

ICE ORC

The Threat of Organized Retail Crime and ICE Operations and Partnerships in Law Enforcement

Fact Sheet

Definition and Background

Organized retail crime is the orchestration of a scheme to convert stolen goods to cash. The scheme involves individuals known as boosters, who are members of organized criminal networks. Many of the boosters have recently immigrated to the United States and work in an orchestrated manner to illegally obtain high-value, over-the-counter retail products.

The items are typically purchased by fencing operations for pennies on the dollar, and are then resold to complicit wholesalers. There, they are stripped of electronic security tags, repackaged, cleaned of store markings, or otherwise prepared for illegal resale. Many wholesalers resell these products through online



auction sites, flea markets or family-run stores. Organized retail crime is best combated through federal anti-money laundering statutes that can carry severe penalties. ICE is promoting partnerships with the retail industry and law enforcement at all levels to combat this threat.

ICE Success Story

In September 2001, ICE agents assigned to the Office of the Special Agent in Charge (SAC) Dallas, and officers from the Fort Worth Police Department (FWPD) initiated an investigation into the Ghali criminal organization. The FWPD suspected that the Ghali organization was involved in large-scale organized retail theft and international money laundering.



Special agents and officers from the Federal Bureau of Investigation, Food and Drug Administration, Internal Revenue Service and Dallas County Sheriff's Office later joined this ongoing ICE-led investigation.

Members of the Ghali organization recruited hundreds of boosters, some of whom were drug addicts, to steal over-the-counter medicinal products and other items such as infant formula, glucose test strips, razors and pregnancy test kits, which were repacked and sold to wholesalers. The organization also used convenience stores in the Fort Worth, Texas area as fencing locations, and purchased stolen property for a fraction of its original cost.

On May 21, 2003, approximately 200 federal, state and local law enforcement officials arrested 27 members of the Ghali organization. In addition, 17 search warrants and two seizure warrants for bank accounts were



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executed, resulting in the seizure of over-the-counter medicinal products valued at approximately \$2.5 million, two vehicles and approximately \$221,000.

Between September 2003 and December 2005, most members of the Ghali organization, named in federal and state indictments, pled guilty to federal or state charges and received sentences ranging from probation to five years in prison. The federal charges included nine separate counts of money laundering. Two residences and an additional \$527,627 were also seized and forfeited.



Red Flag Indicators Associated with Organized Retail Crime

Based on successful ICE investigations into organized retail crime, some indicators of suspicious banking activity have already been identified. These indicators include:

- Business checks written to individuals as opposed to legitimate suppliers.
- Business checks cashed at the banks where the checks originated from instead of being deposited into another business' bank account.
- Business checks written to cash on a regular basis in amounts that exceed a business' petty cash requirement.
- Multiple checks written on the same day in amounts less than \$10,000, possibly to avoid reporting requirements, despite the fact that checks would not normally generate currency transaction reports.
- Multiple checks written on the same day to cash, to ensure the amount of each check does not exceed \$10,000.



- Multiple money orders in increments of \$500 or less deposited into bank accounts where the remitter of the money order is the same as the authorized signers on the bank accounts for which the checks are being deposited.
- Subjects of questionable financial transactions all maintain the same address.
- Occupations listed for the subjects of questionable financial activities are not commensurate to the volume and type of the financial activities.
- Checks drawn from the questionable financial activities are negotiated in foreign countries.
- Cash deposits related to the questionable financial activities involved currency in \$100 denominations.

Combating organized retail crime is integral to ICE's mission of protecting the homeland by targeting the ways in which criminal organizations earn, move and store illicit proceeds. Furthermore, it will impact criminal organizations by targeting the methods these organizations use to support their illegal activities.

