



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Passes Senator Fuschillo's Legislation to Help Combat Organized Retail Theft

CHARLES J. FUSCHILLO JR. March 26, 2013

| ISSUE: **CONSUMER PROTECTION**

Legislation Would Create New Penalties for Thieves Who Use Phony Receipts to Steal From Businesses

Senator Charles J. Fuschillo, Jr. (R-Merrick) announced today that the New York State Senate passed legislation he sponsors to help combat organized retail theft, a crime which costs businesses and law abiding consumers billion of dollars each year.

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 are stealing billions of dollars in merchandise from stores every year. Businesses are not the only victims; these thefts drive up prices for law-abiding consumers. Technology is giving thieves new ways to steal merchandise, including through phony receipts and UPC codes. Our laws must keep pace with evolving technology to help law enforcement 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 (S779), thieves who make or use a receipt or UPC label 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 punishable by up to one year in prison. Criminals who make or use fifteen or more receipts and/or UPC labels 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 punishable by up to four years in prison.

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.

"Return fraud, fake receipts, and fake UPC symbols are common tools for organized retail crime gangs targeting New York's stores and shoppers," said Retail Council of New York State Executive Vice President and Director of Government Relations Ted Potrikus. "Senator Fuschillo has long recognized the very real impact that return fraud can have on the safety of New York's consumers. He knows that return fraud by some means higher prices at the cash register for all. The state's retailers applaud his leadership as he tries to corral this activity and protect the state's consumers."