



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Fuschillo Legislation to Help Combat Organized Retail Theft Passed by Senate

CHARLES J. FUSCHILLO JR. June 4, 2012

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Legislation Would Create New Penalties for Criminals Who Steal From Businesses Through Phony Receipts

Senator Charles J. Fuschillo, Jr. (R-Merrick) announced today that the New York State Senate has passed legislation he sponsors which would help combat organized retail theft.

The legislation would create new penalties for individuals who use counterfeit receipts or Uniform Product Code (UPC) labels to steal from retailers.

“Organized retail thieves steal billions of dollars in merchandise every year, driving up prices for honest consumers. Evolving technology is giving these thieves new ways to commit widespread theft through phony receipts and UPCs. That’s why we need stronger laws to combat this growing crime,” said Senator Fuschillo.

Receipt and UPC fraud are two of the emerging tactics used by organized retail thieves to steal from stores. Under receipt fraud, criminals steal merchandise from a store, create counterfeit receipts, and then use those receipts to return the stolen merchandise for a profit. UPC fraud occurs when criminals alter an item’s UPC label, or create a counterfeit one, and then purchase the item at below cost.

Under Senator Fuschillo's legislation (S7370), thieves who use, reproduce, alter, or make a receipt or UPCs they know to be counterfeit could be charged with "retail sales receipt or universal product code fraud in the second degree," a class A misdemeanor. Thieves who use, reproduce, alter, or make fifteen or more receipts and/or UPCs they know to be counterfeit could be charged with "retail sales receipt or universal product code fraud in the first degree," a class E felony.

Organized retail theft costs more than \$30 billion each year nationwide, according to the Federal Bureau of Investigation. Those costs are ultimately passed down to consumers in the form of higher prices. According to the National Retail Federation, return fraud cost retailers an estimated \$14.3 billion in 2011. Additionally, state and local governments lose out on valuable sales tax revenue each time a product is stolen.

"Bogus receipts and fake UPC symbols are favorite tools of the organized retail crime gangs working across New York State," said Retail Council of New York State Executive Vice President Ted Potrikus. "They're integral parts of money laundering operations that rob millions of dollars from retailers, steal sales tax from state and local governments, and demand that merchants tighten return policies to the detriment and inconvenience of every honest shopper in the state. The entire industry applauds Senator Fuschillo's stewardship of this issue and his continued attention to the needs of the state's consumers."

The legislation has been sent to the Assembly.