



Statement for the Record

U.S. Senate Judiciary Committee

Beyond the Smash and Grab: Criminal Networks and Organized Theft

July 15, 2025

Chairman Grassley, Ranking Member Durbin, and Members of the Committee,

Thank you for the opportunity to submit comments on behalf of The Home Depot regarding combatting organized retail crime (ORC). As the largest home improvement retailer in the world, The Home Depot is keenly aware of how large-scale retail crime is an increasing threat to customers and associates that walk into retail stores every day.

Background

The Home Depot operates 2,350 retail stores across North America, with over 2,000 in the U.S., and employs over 470,000 associates. Every five minutes, an Organized Retail Crime event is reported in a Home Depot store during hours of operation. According to the U.S. Chamber of Commerce, ORC has caused more than \$125 billion in lost economic activity across the nation. It has also triggered a loss of more than 685,000 jobs, affecting retailers of all sizes.

As ORC and its impact have rapidly grown in scale and scope, The Home Depot and many of our retail peers have intensified safety measures to increase deterrence and protect our customers, associates, and products. Our safety measures include locking up items for sale, employing off-duty police officers and security guards, and staging police cars at the front of our stores, among many other tactics. Despite these efforts, the problem continues. Tragically, some ORC encounters have ended fatally for associates. Though some question whether the media are overhyping the problem, retailers like The Home Depot know firsthand that ORC and its consequences are significant and must be addressed.

We have seen an alarming rise in the frequency and aggressiveness of organized and professional criminal groups stealing from our stores. There is a myth that ORC rings happen only in big cities. Criminals and bad actors don't discriminate when it comes to targeting stores, and organized retail crime is happening everywhere – in urban and suburban areas and everywhere in between. Generally, the intent of ORC actors is to resell and monetize the product as quickly as possible.

We partner closely with law enforcement agencies who often find these crimes linked to other more sinister activities such as drug, gun and even human trafficking. Far from petty shoplifting, ORC is not theft for need, but theft for greed. In many cases, theft from our stores is used to fund ongoing criminal enterprises. Organized retail crime is large scale, multi-jurisdictional activity that is carefully choreographed. Sophisticated criminal rings recruit individuals from vulnerable populations to steal and quickly sell the stolen products, often anonymously through online third-party platforms.

Rising ORC on Online Marketplaces: Causes Behind the Surge

At The Home Depot, a significant number of all ORC cases involve an online marketplace. Since 2020, we have seen a significant uptick in our store and asset protection associates coming into

violent contact with criminal actors. These individuals are becoming increasingly aggressive. They are dangerous and often care little about any consequence other than getting out of the store with as much product as possible. Our associates have been threatened with knives, guns, and other physical attacks. We believe there are three primary reasons for this increase.

First, the availability of drugs, opioids and fentanyl specifically, has driven a need for easy and fast cash. Many of those we call "boosters" in these operations are simply pawns for higher level fences and criminal organizations to commit their crimes. Organized retail crime is often connected to other illicit activities. According to Homeland Security Investigations, organized theft groups also engage in cybercrime, money laundering, drug trafficking, terrorism financing, weapons trafficking, and transnational organized crime.

Secondly, the rise of third-party marketplaces allows criminals to anonymously resell stolen or counterfeit goods. We see this happening even on reputable online platforms, which have made it easy to monetize goods and sell them at scale.

To fight this, The Home Depot strongly supported the INFORM Consumers Act, a bipartisan bill led by Senators Dick Durbin and Bill Cassidy that went into effect in June 2023. However, ORC actors are trying to evade the INFORM Act by using peer-to-peer websites to arrange offline transactions, where they pay for stolen goods with cash instead of using the marketplace's payment systems. We urge Congress to update the INFORM Act to prevent the theft and sale of stolen goods online, particularly those arranged through offline transactions.

The last contributor is an increasing lack of resources and support needed by local, state, and federal law enforcement to assist retailers, store associates, customers, and broader communities to disrupt criminal networks. Many police departments across the country are perpetually and significantly understaffed, and this results in less support for retailers and the broader community. We see policies such as increased felony thresholds and lack of aggregation as creating an environment where little can be done by retailers alone to address the issue.

Solutions to Combat ORC

The Home Depot is working hard to address all three underlying causes. First, we have grown our investigative team over 180% since 2016 and have increased our overall budgets by tens of millions of dollars. In our stores, we use technology and physical deterrents. These include everything from increased security personnel to secure lockup enclosures, to smart shopping carts, to machine learning and data analysis tools. We've also launched a program called "Game Plan," where we invite local law enforcement and politicians to visit stores and see our technology and tactics in action, in order to educate and build relationships proactively.

To address online concerns, we have added resources and implemented tools to identify bad actors using the anonymity of online marketplaces. While these marketplaces are a convenient outlet for the second-hand consumer market, legitimate resellers would not be selling branded, new-in-box products at prices better than national retailers. The platforms simply need to do more in terms of accountability to mitigate illegitimate sales and outright fraud.

We work in close partnership with local, state, and federal law enforcement to build case files and help dismantle these networks through public-private coordination and task forces. We have worked closely with more than a dozen state attorneys general who have established task forces over the past two years to better protect their communities and businesses. For example, during an investigation in Little Rock, Arkansas, a booster, the individual who steals the product for a ringleader, admitted to stealing over \$1 million dollars of product from Home Depot and selling it on Facebook Marketplace. He used this cash to buy and distribute large amounts of fentanyl. Our investigators worked with Homeland Security and the Little Rock Police Department, and our evidence was used to conduct controlled sales to the fence. The suspects were ultimately arrested and charged under a federal indictment. A federal task force would allow us to expand upon the progress made at local and state levels, like this case in Arkansas, and give all of us a greatly needed nationwide partner.

Passing the Combatting Organized Retail Crime Act

A critical step that Congress can take to help us stop this brazen theft is to pass the Combatting Organized Retail Crime Act (S.1404/H.R.2853), introduced in the Senate by Senators Chuck Grassley and Catherine Cortez Masto and in the House by Representatives Dave Joyce, Susie Lee, David Valadao, Dina Titus, Michael Baumgartner, Brad Schneider, Laurel Lee, and Lou Correa.

The Home Depot strongly supports CORCA and we are pleased to see that the Senate bill has over 20 bipartisan cosponsors. The bill would create the Organized Retail Crime Coordination Center, bringing together federal, state and local law enforcement and private sector experts to share information and collaborate on strategies to keep our stores, customers, and associates safe and secure. The bill would allow us to expand upon the progress made at the local and state levels and address cases that reach certain thresholds or cross state lines.

We join the retail community in urging Members of Congress to work together to ensure that the Combatting Organized Retail Crime Act urgently becomes the law of the land to help stop these senseless crimes in our stores and communities.