

119TH CONGRESS
1ST SESSION

S. 1404

To combat organized crime involving the illegal acquisition of retail goods and cargo for the purpose of selling those illegally obtained goods through physical and online retail marketplaces.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2025

Mr. GRASSLEY (for himself, Ms. CORTEZ MASTO, Mrs. BLACKBURN, Ms. KLOBUCHAR, Mr. RISCH, Ms. ROSEN, Mr. CASSIDY, Mr. HEINRICH, Mr. BUDD, Mr. KELLY, Mr. HAGERTY, Mr. GRAHAM, Mr. DAINES, Mrs. BRITT, and Mr. CRUZ) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To combat organized crime involving the illegal acquisition of retail goods and cargo for the purpose of selling those illegally obtained goods through physical and online retail marketplaces.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Combating Organized
5 Retail Crime Act”.

6 **SEC. 2. FINDINGS.**

7 It is the sense of Congress that—

1 (1) organized theft groups, involving sophisti-
2 cated and structured groups of individuals, continue
3 to increase criminal activities carried out by the
4 groups against the retail industry and the supply
5 chain of the Nation. These activities, at unprece-
6 dented levels, involve theft and fraud of both phys-
7 ical and digital goods, leading to escalating financial
8 losses and violence in the workplace—all impacting
9 the national economy and security of the United
10 States;

11 (2) retailers face mounting thefts and fraud be-
12 cause of organized retail crime in and around stores,
13 online, and throughout the retail ecosystem. Accord-
14 ing to the National Retail Federation, larceny inci-
15 dents increased by 93 percent in 2023 compared to
16 2019, with a 90 percent rise in average dollar loss.
17 These thefts are often orchestrated by organized
18 theft groups reselling and redistributing the stolen
19 goods back into the economy of the United States or
20 overseas to gain illicit profit and to finance other
21 criminal activity. More than 84 percent of retailers
22 report that violence and aggression from these crimi-
23 nal activities has become more of a concern since
24 2022, resulting in injuries and deaths among em-

1 employees, customers, security officers, and law en-
2 forcement personnel;

3 (3) product manufacturers and the supply chain
4 of the Nation are victims of alarming increases in
5 cargo theft across rails, roads, and the various dis-
6 tribution points across the Nation. CargoNet, a
7 database of reported incidents in the United States,
8 reported a 27 percent increase in cargo theft inci-
9 dents in 2024 compared to the previous year. Dur-
10 ing the same period, the average value per theft rose
11 to over \$202,000. These thefts range from large-
12 scale physical theft of goods from containers and
13 storage to sophisticated cybercriminal methods that
14 divert shipments to illicit receivers, causing signifi-
15 cant financial losses and operational supply chain
16 disruptions;

17 (4) since 2022, more than 30 State laws have
18 been enacted to address organized theft, allow for
19 aggregation of thefts, and adjust penalties and en-
20 hancements. In 2024, California voters overwhelm-
21 ingly approved a constitutional reform to allow ag-
22 gregation of multiple or repeated thefts. Although
23 larceny and organized retail crime are sometimes
24 prosecuted at State and local levels, States face re-
25 source and investigative challenges from groups op-

erating beyond local, State, and regional law enforcement capabilities. More needs to be done to address the cross-jurisdictional, interstate, and international aspects of these crimes;

(5) organized theft groups vary in scope and scale, operating across State jurisdictions to avoid or disrupt local, State, and Tribal law enforcement response. These organized theft groups build hierarchies to easily redistribute stolen goods and illicit profits back into the economy of the United States or overseas with disregard for product and consumer safety. The groups exist and operate at the local, regional, and transnational level, targeting goods that include raw and finished materials, various branded retail products across all consumer categories, operational assets in retail commerce such as reusable transport packaging products, and consumable goods including agriculture, food products, and medicines;

(6) these groups are often polycriminal organizations, using profit from the reselling of stolen goods to support crimes involving drugs and weapons trafficking. The organized theft groups engage in human smuggling and have been known to use migrants to commit crimes to support the organizations. The groups move products and illicit proceeds

beyond the borders of the United States, funding nefarious groups and activities and threatening the integrity of the international economy;

(7) organized theft groups—

(A) threaten the safety and liberty of individuals in the United States when those individuals engage in commerce;

(B) impact the ability of the Nation to distribute goods to consumers, undermine consumer confidence in the supply chain, and threaten the integrity of agricultural and consumable goods;

(C) erode the national economy by increasing the cost of goods, resulting in higher prices for consumers, reducing tax revenues, and impacting employees, customers, and businesses alike; and

(D) impact the national security of the United States through financing transnational criminal activity and providing profit and proceeds supporting larger criminal goals of the criminal organizations; and

(8) it has become necessary for Congress to—

(A) amend title 18, United States Code, to ensure that law enforcement has the legal tools

necessary to combat organized retail crime in the same capacity that law enforcement is able to combat theft and diversion from other portions of the supply chain; and

(B) direct the executive branch to create a central coordination center to align Federal, State, local, territorial, and Tribal efforts to combat organized retail crime and organized supply chain crime.

SEC. 3. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

Part I of title 18, United States Code, is amended—

(1) in section 982(a)(5)—

(A) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(B) by inserting after subparagraph (B) the following:

“(C) section 659 (interstate or foreign shipments by carrier; State prosecutions);”;

(C) in subparagraph (E), as so redesignated, by striking “; or” and inserting a semicolon;

(D) in subparagraph (F), as so redesignated, by striking the period at the end and inserting a semicolon; and

1 (E) by inserting after subparagraph (F),
 2 as so redesignated, the following:

3 “(G) section 2314 (transportation of stolen
 4 goods, securities, moneys, fraudulent State tax
 5 stamps, or articles used in counterfeiting); or

6 “(H) section 2315 (sale or receipt of stolen
 7 goods, securities, moneys, or fraudulent State tax
 8 stamps);”;

9 (2) in section 1956(c)—

10 (A) in paragraph (5), by striking “and
 11 money orders” and inserting “money orders,
 12 general-use prepaid cards, gift certificates, and
 13 store gift cards”; and

14 (B) in paragraph (7)(D)—

15 (i) by inserting “section 659 (inter-
 16 state or foreign shipments by carrier; State
 17 prosecutions),” after “section 658 (relating
 18 to property mortgaged or pledged to farm
 19 credit agencies),”; and

20 (ii) by inserting “section 2314 (trans-
 21 portation of stolen goods, securities, mon-
 22 eys, fraudulent State tax stamps, or arti-
 23 cles used in counterfeiting), section 2315
 24 (sale or receipt of stolen goods, securities,
 25 moneys, or fraudulent State tax stamps),”

1 after “section 2281 (relating to violence
2 against maritime fixed platforms),”;

3 (3) in section 2314, in the first paragraph—

4 (A) by inserting “, or by using any facility
5 of interstate or foreign commerce,” after “com-
6 merce”;

7 (B) by inserting “or of an aggregate value
8 of \$5,000 or more during any 12-month pe-
9 riod,” after “more,”;

10 (C) by inserting “, embezzled,” after “sto-
11 len”; and

12 (D) by inserting “, false pretense, or other
13 illegal means” after “fraud”; and

14 (4) in section 2315, in the first paragraph—

15 (A) by inserting “or of an aggregate value
16 of \$5,000 or more during any 12-month pe-
17 riod,” after “\$5,000 or more,”; and

18 (B) by striking “; or” and inserting “, or
19 have been stolen, unlawfully converted, or taken
20 by the use of any facility of interstate or foreign
21 commerce in the commission of said act; or”.

22 **SEC. 4. ESTABLISHMENT OF A CENTER TO COMBAT ORGA-**
23 **NIZED RETAIL AND SUPPLY CHAIN CRIME.**

24 (a) IN GENERAL.—Title III of the Trade Facilitation
25 and Trade Enforcement Act of 2015 (19 U.S.C. 4341 et

1 seq.) is amended by inserting after section 305 the fol-
 2 lowing:

3 **“SEC. 305A. ORGANIZED RETAIL AND SUPPLY CHAIN CRIME**
 4 **COORDINATION CENTER.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) CENTER.—The term ‘Center’ means the
 7 Organized Retail and Supply Chain Crime Coordina-
 8 tion Center established pursuant to subsection
 9 (b)(1).

10 “(2) ORGANIZED RETAIL AND SUPPLY CHAIN
 11 CRIME.—The term ‘organized retail and supply
 12 chain crime’ includes—

13 “(A) any crime described in section 659,
 14 2117, 2314, or 2315 of title 18, United States
 15 Code that is committed by, in coordination
 16 with, or at the instruction of an organization;

17 “(B) aiding or abetting the commission of,
 18 or conspiring to commit, any act that is in fur-
 19 therance of a violation of a crime referred to in
 20 subparagraph (A); and

21 “(C) other crimes related to those de-
 22 scribed in subparagraphs (A) and (B).

23 “(3) SECRETARY.—The term ‘Secretary’ means
 24 the Secretary of Homeland Security.

1 “(4) EXECUTIVE ASSOCIATE DIRECTOR.—The
2 term ‘Executive Associate Director’ means the Exec-
3 utive Associate Director of Homeland Security In-
4 vestigations.

5 “(b) ORGANIZED RETAIL AND SUPPLY CHAIN CRIME
6 COORDINATION CENTER.—

7 “(1) ESTABLISHMENT.—Not later than 90 days
8 after the date of enactment of the Combating Orga-
9 nized Retail Crime Act, the Secretary shall direct
10 the Executive Associate Director to establish the Or-
11 ganized Retail and Supply Chain Crime Coordina-
12 tion Center.

13 “(2) DUTIES.—The duties of the Center shall
14 include—

15 “(A) coordinating Federal law enforcement
16 activities related to organized retail and supply
17 chain crime, including investigations of national
18 and transnational criminal organizations that
19 are engaged in organized retail and supply
20 chain crime;

21 “(B) establishing relationships with State
22 and local law enforcement agencies and organi-
23 zations, including organized retail crime asso-
24 ciations and cargo theft associations, and shar-
25 ing information regarding organized retail and

1 supply chain crime threats with such agencies
2 and organizations;

3 “(C) assisting State and local law enforce-
4 ment agencies with State and local investiga-
5 tions of organized retail and supply chain crime
6 groups;

7 “(D) establishing relationships with retail,
8 transportation, and other companies determined
9 by the Executive Associate Director to have sig-
10 nificant interests relating to organized retail
11 and supply chain crime threats, sharing infor-
12 mation with those companies regarding such
13 threats, collaborating on investigations and loss
14 prevention activities as appropriate, and pro-
15 viding a mechanism for the receipt of investiga-
16 tive information on such threats;

17 “(E) establishing a secure system for shar-
18 ing information regarding organized retail and
19 supply chain crime threats by leveraging exist-
20 ing information systems at the Department of
21 Homeland Security and the Department of Jus-
22 tice;

23 “(F) tracking trends with respect to orga-
24 nized retail and supply chain crime and releas-
25 ing annual public reports on such trends; and

1 “(G) supporting the provision of training
2 and technical assistance in accordance with sub-
3 section (c).

4 “(3) LEADERSHIP; STAFFING.—

5 “(A) DIRECTOR.—The Center shall be
6 headed by a Director, who shall be—

7 “(i) an experienced law enforcement
8 officer;

9 “(ii) appointed by the Director of
10 U.S. Immigration and Customs Enforce-
11 ment; and

12 “(iii) in a Senior Executive Service
13 position as defined in section 3132 of title
14 5, United States Code.

15 “(B) DEPUTY DIRECTOR.—The Director of
16 the Center shall be assisted by a Deputy Direc-
17 tor, who shall be appointed, on a 2-year rota-
18 tional basis, upon request from the Executive
19 Associate Director, by—

20 “(i) the Director of the Federal Bu-
21 reau of Investigation;

22 “(ii) the Director of the United States
23 Secret Service; or

24 “(iii) the Chief Postal Inspector.

1 “(C) FEDERAL STAFF.—The staff of the
2 Center shall include—

3 “(i) special agents and analysts from
4 Homeland Security Investigations; and

5 “(ii) detailed criminal investigators,
6 analysts, and liaisons from other Federal
7 agencies who have responsibilities related
8 to organized retail and supply chain crime,
9 including detailees from—

10 “(I) U.S. Customs and Border
11 Protection;

12 “(II) the United States Secret
13 Service;

14 “(III) the United States Postal
15 Inspection Service;

16 “(IV) the Bureau of Alcohol, To-
17 bacco, Firearms and Explosives;

18 “(V) the Drug Enforcement Ad-
19 ministration;

20 “(VI) the Federal Bureau of In-
21 vestigation; and

22 “(VII) the Federal Motor Carrier
23 Safety Administration.

24 “(D) STATE AND LOCAL STAFF.—The
25 staff of the Center may include detailees from

1 State and local law enforcement agencies, who
2 shall serve at the Center on a nonreimbursable
3 basis.

4 “(4) COORDINATION.—

5 “(A) IN GENERAL.—The Center shall co-
6 ordinate its activities, as appropriate, with
7 other Federal agencies and centers responsible
8 for countering transnational organized crime
9 threats.

10 “(B) SHARED RESOURCES.—In estab-
11 lishing the Center, the Executive Associate Di-
12 rector may co-locate or otherwise share re-
13 sources and personnel, including detailees and
14 agency liaisons, with—

15 “(i) the National Intellectual Property
16 Rights Coordination Center established
17 pursuant to section 305(a)(1); or

18 “(ii) other existing interagency cen-
19 ters within the Department of Homeland
20 Security.

21 “(C) AGREEMENTS.—The Director of the
22 Center, or his or her designee, may enter into
23 agreements with Federal, State, local, and Trib-
24 al agencies and private sector entities to facili-

1 tate carrying out the duties described in para-
2 graph (2).

3 “(D) INFORMATION SHARING.—

4 “(i) IN GENERAL.—Subject to the ap-
5 proval of the Director of the Center, infor-
6 mation that would otherwise be subject to
7 the limitation on the disclosure of con-
8 fidential information set forth in section
9 1905 of title 18, United States Code, may
10 be shared if such disclosure is operationally
11 necessary.

12 “(ii) NON-DELEGABLE AUTHORITY.—

13 The Director may not delegate his or her
14 authority under this subparagraph.

15 “(5) REPORTING REQUIREMENTS.—

16 “(A) INITIAL REPORT.—

17 “(i) IN GENERAL.—Not later than 1
18 year after the date of enactment of the
19 Combating Organized Retail Crime Act,
20 the Secretary shall submit a report regard-
21 ing the establishment of the Center to—

22 “(I) the Committee on the Judi-
23 ciary of the Senate;

1 “(II) the Committee on Home-
2 land Security and Governmental Af-
3 fairs of the Senate;

4 “(III) the Committee on the Ju-
5 diciary of the House of Representa-
6 tives; and

7 “(IV) the Committee on Home-
8 land Security of the House of Rep-
9 resentatives.

10 “(ii) CONTENTS.—The report required
11 under clause (i) shall include a description
12 of—

13 “(I) the organizational structure
14 of the Center;

15 “(II) the agencies and partner
16 organizations that are represented
17 within the Center;

18 “(III) any challenges required to
19 be addressed while establishing the
20 Center;

21 “(IV) any lessons learned from
22 establishing the Center, including suc-
23 cessful prosecutions resulting from the
24 activities of the Center;

1 “(V) recommendations for ways
2 to strengthen the enforcement of laws
3 involving organized retail and supply
4 chain crime;

5 “(VI) the intersections and com-
6 monalities between organized retail
7 crime organizations and other orga-
8 nized theft groups, including supply
9 chain diversion and theft; and

10 “(VII) the impact of organized
11 theft groups on the scarcity of vital
12 products, including medicines, per-
13 sonal protective equipment, and infant
14 formula.

15 “(B) ANNUAL REPORT.—Beginning on the
16 date that is 1 year after the submission of the
17 report required under subparagraph (A), and
18 each year thereafter, the Secretary shall submit
19 an annual report that describes the activities of
20 the Center during the previous year to the con-
21 gressional committees listed in subparagraph
22 (A)(i).

23 “(6) SUNSET.—

24 “(A) IN GENERAL.—The authority of the
25 Center shall terminate on the date that is 7

1 years after the date on which the Center is es-
2 tablished under paragraph (1).

3 “(B) WIND DOWN.—The Secretary shall
4 take such actions as may be necessary to wind
5 down the Center in accordance with subpara-
6 graph (A).

7 “(c) TRAINING AND TECHNICAL ASSISTANCE.—

8 “(1) EVALUATION.—Not later than 180 days
9 after the date of enactment of the Combating Orga-
10 nized Retail Crime Act, the Secretary and the Attor-
11 ney General shall conduct an evaluation of existing
12 Federal programs that provide grants, training, and
13 technical support to State, local, and Tribal law en-
14 forcement to assist in countering organized retail
15 and supply chain crime.

16 “(2) EVALUATION SCOPE.—The evaluation re-
17 quired under paragraph (1) shall evaluate, at a min-
18 imum—

19 “(A) the Homeland Security Grant Pro-
20 gram at the Federal Emergency Management
21 Agency;

22 “(B) grant programs at the Office of Jus-
23 tice Programs within the Department of Jus-
24 tice; and

1 “(C) relevant training programs at the
2 Federal Law Enforcement Training Center.

3 “(3) REPORT.—Not later than 45 days after
4 the completion of the evaluation required under
5 paragraph (1), the Secretary and the Attorney Gen-
6 eral shall jointly submit a report to the congressional
7 committees listed in subsection (b)(5)(A)(i) that—

8 “(A) describes the results of such evalua-
9 tion; and

10 “(B) includes recommendations on ways to
11 expand grants, training, and technical assist-
12 ance for combating organized retail and supply
13 chain crime.

14 “(4) ENHANCING OR MODIFYING TRAINING AND
15 TECHNICAL ASSISTANCE.—Not later than 45 days
16 after submitting the report required under para-
17 graph (3), the Secretary and the Attorney General
18 shall jointly issue formal guidance to relevant agen-
19 cies and offices within the Department of Homeland
20 Security and the Department of Justice for modi-
21 fying or expanding, as appropriate, the prioritization
22 of training and technical assistance designed to
23 counter organized retail and supply chain crime.”.

24 (b) CLERICAL AMENDMENT.—The table of contents
25 for the Trade Facilitation and Trade Enforcement Act of

- 1 2015 (Public Law 114–125; 130 Stat. 122) is amended
- 2 by inserting after the item relating to section 305 the fol-
- 3 lowing:

“Sec. 305A. Organized Retail and Supply Chain Crime Coordination Center.”.

