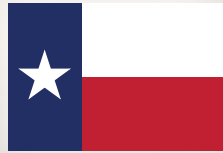




OPERATION BOILING POINT THREAT ASSESSMENT

TEXAS



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)



\$3.8B

STOLEN GOODS¹
(2021)



ECONOMIC IMPACT²
(2021)

36,654

lost jobs

\$1.9B

lost wages

TOP 10

**CITIES AFFECTED
BY ORC INCLUDE³**
#4 Houston #10 Dallas

30%
OF JOBS⁴

directly and indirectly
supported by the retail
industry (2018)



OPERATION KING OF THIEVES: 2015-2021^{5,6}

A TRANSNATIONAL CRIMINAL ORGANIZATION (TCO) based in the Houston area involved in ORC and other criminal activities

- Items stolen from retailers included **OVER-THE-COUNTER MEDICATIONS, DIABETIC TEST STRIPS** and **PERSONAL CARE PRODUCTS**
- These items are **COMMONLY STOLEN** by OTGs. These items can cause health and safety risks to consumers who unknowingly purchase these items that are stored and transported utilizing unregulated methods and/or altered before resale

- **24 ARRESTS** for various federal charges including healthcare fraud, conspiracy and transportation of stolen goods
- **\$8 MILLION, TWO HOMES** and **LAND SEIZED**
- Approximately **\$30 MILLION IN LOST REVENUE** for retailers
- **\$150 MILLION LOSS** to insurance and government programs due to healthcare fraud



TEXAS PENAL CODE 31.03 THEFT⁷

- Class C Misdemeanor <\$100
- Class B Misdemeanor ≥ \$100 but <\$750
- Class A Misdemeanor ≥ \$750 but <\$2,500
- State jail felony ≥ \$2,500 but <\$30,000
- Felony of the third degree ≥ \$30,000 but <\$150,000
- Felony of the second degree ≥ \$150,000 but <\$300,000
- Felony of the first degree ≥ \$300,000

TEXAS PENAL CODE 71.02 ENGAGING IN ORGANIZED CRIMINAL ACTIVITY (INCLUDES THEFT)⁸

- When a person commits an offense while being part of a "combination"; in Texas is defined as 3 or more people
- This offense is one category higher than the most serious offense that was committed

continued on next page



OPERATION BOILING POINT | THREAT ASSESSMENT TEXAS



CARGO THEFT

**#2 STATE
FOR CARGO THEFT**^{9, 10}



**TOP CITY
IN TEXAS FOR
CARGO THEFT**¹¹
Dallas

**TEXAS PENAL
CODE 31.18
CARGO THEFT**¹²

Felony when total value of cargo
is ≥\$1,500



TOP STOLEN CARGO ITEMS STATEWIDE

¹³

FOOD & BEVERAGE

- Energy Drinks
- Alcohol



HOUSEHOLD ITEMS

Kitchen Appliances



VEHICLES & ACCESSORIES

Tires



OTHER THEFT

CATALYTIC CONVERTER OTGs



- **MARCH 2022 HOUSTON** Harris County Sheriff's Office Deputy Darren Almendarez was shot and killed by three suspects attempting to steal the catalytic converter from the deputy's vehicle in a supermarket parking lot. The three suspects were arrested for capital murder.
- **JULY 2022 HOUSTON** Six suspects arrested (one of six was released)—477 stolen catalytic converters worth \$1 million, 2,800 oxygen sensors and 29 firearms were seized.

- **AUGUST 2022 PEARLAND** Five suspects arrested—1,450 stolen catalytic converters worth \$2.7 million and \$840,000 in illicit proceeds were seized.



TEXAS HOUSE BILL 4110

Effective September 1, 2021 - Texas
Occupations Code 1956 Metal
Recycling Entities

- Purchase of a stolen catalytic converter changed from misdemeanor to felony¹⁴

FUEL THEFT



OTGs stealing gas by tampering with station fuel pumps

- **MAY 2022 DALLAS** Four arrested, 80 gallons of gas of stolen
- **JULY 2022 ODESSA** Three arrested, multiple thefts totaling in 3,600 gallons of gas stolen
- **AUGUST 2022 GRAPEVINE** Two arrested, 460 gallons of gas stolen

AUTO THEFT



TEXAS #10 STATE FOR VEHICLE THEFT by
population with 320 thefts per 100,000 people (2021)¹⁵

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

4 NRF, The Economic Impact of the US Retail Industry, <https://cdn.nrf.com/sites/default/files/2020-06/RS-118304%20NRF%20Retail%20Impact%20Report%20.pdf>, 5/2020

5 Association of Certified Anti-Money Laundering Specialists (ACAMS) and 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 Loss Prevention Magazine (LPM), The Current State of Organized Retail Crime, www.losspreventionmedia.com/whitepaper-orc-special-edition, 5/10/22

7 Texas Constitution and Statutes, <https://statutes.capitol.texas.gov/Docs/PE/pdf/PE.31.pdf>

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9 CargoNet, 2022 Supply Chain Risk Trends Analysis, www.cargonet.com/news-and-events/cargonet-in-the-media/2022-theft-trends, 1/12/23

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

11 Texas Department of Public Safety Uniform Crime Reporting Program, January 2022 to December 2022 Cargo Theft Reports, <https://bucr.nibrs.com/srsreport/cargothefthereport>, 1/3/23

12 Texas Constitution and Statutes, <https://statutes.capitol.texas.gov/Docs/PE/pdf/PE.31.pdf>

13 CargoNet, 2022 Texas Cargo Thefts, 1/10/23

14 Texas Constitution and Statutes, <https://statutes.capitol.texas.gov/Docs/OC/pdf/OC.1956.pdf>

15 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

NRF National
Retail
Federation

ACAMS

R RETAIL INDUSTRY
LEADERS ASSOCIATION

NICB
NATIONAL INSURANCE CRIME BUREAU

TAPA
Transported Asset Protection Association

CTFAR
A National Association

BUY SAFE
TRUSTED

LPM
LOSS PREVENTION MAGAZINE

Verisk