



Memorandum

TO: PUBLIC SAFETY, FINANCE
AND STRATEGIC SUPPORT
COMMITTEE

FROM: Paul Joseph

SUBJECT: Organized Retail Theft
Status Report

DATE: November 6, 2024

Approved

Date:

11/8/2024

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Accept the status report on current and planned activities for the Organized Retail Theft Detail.

BACKGROUND

Organized retail theft is a systematic problem across the State of California. The Bay Area and the City of San José (City) have seen a steep increase in organized retail thefts over the last several years. San José is home to several largescale shopping centers and numerous large retail stores and strip malls which draw people in from the greater region and beyond. These retailers are significant targets of organized retail theft offenders. The layout of the Bay Area and the nature of organized retail theft makes it a transitory crime and often involves groups of offenders who travel great distances to commit crimes and flee the City. These factors create hurdles in identifying, tracking, and arresting offenders, requiring an innovative and collaborative approach to combat organized retail theft in the City.

The Organized Retail Theft (ORT) Detail, which operates out of the San José Police Department's Financial Crimes Unit, investigates organized retail theft and shoplifting within the City of San José. The goals of the ORT Detail are to reduce retail theft throughout the City, to increase successful criminal prosecutions, and to collaborate with allied agencies and retail partners.

The California State Budget Act of 2022 established the Organized Retail Theft Prevention Grant Program through Senate Bill 154. The State of California set aside \$242,250,000 to enhance law enforcement's efforts to prevent and respond to organized retail theft, motor vehicle or motor vehicle accessory theft, and cargo theft.

The Board of State and Community Corrections (BSCC) awarded competitive grant funding to county sheriffs' departments, city police, and probation departments.

On July 7, 2023, the San José Police Department (the Department) submitted a grant proposal for the BSCC Organized Retail Theft Prevention Grant Program. The application was accepted and approved on September 14, 2023, in the amount of \$8,489,349. The grant was then subsequently brought before the City Council and approved for appropriation on October 24, 2023.

On October 24, 2023, during the presentation of the Organized Retail Theft grant, City Council directed the San José Police Department to provide a status report on crime prevention efforts, performance measures, and future endeavors.

ANALYSIS

The Organized Retail Theft grant provided funding for staffing, equipment, and technology to support investigations of retail theft and retail theft rings that target the City of San José. This is a reimbursable grant, and the Department is responsible for ensuring that expenditures are allowable as prescribed in the BSCC Grant Administration Guide and the City's policy and procedures. The grant term is October 1, 2023, through December 31, 2026. The grant allows the Department to address retail theft by directing resources, including but not limited to salaries, overtime, consultant services, training, and equipment, to address the growing retail theft problem. Table 1 provides an overall breakdown of project funding during the grant term.

Table 1. Organized Retail Theft Grant Project Funding

Budget Category	2023 – 2024	2024 – 2025	2025 – 2026	Total	Grant TD 09/2024	Balance
Salaries & Benefits and Overtime	\$1,360,679	\$1,428,713	\$1,500,152	\$4,289,544	\$566,779	\$3,722,765
Equipment	\$1,100,000	\$1,264,597	\$1,264,596	\$3,629,193	\$880,492	\$2,748,701
Data Collection & Evaluation, Training, Services & Supplies	\$330,000	\$120,306	\$120,306	\$570,612	\$90,927	\$479,685
Total	\$2,790,679	\$2,813,616	\$2,885,054	\$8,489,349	\$1,538,198	\$6,951,151

The grant funds are allocated in three ways across the grant budget categories: 1) investigative resources, 2) field resources, and 3) technology resources.

1) Investigative Resources:

The Organized Retail Theft Detail employs one full-time (non-sworn) analyst and four (non-sworn) part-time investigators. The staff assigned to the Detail investigate cases, gather intelligence, provide outreach and training to retail partners, track crime statistics and patterns, identify hotspots, and identify and document best practices. The assigned

staff are supplemented by sworn detectives and officers working on an overtime basis to assist case investigations.

In May 2024, the Detail received approval to increase the number of ORT investigators from four to six. One of the added investigators started in October 2024. The second position has recently been posted, and a number of applicants have already applied. Spending on salaries, benefits, and overtime are currently behind schedule due to hiring ramp-up and turnover.

2) Field Resources:

Uniformed teams consisting of a sergeant and three to five officers working on overtime proactively patrol malls and other retail “hotspot” locations. These teams provide a visible patrol presence with the primary goals of deterrence and prevention. Community Service Officers (CSOs) are also employed on an overtime basis to respond to theft incidents and take reports when no suspects are present.

In the third quarter of Fiscal Year (FY) 2023-2024, 243 patrol events were created by the sworn “hotspot” teams and CSOs. In the fourth quarter of FY 2023-2024, 294 patrol events were created.

3) Technology Resources:

Three hundred Automated License Plate Reader (ALPR) cameras have been installed throughout the City. These cameras assist in the identification of suspects and involved vehicles. The grant has also provided funds for an Automated Fingerprint Identification System (AFIS) fingerprint processing workstation and a forensic workstation that is used for extracting data from cellular phones.

Organized Retail Theft Detail Performance Measures

The ORT Detail reported the following statistics during FY 2023-24. The ORT Detail did not exist in FY 2022-2024 and the first quarter of FY 2023-2024. Data for that timeframe is provided to show a year-over-year comparison to show the Department’s efforts to address organized retail theft.

Overall Retail Theft Incidents Reported	Q1	Q2	Q3	Q4	Total
FY 2022 - 2023	829	972	819	929	3,549
FY 2023 - 2024	1,127	1,210	983	1,113	4,433

Q = Quarter

Overall Retail Theft Cases Filed/Submitted	Total
FY 2022 - 2023	961
FY 2023 - 2024	1,428

ORT Investigator Cases Filed/Submitted	Q1	Q2	Q3	Q4	Total
FY 2022-2023*	0	0	0	0	0
FY 2023-2024**	0*	11	102	92	205
FY 2024-2025**	245				

* ORT Detail did not exist in FY 2022 – 2023 and Q1 FY 2023-2024

**Includes cases worked by officers for overtime using grant funds

In future reports, the Department will update the data to include ALPR use, the number of locations using online reporting, and the number of online reports submitted.

FY 2023-2024 Detail Highlights and Success Stories

The ORT Detail has completed numerous complicated investigations that have resulted in the identification, apprehension, and criminal filing of the perpetrators. The following are three examples of successful investigations completed by ORT investigators.

San José Police Department Case #24-071-0567. Investigator Moody investigated a case at the Target store at the Plant Shopping Center (located at 1 Curtner Avenue), where a prolific thief loaded bottles of alcohol into a suitcase. When exiting the store with over \$700 in stolen items, the suspect was arrested and brought into the security office for processing. Target reported to the San José Police Department that the suspect had committed 39 prior unreported thefts and some additional reported, uninvestigated cases dating back to 2019. Investigator Moody worked with Target loss prevention personnel to add an additional 17 cases to the alcohol theft case. Investigator Moody submitted the cases to the District Attorney's Office's ORT attorney, who filed six counts of grand theft plus an enhancement for committing felonies while being out on his "own recognizance" on another criminal matter. The suspect is in custody awaiting trial.

San José Police Department Case #23-347-0534 & 24-173-0899. In June 2024, Investigator Moody, working with Home Depot and Lowe's ORT investigators, identified two suspects involved in 23 thefts from Home Depot, Lowe's, and Dick's Sporting Goods. Investigator Moody submitted the case to the District Attorney's Office's ORT attorney, who filed 17 counts of grand theft for one of the suspects and three counts of grand theft for the other. Each suspect would receive enhancements for committing felonies while being out on their "own recognizance." As this case was pending a disposition, Investigator Moody discovered 90 additional cases involving one of the suspects, leading to 23 additional counts of felony grand theft that were filed by the District Attorney's Office. The suspect, now charged with a total of 40 counts of grand theft, was arrested and is in custody awaiting trial.

San José Police Department Case #24-102-0488. In April 2024, Investigator Villanueva investigated a retail theft at a Dick's Sporting Goods in San José. An

unidentified suspect attempted to steal 24 Stanley Tumblers worth \$1,080 and fled the scene. Investigator Villanueva noted a vehicle description in the police report and utilized the ALPR camera system to locate the vehicle in the area at the time of the theft and identify a license plate number. A possible suspect was identified as the registered owner of the vehicle. A records check of the registered owner showed the suspect was involved in a theft at Kohl's located in Gilroy later the same day as the Dick's Sporting Goods incident using the same vehicle. Investigator Villanueva administered a photo line-up at Dick's Sporting Goods, and the suspect was positively identified. The case was submitted to the District Attorney's Office and felony charges were filed and a warrant was issued. The suspect is at large in the Fresno area, and the ORT Detail is coordinating with the Fresno Police Department to have the suspect arrested.

FY 2024-2025 Detail Plans

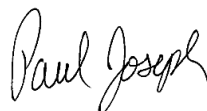
During FY 2024-2025, the ORT Detail plans to accomplish the following plans:

- Hire the second of two new ORT investigators approved by BSCC.
- Increase participation in sting operations to increase ORT arrests.
- Implement online reporting by retail organizations.
 - Rollout a pilot retail location at the Plant Shopping Center in December 2024.
 - Rollout two additional retail locations in the third quarter of FY 2024-25.
- Track ORT ALPR use by working with the system vendor to extract the appropriate data.

All of these changes will be implemented within the original grant project funding, with no change to the overall budget.

COORDINATION

This report was coordinated with the City Attorney's Office and the City Manager's Budget Office.



Paul Joseph
Chief of Police

For questions, please contact Lieutenant Brent McKim #3893, Financial Crimes Unit Supervisor, at brent.mckim@sanjoseca.gov.