



OPERATION BOILING POINT THREAT ASSESSMENT

CALIFORNIA



Operation Boiling Point is Homeland Security Investigations' (HSI) response to Organized Theft Groups (OTGs) profiting from Organized Retail Crime (ORC), cargo theft and other theft-related crimes that threaten the economy and security of the United States.



Organized Theft Groups are sophisticated criminal organizations who profit from illegally obtaining goods that are later sold for economic gain.



ORGANIZED RETAIL CRIME (ORC)



\$13.7B
STOLEN GOODS¹
(2021)



94,421 lost jobs
\$6B lost wages
ECONOMIC IMPACT¹ (2021)

TOP 10

CITIES AFFECTED BY ORC INCLUDE²

#1 Los Angeles **#2** San Francisco
#7 Sacramento

\$950

2014 PROPOSITION 47, changed the threshold for felony theft from >\$400 to >\$950, a factor in increased ORC.³



SMASH & GRAB

OTGs commit **SMASH AND GRABS** at retail stores such as pharmacies, jewelers and luxury retailers. Smash and grabs may involve violence against employees.

TWO NEW BILLS APPROVED IN 2022



SENATE BILL 301 Online marketplace verification requirements on high volume 3rd party sellers to deter the online sale of stolen goods.⁴
ASSEMBLY BILL 2294 Law enforcement may keep a person in custody if "there is probable cause to believe that the person arrested is guilty of committing organized retail theft."⁴



In the Los Angeles area, OTGs purchase electronics at retailers using **FRAUDULENTLY FUNDED GIFT CARDS⁵**



CARGO THEFT



TOP COUNTIES FOR CARGO THEFT⁶

• Los Angeles • Riverside
• San Bernardino • San Joaquin
• Fresno

#1

STATE FOR CARGO THEFT⁷

↑ 101%

Increase in cargo theft (2020 to 2021)



Cargo theft increased due to supply chain issues which left **CARGO ITEMS UNATTENDED LONGER.⁷**

TOP STOLEN CARGO COMMODITIES



Statewide: **ELECTRONICS, HOUSEHOLD ITEMS AND FOOD & BEVERAGE.⁶**



Los Angeles County:

• APPAREL
• ACCESSORIES⁶



Southern California: **ELECTRONICS⁸**

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CARGO THEFT

continued



Cargo theft in California occurred **MOST OFTEN ON FRIDAYS**.⁶



FICTITIOUS PICKUPS OCCUR OFTEN.

A fictitious pickup is a cargo theft method where goods are stolen by a person who is impersonating the authorized driver for the cargo pickup.



OTGs' current trend is to steal goods in the Pacific Northwest and then **SELL THE STOLEN GOODS BACK** in California.⁸



In the Los Angeles area, OTGs steal cargo from trains, including **SHIPMENTS OF SHOTGUNS AND HANDGUNS**.

Union Pacific had **160% INCREASE IN THEFT**, an average of **90 CONTAINERS ARE LOOTED A DAY**. (2021)



OTHER THEFT



#3 STATE FOR VEHICLE THEFT by population with 511 vehicle thefts per 100,000 people; 7.6% increase from 2020.⁹

2021

BAKERSFIELD: #1 CITY IN THE COUNTRY with most vehicle theft by population with 1,023 vehicle thefts per 100,000 people; 12% increase from 2020.⁹

SAN FRANCISCO: #6 CITY IN THE COUNTRY with most vehicle theft by population with 675 vehicle thefts per 100,000 people; 3% increase from 2020.⁹



INCREASE IN CATALYTIC CONVERTER THEFTS from hybrid vehicles. Converters in hybrids have more profitable metals than converters in gas-powered vehicles.



Senate Bill 1087 and Assembly Bill 1740 approved in 2022; recyclers must keep records with additional details on catalytic converter purchases and buy only from authorized dealers or the legal owner of the vehicle where the catalytic converter originated.¹⁰



Northern California **OTGs TARGET TOURISTS' RENTAL CARS** in the Los Angeles area for theft of valuables.



South American Theft Groups, ("**BURGLARY TOURISTS**") specifically from Chile, arrive with visa waivers and **COMMIT HOME BURGLARIES IN AFFLUENT NEIGHBORHOODS** in Los Angeles, San Francisco and San Diego areas.

1 Retail Industry Leaders Association (RILA) and Buy Safe America Coalition, The Impact of Organized Retail Crime and Product Theft in the United States, www.rila.org/focus-areas/public-policy/study-retail-theft-balloons-to-over-68-billion, 11/18/21

2 National Retail Federation (NRF), 2022 Retail Security Survey - The State of National Retail Security and Organized Retail Crime, www.nrtf.com/research/national-retail-security-survey-2022, 9/14/22

3 Loss Prevention Magazine (LPM), The Current State of Organized Retail Crime, www.losspreventionmedia.com/whitepaper-orc-special-edition, 5/10/22

4 California Legislature, www.leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202102220SB301 and www.leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202102220AB2294, 9/30/22

5 Association of Certified Anti-Money Laundering Specialists (ACAMS) & Homeland Security Investigations (HSI), Detecting and Reporting the Illicit Financial Flows Tied to Organized Theft Groups and Organized Retail Crime, www.acams.org/en/organized-retail-crime#summary-14c8bdad, 5/25/22

6 CargoNet, California Supply Chain Theft Report 2017-2021, 9/22/22

7 Transported Asset Protection Association (TAPA), 2021 United States & Canada Cargo Theft Annual Report, 5/1/22

8 TAPA, 1st Quarter 2022 Newsletter, https://tapa.memberclicks.net/assets/2022_Newsletters/2022%201ST%20QTR%20TAPA%20NEWSLETTER.pdf, 5/1/22

9 National Insurance Crime Bureau (NICB), NICB Report Finds Vehicle Thefts Continue to Skyrocket in Many Areas of U.S., www.nicb.org/news/news-releases/nicb-report-finds-vehicle-thefts-continue-skyrocket-many-areas-us, 9/1/22

10 California Legislature, www.leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202102220AB1740 and www.leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202102220SB1087, 9/25/22

NRF National Retail Federation

ACAMS

R RETAIL INDUSTRY LEADERS ASSOCIATION

NICB NATIONAL INSURANCE CRIME BUREAU

TAPA TRANSPORTED ASSET PROTECTION ASSOCIATION

CLEAR California Law Enforcement and Retail Association

BUY SAFE A National Association

LPM LOSS PREVENTION MAGAZINE

Verisk