and sometimes violent raids on retail establishments to maximize the amount of goods they can steal in one instance. The goods are later sold within our transit systems, on street corners, and on the internet. These organizations often reach beyond the boundaries of any one business district or borough to commit additional offenses to support their organizations.

Third Party Website Fencing

An increasing practice of organized retail theft is selling products via online marketplaces at or under retail prices. Consumers who use these websites are often unaware of where the products are coming from and trust large websites to ensure their integrity. Lack of due diligence on the part of certain online marketplaces makes organized retail theft a viable source of income for organized offenders. Recent developments in this area are further addressed in the "INFORM Act" section on page 28.

IV. Inadequate Vendor Resources

The reality of theft for any business can be daunting and stressful. For many owners and retail workers, their livelihoods depend on the profitability of their store. Independent businesses face additional challenges because they are not part of a chain and cannot pool resources, including, for many smaller entities, the resources to install, operate, and maintain sufficient surveillance cameras and other technological solutions. Many business representatives also feel as though they are underequipped to appropriately respond to the diverse populations that steal items. Based on the type and/or location of a store or business development area, different supports may be needed. The Administration is aware that a wide array of strategies is required to address retail theft given the different types of businesses that are impacted.

Employee Morale & Security

The Administration recognizes that theft is not only demoralizing for business owners, but also the employees who spend their days working hard to stock shelves, mop floors, attend to customers, and make sales. Watching a theft occur in one's place of employment can be traumatizing, stressful, and dangerous. Employees who are survivors of incidents that include a violent interaction may suffer debilitating side effects that may include symptoms of post-traumatic stress disorder, paranoia, and panic attacks. The aftermath of such incidents can also lead staff to decide not to return to work, creating additional difficulties for business owners. Vulnerable employees, such as teenage, elderly, or disabled retail workers, may be more susceptible to these harmful aftereffects. To ensure the safety of their employees, most businesses err on the side of caution, preventing their employees from attempting to intervene during a theft. While this policy minimizes the likelihood of violent interactions and promotes the safety of the workforce, such guidance can leave employees feeling powerless.

For more information about new Administration efforts to address these issues, see "Employee Support Program (ESP)" on page 25.

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Existing Efforts to Combat Retail Theft: NYC and Beyond

I. NYC District Attorneys

Bronx County District Attorney

- “To combat theft and protect our local Bronx businesses, the General Crimes Bureau in conjunction with the Crime Strategies Bureau has identified high priority larceny recidivists within Bronx County. The General Crimes Bureau has assembled a task force of designated Assistant District Attorneys to prosecute these high priority offenders.
- “The General Crimes Bureau has been successful in securing dispositions in larceny recidivist cases that include substantial mental health or narcotics treatment both pre and post indictment. Particularly in cases where bail has been set on recidivist cases, the General Crimes Bureau has been able to work with the Bronx Treatment Courts and Defense Attorneys to craft pre-indictment pleas with substantial treatment requirements. In such cases, the defendant is transported, shortly after the plea, from DOC custody by the NYC Sheriff’s Office to an agreed-upon treatment facility.
- “Where appropriate, Assistant District Attorneys indict repeat offenders either by aggregating the total value of stolen property and charging the defendant with Grand Larceny or by utilizing existing non-trespass notices to charge the defendant with Burglary in the Third Degree.
- “In all cases, the Assistant District Attorneys are instructed to reach out to defense counsel to identify treatment needs of the defendants. The General Crimes Bureau will then coordinate with the Community Justice Bureau to provide treatment and resource opportunities to defendants and facilitate dispositions. Our goal is to provide meaningful inpatient and outpatient programming to help treat and address the defendant’s underlying issues and ultimately reduce recidivism and deter future criminality.”

Kings County District Attorney

- “The Kings County District Attorney’s Office (KCDA) continues to meet with NYPD leadership and stakeholders from Brooklyn’s vibrant retail industry to share information and collaborate to protect retailers and address thefts. Recognizing that a very small percentage of offenders drive a large percentage of Brooklyn’s retail losses, KCDA has enhanced the retail theft recidivism intelligence provided to their intake bureau and trial bureaus. Prosecutors then use this information to comprehensively assess cases, upgrade charges when warranted, seek bail or, when appropriate, refer qualified defendants to programming geared toward addressing the root cause of the larcenous behavior. District Attorney Gonzalez believes that a thriving local economy is an important component of vibrant and safe communities, and KCDA is committed to continued collaboration to comprehensively address retail theft.”

New York County District Attorney

- “Manhattan is the retail capital of the country, and we want our business community to thrive. Retail theft has increased city-wide and nation-wide since the pandemic and unfortunately, Manhattan has led the five boroughs in shoplifting complaints for decades. But the employees in our stores should not have to bear the trauma of repeat shoplifting or robberies. And the owners, especially the small business proprietors, cannot keep our City vibrant if their already narrow profit margins literally walk out their front door. Through working with our Small Business Alliance, we developed a 5-point plan to combat retail theft:
 - “First, we are focused on the fences. Experience and old-fashioned common sense both tell us that those who do the actual stealing cannot reap their profits without someone to resell the stolen goods – a so-called “fence.” We are finding the fences, concentrating on the large-scale ones, who we will prosecute aggressively to take the profit out of these crimes.
 - “Second, working with the Police Department, we have identified the worst shoplifting offenders for intensive prosecution – those who are repeat players, who remain at liberty despite a pattern of past thefts, and who face the greatest sentencing exposure. A small percentage of recidivists commit a grossly disproportionate amount of retail theft, so investing our prosecutorial resources wisely will yield the greatest public safety results the most swiftly. Our data shows that roughly 18% of shoplifting recidivists accounted for 42% of shoplifting arrests from 2015-2021.
 - “Third, we are using the tools and the oversight mechanisms of the criminal justice system to try to get necessary rehabilitative services for those who commit the crimes because they are struggling with substance abuse or mental health issues or homelessness. We will all be safer if, with proper supervision, a defendant is able to overcome the underlying conditions that led them to crime and get back on a law-abiding path. To that end, we have invested \$9 million in developing a court-based and neighborhood navigators program that will connect individuals to services prior to arrest and at the point of arraignment.

- “Fourth, we increased coordination with the business community through the development of our Manhattan Small Business Alliance. Through the Alliance, we developed a system whereby any business can learn about the status of a retail theft case involving their store. Businesses can contact 212-335-9082 to learn more. We have also provided trainings for businesses on best practices to prevent retail theft.
- “Fifth, we have improved coordination with the NYPD, including data sharing and tracking to best focus our prosecutorial resources on stopping recidivism.”

Queens County District Attorney

- “The Queens District Attorney has developed and implemented a comprehensive approach to combat retail theft in Queens County. Utilizing an intelligence-based prosecution model, the District Attorney has engaged each Division within the Office to identify and address the people, places, and causes of retail theft, recidivism, and the violence that is often associated with retail theft. Within this plan, the District Attorney has taken the following actions:
 - “The Jamaica Merchants Business Improvement Program, launched by the Queens District Attorney’s Office in June 2021, is a partnership between the Office, NYPD, and the business community, tasked with providing individuals who have engaged in unwanted and disruptive activity at participating businesses with legal notice that their continued presence or return to the location can result in their arrest, and the program is in the process of being expanded in other areas of Queens County;
 - “Making active and effective use of the amendments to the bail reform legislation that allow us to seek bail on repeat offenders who engage in theft and similar crimes while out on pending cases of a similar nature;
 - “Developing partnerships and continuing existing relationships with large and small retailers and civic associations in the community to identify retail theft recidivists, those who engage in violent acts when conducting theft, as well as identifying, investigating, and prosecuting complex organized retail theft and resale rings responsible for tens of thousands of dollars in loss;

- “Engaging retail theft defendants at the time of arrest to evaluate their suitability for rehabilitative and restorative justice programs aimed at addressing the underlying causes for their actions including drug addiction, mental health, or status as a military veteran;
- “Providing training to outside law enforcement agencies and retail businesses on tips to identify and interdict organized retail criminal enterprises; and
- “Participating in Organized Retail Crime Associations (ORCAs), comprised of retail professionals and law enforcement on a multi-jurisdictional level aimed at sharing intelligence, raising awareness, and developing methods to combat organized retail crime.”

Richmond County District Attorney

- “The ongoing threat to our businesses, large and small, from recidivist shoplifters must be seriously and immediately addressed by all levels of government. The overwhelming majority of these individuals are taking advantage of our hard-working business owners for their own ill-gotten profits, and while a small minority may be doing so for other, more altruistic reasons, this behavior is not tolerated on Staten Island. We will continue to aggressively prosecute retail thieves by pursuing the highest possible charges against the small group of individuals who routinely target our stores for personal gain. Further, we will continue to develop partnerships with local business improvement groups, merchants, and statewide business advocacy groups to help prevent theft whenever possible through physical security enhancements and public awareness campaigns. Finally, we pledge to continue our forceful advocacy to legislative leaders in Manhattan and Albany to give the NYPD and my prosecutors more tools to hold these thieves accountable under our law and, when appropriate, to utilize the leverage of the criminal justice system to address the underlying causes of criminal conduct.”

II. NYPD

The NYPD undertakes a range of efforts to prevent and enforce the law against retail theft.

Crime Control Strategies Bureau

The Crime Control Strategies Bureau assists local and borough crime analysis staff in their efforts related to retail theft reporting and tracking. The Comp-Stat process is leveraged to ensure appropriate agency coordination, deployment, and investigations related to citywide retail theft crimes. Additionally, information will continue to be shared with outside agency private and public sector partners related to this citywide crime condition.

Patrol Services Bureau

Patrol resources are deployed with a focus on retail theft hotspots. This deployment takes the form of high visibility, directed patrol, and fixed posts to deter victimization. Priority response is given to in-progress retail theft incidents to increase the likelihood of immediate apprehension. Local high volume commercial retail corridors will be prioritized for focused deployment. Precinct supervisors and crime analysis offices review complaint reports for accuracy and thoroughness, so all pertinent information is documented for investigation. Crime analysts review reports for indicia of patterns and trends regarding retail theft. Precinct Executive staff, in coordination with Field Intelligence and Special Operations staff, will identify problematic offenders for priority deployment and information sharing purposes.

Intelligence Division

The Intelligence Division, through its Field Intelligence Officers, collects information about repeat and/or organized retail theft. This information is shared between precincts and pushed out to patrol officers. Local Field Intelligence staff, in coordination with Precinct Executive and Special Operations staff, will identify problematic offenders for priority deployment and information sharing purposes.

Detective Bureau

Additional Detective Bureau resources are devoted to investigating complaints of retail theft. Focus is placed upon established patterns involving multiple locations, high volume locations, and/or repeat offenders.

Crime Prevention Division

Officers from Crime Prevention work with small and large business owners to institute best practices to safely combat retail theft where possible and document crimes when they occur.

III. Other Jurisdictions

According to the National Retail Federation, organized retail crime has risen 60% since 2015, with nearly 70% of retailers reporting an increase since 2021. As much as \$69 billion worth of products are stolen from the retail industry each year. As shoplifting continues to grow around the country, frustrated retailers are strategizing different methods to combat this costly epidemic. For example, many stores are prioritizing the safeguarding of high price items with peg hook locks, spider wraps, cable locks, lockable glass boxes, and acrylic displays, in addition to utilizing Electronic Article Surveillance tagging systems, which are designed to trigger an alarm when an item is removed from the store. Retailers are also deploying more modern but costly measures to tackle this growing threat by incorporating security cameras and Radio Frequency Identification (RFID) systems, which are a fast-growing security option and inventory management approach. As tech companies develop specialized artificial intelligence surveillance systems, vendors can expect more advanced theft prevention technologies.

While many retailers ramp up security measures to protect their products, others are joining forces with local law enforcement jurisdictions to address first-time offenders to deter them from re-offending. In Washington State, for example, numerous retail stores participate in the Retail Theft Program, an alternative reporting procedure for misdemeanor thefts or criminal trespassing. The process requires participating stores to detain the suspect and attempt to identify them, complete a Security Incident Report and/or issue a written trespass warning, and release the subject to themselves or the police department. The case is then reviewed and submitted to the City Attorney's Office for potential charges. In Ohio, the Columbus City Attorney's office offers a shoplifting diversion program, Helping Understand Barriers, which uses a 36-question screening tool to identify any underlying issues an offender may be facing. The individual is then connected with the relevant support services such as employment opportunities, treatment, transportation, and food access. Once the six-month program has been successfully completed, the charges are dismissed. Meanwhile, in Oregon, a Theft Deferred Prosecution Program offers first-time offenders adjournment in contemplation of dismissal if the individual enters a plea of guilty or no contest; pays court costs and restitution; commits to no new theft-related offenses; attends an arraignment session; schedules a mandatory future appearance; and appears on the scheduled date. Similarly, in Pennsylvania, an Accelerated Rehabilitative Disposition Program gives first-time offenders the opportunity to petition the court to expunge their record after being placed on probation, paying court costs and fines, and completing community service.

COMBATING RETAIL THEFT

Summit Participants' Input

On December 16, 2022, a range of law enforcement officials and stakeholders shared their views and ideas about how to address retail theft, including but not limited to the following:

Funding

- Establish intentional public-private partnerships to leverage public funding mechanisms
- Provide small businesses with funding for technology improvements (e.g., security cameras, storage cages for merchandise, etc.)
- Create a small business asset forfeiture program
- Provide frequently targeted stores with reimbursement stipends for stolen goods

Information Sharing

- Coordinate citywide information sharing regarding the few individuals who steal multiple times from multiple stores, including maintaining a database of repeat offenders
- Expand the Bronx District Attorney's Office's Computer Assisted Mapping System to all boroughs
 - Existing model allows businesses to register their security cameras with the District Attorney's Office to share surveillance footage
- Encourage data sharing across District Attorney's offices and stores

Technology

- Retail watch app or panic button that would alert either the Department of Health and Mental Hygiene, 311, or NYPD, as well as neighboring stores
- Stolen merchandise tracking features to identify trends of theft for later third-party sales
- In-store resource kiosks that connect individuals to relevant social services (e.g., local food pantries, behavioral health providers, job training, etc.)

Education

- Launch public information campaign about best practices for retailers and employees when protecting against theft
- Provide stores with de-escalation tips and training
- Have the District Attorneys and NYPD lead an educational campaign for stores about the investigation process and prosecution of theft

Services/Programming

- Create a diversion program for youth that involves support services
- Connect individuals struggling with mental health and substance abuse to resources at the time of arrest
- Have willing stores give those stealing out of hunger something to eat
 - Nonprofits would partner with stores to provide these individuals with food

NYPD

- Increase police presence in targeted areas during peak hours (6PM-9PM) to encourage small businesses to stay open later
- Document 911 retail theft calls as reports
- Instruct NYPD not to target store employees who act in defense during a theft
- Implement a tiered public reporting system that breaks down the severity of crime and individuals' prior history, if any
- Assign one point of contact/liaison to streamline communication between stores and NYPD
- Encourage small businesses to partner with the NYPD Crime Prevention Unit and NYPD Community Affairs Unit
- Develop police officers' relationships with local stores and community members
- Organize store walk throughs with relevant local NYPD officials so they familiarize themselves with the business, the owner, and the community itself

Policy

- Amend state law so individuals can be charged with grand larceny if they steal more than \$1,000 worth of merchandise at multiple stores
- Implement an enhanced criminal sentencing structure (e.g., larceny charge upgraded if incident involves violence)
- Advocate at the state level for additional resources for the District Attorney's offices so they are more equipped to manage discovery
- Guarantee staff pay when they are needed for law enforcement efforts (e.g., testifying in court)

Security

- Expand the NYPD Paid Detail to more small businesses so they can provide their employees and customers with more security
- Establish civilian patrol units
- Hire neighborhood security guards for all the small businesses in one area

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Focused Solutions

New York City's businesses are as diverse as the people who call our city home. The issue of retail theft is not unique to small businesses or larger establishments, so the solutions are not one size fits all. Acknowledging that diversity, the following programs and solutions seek to curb many of the different facets that drive retail theft.

I. Programming

Retail Theft Diversion

Second Chance Initiative: Recognizing that an individual's first interaction with the criminal justice system presents an opportunity for meaningful intervention, the Administration plans to establish Second Chance, a pre-arraignment diversion program that gives non-violent first-time offenders a chance to avoid criminal prosecution. This programming will serve as a specialized track of Project Reset, which is currently being offered to eligible participants for other crimes and violations. District Attorneys will determine on a case-by-case basis whether an individual qualifies for participation in early diversion using the following criteria:

- Recipient of a Desk Appearance Ticket (DAT) for either Petit Larceny (NY Penal Law § 155.25) or Grand Larceny in the 4th Degree (NY Penal Law § 155.30)
 - Incident must be non-violent
- First-time offender
 - No criminal convictions in the last 5 years minus any length of incarceration
 - No other pending theft or complaints
 - Cannot be an identifiable repeat offender

Once eligibility has been established, the prosecutor's office will refer the case to a service provider that will conduct outreach and enroll the individual in programming should they choose to participate instead of going to court. They will not need to plead guilty or step foot in a courtroom to enroll. During the voluntary one-day program, which can take the form of an educational workshop and restorative justice circle, participants will have the chance to acknowledge and reflect on their actions, better understand the harm their actions inflicted on the business and its staff and the larger negative impact to their neighborhood/community. As part of the program, participants will be encouraged to identify ways to change their behavior. For example, to help address underlying issues that may have led to the alleged theft, participants will be connected to an array of supportive services such as counseling, job training, treatment for substance abuse disorders, domestic violence programs, case managers, and benefits. Once an individual successfully completes Second Chance the District Attorney will decline to prosecute their case. If the individual fails to complete the programming, their DAT will be arraigned and follow the traditional prosecution process.

RESTORE (Re-Engaging Store Theft Offenders & Retail Establishments) Program

The Administration plans to go one step further by creating a second diversion program. Designed to catch those who missed out on Second Chance or who need more intensive programming, RESTORE will give the same population—including individuals charged with Grand Larceny in the 3rd Degree (NY Penal Law § 155.35) and those with no criminal or significant warrant history in the past 3 years—a chance to remain in their community and engage in meaningful programming in lieu of a jail or prison sentence. An Alternative to Incarceration (ATI) program, RESTORE will be court mandated after a screening, with judges having the discretion to order other measures alongside the program such as restitution, fines, or an order of protection. A variety of programming will be available, including community service, educational modules, career exploration workshops, restorative justice exercises, and retail employee shadowing initiatives. Supportive services similar to those mentioned in Second Chance will also be offered.

The duration and level of programming will be determined based on a screening conducted by social workers or other mental health professionals. Recommendations will also reflect:

1. Severity of the charge/allegations and item alleged to be stolen;
2. Driving factors of the alleged theft determined by the screening;
3. Potential for cognitive behavioral therapy to address behavior; and
4. Potential for successful harm reduction programming or connections to treatment providers.

Once the ATI program has been completed, the service provider will issue a report to the court to that effect. Based upon the agreed upon disposition, participants may be permitted to be sentenced to a lower offense, an adjournment in contemplation of dismissal, or a conditional discharge upon successful completion. As with the Second Chance Initiative, if a RESTORE participant fails to complete the programming, their case will follow the traditional prosecution process.

The Administration is confident that through the launch of Second Chance & RESTORE, the following can be accomplished while also maintaining public safety:

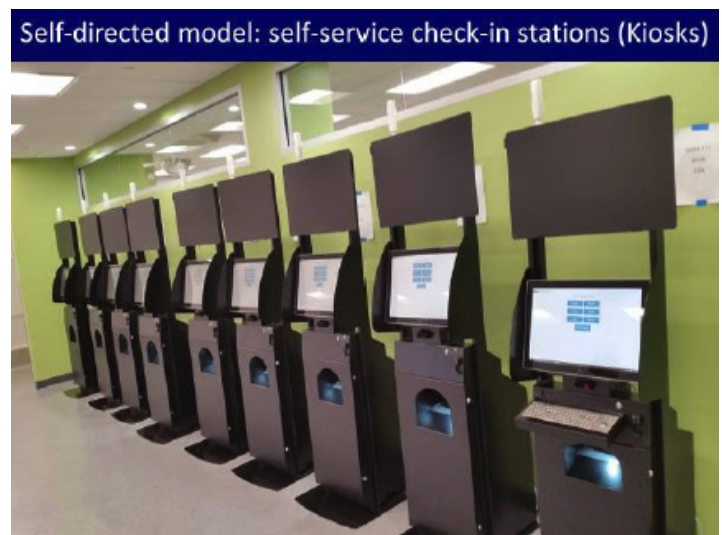
- Increased trust between law enforcement, retailers, and community members
- Reduction in the number of people processed through the court system
- More efficient use of criminal justice system resources
- Promotion of faster case processing times
- Reduction in unnecessary incarceration
- Decrease in recidivism
- Individual accountability and a deepened understanding of the impact theft has on businesses
- In certain circumstances, avoidance of unnecessary collateral consequences — barriers to housing, employment, immigration, and education

Store Resource Kiosks

Local bodegas and small retail establishments are the staples of our communities. The employees know our daily routines and become some of our communities' most trusted individuals. Since community members frequent these stores, employees and owners develop relationships that are integral to the larger sense of fellowship and community. Due to these relationships, small business owners are often aware of early warning signals that a patron may be struggling, and that intervention or support is needed. We know that individuals closest to the problem are also those closest to the solution. As such, it is important that the Administration establish a mechanism for these trusted neighborhood partners to connect the individual to needed resources. In doing so, our local bodegas and small retail establishments not only serve as key cornerstone businesses in communities but are also frontline workers in the prevention of retail theft by intervening early to connect people with support.

Numerous city agencies currently fund referral management platforms and directories of thousands of social services throughout New York City. By expanding this technology and providing bodegas and small businesses with access to these service directories through smart devices such as resource kiosks, employees will be able to search for and identify numerous services that could meet the needs of individuals that they see require support. Employees will be taught how to use the platform to find appropriate services and provide that information to patrons to help them connect with those supports. Participating stores may be offered incentives for positive outcomes or referrals. However, referrers and other providers will not have access to the details of sensitive service referrals including but not limited to legal services, mental health, and substance abuse.

For example, the city's Human Resources Administration employs similar resource kiosks (depicted right) that connect individuals to jobs and food stamps. The kiosks are equipped to serve individuals in numerous languages and can be programmed by providers in any area of need, including but not limited to housing, employment, food assistance, behavioral health, and violence interrupters. By installing similar smart devices in local businesses, the Administration can not only reach more individuals but use the kiosk data to deploy more targeted programming and public information campaigns. Such devices also offer cost savings for the city as successful referrals may reduce repeat offending, increasing business profits over time and decreasing the use of law enforcement and other city resources.



Employee Support Program (ESP)

Employees are often on the front line of retail theft. For many, the experience can be frustrating and demoralizing. To ensure our workforce is properly supported, the Administration plans to design and launch a dual-purpose Employee Support Program (ESP) that will serve as a resource for employers and as a standalone service for employees. An accompanying public information campaign via social media and retailer community engagement will serve as public education of the program and resources. The program will be based in private-public partnership by integrating resources of both government and larger retail franchises.

Employers wishing to provide their staff with prevention skill set modules can utilize ESP to offer trainings that focus on de-escalation tactics, anti-theft tools, and security best practices. Moreover, the trainings will serve as retail-community touch point for businesses to enhance information sharing and create a public safety network. Quarterly meetings between participating businesses can also be held to create a "360 degree" communication loop between large and small retailers and government. For example:

ESP will provide prevention/de-escalation training to business operators to be shared with their employees. Conflict resolution or de-escalation training, while commonly used in policing and violence interrupter programs, can also be applied in a more traditional customer service setting. The training will teach employees about mental health, body language, and communication, knowledge that can be used to help prevent a tense situation from becoming worse. The training will also help participants identify potentially abusive behavior and how to remain safe while deploying de-escalation techniques.

Additionally, to better support the more personal needs of retail employees who are victims of retail theft related violence, ESP will support retail employees in accessing services such as mental health and crime victim supports. When necessary, employees of smaller retail establishments may access employee assistance programs that exist at larger retail stores. For example, an employee may need help using the Victim Information and Notification Everyday (VINE) system, NYC Crime Victim Services Map, or connecting with a retail franchise employee program after the arrest of a retail theft recidivist who caused physical harm to them. Employers, NYPD, community groups, and local prosecutors can refer retail employees to the program for assistance.

II. Enforcement

Precision Repeat Offender Program (PROP)

Businesses often see the same individuals stealing repeatedly from their establishments. In situations like this where repeat offenders are victimizing multiple stores on several occasions, enforcement is crucial. Through the creation of a Precision Repeat Offender Program (PROP), the Administration will focus law enforcement efforts on the abovementioned population as statistics reveal that a very small portion of the public fit into this category. The program will invite retail stores to report theft and trespass using a Security Incident Report similar to NYPD's Domestic Incident Report.

Retail stores, preferably through security personnel, will identify perpetrators of theft using surveillance cameras and then fill out the requisite form to NYPD. The Security Incident Report may be submitted digitally via an application or online portal. A designated detective will serve as the liaison and point of contact for retail security personnel who elect to participate in the program. These forms will then be vetted by the NYPD liaison along with other submitted evidence and sent for further investigation by NYPD or forwarded to the local District Attorney's Office for prosecution. Based on the incident reports, top repeat offenders will be identified and put on a list maintained by detectives and accessible to District Attorneys' offices and store owners. The list available to business owners will not include the same level of detail as the list the District Attorneys receive so as not to compromise privacy. NYPD and District Attorneys' offices will then focus their efforts on those who make up the list.



Neighborhood Retail Watch

For their own safety, employees are often directed to refrain from intervening during a theft. Such instances also tend to occur in haste, limiting an employee's ability to gather potentially critical information (e.g., detailed description of the perpetrator(s) or the make, model, and license plate of the getaway vehicle). To help alleviate this problem, the Administration plans to establish a Neighborhood Retail Watch system comprising several neighboring retail stores, including those within a Business Improvement District (BID), that are in visual proximity to each other, forming a real-time intelligence gathering and information sharing network. This system builds upon NYPD's Operation Safe Shopper — a program Mayor Adams initiated as Brooklyn Borough President to fund businesses' expansion of video surveillance camera usage, provided the stores install at least one street-facing camera — by expanding the program to more retail locations, highlighting the

increased surveillance presence, and coordinating the retail community participants against crime.

In the event of a theft, employees can push a silent panic button that will send an alert in real-time to other participating businesses. Upon notification, and from the safety of their store, neighboring employees can immediately observe the incident and try to gather any details that might aid a future investigation. Additionally, the Administration will provide participating businesses with funding for security cameras if they agree to (a) place at least one camera outside, overlooking the store's vicinity and (b) upload a mirror image of the camera's point of view to an online city camera map portal. These images will be used to create an interactive map that will allow law enforcement and participating retail watch stores to quickly determine whether the position of a camera will provide useful footage and save it. Business owners will also be encouraged to strategically position their outdoor security cameras in a way that maximizes coverage and eliminates unnecessary overlap.

Furthermore, to deter people from shoplifting, the Administration will provide members of the Neighborhood Retail Watch system with signage (depicted above) that indicates an establishment's participation in the community network. Collectively, these efforts represent and make clear to would be offenders that the business community and this Administration are committed to working together to ensure public safety and economic welfare.

INFORM Act

Recently, the federal government enacted new regulations to address concerns about individuals who commit or benefit from retail theft and then sell the stolen goods online.

On December 29, 2022, President Joe Biden signed into law a federal appropriations bill that included the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers (INFORM) Act. This law requires online marketplaces to verify and track the identities of high-volume sellers and provides for enforcement by the Federal Trade Commission and state attorneys general, among other measures. The law goes into effect on June 27, 2023.

A state-level bill to add similar regulations to the New York State General Business Law was introduced in January 2023 as S364.

Online Sale Authentication Procedures

Accountability by online re-sale websites can help curb the incentive for organized retail theft and protect consumers. By adding authentication procedures prior to sellers listing products on their sites, online businesses can prevent the sale of stolen or adulterated products before they reach consumers. Several online companies already employ this tactic for high-end merchandise to ensure quality and verify authenticity. Authentication can be done by verifying proof of purchase of commonly re-sold items with local “brick and mortar” retailers using barcodes or other identifying mechanisms like tamper-proof security labels or electronic product codes (EPC).

EPCs provide a two-fold deterrent. Electronic marketplaces would agree to not allow the product to be listed or advertised on their platforms without the appropriate label or anti-theft tech depending on which type is used. In so doing, the economic incentive is minimized because the easy access to a large consumer base is reduced for items without the EPC or items confirmed stolen using the EPC. This will require a significant collaborative effort and agreement across electronic marketplaces. Additionally, if a product pending listing is confirmed to be stolen, E-commerce companies and “brick and mortar” stores can unite

to engage law enforcement in subsequent investigations. This technology and similar types of RFID can confirm instances of theft down to the second that the item leaves the store. This data can then be leveraged by enforcement agencies to further prove theft, hone investigatory efforts, lead to aggregation of multiple thefts for more severe charges and build overt acts used to prosecute organized retail theft conspiracy cases. Verifying the source of third-party seller supplies prior to sale and combined with law enforcement intelligence can produce more informed prosecutions of organized retail theft rings, thereby making the operation of organized retail theft rings less lucrative and the risk of criminal enforcement more likely.

New York City Organized Retail Theft Task Force

In order to improve city agencies' and partners' ability to collaborate and respond to retail theft trends and incidents over time, the Administration will launch a new task force. Supplementing and coordinating among the existing efforts to combat retail theft, the task force will consist of law enforcement agencies, retailers, and other stakeholders throughout the city and beyond. The task force will focus on theft and property crimes while sharing intelligence to discern trends across precincts and geographical boundaries. The task force will also provide guidance to the Administration regarding legislative proposals related to retail theft. By facilitating interagency communication and a range of efforts across agencies and private entities, the task force will ensure prevention, diversion, and enforcement measures are executed using best practices and cutting-edge technology.

Conclusion



CONCLUSION

Retail theft is rapidly increasing and imposing significant costs on New York City businesses and residents. This problem demands creative and aggressive responses. The Administration understands that this is a multi-faceted issue, and we must address it holistically to ensure a sustainable impact. We have made a robust and concerted effort to listen and learn from those affected in the retail industry and beyond. This report highlights ongoing efforts by our partners in law enforcement and recommends the implementation of new, targeted programs and resources. These initiatives represent the largest collective action to combat retail theft by the public, private, and non-profit sectors in the city's history. The initiatives also represent an initial, affirmative effort to find creative solutions to the retail theft crisis that is adversely affecting New York City's businesses.

In this report, the city has committed to tackling retail theft by:

1. Creating targeted retail theft diversion programs;
2. Bringing support services closer to our retail communities;
3. Building stronger, safer unified retail communities;
4. Prioritizing the use of precision enforcement when appropriate;
5. Launching a strategic task force against retail theft; and
6. Advocating for stronger online marketplace authentication procedures to ensure consumer safety and deter organized theft rings.

The Administration's commitment to overcoming the retail theft crisis goes beyond just the publishing of this plan. We also intend to release quarterly reports to the public regarding the progress of all the initiatives put forth herein. Collectively, these efforts reinforce the Adams Administration's long-term dedication to public safety and the prosperity of the city's residents, retail workers, and business owners.



Stay Connected. For updates on our criminal justice initiatives follow us on Twitter at [@CrimJusticeNYC](https://twitter.com/CrimJusticeNYC) and visit nyc.gov/criminaljustice.