

# THE CONNECTION

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**MINNESOTA SHOPPING  
CENTER ASSOCIATION**



## Organized Retail Crime Impacts All of Us



by Lisa Diehl,  
DIEHL AND PARTNERS, LLC

Organized retail crime (ORC) is defined as the large-scale theft of retail merchandise with the intent to resell the items for financial gain. ORC has been on a significant increase. It is estimated the inventory loss in 2022 according to the National Retail Federation (NRF) exceeded \$100 billion.

Organized crime typically involves a criminal enterprise employing a group of individuals who steal large quantities of merchandise from several stores and a fencing operation that converts the stolen goods into cash. Stolen items can be sold through online auction sites, at flea markets and even to other retailers. In addition to targeting stores, ORC gangs engage in cargo theft activities. They also commit other frauds such as using stolen or cloned credit cards to obtain merchandise, changing bar codes to pay lower prices, and returning stolen merchandise to obtain cash or gift cards. ORC is distinct from ordinary shoplifting committed by individuals seeking goods for personal use. 81% of retailers reported an increase in violence and aggression associated with ORC. This type of crime has a serious detrimental effect on retailers, their employees, and the communities they serve.

**WHAT'S BEING DONE TO COMBAT ORGANIZED CRIME?** There were two (2) Federal actions created this year.

- **The Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers (INFORM Consumers) Act** was signed into law in December 2022.
- **The bipartisan “Combating Organized Retail Crime Act of 2023,”** passed in June 2023. (S. 140/H.R. 895).

The two Federal actions will give the Federal Trade Commission and all state Attorneys General the authority to enforce transparency and better monitor criminal activity online. Doing so would help curb the fencing of stolen merchandise and address the sale of counterfeit goods allowing civil action to be brought about for online marketplaces that fail to comply with the new Act.

Both the International Council of Shopping Centers, now formerly known as Innovating Commerce Serving Communities (ICSC), and the NRF advocated for the bills, which establishes a coordinated multi-agency response and will create new tools to tackle evolving trends in organized retail theft:

- Allow for federal judges to order criminal forfeiture after convictions of organized retail theft related crimes;
- Strengthen federal money laundering statutes;
- Ensure that members of ORC groups who use the internet or other forms of interstate or foreign commerce in furtherance of their illicit activities are investigated and prosecuted;
- Allow for federal prosecutors to utilize an aggregate total value of \$5,000 or more over a 12-month period as a predicate for charging the transportation, or sale or receipt of stolen goods; and
- Establish the **CENTER TO COMBAT ORGANIZED RETAIL CRIME** at Homeland Security Investigations that combines expertise from state and local law enforcement agencies as well as retail industry representatives.



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**ORGANIZED RETAIL CRIME IMPACTS ALL OF US** *continued from front page...*

Thirty-four states have passed ORC laws. But with incidents often crossing state lines, 87% of retailers surveyed say a federal law is still needed.

**WHAT IS BEING DONE IN MINNESOTA?** ORC related provisions were included in the omnibus public safety and gun legislative package (MN SF 2909 & MN HF 2890) enacted during the 2023 legislative session and went into effect August 1, 2023.

1. Established the offense of organized retail crime. A person can be found guilty of ORC if he/she is:
  - i. employed or associated with a retail theft enterprise
  - ii. previously engaged in a pattern of retail theft
  - iii. intentionally commits an act or directs another member of an enterprise to commit retail theft.
2. Allows for multiple theft offenses committed in two or more counties to be aggregated into one offense.
3. Increased penalties for retail theft offenses that are violent in nature.

**THE COST TO AMERICAN FAMILIES IMPACTED BY ORGANIZED CRIME IS \$500.00 ANNUALLY. WHAT CAN YOU DO TO MAKE A DIFFERENCE? ASK OUR MEMBERS OF CONGRESS TO CONTINUE TO DEVELOP A TASK FORCE AND PROVIDE INCREASED FUNDING TO SUPPORT COORDINATION AMONG LAW ENFORCEMENT, PROSECUTORS AND BUSINESSES TO FOCUS ON STOPPING MULTI-JURISDICTIONAL RETAIL CRIME OPERATIONS.**

Minnesota Organized Retail Crime Organization: <https://mnorca.org>

Minnesota Organized Retail Crime Bill

<https://files.constantcontact.com/9b4da02a001/e8f21e37-70d4-4703-a663-d578186f5a71.pdf>

<https://www.ftc.gov/business-guidance/resources/INFORMAct>

<https://www.rila.org/focus-areas/asset-protection/inform-consumers-combat-organized-retail-crime>

<https://www.icsc.com/news-and-views/gpp/organized-retail-crime>

<https://nrf.com/advocacy/policy-issues/organized-retail-crime>



## A GLIMPSE INTO THE 2023 HOLIDAY SEASON

The National Retail Federation (NRF) predicts that past holiday shopping trends will persist, with 58% of consumers favoring online shopping, followed by department stores, discount stores and grocery stores.

E-commerce platform Shopify notes a growing trend among Gen Z, with 48% planning to buy gifts via social media. Gallup anticipates average spending of \$923 on holiday gifts per American, driven by a strong job market, higher wages and low unemployment.



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 IN THE  
 NEWS

## Minnesota Marketplace

- ▶ **ZAMBONI'S PIZZA PUB** will fill the Eagle Street Grille space on 7th Street in St. Paul. Eagle Street operated for two decades before vacating earlier this year.
- ▶ The last remaining **DAIRY QUEEN** in downtown Minneapolis has closed.
- ▶ **HUNTINGTON BANK** will close 11 branches in Cub Foods stores.
- ▶ The first ever **CARIBOU COFFEE** location is closing at 44th and France in Edina.
- ▶ **TOYS R US** has comeback at the Mall of America. **WILSONS SPORTING GOOD** and **SWEET PARIS CRÊPERIE** to also open at Mall of America.
- ▶ The Ontario-based maker of winter wear, **JUST COZY**, is now open at Southdale, Albertville and Duluth.
- ▶ **STEAK AND ALE** is coming back and has its sights on a location in Burnsville.
- ▶ **BEST BUY** signed a lease for 45,000 square feet at Burnsville Market Shopping Center in Burnsville.
- ▶ **RH OUTLET** will open an outlet location in Schneiderman's Plaza in Roseville.
- ▶ Local company, **MECCA**, has leased 26,000 square feet in Fridley in the building formerly occupied by Goodwill.
- ▶ **FIVE BELOW** will lease 11,285 square feet in Maplewood at Birch Run Station.
- ▶ **CAFÉ ZUPAS** to open 10th Twin Cities location in West St. Paul.
- ▶ **CAMPIELLO RISTORANTE & BAR** in Eden Prairie to close after nearly 30 years.



by Lisa Diehl,  
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by Jesseka Doherty,  
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## FAREWELL TO MSCA CONNECTION NEWSLETTER

Starting in January, MSCA will launch a new weekly email — **THE MSCA CONNECTION: YOUR GO TO FOR INFORMATION ON MSCA, EDUCATION & NETWORKING.** This email will keep members up to date with MSCA events, news, sponsorship opportunities, member spotlight, and more! Since its inception in 1988, the MSCA Connection newsletter has played a crucial role in communicating with members. The Newsletter Committee expresses gratitude to past committee members and all our readers for their ongoing support of the newsletter.

Co-Chairs,  
 Lisa Diehl, Diehl & Partners, LLC and Alison Krueger, Mid-America Real Estate - Minnesota, LLC

## MSCA 2024 MEMBERSHIP - RENEWAL DEADLINE: JANUARY 31, 2024

1. Log on to [www.msca-online.com/account/login](http://www.msca-online.com/account/login) and log in with your member ID and password.
2. On the right-hand side, there is a list of 'Other Actions'. Please click on 'Renew My Membership.'

*Note: MSCA staff cannot access your password. If you forget your password, click on 'forgot password.' An email will be sent to you, and you must click the link in the email to activate the new password. The password will not function unless you activate it.*



### MSCA 2023 State of Retail — Retail Tournament of Champions

NOVEMBER SPEAKERS (left to right):


- John Johannson..... Transwestern
- Amy Senn ..... Mid-America Real Estate – Minnesota, LLC
- Jen Helm..... Newmark
- Ed Studniski ..... Ayres (emcee)



### NOVEMBER PROFESSIONAL SHOWCASE SPONSORED BY GARDNER BUILDERS



### THANK YOU TO MSCA'S NOVEMBER THIRD THURSDAY SPONSOR MALL OF AMERICA



WISHING YOU A HAPPY, HEALTHY, AND PROSPEROUS NEW YEAR! MAY THE FUTURE BE PLEASANT, THE PAST A BRIGHT DREAM, AND ALL THE PEOPLE IN YOUR LIFE REMAIN FAITHFUL AND DEAR.

### WELCOME NEW MEMBERS

- MICHAEL WIGSTROM.....MISSION FILTRATION
- JIM HOEPPNER.....METRO ALARM & LOCK
- STACY GUETZKOW .....MINNESOTA ROADWAYS CO

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THANK YOU TO OUR MSCA 2023 CORPORATE SPONSORS

