AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

CRIME ON THE RISE: HOW LAWLESSNESS IS IMPACTING MAIN STREET AMERICA

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

HEARING HELD
JANUARY 11, 2024



Small Business Committee Document Number 118–034
Available via the GPO Website: www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
54–516 WASHINGTON : 2024

HOUSE COMMITTEE ON SMALL BUSINESS

ROGER WILLIAMS, Texas, *Chairman*
BLAINE LUETKEMEYER, Missouri
PETE STAUBER, Minnesota
DAN MEUSER, Pennsylvania
BETH VAN DUYNE, Texas
MARIA SALAZAR, Florida
TRACEY MANN, Kansas
JAKE ELLZEY, Texas
MARC MOLINARO, New York
MARK ALFORD, Missouri
ELI CRANE, Arizona
AARON BEAN, Florida
WESLEY HUNT, Texas
NICK LALOTA, New York
CELESTE MALOY, Utah
NYDIA VELÁZQUEZ, New York, *Ranking Member*
JARED GOLDEN, Maine
KWEISI MFUME, Maryland
DEAN PHILLIPS, Minnesota
GREG LANDSMAN, Ohio
MARIE GLUESENKAMP PEREZ, Washington
SHRI THANEDAR, Michigan
MORGAN MCGARVEY, Kentucky
HILLARY SCHOLTEN, Michigan
JUDY CHU, California
SHARICE DAVIDS, Kansas
CHRIS PAPPAS, New Hampshire

BEN JOHNSON, *Majority Staff Director*
MELISSA JUNG, *Minority Staff Director*

CONTENTS

OPENING STATEMENTS

	Page
Hon. Roger Williams	1
Hon. Nydia Velázquez	3

WITNESSES

Ms. Liora Rez, Executive Director, StopAntisemitism, testifying on behalf of StopAntisemitism	6
Mr. Gerald Scott, President and Chief Executive Officer, Elmer's Restaurants, Inc., Vancouver, WA, testifying on behalf of National Restaurant Association	8
Chief Reuben J. Roach, Chief of Police, City of Norwich Police Department, Norwich, NY, testifying on behalf of City of Norwich Police Department	9
Dr. John Roman, Senior Fellow and Director, NORC at the University of Chicago, Center on Public Safety and Justice, Chicago, IL	11

APPENDIX

Prepared Statements:	
Ms. Liora Rez, Executive Director, StopAntisemitism, testifying on behalf of StopAntisemitism	42
Mr. Gerald Scott, President and Chief Executive Officer, Elmer's Restaurants, Inc., Vancouver, WA, testifying on behalf of National Restaurant Association	45
Chief Reuben J. Roach, Chief of Police, City of Norwich Police Department, Norwich, NY, testifying on behalf of City of Norwich Police Department	48
Dr. John Roman, Senior Fellow and Director, NORC at the University of Chicago, Center on Public Safety and Justice, Chicago, IL	51
Questions for the Record:	
None.	
Answers for the Record:	
None.	
Additional Material for the Record:	
International Council of Shopping Centers (ICSC)	58
The National Association of Convenience Stores (NACS), NATSO, Representing America's Travel Plazas and Truckstops, and SIGMA: America's Leading Fuel Marketers	60
Sheetz	63
Vox	65

CRIME ON THE RISE: HOW LAWLESSNESS IS IMPACTING MAIN STREET AMERICA

THURSDAY, JANUARY 11, 2024

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 10:00 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Stauber, Meuser, Van Duyne, Salazar, Mann, Molinaro, Alford, Crane, Bean, LaLota, Maloy, Velázquez, Golden, Mfume, Landsman, McGarvey, Gluesenkamp Perez, Scholten, Thanedar, and Davids.

Chairman WILLIAMS. Before we get started, I want to recognize Representative Molinaro to lead us in the pledge and a prayer.

Mr. MOLINARO. If you would join me in prayer. We are reading Second Corinthians, and God is able to bless you abundantly so that in all things at all times having all that you need, you will be abound in every good work.

Dear Lord, we come together today in a divided nation, men and women, small businesses, farmers, families, struggling hard. And we turn to you in persistent prayer seeking what we need. Oftentimes we pray and ask what we want, but we know dear Lord that you provide us what we need.

In a moment of time where our businesses struggle we ask that you that give them what they need. In a moment of time where our families and farmers and neighbors continue to struggle, we ask that you to give us what we need. In a moment where our nation is divided throughout all levels of government, we ask that you give all those in leadership what we need. We pray fervently for those men and women who serve in sacrifice on behalf of this nation, and we pray, dear God, for America. May you bless all who serve and may you bless the United States, amen.

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Chairman WILLIAMS. I now call the Committee on Small Business to order. And without objection, the Chair is authorized to declare a recess of the committee at any time.

I would like to take a moment to introduce the subcommittees for our newest Member, Ms. Celeste Maloy, from the great State of Utah who will join the Subcommittee on Rural Development, Energy, And Supply Chains, as well as the Subcommittee on Contracting and Infrastructure. Welcome, Congresswoman.

I ask unanimous consent that her addition to these subcommittees be approved. And without objection, so ordered. We are excited to have her on our team and look forward to her contributions. I now recognize myself for my opening statement.

Good morning, and welcome to our first hearing of 2024. Today we are going to focus on the negative impact of rampant crime on small businesses and what can be done to address it. First, I want to thank our witnesses for being with us today and we know your time is valuable and we appreciate your choosing it to spend with us.

On top of the economic challenges of inflation, supply chain, disruptions and inability to find qualified workers, small businesses are facing another issue that has grown worse in the past few years, and I am speaking, of course, of out of control crime. Crime deters potential customers from visiting areas where they feel unsafe. And many of our nation's brick and mortar stores are around casual foot traffic to survive. Areas that do not have adequate public safety measures in place are causing small businesses to think twice about investing in them. In order to keep customers and employees safe, businesses are being forced to hire private security services. Unfortunately, many businesses are unable to pay for this expense, but it shouldn't be necessary in the first place. Unfortunately there are policy decisions making it harder for small businesses to deal with this new challenge. For example, last year, the mayor of Columbus, Ohio forced some small business owners to close early to protect against crime. Instead of focusing on the individuals committing the crimes, the mayor decided to force the business owners to limit the time of day they can work and earn a living. And this simply is unacceptable.

Additionally, we are seeing many metropolitan institutes institute cashless bail. This allows repeat offenders back on the streets to continue to commit crimes. The New York Times reported that in New York City, 327 people were collectively arrested over 6,000 times for shoplifting. This accounted for one-third of all shoplifting crimes in the city, which is particularly detrimental to small business. This brings up a larger issue that we are seeing across the country. Rather than protecting the entrepreneurs that bet on themselves and take risk to open a business, criminals are being protected. The light-on-crime approach is allowing people to commit crimes without fear of repercussions or prosecution. Over the last few years there has been a rise in coordinated smash-and-grab crimes.

To keep employees out of harm's way, many companies are instituting policies to simply allow these acts to take place and let the criminals go free. This not only creates an unsafe work environment for employees, but also strains the resources of law enforcement officers. In speaking with small businesses as we prepared for this hearing, we heard some businesses that have been told to stop calling the police to protect shoplifting because the police don't have the capacity to stop these small dollar crimes. This is extremely troubling, and these small crimes quickly add up for small businesses.

Capital One shopping research reported that theft cost the retail industry over $112 billion in 2022 alone. This is enough to force many small businesses to shut their doors for good.

Even worse, and more evil and sinister form of crime has been on the rise the last few months and that is anti-Semitic hate crimes. After the attack on Israel the U.S. saw an onslaught of anti-Semitic rhetoric. Since early October attacks on Jewish people and businesses in the U.S. are up over 400 percent. All across the country Jewish business owners are being sent hate mail, vandalized and attacked because of their religious beliefs. And as elected officials, I hope we can all stand together to call out these heinous actions.

Crime remains the top problem for many job creators across the country. Main street should not feel like it is under siege from criminals who have no fear of the law or consequences and simply have absolutely no investment. Our nation's primary job creators deserve better. They deserve to know when they open their doors and when they can be open for business. They will not come under attack by violent wrongdoers who are out to destroy their livelihoods. Prosecutors need to prosecute, and police need to be allowed to police their communities.

So before we continue, I ask unanimous consent to submit a letter for the record discussing the negative consequences crime has been having on their industries from the National Association of Convenience Stores, the Society of Independent Gasoline Marketers of America, and the National Association of Truck Stop Operators. Without objection, so ordered.

So I would like to, again, thank all our witnesses for being here with us. I look forward to today's discussion. And it is my hope we can find some common ground as to how best to help our nation's small businesses during this time.

So with that, I yield to our distinguished Ranking Member from New York, Ms. Velázquez.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. There is no doubt that small businesses are often the victims of crime all across the country, whether it is small retailers being victims of shoplifting, the local restaurant traumatized by hate crimes, or the countless businesses on the front lines of our nation's devastating gun violence epidemic.

The impact of crime on small firms can take many forms. These acts can take a significant toll on small businesses, their employees and their potential customer base. Unfortunately, small businesses are often more vulnerable, either lacking adequate security to deter criminals, or the technical expertise to protect their information from cybercrime.

I am certainly supportive of efforts to train business owners on how to handle threats, and in law enforcement, holding criminals accountable. Businesses should be able to compete in a fair, competitive environment, and nobody should feel unsafe going to work or to shop at their local stores.

I extend my deepest sympathy to those affected and traumatized by senseless acts of crime and violence. However, as policymakers, we must make our decisions based on complete and accurate data. My concern is that when it comes to topics like organized retail

crime and shoplifting, a very real issue is being politicized to upend good faith efforts like criminal justice reform.

As we move forward from the era of mass incarceration and broken windows policing, it is crucial we do not lose sight of the very real negative impacts these policies had on low-income communities and communities of color. I urge my colleagues not to engage in knee-jerk reactions that set back our real progress toward creating a more equitable criminal justice system. Instead, with accurate data, swift action and increasing the certainty that a crime will be caught, we can make real progress at crime prevention.

Efforts to increase the punishments for certain crimes will result in higher prison populations and disproportionate effects on vulnerable communities.

With that said, I would be remiss if I did not point out that crime is, in fact, not on the rise. The most recent quarterly report from the FBI shows steep drops in both violent and poverty crime nationally. Larceny theft is almost uniformly dropping across the country, and homicides are showing one of the largest drops on record. Yet, when it comes to retail theft, overall shrink has held steady in recent years and retail crime is actually dropping in most of the country. This is not to say this isn't a problem—and criminals should absolutely be prosecuted. However, proposals to change laws should be made based on accurate and complete data.

Lastly, one thing I think we can all agree on is that the rise in hate crimes and harassment directed toward minority-owned businesses is unacceptable. Whether it is to our Jewish- or Muslim-owned businesses resulting from the war in Gaza or Asian-owned businesses in the aftermath of the pandemic—hate crimes directed toward business owners should be rooted out at all levels.

I am open to working with my colleagues on this committee to address hate crimes directed at businesses, whether it is motivated by race, religion, ethnicity, sexual orientation or gender identity. I hope we can engage in an honest, open and reasonable dialogue on ways to combat crime that is affecting small businesses.

With that, I ask unanimous consent that this article from Vox, "The Shoplifting Scare Might Not Have Been Real But Its Effects Are" into the record.

Chairman WILLIAMS. Yeah.

Ms. VELAZQUEZ. I would like to thank all of the witnesses for joining us today, and I yield back.

Chairman WILLIAMS. Thank you very much.

And now we will move to the introduction of the witnesses. I now recognize my colleague, Representative LaLota, to briefly introduce the first witness appearing before us today.

Mr. LALOTA. Thank you, Mr. Chairman.

It is my honor to introduce Ms. Liora Rez, the executive director of StopAntisemitism, a grassroots watchdog organization that publicly exposes anti-Semitic behavior. A refugee from the former Soviet Union where anti-Semitism was rampant, Ms. Rez is all too familiar with its dangers.

Using her decade of experience in digital marketing, Ms. Rez has harnessed the power of social media to create a network of activists who identify and expose anti-Semites.

Since its founding in 2018, StopAntisemitism's reach has expanded to millions of people. Ms. Rez graduated from Brandeis University with a Bachelor of Science in neuroscience, and then went on to receive her executive master's of business administration from Case Western Reserve University.

Mr. Chairman, the United States is a proud nation founded upon religious freedom. And with what is going on in the world today, post October 7 especially, it is important that we confront anti-Semitism and religious intolerance. And so we welcome you, Ms. Rez. And we thank you for joining us today. We look forward to having that conversation.

Chairman WILLIAMS. Thank you very much.

And the next witness here with us today is Mr. Gerry Scott. Mr. Scott is the president and CEO of Elmer's Restaurants located in Medford, Oregon. Elmer's Restaurants is a franchisor and operator of over 20 restaurants, under several brands, across multiple States. Mr. Scott has been with the company since 1998 where he was vice president until 2010 when he assumed his current role as president and CEO.

He was previously on the boards of the Oregon Restaurant Association, Oregon Restaurant and Lodging Association where he served on the executive committee and is Chair from 2017 to 2018. I want to thank you again, Mr. Scott, for joining us today and we look forward to the conversation ahead.

I now recognize my colleague, Representative Molinaro, to briefly introduce the constituent who is appearing before us today.

Mr. MOLINARO. Thank you, Mr. Chairman.

Our next witness with us today is Chief Reuben Roach. Chief Roach is the chief of police for the Norwich Police Department located in Norwich, New York in upstate in the 19th District of the State of New York. He was appointed chief of police last year and is in his twentieth year of law enforcement.

Chief Roach originally joined the Norwich Police Department in 2005, and was promoted to sergeant in 2014, and then promoted again to detective sergeant in 2016. Prior to serving for the Norwich Police Department, he served as deputy sheriff for the Chenango County Sheriff's office.

In addition to his current role as chief of police, he also serves on the board of his county's Chamber of Commerce. And I certainly appreciate Chief Roach for joining us today and look forward to the conversation ahead.

Chairman WILLIAMS. Thank you very much. And I now recognize the Ranking Member from New York, Ms. Velázquez to briefly introduce our last witness appearing before us today.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Our final witness today is Dr. John Roman, a Senior Fellow in the Economics Justice and Society Department at the University of Chicago where he also directs the Center on Public Safety and Justice. His research focuses on the economics of innovative crime and justice policies and programs, cost-benefit methodology, public-private partnerships and system reforms. He has served as the principal investigator for more than three dozen projects, funded by FITA and local governments, as well as national and local philanthropies.

Over the last 3 years, he led a task force to investigate the U.S. firearms data infrastructure, and currently leads the study of the financial cost of criminal victimization.

Thank you Dr. Roman, we look forward to your testimony.

Chairman WILLIAMS. Thank you very much. And again, we appreciate all of you being here today.

Now before recognizing witnesses, I would like to remind them that their oral testimony is restricted to 5 minutes in length. If you see the light in front of you turn red in front of you it means your 5 minutes has concluded and you should wrap up your testimony. And if you keep going, you are going to hear a little bit of this and this means shut it down, okay? And all of you will be fine.

So I now recognize Ms. Rez for her 5-minute opening remarks.

STATEMENTS OF LIORA REZ, EXECUTIVE DIRECTOR, STOPANTISEMITISM, ON BEHALF OF STOPANTISEMITISM; GERALD SCOTT, PRESIDENT & CEO, ELMER'S RESTAURANTS, INC., ON BEHALF OF NATIONAL RESTAURANT ASSOCIATION; CHIEF REUBEN J. ROACH, CHIEF OF POLICE, CITY OF NORWICH POLICE DEPARTMENT, ON BEHALF OF CITY OF NORWICH POLICE DEPARTMENT; DR. JOHN ROMAN, SENIOR FELLOW AND DIRECTOR, NORC AT THE UNIVERSITY OF CHICAGO, CENTER ON PUBLIC SAFETY AND JUSTICE

STATEMENT OF LIORA REZ

Ms. REZ. Good morning. Thank you so much for having me here. As mentioned, my name is Liora Rez. And I am the founder and executive director of StopAntisemitism, a nonpartisan grassroots organization devoted to raising awareness of anti-Semitic incidents and holding anti-Semites accountable for their bigotry.

I started this organization in 2018, after I started noticing how rising online anti-Semitism bled into it the real world. Since then the anti-Semitic harassment assault and vandalism has skyrocketed to historic highs, and Hamas' atrocities on October 7 has only thrown gasoline on to the fire.

The FBI has reported a 60 percent increase in reported hate crimes after October 7, most of which were directed at Jews. Our inboxes have reflected this and then some as we have experienced a 1,500 percent increase in reported incidents. A disturbing amount of targeting is directed toward small businesses. Video after video, coast after coast shows anti-Semites and anti-Israel activists using mob chants, vandalism and intimidation against Jewish and Israeli-owned businesses and their patrons.

I recently had a sobering conversation with a Jewish entrepreneur in the greater Detroit area who has been the ongoing target of numerous pro-Palestinian targets—protests, excuse me. One particular troubling incident occurred on January 1, during his restaurant's annual New Year's brunch. Protesters smuggled megaphones into his restaurant and proceeded to shout that the restaurant was complicit in genocide against the Palestinian people. They then tossed propaganda leaflets at diners intentionally creating such a hostile environment that every single one of these people got up and left. This ended up costing this restaurant owner over $10,000 in revenues in just 1 day. These agitators have one

goal for him to close down his doors. This targeting has dramatically altered how this restaurant owner has conducted his business. He no longer allows large bags inside his establishments, he has altered his reservation policies, he is offering emergency mental health resources to his understandably shaken employees, and he is spending between $100,000 and $125,000 on security measures just in the last 90 days.

His harrowing experience is not unique. Jewish small businesses owners have had a horrifying few months. A deli in New York City was defaced with a swastika and anti-Semitic graffiti, the owner was concerned about hanging Israeli and American flags in his windows because he feared a mob would quote, "come throw rocks in my storefront." A restaurant in Philadelphia was vandalized by a mob charging him with genocide.

Democratic Pennsylvania Governor Josh Shapiro called the incident, "a blatant act of anti-Semitism, not a peaceful protest." Many of these perpetrators of these incidents were apparently motivated by the business' public support of Israel, as the nation defends itself against Hamas terrorists, essentially holding Jews halfway around the world responsible for a war in the Middle East. Adding insult to injuries, not all of these incidents are prosecuted as hate crimes, if prosecuted at all.

In my correspondences with these businesses, I see the financial and emotional cost of anti-Semitism firsthand every day. Many have insufficient cash reserves to repair and secure their locations, some are threatened as their families both in line and in person.

For me and many other Jews, these incidents call to mind the pogroms that have dogged our history. Jewish businesses were routinely vandalized and defaced under the rules of Nazis, Soviets and other anti-Semitic regimes. Not just the simple acts of subjugation, but also public signals that Jews were quote, "the other" and, therefore, fair game. Violence was the inevitable result.

Today the word "Jew" is also replaced with Zionist as codeword, a mask of sorts that tries to justify the anti-Semitism under the guise of social justice. While the words may change, the results are always the same, the isolation of Jews, the targeting of Jews and the violence against Jews.

Despite or perhaps because of that I am routinely inspired by the small business owners resilience and tenacity. Rather than being defeated, they double down living as proud Jews and supporters of Israel. They haven't taken down their flags, they haven't apologized for their faith and they haven't closed their doors. However, admirable in their resolve, they should not have to display resilience in the first place. It is unacceptable for small businesses to be subjected to hate and vandalism over their identity, much less their views on the Middle East.

I appreciate the committee's attention to this crisis, as Jewish small businesses have been a crucial part of America's economic fabric since the nation's founding. Thank you.

Chairman WILLIAMS. Thank you very much.

And I now recognize Mr. Scott for his 5-minute opening remarks.

STATEMENT OF GERALD SCOTT

Mr. SCOTT. Chairman Williams and Ranking Member Velázquez, on behalf of Elmer's Restaurant and the National Restaurant Association I thank you for the opportunity to share our perspective on how crime on the rise is impacting main street businesses like mine.

The Elmer's family of restaurants is comprised of 26 full-service breakfast-centric restaurant in Idaho, Washington, California, Oregon and Arizona. Fully half of the restaurants are owned and operated by independent franchisees.

Restaurant operators do their best to ensure that patrons and employees feel safe. For example, many operators like me have shortened hours, installed or expanded security systems and reduced cash on hand.

But while we can adopt new practices to lessen risk, the seriousness of crime activity makes this an entirely new ball game. In just the last 6 months at the Elmer's family of restaurants, one of our locations experienced two armed robberies in the space of 3 weeks. Two other locations have had armed robberies during the same time. A young guest was unable to produce a valid I.D. to purchase beer. When he became abusive to the server, the guest of course was asked to leave. He returned with a firearm, pointed it at the server and threatened to kill the server.

In Washington, one of the Washington restaurant's guests and employees have had over 15 vehicle break-ins while dining or working, including the theft of the general manager's vehicle. In spring of 2021, the crime and homeless issues in the neighborhood around our north Portland location became so untenable that both guests and team members were no longer willing to come to the restaurant. This restaurant, which had been one of the top sales locations in 2018, was permanently closed in April of 2021. And there are numerous other incidents that I documented in my written testimony.

Now let me be clear, these criminal acts are not the fault of the police department or bad policing, sheriff departments or public safety bureaus. They are doing the best that they possibly can with the resources that they have. But for restaurants, the cost of dealing with an increasing crime is significant.

Let's take an example, our Elmer's Restaurant in Tacoma, Washington, here is a restaurant that used to be quite profitable. However, because of burgeoning crime, we have had to hire private security patrols to maintain a safe environment. With security measures now costing $80,000 per year this eats up 40 percent of the restaurant's profits before overhead and taxes. Excluding rent, that represents the third largest cost after labor and food cost. Keeping the restaurant safe has even surpassed credit card fees as a significant cost item.

I started in the restaurant business at age 15 as a busboy in a mom-and-pop Italian restaurant on the Hill in St. Louis. I have spent my entire life since in the business of serving others. I think it is a great life. I am neither a criminologist nor a sociologist, I am a pancake salesman that is looking to help keep our guests and team members safe. We do everything that we can to have security systems, private patrols, training, altering hours of operation. We

provide counseling for team members who may have been crime victims and constant, constant vigilance.

We cannot do it alone. We need your help in reducing crime. Restaurants build their community. These are places where people go to celebrate, to have their first date, to enjoy time with friends and family, free from the weight of the outside world.

Restaurants are most often at the heart of every good time with friends and family. Small business owners, the core of the restaurant business, the core of my business, are the entrepreneurs that have their entire net worth, in fact their entire lives invested in that building, that block, and that community.

Crime undermines all of this. Even if the dollar loss is slight, the cost to repair the doors and windows is significant. And what is the cost to an employee who had a gun pointed at them, praying that they survive the next few minutes. After every crime, the owner cleans up. When they are done picking up the pieces, they ask themselves, Is this worth it?

When they start answering no, the lights go out, the community becomes a darker and colder place, and the neighborhood much less like a place where you'd like to live.

Thank you.

Chairman WILLIAMS. Thank you.

I now recognize Chief Roach for his 5-minute opening remarks.

STATEMENT OF CHIEF REUBEN J. ROACH

Chief ROACH. Good morning. I want to start by thanking this committee, and specifically the representatives here who are willing to take the time to listen to those of us from smaller communities who are seeing firsthand the consequences of the crime rate and how it is affecting Main Street America.

My name is Reuben Roach, and presently, I am the chief of police for the city of Norwich Police Department in upstate New York. In this role, my duties include managing the resources allocated to me, as well as the 21 full-time officers who wear the Norwich police uniform.

In my 20-year career as a police officer, I have worked in just about every subcategory of law enforcement from narcotics interdiction, as a drug recognition expert, a child abuse and sex crimes forensic interviewer, a hostage negotiation team member, and many other facets. It has been a rewarding and fulfilling career.

In 2003, I was asked to be a representative on the board of Commerce Chenango in the county where I live. Happily, I accepted this offer and I was excited to build that relationship between the businesses and the police department. I quickly learned, however, that many of our businesses were suffering and that most of them were desperate for something to change. The complaints I heard were mostly similar in nature, an influx of homelessness, loitering, open drug use in the business district, and unfortunately but not uncommon amongst the complaints, is that people were defecating and urinating in many of the business owner's doorways and parking areas.

Commerce president, Salvatore Testani, summed it up when said to me that the current homeless challenge has greatly increased the amount of loitering and open drug use in downtown Norwich

and throughout the city. They are concerned because their customers, employees feel unsafe and it is having a significant impact on their livelihoods.

In the ensuing months, 40 of our local business owners have formed a coalition in the city of Norwich to lobby for tougher nuisance laws. And as many of our business owners have said something that has teeth to clean up the area.

Our local common council, our mayor, our codes department, our fire department, the police department, are working to help ease this burden for these business, but it is challenging to say the least. I am often asked not just by business owners, but by my residents, about why the crime rate is rising; why people who are repeatedly getting arrested are not in jail; why drug houses are on nearly every street; and why the overdose rate is as high as it is.

While bail reform may not be the answer to every one of these questions, I can tell you from a 20-year career in law enforcement it is certainly a contributing factor.

When the Norwich Police Department executes a search warrant on a drug house, the individuals they arrest are back on the street within hours. These are drug houses and drug dealers, these aren't drug users. The houses destroy neighborhoods and make them unsafe for people to raise their families. Yet these same individuals are released back to the public often with multiple class B felonies the very same days they are arrested.

As I mentioned previously, citizens and business owners are concerned about witnessing individuals getting arrested repeatedly and not going to jail. Well, they are not wrong. Oftentimes we arrest the same individuals, five, six, seven times before they are even arraigned in court. Crimes like loitering, disorderly conduct, harassment, trespassing criminal possession of a controlled substance, resisting arrest are just a few of the common crimes that we arrest and release individuals for within hours.

Working closely with our District Attorney, Michael Ferrarese, we have continued to fight this uphill battle, all while watching our small town deteriorate. D.A. Ferrarese also summed up when he said to me, It is concerning to me as a District Attorney that we have businesses being stolen from daily, without any immediate consequences to the perpetrator. Bail should always be within the judge's discretion and not controlled by legislative roadblocks preventing us from being able to protect our communities.

In closing, I would be remiss if I didn't mention that recruitment and retention in law enforcement is at the lowest I've ever seen it. When I was hired in 2003 as a deputy sheriff, I competed with at least 100 individuals for three positions. Today, 2024, Norwich Police Department has three openings, potentially three openings. And we had five people take our test. That doesn't include the background investigation. Those are just five individuals that took our test.

As a Member of the New York State Chiefs Association, I can tell that recruitment and retention are on the mind of every chief in New York.

Lastly, I want to thank each one of you for taking time to listen to us and for helping come up with solutions for the ever increasing issue of crime on the rise.

Chairman WILLIAMS. Thank you.

And I now recognize Dr. Roman for his 5-minute opening remarks.

STATEMENT OF JOHN ROMAN

Mr. ROMAN. Good morning. Chairman Williams, Ranking Member Velázquez, and Members of the Committee I am honored by the opportunity to discuss the important issue of the effects of crime on small businesses in America.

I am a senior fellow of NORC at the University of Chicago. NORC is a nonprofit economic and social research organization committed to delivering objective nonpartisan insights and analysis that decisionmakers trust. I have been studying crime injustice for more than 25 years.

The last 4 years have been a time of profound uncertainty for all Americans, including small business owners and their patrons. In my field of criminal justice and economics, between 2019 and 2020, we observed the largest 1-year increase in homicide since the FBI began keeping modern crime statistics in 1960. Conversely, in 2023 we saw the largest 1-year decrease in violence recorded to date. This period of disruption included several unusual changes in criminal activity, including reports of increased carjackings, frightening videos of organized retail theft and vicious images of hate crimes.

Separately and together, these reports have created deep concern throughout America. I intentionally use the word reports rather than statistics because the empirical data around each of these crimes are extremely limited. Broader national crime statistics suggest that these events have been relatively limited.

Beginning March 2, 2020, the effects of the COVID-19 pandemic began to overwhelm the daily routines of many, if not most Americans. And COVID had a significant impact on reported crimes.

In 2020, aggravated assaults increased to about 12 percent, and homicides increased more than 28 percent. But not all types of crime increased. Robberies and property crime declined. And larceny theft declined in 2020 by more than 10 percent.

In 2021 and 2022, crime in the United States remained relatively stable, at least compared to the volatility of the prior year. Violent crime declined in both years. Property crimes, though, were mixed. Down in 2021, up in 2022. So let me turn to what the FBI calls larceny theft but what which most of us would think of as shoplifting, which followed the same pattern. Shoplifting declined almost 5 percent in 2021, but increased more than 7 percent in 2022. However, new estimates for 2023 show large declines in all types of crime, including homicide and violence, property crimes and shoplifting. Thus as we sit here in February—I am sorry, I am getting ahead of myself—January of 2024, homicide is returning to prepandemic levels, but other types of crime violent crimes and property crimes as a whole, and larceny theft in particular are now at or below prepandemic levels.

Any number of credible theories have been proposed as to why crime first rose and then fell. The pandemic was an everything, everywhere, all at once experience for most Americans. But most ex-

planations are not similarly all encompassing, and they explain the crime spike of 2020, but not the crime decline of 2023.

Widespread social distancing in response to the COVID pandemic best fits the data. The most straightforward explanation for both the spike and decline is the pandemic and the direct consequences of the pandemic. In particular, what almost all the explanations for the crime decline have in common is that they have dramatic impacts on activities supported by local government. Local government experienced a dramatic reduction in workforce during the pandemic that persisted through 2022, and then rapidly reversed in 2023.

Local governments performed numerous activities that are directly related to fighting crime. Most of America's 700,000 police officers are employed by local government, as are 8 million or so teachers.

Between March 2020 and May 2020, 3 months, more than 1 million local government, and 300,000 State government jobs were lost. Today, local governments have, by most measures, returned to prepandemic levels.

The United States experienced a disruption in daily life that has few precedents in recent decades. Concerns about victimization deepened in all corners of the nation from neighborhoods with persistent high levels of violence, to main streets with little history of reported victimization. When faced with such uncertainty, one reasonable response is to explore deep policy changes. But in the case of crime and violence, the key causes appear to be the direct effects of the pandemic. As the effect of the pandemic on routine activities have returned to normal, those negative effects were begun to dissipate.

So, in conclusion, while there are many lessons from the pandemic, one that gets less attention is the need to strengthen our national criminal justice data infrastructure. Doing so will strengthen the evidence for future policymaking, and provide a foundation for evidence-based solutions to crime and victimization in the future.

Thank you very much.

Chairman WILLIAMS. Thank you. And we will now move to the Member questions under the 5-minute rule. But first I want to say, you are going to see a lot of people come and go, don't let it worry you, there are other hearings going on. So people go, they will come back and so forth, so.

Contrary to what people are seeing and feeling on the ground and the FBI released some data that claims violent crimes are going down, we have heard that, it appears that the quality of this data may be off. So Chief Roach, can you tell us what someone must do to get a third-degree assault charge? And is this categorized as a violent crime in New York? And are there any other crimes that are no longer being classified as violent?

Chief ROACH. Thank you. Yes, so assault third would be anything that causes physical injury. Below assault third would be harassment second. I believe that reads any shoving, kicking, pushing. When it comes to assault third, you have to have physical injury. For instance, if someone were to strike somebody and they were break their nose or at least have a black eye, that would be

an assault third. That has been taken out of the violent classification. So that is not considered a violent crime now. Additionally, things like rape third, rape in the third degree, is not considered a violent crime now. So there are a slew of different charges that have moved from violent crime categories to the nonviolent crime category.

Chairman WILLIAMS. So that may be one reason people think that they are down, there are just not as many being included.

Chief ROACH. I believe so.

Chairman WILLIAMS. Okay. As a small-business owner myself, I am all too familiar with challenges of this new crime wave. In December alone, I had two incidents where people stole cars off my auto lot. It is amazing that this has made its way to a small town called Weatherford, Texas. But we are seeing even more drastic effects in our cities.

Mr. Scott, there was a line in your testimony that I thought was especially powerful and I want to repeat it for everyone watching. It went like this: After every crime when the owner is done picking up the pieces, they ask themselves, Is this worth it? When they start answering no, the lights go out, the community gets colder and darker and the neighborhood becomes much less like a place where want to live. So I think this line resonated with a lot of business owners because they hear that.

So Mr. Scott, can you tell us how crime has fundamentally changed your community in Portland, Oregon, over the last few years?

Mr. SCOTT. Chairman Williams, thank you for the question.

As I had mentioned in my testimony, one of the ways it has changed for us is that we ended up closing a formerly, very well-performing restaurant in north Portland due to crime and homeless issues around it. We simply could not get guests to be willing to come into the restaurant and eventually even employees.

Also, the rise in crime has just made it more difficult to operate the restaurant, it becomes more expensive to provide security to make the guests feel safe. If the guests and the employees don't feel safe, we can't continue with the business.

Chairman WILLIAMS. Right.

Following the October 7 attack on Israel, we have seen reports that anti-Semitic incidents have increased by nearly 400 percent. We have heard that earlier.

Ms. Rez, your organization stopped anti-Semitism tracks and exposes these incidents. And we have seen some high profile businesses being harassed for their religious beliefs, but we know that there are many more that go unreported. So my question to you is, can you talk about some of the most common forms of harassment that the Jewish businesses and employees are facing and how these business owners and individuals are responding to these hate crimes?

Ms. REZ. Thank you for the question, Chairman.

Oftentimes, Jewish business owners are reporting mob-type protests outside of their establishments. This is deterring traffic to these establishments. It is causing a direct drop in revenues, and it is subsequently requiring more security measures on these business owners, which again is dropping their bottom line.

Chairman WILLIAMS. Thank you.

Soft on crime policies have undermined the ability of our great police officers and judicial systems to hold criminals accountable. There must be consequences for criminals that break the law, or the problem is only going to get worse. One of the worst policies that shows there are no repercussions for crime is cashless bail. The New York P.D. provided our committee with 2023 statistics which showed the top 542 repeat criminals accounted for 30 percent of all New York City retail theft, with over 45 percent of these individuals being previously convicted of a felony.

So our criminal justice system knows which individuals are committing the crimes, but because of politics we are failing to hold them accountable.

So in my brief time I have left, Chief Roach, can you talk about some of the detrimental policies that are tipping the scales in favor of criminals and hurting small business owners' ability to work and make a living.

Chief ROACH. Thank you. Yes, we get complaints frequently from business owners of drug use, loitering. And because of that happening in front of the storefronts or the businesses, people are not patronizing the restaurants, the stores. It is hurting business owners' bottom line. Their revenue is shrinking because of it.

Chairman WILLIAMS. [Audio malfunction.]

Chief ROACH. Well, rape third is not a violent crime in New York State.

Chairman WILLIAMS. I now recognize the Ranking Member for 5 minutes of questions.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Many people accuse cash bail reform of the cause of increased crime. However, it seems like the biggest problem with the reform was the timing of its implementation right on the cusp of the pandemic. In fact, recent studies have found no connection between this bill reform and the rising crime during the pandemic. In one analysis of 100,000 cases, where someone was released pretrial in a decision related to the state's recent bill, just 2 percent led to rearrest for a violent felony and roughly one-fifth less to rearrest for any offense.

In total, out of these 100,000 cases, as many as 80,000 people may have avoided jail incarceration due to the reforms, allowing them to continue going to work or providing for their family in the pretrial period.

Dr. Roman, many of the efforts at criminal justice reform, like bail reform, and lifting felony thresholds are blamed for a perceived surge in shoplifting. What does the research actually say about these policies and what benefits do they bring to society?

Mr. ROMAN. Thank you for that question.

So it is important to say what ending cash bail means, right? So any cash bail just means that the judge either has to decide to remand an arrestee to jail pending a trial, or to release them, instead of setting a cash bail where they have to pay for the opportunity to be released. Being held pretrial is associated with far worse outcomes for misdemeanor defendants, which are most of the shoplifting arrestees to the extent that a recent study from some folks at Chicago and elsewhere found that not being detained or being

released reduces the number of future complaints by more than half. So allowing people to be released pretrial improves their outcomes, both during the period when they are released and their long-term outcomes.

Ms. VELAZQUEZ. Thank you.

Many small businesses like retailers and restaurants are increasingly becoming the site of gun violence. What are the economic effects on these businesses and surrounding areas when gun violence is prevalent?

Mr. ROMAN. Yeah, the economic consequences of gun violence are almost overwhelming for a community. It is important to note that gun violence is heavily concentrated in very specific communities where it persists over time. And so, you have the cumulative trauma of being exposed to violence and then you have the cumulative economic disinvestment in those place, both by the public sector and the private sector, and that leads to really poor long-term outcomes for the residents, and then that reduces the tax rate to the local government, which reduces its ability to invest back into the place, and it becomes this terrible cycle.

Ms. VELAZQUEZ. In your work on gun violence, what is the best strategy to reduce gun violence in an area?

Mr. ROMAN. So the best strategies around gun violence focus on getting guns out of the hands of the most dangerous potential offenders. One area in particular that we have seen an increase in studies that have shown effectiveness is around emergency protective orders, around getting guns out of the hands of people who have been sort of red-flagged as being a risk in a domestic violence incident, particularly around the time when a woman leaves a difficult relationship, she has tremendously increased risk of being the victim of gun violence in these so-called ERPO or red flag laws can be a tremendous help getting guns out of the hands of domestic violence perpetrators.

Ms. VELAZQUEZ. Thank you.

Dr. Roman, there is often a disconnect between feelings about crime and the reality of crime trends. Would having an accurate real-time crime database available close that disconnect, and how can the federal government work on building that data infrastructure? It is just unimaginable for me to think that we could sit here and craft legislation that is not fact-based. What are the consequences, you know, to entire communities, and individuals, of us passing legislation that actually doesn't reflect the reality and is not founded on data that is reliable?

Mr. ROMAN. Right. I—there has been a tremendous amount of research and there is a tremendous amount of evidence that can help guide policymakers, but it requires real-time, accurate, valid, reliable, objective data, and we don't get that now. And we need to build the justice data infrastructure to the same extent we have built public health data infrastructure.

Ms. VELAZQUEZ. Thank you. I yield back.

Chairman WILLIAMS. The gentlelady yields back.

And I now recognize Mr. Meuser from the great State of Pennsylvania for 5 minutes.

Mr. MEUSER. Thank you, Mr. Chairman. And thank you all very much. Very difficult subject matter.

What shouldn't be difficult is understanding what the problem is and how to address it. And if we need additional data, I think we are all interested in it. As this conversation was taking place, I was just looking at different trends from 2022 to 2023 and we can blame it on COVID, but every piece of data I see is that smash and grabs, carjackings, assaults were up in 2023 versus 2022, with some exceptions.

Now along with the lack of public safety and fear and issues that all of this creates here in D.C. and Philadelphia and Pittsburgh and elsewhere, you know, crime causes costs to go up, as you have mentioned, Mr. Scott, right? Obviously. So costs go up, profits go down, right? Less customers means less sales, less revenues. It is just the economic aspect of it. Less profits and less sales lead to less tax revenues.

So instead of you making maybe $1 million dollars a year, now you are making $300,000 a year so your tax revenues are less. So all the cuts that are in fact, it is a fact, have been done to the police departments are lost. Those so-called savings are lost in the tax revenues of the businesses within the cities. And this is databased results. So, like, for instance, Washington, D.C is $100 million less today for funding its police than it was 4 years ago. $100 million, from 636 to 536. Those are the numbers no matter where you look and where you Google and everything else, those are the numbers. I go to the local CVS down in the Navy Yard twice in the last year and a half, there was a smash and grab took place. And I had been in there maybe nine times. So, you know, 20 percent of the time I am witnessing smash and grabs.

You are mentioning recruitment officer, that is just shameful, right? I mean, 6 years ago, what would you have, 20 applications for those 30, for those five positions or three positions you said?

Chief ROACH. We averaged anywhere between 40 to 50 applications on a yearly basis for the Norwich Police Department. As I mentioned, we have five right now.

Mr. MEUSER. Because they feel they are pushing against the ocean, because they are making the arrest and prosecutors are not prosecuting. And that is a fact as well.

In Philadelphia, for instance, and in Washington, D.C., the prosecution rate for crime is under 30 percent for crimes, right? In San Diego and Miami, it is over 65 percent. And guess what, the crime in those cities is one-tenth that of similar-size cities like Philadelphia, one-tenth. So there are answers to this.

So let me just, I would like to just ask you as businesses owners, and Ms. Rez, I would like to just start with you and just go down the line. What would you like to see done in the communities' fight against crime, resources, police expanded, prosecutions, whatever it might be.

Ms. REZ. Thank you for the question. So the laws are currently in place, they are not being executed properly. So we need our judicial partners to take advantage again of the legislation that are there in place to protect in this particular incident, Jewish-owned businesses that are being targeted, vandalized, harassed, so on and so forth.

Mr. MEUSER. Thank you.

And I am very aware of the situation. I am glad at least Governor Shapiro stood up and called it for what it was.

Mr. Scott.

Mr. SCOTT. Thank you, Congressman.

You know, I mentioned I am not a criminologist. However, in speaking with responding law officers, detectives, they all say the same thing, there are a number of criminals. The main problem is the same criminals keep doing the same crimes over and over.

Mr. MEUSER. That is what I understand. They say in New York, it is really a group of about 6- to 700 which could be dealt with.

Officer?

Chief ROACH. I think it we allowed the judges to have discretion to set bail on individuals that were arraigned and arrested, that certainly would help.

Mr. MEUSER. Thank you.

And Mr. Roman?

Mr. ROMAN. I mean, I think what we have here is a problem that we don't have the sufficient data to be able to answer the questions that are being posed by Members of this Committee to understand which kinds of shoplifters these small businesses are experiencing——

Mr. MEUSER. They live in the real world. There is a saying, you don't need to be a weatherman to know which way the wind blows.

I yield back, Mr. Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. Gluesenkamp from the great State of Washington for 5 minutes.

Ms. GLUESENKAMP PEREZ. Thank you, Chairman Williams. And thank you to our panelists for being here today.

So before being elected I owned an auto repair and machine shop. And, you know, we all have these little Member bathrooms as a Member here. On my medicine cabinet, I have a taped fake $100 bill that got past me when I was running the till at the shop. And, you know, just a good reminder, like, don't take fake money. And, you know, I guess I am—I did not report that to the police, right? The bank didn't report it to the police. And I think that what gives me heartburn is not so much the big guys that have the capital to institute more security measures and to prosecute and they have the lawyers, they have the connections. It kind of becomes a race to the bottom. And it is businesses like mine and yours, Mr. Scott, those are the ones that see this impact. And it is our employees are the ones they come after with a pipe or whatever. And it is a real human impact. And so, it is the little guys that get hurt first and worse. And so, I am concerned about the impact on small businesses and entrepreneurs.

And I guess, Mr. Scott, as another business owner, what do you see as some of these driving factors?

Mr. SCOTT. Congressman—Congresswoman, thank you for the question.

When we talk about the driving factors, that may be beyond the scope of my skill set. I am a restaurant operator, not necessarily a sociologist. I go back to a previous question in that we oftentimes—actually in one restaurant we saw the same person come in

three different times. Each time a little more threatening, each time until a third time actually breached an employee. So it is the employees on the front line that are bearing the brunt of this. I am sure there are many, many possible solutions to this. And they probably all need to be put into place. But first and foremost, we need to take steps to keep our team members safe at work and our guests safe when they come to the restaurants.

Ms. GLUESENKAMP PEREZ. Thank you.

Dr. Roman, I would like your perspective. You are familiar with good arts law that like once something becomes a measurement, it becomes useless, because all the parties figure out how to game it to advance their own interests. You know, like in our case, like we are not going to report these kinds of crimes because no one's going to do anything. What is going to happen? I am going lose 5 hours of my life I am never going to get back. So I am wondering what we know about underreporting? What do we know about how in rural communities like mine, response time might factor in to underreporting? What are some of the solutions you see? And to my colleague, Mr. Meuser's point, like, sometimes it feels like all we do is study, study, study things. Like, when we see—I mean, what are the things we can do now?

Mr. ROMAN. Right. So we know that underreporting we call it the dark figure of crime that if you look at the National Crime Victimization Survey and you ask people if they have been victimized you get a number that is far higher than the number that you get from the FBI which is crimes reported to the police, so we do know this. What we don't know——

Ms. GLUESENKAMP PEREZ. Do you have a scale of, like——

Mr. ROMAN. So it varies a lot by the kind of crime, the more serious crime the more likely it is to be reported. So felonies are reported more often than misdemeanors. So things like shoplifting are underreported. And then it matters whether you can get compensated through your insurance company or not, right? So if somebody hits you, you can't, if your house is—like you can, so you report it.

The thing here is that when we talk about small business owners and the threats that they face, there is a whole bunch of different kinds of threats, and each one of them has different set of solutions. So there is theft along the supply chain where things are stolen on the way to the store. There is in-store employee theft, which is a big part of shrinkage. Then there is theft by opportunists and amateurs, people stealing diapers for their kids that they can't afford, then there is organized retail theft, they are criminal enterprises.

And I think we all agree that we want the resources to go to those organized criminal enterprises, or even along the supply chain where you get the biggest bang, where you are really limited policing resources. So the better data isn't just a flag I would fly, but it actually will help us to make better choices and what kinds of policies and practices we implement.

Ms. GLUESENKAMP PEREZ. Mr. Scott, in your day-to-day, is that what you feel like you'd like to see resources allocated towards?

Mr. SCOTT. Well, the resources need to be allocated to crime prevention. I think, first and foremost, allocated to actually apprehending criminals and keeping them from coming back in.

Ms. GLUESENKAMP PEREZ. The person that created a very convincing fake money in my Member bathroom.

Thank you, Chairman Williams.

Chairman WILLIAMS. Thank you. And I now recognize Representative Van Duyne from the great State of Texas for her 5 minutes.

Ms. VAN DUYNE. Thank you very much, Mr. Chairman.

Two days ago House Republicans recognized law enforcement appreciation day. And we have passed multiple bills to show support and help law enforcement serve their community. Meanwhile, you have got local elected officials and rogue district attorneys who have taken the side of defunding and dismantling the police, causing skyrocketing violent crime across the country. We continue to see our police make arrests and then rogue D.A.s fail to prosecute criminals. And for those who were convicted, we must ensure that they are not receiving taxpayer benefits.

Last year I introduced the Stop Funding Rioters Act which would make a person convicted of assaulting a law enforcement officer or a felony in connection with a riot that destroys a small business, ineligible for assistance or programs administered by the SBA. I look forward to seeing it marked up and passed in the House. And anyone who activity destroys a small business should not be allowed to receive funding from the SBA.

I am listening to all of this information that is spewing out right now and talking about, like, the data and how we have to look at the data and the stats. For an example, one out of four women have been sexually assaulted. I guarantee you that has not been reported. I am really happy that we have not based our policies or just looking at the data, considering if you don't like the game, you can change the definition, you can change the rules, because that is what we have seen. People don't like the crime stats going up so what you are doing is you are changing the definition of the crime.

You know, when you say a third assault, sexual assault is not considered a violent crime? Somebody getting punched in the nose is not considered a violent crime? I am sorry, but that seems pretty common sense. We are changing the definitions, because we don't like where the data is going. So we are going to change it until we get where we like.

There are no consequences right now. In Dallas County, we had some riots a few years ago. I talked to the DPS, I talked to people who were out there in the streets that were looking at businesses that were being destroyed. They were looking at cars that were being set afire. They looked at people that were being assaulted. They risked their lives, they got out. These were police officers. These were Department of Public Safety officers. They got out of their cars, they were trying to save people's lives. They risk their own lives because they had bricks, they had water bottles, they had rocks thrown at them. They were attacked. The very next day, our Dallas D.A. let them all out. Those people who had been arrested, let them all out because there is absolutely no consequences.

When we talk about stats I am going to ask you, Mr. Scott, have you ever been, or any of your facilities, businesses, have you ever had something that you could have reported to the police but because it was so onerous you didn't?

Mr. SCOTT. Congresswoman, thank you for that question. The answer is absolutely yes. The time it takes to report incidences that will not get a response is better spent cleaning up whatever happened and moving on.

Ms. VAN DUYNE. So it doesn't mean that the crime didn't happen. It just means that we have made it so difficult to report it. And, because the odds are, one, they are not going to be caught; two, the police right now are so thin that actually even following up on it is going to be difficult, you would just rather get on with your life.

Mr. SCOTT. Absolutely. It is time-consuming. The same thing, Congresswoman, happens with insurance claims. Just insurance, it gets to the point where it is not worth filing a claim because the deductibles are so high.

So it just kind of gets, quite literally, swept up and then you move on. We have businesses to run, and this is very distracting.

Ms. VAN DUYNE. And I appreciate that answer.

Mr. Roach, I am going to ask you a question. I mean, you see this every day. And I am from upstate New York originally, right? I mean, I always say I am a New Yorker by birth, but I am a Texan by choice. There is a reason why I moved out of your State, and it wasn't just the weather.

Tell me what you are seeing up in New York. What could make it better? What are the policies that you think like, for example, holding criminals accountable for their actions, having consequences? Again, it seems like common sense that, if they can commit these crimes with no consequences, people are going to commit crimes. What are you seeing?

Chief ROACH. Yeah. Prior to bail reform, I made a mention in my opening speech, when we would do a drug raid or if we would execute a search warrant on a drug house, we would arrest the individuals responsible for that. We would take them to court. We would arraign them. And, typically, bail would be anywhere from $10,000 to $25,000.

As it stands now, when we execute a search warrant on a drug house, we bring the individuals back. We fingerprint them, and then we give them a piece of paper and tell them to go to court 2 weeks later. And, if they don't show up to court, they get three tries before they issue a warrant. So, yeah, it is very time-consuming and disheartening, to say the least.

Ms. VAN DUYNE. Are you seeing these people show up to court? Are you seeing these people come back out and commit more crimes?

Chief ROACH. Absolutely, yes.

Ms. VAN DUYNE. All right. I yield back. Thank you.

Chairman WILLIAMS. I now recognize Representative Scholten from the great State of Michigan for her 5 minutes.

Ms. SCHOLTEN. Thank you so much, Mr. Chair. It is a great State. Go Blue this week.

And we hope to keep it a great State, which is why I am so thankful to the Chair and the Committee Members for hosting this very, very important meeting today.

Crime and violence against small businesses defy the core tenets of economic freedom and empowerment our country and our economy is built on. Sadly, retail theft is proving to be a lucrative crime enterprise and emboldens bad actors throughout the country to use force and fear to defraud hardworking Americans. To that end, it is incumbent on us to examine policies and federal actions that would complement the efforts of our State and local partners to foster safe communities for business owners, employees, and their customers.

In my home State of Michigan, organized retail crime has been prosecuted as a felony under the State's racketeering statute for over a decade. While this represents a step in the right direction, in 2021, Michigan businesses lost nearly $3.3 billion from retail crimes perpetrated both by serial shoplifters and organized retail crime rings capitalizing on a society paralyzed by a pandemic. Clearly, more must be done.

My first question is for you, Dr. Roman: In your testimony, you attribute the radical changes in crime and violence over the last 4 years to the pandemic. In addition to strengthening our national criminal justice data infrastructure, what strategies are law enforcement using to deter theft and violence in the first place and equip authorities with the necessary resources to arrest those who liquidate the stolen goods? What are some of those efforts that this committee should be aware of?

Mr. ROMAN. Yes. So I think what we learned in the last couple of decades fighting the war on drugs, we can apply those lessons here. A lot of what we did was ineffective, but some things were. Focusing at the top of the food chain of these organized criminal enterprises is by far the most effective strategy. And that is both on supplying the thieves who go into the store and on fencing the merchandise that comes out. And we don't focus very much on that.

If you look at the FBI statistics on receipt of stolen property as a category that people are being charged with, nobody is. So there is very little focus on that side of the ledger and much more could be done to interrupt organized criminal enterprises on both sides, both doing the sort of task force approach that you talked about, identify the leadership, and then working to prevent the merchandise from being resold or taken somewhere else.

Ms. SCHOLTEN. Okay. Thank you.

Question number two: During the COVID-19 pandemic, violence against small businesses reached communities who previously experienced little to no crime. Since then, the spread and volatility of crime has been compounded by the gun violence epidemic.

Dr. Roman, you noted that Americans' perception of their risk of victimization is rapidly increasing. Despite certain crime rates stabilizing or outright dropping, how can we measure the lasting effect in overall cost of gun violence in particular to small businesses, and what can business owners do to mitigate those costs?

Mr. ROMAN. So gun violence is a problem that is concentrated in specific American communities, some urban but some suburban

and even some rural, and it tends to persist in those places, and it creates a sort of perpetual cycle of accumulated disadvantaged.

Those place are underinvested, both by private sector and by public sector. And then they don't then have the capital and the resources to build and grow and create a broader tax base, which then allows the government to create more infrastructure to create prosperity.

So organizing to ask that policymakers and the police focus their efforts, again, at the top of these criminal pyramids to try and disrupt organized gangs, organized theft enterprises, organized drug dealing, is the way to begin to break the cycle and help support these small business owners and the rest of the Members of these communities.

Ms. SCHOLTEN. Thank you so much. One last quick question, and this is for any of the witnesses. I want to talk about infrastructure investments.

What would help authorities get ahead and stay ahead of individuals committing retail fraud over the internet, particularly thinking about online infrastructure? How can this committee leverage AI, among other resources, to create that infrastructure?

I know we are running out of time here so if anyone has thoughts they want to submit for the record, we would gladly take those, leading on initiatives on AI and small business and also the Ranking Member on infrastructure and government contracting here, so very, very important.

Chairman WILLIAMS. Thank you.

I now recognize Representative Maloy from the great State of Utah for her questions.

Ms. MALOY. Thank you, Mr. Chairman. I do represent the Second District in Utah, and we love small businesses in Utah. The stats that the State gave me are that 99 percent of our businesses are classified as small businesses, and they employ 45 percent of the employees in Utah.

And I have talked to a lot of small business owners. They are already facing inflation, and it is tough to run and keep a small business running. And now I am sitting here listening to you all tell me that small businesses are facing religious targeting and abuse of your employees and fear of reporting crimes because of insurance rates and the hassle, and that repeat offenders are coming into your businesses and making them harder to run.

So I just want to start with an apology. I am sorry that Jewish businesses are facing anti-Semitism. In a country that values religious freedom, that should not be a problem. And I know my apology doesn't fix the problem, but I think it is important to acknowledge.

In southern Utah in part of my district, law enforcement is telling me that because we have Interstate 15 that runs from Mexico to Canada, we have a lot of what I would call transient crime, people who are coming to our town specifically to commit these kind of retail crimes and then leave because they assume that we are not sophisticated enough to handle this crime.

And, in Utah, the State partnered with businesses to form the Crimes Against State Economy task force, so CASE task force. And they have had some success, including decreases in online retail

theft. So I am happy to see that the State is getting innovative and finding ways to address this, and I just want to ask the entire panel the same question.

We are the federal government. We don't move as quickly or as nimbly as States do and sometimes it is better for us to just stay out of something. But is there anything we could do at the federal level that is innovative and new that would help small businesses or law enforcement address these problems more effectively?

Because what I am hearing from the questions on this panel is that we have agreement on both sides of the aisle that this is a problem, and we need to address it. And when we at least agree on what the problem is, that creates an opportunity.

So what, in each of your opinions, can we do from the federal level, either legislation or policy-wise, to help address these issues? And start here with Ms. Rez.

Ms. REZ. It is crucial that Members use their oversight power to ensure that existing laws are enforced and issues—or issuing statements of support, such as you just verbally did, and it is very much appreciated. Thank you, Congresswoman Maloy. It is crucial. Constituents want to hear it. We need to hear it. The support is a must.

Ms. MALOY. Thank you.

Mr. Scott.

Mr. SCOTT. Congresswoman, thank you for the question. I think the number one thing that could be done at the federal level is to address recidivism. We have noticed, as small business owners, that we see sometimes when the police officers respond, and they know by name the person that perhaps they have acquired, because this is the third time they have met them that week and in one case the second time they met them that night, it says that perhaps there is a problem with the people that are doing the crimes need to be held responsible. And addressing recidivism would go a long way toward keeping these repeat crimes from happening. Thank you.

Ms. MALOY. Thank you.

Chief ROACH. Thank you, Congresswoman. Continued support. We work closely with our federal counterparts, the FBI, the DEA, the Secret Service, Homeland Security.

Additionally, the Norwich Police Department applied to the COPS grant, which is a federal grant for community-oriented policing. We were awarded that grant, which over a period of time was a significant amount of money for a 3-year period to hire a new police officer. So things like that do help, and I am hoping that it continues.

Ms. MALOY. Thank you.

Mr. ROMAN. There are 18,600 local law enforcement agencies in the United States, which is an incredibly—I am sorry.

There is 18,600 local law enforcement agencies in the United States. We have an incredibly fractured and distributed law enforcement system, and the only way to move beyond hearing a story and trying to act on it to actually understanding the nature and the scope of the problem is to create more infrastructure at the federal level to assist local policing authorities in collecting data that they can then use locally to target their resources more effec-

tively and efficiently, but then also to contribute to our understanding of city/regional/State-level changes in patterns and scope and type of offending so we can respond more quickly and more inexpensively.

Ms. MALOY. Thank you.

Chairman WILLIAMS. I now recognize Representative Mfume from the great State of Maryland for his 5 minutes.

Mr. MFUME. Mr. Chairman, thank you very much.

I want to thank our witnesses for being here today, and I want to thank the Ranking Member who worked with you to pull this together.

I, Mr. Chairman, am still trying to get my arm around what we can do. And so I have been listening, and I wanted to comment on a few things that I heard, because the hearing topic is "Crime on the Rise: How Lawlessness is Affecting Main Street America." And I think it is fair to say that most of us already know the answer to that.

It is having and has had a very negative long-term impact on Main Street America, and it will continue to do so unless there are some very real definitive and measurable things that take place.

So, you know, I am wrestling with this, the title here, but I understand there is a real opportunity, Mr. Chairman, which is why I was thanking you earlier, to have this discussion and to have people here who, in their own particular way and area of expertise, can lend some credibility to what we are trying to do by giving us real answers based on real experiences.

I did hear just now that we could do better oversight of the law as one way of dealing with this. And regrettably—regrettably—so much of the law, as the gentlewoman from Texas mentioned earlier, is really law that emanates, finds its genesis, and is operational at a State level.

States, local DAs in cities, towns and hamlets and other places really have to be at the table. In fact, I wish the representative organizations of each were here today because that is where the meat of this is going to be found, and that is where we are going to find real effort.

I mean, we sit here. It is a great committee to be on. But, at the end of the day, on this particular issue it is very difficult for the government of the United States at a federal level to bring about instant change. However, again, States, local municipalities, and DAs on local levels can, in fact, enforce the law. That is really, really important.

And then I heard a good suggestion, which we can deal with at our level, and that is this whole idea of dealing with recidivism. Someone said earlier, when I got into the hearing that, yeah, there is a lot of crime, but the criminals are the criminals are the criminals. It is usually the same club, the same group. And so that is why recidivism is so very high.

And I think, from a legislative perspective, as we move forward on crime initiatives, perhaps it is important in the language and an instruction to make sure that a part of that attaches itself to recidivism rates and whatever we are trying to do calls attention back to the fact that there has to be measurable achievements in

recidivism before we are prepared to issue whatever we do, whether it is money or expertise or anything else.

The other thing I do want to just briefly touch on—and, by the way, it is not just the regular crime. It is bail reform, all the other things, the crime laws that are operational at a State and local level that, in my opinion, are not being enforced the way they could or should.

This notion of retail crime—I shouldn't say this notion. It is a reality. But let's talk about that for just a moment because I was concerned also about what seems to be an out-of-control situation, whether it is the smash and grab, whether it is, as Dr. Roman said, the organized efforts, whether it is somebody who is working in a store that decides to do something, to take something, whether it is somebody who is just trying to feed their child and steals diapers. All of those things in the aggregate, particularly the organized effort, is something that concerns all of us, I hope.

So I was equally concerned 8 weeks ago, 4 weeks ago, when I read that the National Retail Federation, which scared the daylights out of most Americans, in their report said that the retail theft had reached $94 billion in this country, a gross overstatement.

And I wanted to know why, but someone beat me to the punch, and that was an investigative reporter at the San Francisco Chronicle, who pointed out the fact that this was really an overreach, and then every study after that in the last 4 weeks has confirmed it, so much so that the National Retail Federation had to retract its estimate and to admit that it was woefully inadequate and completely blown out of control.

And so I am trying to figure, okay, so if the National Federation does that, what are they trying to achieve? And what they have achieved is with stores now deciding to close in communities because they say the cost of business is too high. And those communities are left on their own.

I hear the Chairman tapping the gavel, so I am going to yield, but I will remain open, Mr. Chair, to any suggestions that any of you have that we ought to pursue on a national level to get us to where we all want to be.

I yield back. Thank you, sir.

Chairman WILLIAMS. The gentleman yields.

I now want to represent Representative Stauber from the great State of Minnesota for his 5 minutes.

Mr. STAUBER. Thank you, Chairman Williams and Ranking Member Velázquez, for your holding this hearing today. And thank you to our witnesses for taking time away from their busy schedules to help shed light on this important topic.

Violent crime in America continues to be an issue following the end of the pandemic. Last year, in my hometown of Duluth, Minnesota, there was a 46 percent increase in incidents of shots fired. Duluth has only a 1 percent higher crime rate than the national average. With numbers like that, it is no surprise violent crime continues to be rampant in cities like Washington, D.C.; Minneapolis; New York; Chicago; and so many others.

As a former police officer, having served my community for over two decades, 23 years to be exact, as well as a victim of two violent

gun crimes, the rise in violent crime and lack of support for our police officers is a dire concern.

However, with that said, I am so grateful for the chance to serve in Congress and stand in defense of my brothers and sisters in blue while fighting to keep our communities safe. Ending the crime crisis should not be a partisan issue but, unfortunately, it seems that it is. As most Americans witnessed on their televisions and phones, the start of the Defund the Police movement took place in my home State of Minnesota.

Unfortunately, the repercussions of that movement caused many democratically run States and cities to turn against the very individuals hired to protect their communities. Across the country, we saw crime rates skyrocket. When cities profoundly announced they were defunding the police, homicides, car jackings and robberies and assaults all went up. The Defund the Police movement will take years to reverse the negative effects it has had on the safety of our communities and on police recruitment, retention, and morale.

Following the pandemic, as businesses reopened, they had additional obstacles to fight with, from supply chain and workforce issues, the rising inflation rates through Bidenomics to large-scale theft and violence. If not for relaxed Democrat policies on crime, our communities would be safer.

Business owners across the country noticed a difference in policing as in many instances police officers have been prevented from doing their jobs when it comes to pursuing fleeing suspected criminals. Many cities even raised the threshold for certain violent crimes, in some instances releasing offenders—violent offenders—k into our communities the very same day immediately after given a citation.

Chief Roach, across the country in 2020, there were many Democrat lawmakers calling to Defund the Police, knowing that some elected officials are supporting them. How has it affected recruitment and retention of officers, in your opinion, not only in your department but across the country?

Chief ROACH. It is a tough question, and it is a question that needs to be answered. Morale is very low amongst the police ranks. The demonization of police officers for the last couple of years has driven recruitment to the lowest it has ever been since I have been a police officer, anyway.

I know the officers at times feel as if they are going against the grain, that everything that they do is for naught. And I think through continued support and turning the ship is the only way to get past this, I think.

Mr. STAUBER. From your perspective, what types of policies would help protect our small businesses and our communities?

Chief ROACH. I harken back to the fact that I think that our judges should have the discretion to set bail in just every situation, really. We should be able to take individuals for arraignment on the same day they are arrested. Prior to bail reform, we could do that and the judge would make a determination. These are bar-certified judges. They are capable, they are intelligent, and they should have that power to do that.

Mr. STAUBER. A couple things, Chief. Do you think that we should all look at, as a nation, go back to looking at the broken windows theory?

Chief ROACH. I think there is some benefit to that, yes.

Mr. STAUBER. How about community policing? And so tell me if you agree with this: My definition of community policing is you don't police your community, you police with your community. Do you agree with that definition?

Chief ROACH. I do I think it was Sir Robert Peel that said, the police are the people and the people are the police. We have to be part of the community, and we have to show support for the community but also enforce the laws.

Mr. STAUBER. I agree with you. And, Chief, thank you for your service.

Chief ROACH. Thank you.

Mr. STAUBER. Mr. Scott, in your testimony you listed a number of offenses against your business. With the rise in crime, what measures have you taken to protect yourself and your staff?

Mr. SCOTT. Congressman, thank you for the question. We have taken a number of measures. We have robust security systems in place. We do multiple levels of training on how to respond to a crime. We provide a counselor made available not through an insurance company but by ourselves at our expense for any of our employees that have been crime victims.

Mr. STAUBER. Thank you very much. I am getting gaveled out. And it cost you money too, didn't it?

Mr. SCOTT. Yes, sir, substantial money.

Mr. STAUBER. And I yield back. Thank you.

The WILLIAMS. Thank you.

I now recognize Representative Thanedar from the great State of Michigan for 5 minutes.

Mr. THANEDAR. Thank you, Chairman. And thank you for hosting this hearing. I certainly appreciate your expertise, all of the witnesses, and your comments in educating us on this important issue.

You know, back in 1990, I started my business. It was a three-person business, and we dealt with pharmaceutical testing. And, as a result of a need of my business, I had to have controlled substances on my premises. It was a DEA-approved facility. And the danger always was because people knew we had such controlled substances in our facility created a special danger to not only my business but also my employees.

And, being a three-person business, my annual revenues were like $150,000, and we didn't have a lot of resources to be able to put the safeguards and the protection that we needed for the business or for my employees.

And so one of my questions—and any one of you can answer—is what can the federal government do to help little businesses like this, in terms of protecting their employees and their facilities and their equipment?

Ms. REZ. I will be happy to answer that. Thank you.

Currently, there are federal grants in place where, for instance, Jewish-owned businesses can apply for. There is so much red tape, paper requirements that just absorb so much time that so many

Jewish organizations, Jewish businesses throw up their hands out of frustration and say, "It is just not worth it." So, if we can expedite the process, make it more streamlined, this would be enormously beneficial.

Mr. THANEDAR. Agree, absolutely, because the small businesses don't even have the resources to be able to go through, you know, pages and pages on a website and filling all that information. Sometimes it could take, you know, hours or days to get that done. And you throw up your hands and say, "I would rather not deal with that." And so that certainly we can do.

Then my business later on grew much bigger, and we were able to afford the kind of security that we needed to protect my employees.

The other question is, certainly law enforcement, I do see a lot of struggle in terms of retention. Certainly, the morale is low, and they don't have access often I see in terms of mental health.

A lot of these issues also deal with—alongside the crime, there are also mental health issues that need to be dealt with, and often the law enforcement does not have sufficient resources in that aspect. And so their response is not complete without a partner that specializes in mental health issues to deal with on those issues. So I want to address—I hope you can address some of that.

And also, in the end, I want to really come back to the fundamental issue. How does systemic racism, how does poverty affect all this, and is there something we could do at the base fundamental level to change and make things safer?

Mr. ROMAN. If I could say a word about both of those things. So, on the issue of law enforcement, the International Association of Crime Analysts recommends that there is one crime analyst for every 200 officers. We spend a lot of time thinking about boots on the ground, but to your question, Representative Mfume, about what we can do, we can support investment in the analytic support for officers so that their time is spent best. We do very little of that compared to how much we support boots on the ground in the military.

To your other question, the other hat that I am wearing today is as the co-director of the National Prevention Science Coalition. And we would strongly advocate that much of the crime problem that we face today is the result of underinvestment that happened a generation ago, in terms of how we do child support and maternal support and adolescent development and strengthen schools and child protective services and public health and throughout the educational system.

So what we are investing in today in prevention is what is going to determine whether we are having this hearing again in 20 years.

Mr. THANEDAR. Thank you. And I am out of time, Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Representative Alford from Missouri, the great State of Missouri, for 5 minutes.

Mr. ALFORD. Thank you, Mr. Chairman.

Thank you, Ranking Member Velázquez.

This is an important hearing that we are having today, because it touches everyone in America. I don't care if you are in the Fourth

District and you are in a small town or you are in Kansas City, St. Louis.

Thank you to our witnesses. I know you come here on your own dime and own time, and we really appreciate that. Look, we all know our nation's small businesses are suffering because of the administration's policies on crime and being soft on crime.

In a recent study, 90 percent of small businesses stated that they have been a victim of a crime in the last year. Eighty-three percent say that crime is at least a somewhat major issue for their business.

Democrat policies have hamstrung police from doing their job, and cashless bail and the failure to prosecute repeat offenders has really exacerbated this crisis. The crime is negatively impacting our country, including my home State of Missouri.

Late last year, a small business in Missouri, Osage County Guns, was a victim of a crash-and-grab. A group of thieves crashed a stolen car through their very front door, causing $200,000 worth of damage and stealing $28,000 worth of merchandise.

Crimes like this targeting small businesses are hurting ordinary Missourians on all levels. According to a recent survey by the Missouri Chamber of Commerce, 7 out of 10 business leaders say that the rising crime rate is impacting Missouri's economic competitiveness.

I had the chance to visit with Missouri Chamber of Commerce President Dan Mehan recently. He said, to my surprise, crime is the number one issue facing businesses in Missouri, not just St. Louis and Kansas City but all Missouri.

I am also concerned about the increase in crime against the Jewish community. Following the October 7, 2023, attack on Israel, targeted crime against Jewish people and businesses in the U.S. dramatically rose by 400 percent. We have to restore law and order in our country. When the lawlessness is tolerated, it will continue to fester and grow.

So let's get to the questions. First off, Mr. Scott, considering that an overwhelming number of small businesses is impacted by the crime crisis, how has your business specifically been affected by this?

Mr. SCOTT. Congressman, thank you for the question. And, being Missouri born and raised, I appreciate having you here.

Mr. ALFORD. Thank you.

Mr. SCOTT. The crime crisis affects both the guests and the employees. The guests feel less safe, knowing that perhaps their car will get broken into or perhaps something will happen to them on their way to or from the restaurant or actually in the restaurant parking lot itself.

Employees feel less safe, knowing that perhaps my car will get broken into or will somebody come in that gets angry about the fact that we burnt their toast and will do something rash or something violent.

So it makes everybody feel less safe. It, quite frankly, is scary. They have not just maybe a loss of hours for employees but also, most importantly, loss of peace of mind.

Mr. ALFORD. How much does that cost your business?

Mr. SCOTT. Well, one example would be our restaurant in Tacoma, Washington, where it is now costing us $80,000 per year, which is 40 percent of our profit of that restaurant, which was the profit of the restaurant, to provide additional security in order to make the team and the guests feel safe.

Mr. ALFORD. Thank you.

Next question for Chief Roach: I want to delve into a little bit about the bail reform. There was an article in the New York Post January 22nd of last year talking about George Soros spending $40 million to get Progressive prosecutors elected. We have seen that in Missouri as well.

What role has that played in changing the way that we deal with criminals, letting them out on the streets to repeat their crimes, to terrorize the American public?

Chief ROACH. Thank you, Congressman. Yeah. We have a great district attorney in our county, Michael Ferrarese. He is very pro-police, and he does what he can. But that being said, we do see the effects of bail reform, and they are not good. We see arrest after arrest after arrest of the same individuals. Just about in 80 percent of our cases I would say, the individuals we arrest we are arresting five or six times before they ever even go to court.

Mr. ALFORD. Do you see the end in sight for that?

Chief ROACH. I am hopeful, but I don't see it right now.

Mr. ALFORD. Thank you.

Thank you once again to our witnesses.

I am almost out of time, and I yield back. Thank you, Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Representative McGarvey from the great State of Kentucky for 5 minutes.

Mr. MCGARVEY. Thank you, Mr. Chairman.

I will start off by echoing the opening statement that Mr. Alford said. You know, we do work here because what happens in small businesses across this country is happening in every district. It is why we come together and talk about these problems, how to make sure our small businesses are thriving. They continue to be the backbone of the American economy.

We are talking about main street today. In fact, the title of today's hearing is "Crime on the Rise: How Lawlessness is Affecting Main Street America." So I want to talk to you about my district in Louisville, Kentucky. On our literal main street, in main street downtown Louisville, Kentucky, USA, we have an Old National Bank branch. Old National Bank, a local bank, local people who work there lend to local businesses.

On Monday morning, April 10th of last year, the morning after Easter, our community was rocked when an employee walked in and shot 14 people, killing five of them, including a police officer who miraculously survived an AR-15 round to the head.

The young man who did this was under psychiatric care, but still, 6 days before the shooting, he was able to walk into a store and purchase an AR-15 and all the ammunition he needed in under an hour.

See, we are talking about crime, but we can't talk about crime and not talk about guns. Gun deaths and injuries cost Kentucky $9.6 billion each year, each year. $183.4 million is paid directly by

the taxpayers. The Chamber of Commerce says that larceny cost Kentucky $1.5 billion last year. Not great, but it is not 9.6.

See, gun violence, it pervades every aspect of our lives. It is unthinkable that we are talking about this with gun violence in schools and small businesses in rural America, in urban America. In 2024, in the U.S., there have already been 1,137 gun violence-related deaths and seven mass shootings. You guys, we are 11 days into 2024, and there have been seven mass shootings.

Gun violence we know is bad for our communities. It is bad for families. It is bad for kids, it is bad for everyone impacted. We know the emotional toll. Today's focus highlights the economic impact. And yes, it is bad for business, but luckily we can do something about it.

We can have an assault weapons ban. We can have waiting periods. We can have extreme risk protection orders or red flag laws. We can actually have background checks, safe storage requirements, magazine limits. These are things we can do in the United States Congress that will help prevent crime and gun violence deaths.

Just this past November, 216 of my colleagues on the other side of the aisle voted to prohibit funding for the CDC's firearm injury and mortality prevention research. We can do something, guys. And we must, because it is impacting all of our communities and all of our small businesses.

Dr. Roman, I want to ask you, because I understand your research focuses on using data to better fight gun violence. With that vote against the CDC, how does prohibiting funding from critical research agencies that collect gun violence data make the gun violence epidemic better or worse?

Mr. ROMAN. Yeah. I appreciate the question, thank you for asking it because what we want to do is to make data available to allow policymakers to make evidence-based, data-driven decisions, including all the other considerations that you have.

So, for example, when you talk about trying to keep the hands out of the young man who committed this atrocity in Louisville, if you look at the data that California gets in terms of access to people who have been detained in a mental health facility, that would go into their data systems. The federally licensed firearm dealers would know that this person had been in that system and was not allowed to purchase a weapon.

In most States around the country, those data exchanges do not take place. That data is not kept. It is not transmitted. They do not know that this person is prohibited from buying a weapon because the data are insufficient to do that.

Mr. MCGARVEY. Thank you.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Representative Molinaro from the great state of New York for 5 minutes.

Mr. MOLINARO. Thank you, Mr. Chairman. I appreciate the opportunity to speak this afternoon and certainly to have from Norwich, New York, Chief Reuben Roach, who has led that department during a real transition in criminal justice policy in the State of New York.

And so let's be very clear. It is without question that small businesses are cynical, and they have lost faith in their elected officials. Certainly, that couldn't be any more true than in the State of New York where, overall, 83 percent of small business owners believe that crime is a major issue, and they have lost faith in their elected leaders.

I would offer out loud two things. Having spent the last 20 years in local government, where some of my colleagues know, in my home county we led a transformational effort in criminal justice prior to New York's disastrous cashless bail policy, where we saw a 50-percent reduction in violent crime and a 40-percent reduction in inmate population. Why? Because we were given the tools to invest early. Chief Roach knows this. He has implemented these tools. And cashless bail was eliminated.

The other thing I would offer out loud, because I am very keenly aware of the data. I would suggest that, when a State like New York chooses not to input data, that data can't be analyzed correctly. In fact, the State decided for 12 months to delay the inputting of criminal justice data, so that local elected officials and prosecutors had no such capacity to even know how to respond.

And, secondly, while data may not lie, the people who input the data do. And, with all due respect to all my colleagues and to the witnesses, I just would offer out loud that, when you want a certain outcome, policymakers and elected officials and administrators, in particular in my home State, can choose what data is or is not collected for a certain outcome.

Chief Roach, could you speak specifically to the impact that you have experienced and our small businesses have experienced, at least in upstate State of New York, first prior to cashless bail, during cashless bail, and then post-cashless bail implementation.

Chief ROACH. Thank you, Congressman. Yeah. So our local business owners, 40 of them created a coalition. They meet weekly or biweekly at the Commerce Board. And they are lobbying heavily with the Common Council to create nuisance laws to try to correct this problem with bail reform and the loitering and the drug use and the damage it is doing to their businesses.

A lot of them say we need something with teeth. And it is unfortunate that it has to be a criminal nuisance legislation at the Common Council level, because there probably won't be a lot of teeth in that, unfortunately. It will be a ticket, which is a fine essentially, and potentially down the road, quite a long ways down the road, potentially jail time. But that doesn't fix the problem that they are facing every day as they are losing business and losing customers.

Mr. MOLINARO. So what you are experiencing in the State of New York, to be clear a bit, right, is that because State law prohibits the ability for law enforcement to intervene early in lesser offenses, the City Council is being asked to intervene with its own city ordinance, in the hopes that you can enforce that.

Chief ROACH. That is correct.

Mr. MOLINARO. Have you experienced over your years of service the State of New York enjoying local government's establishing their own local laws?

Chief ROACH. When they are court tested, these local laws, usually when they are court tested they don't usually stand.

Mr. MOLINARO. In the State of New York, when it comes to collecting fines that you might use to implement alternatives to incarceration and other intervention tools, does the State of New York allow you to keep those fines, or does the State of New York keep the money and simply return some portion of it to the city?

Chief ROACH. I believe it is a small portion returned.

Mr. MOLINARO. Yes. And so, over the course of the last several years, in particular with the implementation of cashless bail, have you also seen local prosecutors attempting to link up with federal prosecutors, because federal law may be a bit more stringent and applicable to a case where New York State law has failed?

Chief ROACH. Certainly, yes, oftentimes our district attorney will work with the Syracuse Federal Building attorneys to make that happen.

Mr. MOLINARO. So, in all instances, has this made your job easier or more difficult?

Chief ROACH. More difficult.

Mr. MOLINARO. Has this resulted in less or more instances of reportable or unreportable crimes?

Chief ROACH. More crimes.

Mr. MOLINARO. And has this provided a degree of confidence or lack of confidence among the community as it relates to the ability to enforce the law?

Chief ROACH. It was mentioned earlier a lot of folks don't even call the police department anymore.

Mr. MOLINARO. Yeah. And I will close, Mr. Chairman, in that regard. To suggest that crime is on the decline because it hasn't been reported is to suggest that ordinary law-abiding citizens, small businesses have a degree of confidence and therefore are reporting those things that they think should be intervened by law enforcement. That isn't occurring.

Just, by the way, as individuals who have a lifetime to make poor decisions, those who have criminal backgrounds are making decisions to circumvent the existing law so that they can engage in activity and not be reported. I have seen it consistently.

The best tool is to empower main street, small communities, local elected officials and local criminal justice systems to intervene early to prevent long-term and unsustainable rates of crime.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Representative Landsman from the great State of Ohio for 5 minutes.

Mr. LANDSMAN. Thank you, Mr. Chair.

And thank you all for your testimony and just being with us today. I am a big believer in the importance of public safety and investing in public safety, was at City Hall in Cincinnati before I came here. And, over the course of the 5 years at City Hall, we invested an additional $20 million in our police department.

We struggled in the last year to recruit, and we had two recruit classes. The first one, we weren't able to fill every one of the positions. The second one, we offered a bonus, recruitment bonus, and we were able to fill all 50 slots.

And this is for Chief Roach: The issue of recruitment and retention is a huge one. You mentioned it, and I was really glad you mentioned it. There is a bipartisan bill to allow for the COPS grant to just provide the flexibility so that municipalities like yours could use those dollars not just for base salary but for retention and recruitment. I wanted to get your quick thoughts on that.

Chief ROACH. Thank you, Congressman. Yes. The COPS grant is a wonderful thing. It is a great thing for a small community like Norwich. It affords us the opportunity, as I mentioned earlier, to hire a new police officer, dedicate more officers into the downtown district, foot patrol, community relations, going to centers like the YMCA to interact with the youth. So, yeah, that is a great grant to have, and we are very thankful for it.

Mr. LANDSMAN. And being able to give you—giving you all the flexibility to use it for base salary but also for bonuses for recruitment and retention, a positive thing, right?

Chief ROACH. That is a positive thing. I am not familiar with the bonuses.

Mr. LANDSMAN. The bonuses have helped in other cities. They made a big difference in ours. We have the bill. It is a bipartisan bill. I am just bringing it up, obviously, because it would have a big impact, but could use help from my Republican friends. We have a lot of Republicans on the bill, but we haven't been able to get it in front of the committee. And it would make a big difference in terms of municipalities being able to recruit and retain officers.

The second thing I wanted to mention was, we talked about judges and law enforcement and the importance of helping and empowering judges and folks in law enforcement.

One of the things is red flag laws where we say, okay, this person should not have a weapon. And a judge is able to say, we are going to—I saw in one of the budget proposals that there is language that may pass that would prevent any funding to implement red flag laws.

I am curious, Chief or Dr. Roman, your thoughts on this. I mean, it seems like red flag laws is common sense, makes, you know, life a lot easier for law enforcement judges to get guns out of the hands of would-be criminals.

Chief ROACH. I can tell you that we do propose quite often the emergency risk protection orders. That does help.

Mr. LANDSMAN. Yeah.

Chief ROACH. And it has worked out. In every circumstance that we have used it, it has worked out for the better.

Mr. LANDSMAN. Yeah.

Mr. ROMAN. And I would just add that the evidence is pretty overwhelming that it is an effective mechanism to prevent serious felonies, particularly domestic shootings.

Mr. LANDSMAN. Yeah. And I think there is growing consensus about red flag laws. I just want to make sure we don't mess around and undermine them by cutting off funding.

And then, lastly, there is this rise of anti-FBI sentiments out there. And, you know, I am Jewish, and so the work on anti-Semitism is hugely important.

And I am wondering, Ms. Rez, if you are worried about just the number of politicians who are going after the FBI, who do so much

work to prevent crime and the spread of anti-Semitism? Does it worry you?

Ms. REZ. So federal agencies are trusted partners of Stop Antisemitism and other Jewish organizations. In terms of negative public opinion or congressional opinion, again, it is personal. I can't speak to an individual Congresswoman or man's opinion. But, again, the only thing that I can say is, on the federal level, the FBI are trusted partners of Stop Antisemitism.

Mr. LANDSMAN. Thank you. I couldn't agree more. And I do worry. And, hopefully, we get to an end of going after FBI, law enforcement in general.

And, with that, I yield back.

Mr. BEAN. [Presiding.] Thank you very much. Let's go to New York, where Representative LaLota is standing by with questions.

Representative LaLota, you are recognized for 5 minutes. Go right ahead.

Mr. LALOTA. The best introduction person in the House of Representatives. Mr. Bean, thank you, sir.

I want to thank Chairman Williams, who just had to step out for a moment, for his leadership on this important topic of how lawlessness is impacting main street in America.

In a recent study, 90 percent of small business said they had been a victim of a crime last year, 90 percent. And 83 percent of small businesses have said that crime is a major issue for their business.

And I want to thank my colleague from the other side of the aisle from Ohio for just a few minutes ago raising the issue of the COPS grant program. I am excited to announce that just today I introduced the COPS on the Beat Grant Program Reauthorization and Parity Act.

This bill is supported by every major national police organization. It gives police departments, both large and small, certainty that a program they rely on for years and years to keep their communities safe will continue.

In 2022, New York City received federal funds to hire 50 additional officers. And, last year, the city of Norwich Police Department used COPS hiring grant program to hire one additional officer.

Chief Roach, you lead the Norwich Police Department. Thank you for doing that. Can you tell me about your experience with the COPS program, and would you like to see it reauthorized and continue to be funded, sir?

Chief ROACH. Thank you, Congressman. Yes, the COPS grant, as I mentioned a few minutes ago, is a great program. It affords small communities like Norwich the opportunity to hire an additional police officer.

With that, there are a lot of things we can do, such as putting officers in high-risk areas, putting them in the downtown district, and community policing type activities, having them go to the school for sports events or to the YMCA or even just in some of the downtown Norwich events as well.

Mr. LALOTA. Out of curiosity, how large is your department and what is the impact of hiring just one officer, in relation to overtime, patrols, other things that help enhance community safety? One

may not seem like a large number to many, but what can one do for your police department?

Chief ROACH. It is significant. We have 21 full-time officers. One additional officer relieves a burden of overtime. Most of our officers are working anywhere from 200 to 400 hours a year of overtime. It cuts that in half, at least. And it affords an opportunity to potentially promote another detective to work in the Detective Division.

Mr. LALOTA. Great. Thanks so much.

Shifting gears, Mr. Chairman, organized retail crime is on the rise throughout the country. Organized retail crime is the large-scale theft of retail merchandise with the intent to resell that merchandise for financial gain. It typically involves a criminal enterprise employing a group of individuals who steal large quantities of merchandise, and it affects businesses of all sizes.

I am proud to cosponsor the Combating Organized Retail Crime Act. This expands federal enforcement of criminal offenses related to organized retail crime.

Mr. Scott, thanks so much for being with us today. Would you support a bill that ensures criminals are held accountable rather than Progressive DAs allowing these offenses to go unpunished?

Mr. SCOTT. Thank you for the question, Congressman. We support anything that gives local law enforcement the tools to keep criminals off the street and out of our businesses.

Mr. LALOTA. And what sort of tools do you think would help those local district attorneys enforce our laws specifically related to retail crime a little bit better?

Mr. SCOTT. I am afraid we are getting a little bit out of my area of expertise here. If you ask me what we could do to give them pancakes, I could be of more use.

Again, there are a lot of ideas around, but, you know, we do what we can at our end. For instance, we support the Adopt-a-Cop Programs in the community where it takes place. But anything on the governmental side that gives law enforcement the tools they need to keep the criminals from recidivism I think is very valuable.

Mr. LALOTA. Yes, I would agree. And maybe at a future meeting, I can take you up on that pancake offer.

Chairman, I yield back.

Mr. BEAN. Thank you very much.

Let's go the free State of Florida. Representative Salazar, you are recognized for 5 minutes.

Ms. SALAZAR. Thank you. Thank you, Chairman Pro Tempore. And, indeed, the free State of Florida.

And, Mr. Scott, I am so sorry to hear what you are saying about your business that you had to close down because of crime. That is not the American way. The American way, 60 percent of business in the United States is composed of people like you. So very sorry.

And BCI—and I wanted to share this with Chief Roach. I come from the city of Miami. South Florida is experiencing at this hour a 50-year low crime rate.

And apparently Governor DeSantis has done something correctly, because he offered recently bonuses, $3,000, $5,000 bonuses for those police officers that wanted to come and join any of the police

stations or police officers groups in the State. And 915 of them moved from other States and 47 from Illinois.

I am not boasting. I am not happy in saying this. But we are doing something right in Florida that apparently other States are not.

And I just wanted to start with you, Chief, and just your thoughts. My community is not experiencing, unfortunately, the same thing that you just described. What are your thoughts?

Chief ROACH. Thank you, Congresswoman. I can't speak directly on the laws in Florida because, quite frankly, I am not familiar with them, but I can tell you bail reform has really made it difficult to recruit and retain officers in New York.

When officers hit their 20 years in New York, they typically retire rather quickly, within 90 days. And whereas before we would have officers stay 25, 30 years, as soon as they hit their 20, they are usually out the door.

Ms. SALAZAR. So you were telling about the bail. We do not have the cashless bail, which is something that works this way. You are arrested. You walk out of jail without having to pay bail.

In Florida, before you walk out of jail after you are arrested, you have to go through a detention hearing. Is that the case in the State of New York?

Chief ROACH. As I mentioned earlier, even with Class B felonies, drug-related Class B felonies, it is an appearance ticket. It is a piece of paper with a date and a time, and typically it is 2 weeks down the road.

Ms. SALAZAR. And do those criminals or alleged criminals come back to that court date?

Chief ROACH. Oftentimes, they do not.

Ms. SALAZAR. So then what happens after?

Chief ROACH. If they miss court three times, an arrest warrant is issued.

Ms. SALAZAR. All right. And then what happens after the arrest warrant is issued if they were to be arrested?

Chief ROACH. They would be brought back to our jurisdiction, arraigned in front of the judge, and the judge would have to make a determination at that point.

Ms. SALAZAR. So, basically, from what you are telling me is the problem that the business owners are facing is not so much that we don't have good laws on the books. It is that our judicial partners are just not performing their part of the bargain.

Chief ROACH. As I mentioned before, I think judges should have the discretion to set bail, and I think that it would improve the situation if we were able to arraign these individuals after they were arrested in front of a judge.

Ms. SALAZAR. So what do you think needs to happen in States like New York? Like I said, it is not close to my district, but what do you think needs to happen in order to send a message to the judges, to the elected officials and to the judicial partners that this scenario needs to change? Otherwise, we will not have any more stores.

Chief ROACH. I think conversations like this definitely help. And I think that educating the public in knowing and understanding that cases like assault third or rape third are not consid-

ered violent in New York, and we can't do an arraignment for a nonviolent crime.

Ms. SALAZAR. Right. So, Mr. Scott, people like you, so if you were to have a magic wand and you could write the law and if you could write the scenario that would be most ideal for someone like you, what would that be?

Mr. SCOTT. Write a law to prevent the crime in the restaurant?

Ms. SALAZAR. Yes. Like, your reality. What would, like, your reality be in front of your pancake shop?

Mr. SCOTT. I return, once again, to the action that supports local law enforcement to keep repeat criminals off the street.

Ms. SALAZAR. So everything goes back to the police officers?

Mr. SCOTT. Is goes back to supporting the local law enforcement and preventing recidivism.

Ms. SALAZAR. And, finally, since no one has the monopoly on compassion, I understand that those who are committing the crimes may not be as privileged as some of the people that I represent. What do you think we should then do with those offenders in order to cajole them or to give them the incentive not to continue with that type of activity?

Mr. BEAN. Answer the question. Please, Mr. Scott, go right ahead. I am a little bit—since we got a little extra.

Mr. SCOTT. Thank you.

Ms. SALAZAR. He is a nice guy, yeah. What could we do as a society in order to—what can we do as a society? It has nothing to do with political parties. It has nothing to do with who is more compassionate. What can we do in order to help those people not to engage in that type of activity which doesn't take you anywhere, to jail?

Mr. SCOTT. I truly wish that I had the answer to that. I am not a sociologist, and I know the causes are myriad. I think one thing is that this committee has actually recognized the problem and has actually taken steps to help rectify it. And I think that is a very positive step.

Ms. SALAZAR. Any other Member of the panel that would like to answer that?

Mr. BEAN. Let's not get crazy, Representative Salazar.

Ms. SALAZAR. I was a news reporter so I can ask.

Thank you. I will yield back.

Mr. BEAN. I will take your question in just a moment, Representative Salazar, and let them have a—just to clean up if there is anything left that wasn't said that you want to say.

I am Aaron Bean, and I am going to recognize myself for the last little bit of questioning.

Thank you for your patience today. Thanks for coming. I know it is your own volition that you're here to tell a story. Sometimes you get lucky. Sometimes life—you get lucky in life. I am a brandnew Congressman. I got lucky when Chair Williams—Chairman Williams drafted me for this committee. I really didn't understand or know about this committee until I had spent a year on it. It is Small Business; it champions small business. And it is so exciting. It is part of the American Dream to have an idea or a better mousetrap and develop it and push it. I have been involved in four small businesses myself, and it does get your heart beating. People

don't know. People don't know that you work harder. You work longer. You get up there, but you pay yourself last when you have the responsibility of other—keeping your employees, you know, food own their table. It is a great responsibility to happen. And so, for the last year, we have had people sitting in your very seats from around the country that have either launched or started and bragging about their business, and they should. And typically the message is "get out of our way," you know, "let government get out of our way, let us do the thing." But they assume that government is going to enforce the rules. That is the one, I think one of the key things that government should do is just keep businesses safe and enforce the rules.

And something changed over the last 3 years. It was about 2020 or so, as I recollect. But I will throw that out to you guys. It seems something changed that we didn't see. And see, what America sees right now what my constituents see is, if you go on social media or the internet, every third or fourth video is a mob going into a store and just clearing shelves. They are harassing customers at restaurants. They are just engaging in lawlessness that we have never seen before, and that is definitely a threat to small businesses.

So my lead off question is to Chief Roach. You have been in law enforcement for 20 years. What happened? What happened in the last 3 years that has—had the bottom falling out? And why is lawlessness the law of the land right now? Why are we—it seems that we are just going down the toilet in enforcing the law. What are your thoughts, Chief Roach?

Chief ROACH. Thank you, Congressman.

I would start with the pandemic. I think, when the pandemic started, we certainly saw a rise in crime. And, following that, in that timeframe, we had bail reform. And, as I have mentioned ad nauseam today, it is a continual arrest of the same individuals over and over and over again. That is it.

Mr. BEAN. Why don't we just keep them—it seems like if we could keep them in jail, wouldn't that make law enforcement a lot easier? And then Elmer's Restaurants would have less to worry about, is that—would that be a fair statement, Chief Roach?

Chief ROACH. Well, I certainly think that, as I mentioned before, giving the judges the discretion to do that would be a nice thing.

Mr. BEAN. Is it true that, I mean it sounds crazy, but we live in a crazy world, and this is a crazy town, that if we lock up bad guys, they are less likely to commit future crimes. Is that true?

Chief ROACH. I would agree with that statement.

Mr. BEAN. That is the takeaway. If there is one thing that I think this committee could learn or at least the world can learn from locking up bad guys, crimes goes down, which is something else.

We haven't spoken a lot about anti-Semitism. I was on another committee that talked about anti-Semitism in education. It is shocking. Review the tape. You probably have already watched it when we had presidents of our elite universities.

But, Ms. Rez, you also have talked about that anti-Semitism is in small business. We have seen it in restaurants. We have seen

vandalism. What can you say that hasn't been said that we need to know that this is a real problem?

Ms. REZ. I think the issue is, again, as I said ad nauseam, is that the legislation is there, our judicial partners are not properly executing it.

So there was an incident in May 2021 where there was a violent assault on a Jewish man. And the perpetrator, the attacker, appeared in court and was given an appearance ticket, essentially being let out on to the street. He then publicly stated, which The New York Post picked up, that he would, quote, "happily do it again." This is so frightening in this current day and age to be a Jew in America, whether it is a small business owner, whether it is civilian, whether it is a Congressman. And it is just honestly unfathomable that it is happening——

Mr. BEAN. We are not locking up bad guys.

Ms. REZ.—in 2023, 2024. Excuse me.

Mr. BEAN. Thank you right there. Thank you for bringing that forward.

My last question I am going to throw it open if somebody else wants to jump in. Mr. Scott, thanks for coming. The story of the Elmer family starting their business from scratch, and now you have the big responsibility of leading them. And crime is a theme today, and it is a challenge, but there is something else, a great storm that is headed towards small business, and it is the National Labor Relations Board rule change that says small businesses may be responsible for the working conditions of franchise employees, contract employees, employees that really do not come under your purview, but they are going to say you have to take care of them. Tell us about that rule and just how devastating could it be to small business.

Mr. SCOTT. Thank you, Congressman.

The National Labor Relations Board, as you alluded, has come up with an unneeded, overly broad rule that would make franchise owners responsible for the actions of a franchisee regarding their employees even though the franchisor has no control over that. It would be devastating in the franchise relations. Neither franchisors nor franchisees want this. The current standard of direct and immediate control has worked well for years and appreciate you supporting that. I would urge every Congressman—I would ask them for their support on H.R. 98, which——

Mr. BEAN. It is by John James from Michigan that the House is set to vote on that rule. We have seen stores close due to crime. We have seen small businesses close due to crime. Could we see stores close because of this rule change if it is not corrected? That is a toss-up question, but, Jerry Scott, you are up first. Could we see stores close? Is that a possibility? Small businesses could get hurt by this rule close even?

Mr. SCOTT. Well, there are sort two parts there. One part is absolutely small businesses would be hurt by this, and it will definitely discourage franchising, and it will make the franchisor/franchisee relationship less supportive of each other simply because, "Hey, you do that, and I am responsible for it."

Mr. BEAN. Yeah.

Mr. SCOTT. And will we see businesses close? I can't predict the future, but I can tell you that this would be a very, very wet blanket on expansion of the economy and expansion of small businesses. Most, many people get their start through franchising so they can be in business for themselves but not by themselves. The NLRB rule threatens that dramatically.

Mr. BEAN. Amen, amen. Thank you for coming forward.

And now we have saved the best for last, ladies and gentlemen. Let's go to the State of Texas. He is just the Chair of this committee, and it is my great honor to recognize him for as much time as he may consume, the Chairman Williams. You are recognized, Chair Williams. Welcome back.

Chairman WILLIAMS. Thank you. I appreciate it very much, but you know I simply want to thank you all for being here today. I think that you've seen a committee that sometimes you don't see often. We truly have bipartisan agreement on a lot of things. We are not unhappy people. And I think we also understand small business is the backbone of our country, 75 percent of the payroll, 75 percent of workforce is generated by all of us.

Talking about franchises, I am a franchisee. I am a Chrysler Dodge Jeep dealer. So I think we are heading in the right direction, but there are things that we have got to change, things we have got to talk about. A lot of it does begin locally but also can end up here to where we get our country going again and to where Main Street America begins to have the effect it has had on this country for over 200 years. So I want to thank you all of you for taking time to come today. I know it gets very busy. I want to thank Congressman Bean for filling in for me, and I turn it back to you, sir.

Mr. BEAN. Wow. Thank you, Mr. Chairman.

I would like to thank all the witnesses. Going forward, you will always get to say, "I testified before Congress," and we appreciate your testimony today.

Without objection, Members have 5 legislative days to submit additional materials or written questions for the witnesses to the Chair, which will then be forwarded to the witnesses.

And, of course, we would like to ask the witnesses to please respond promptly. I know you will because you did just an amazing job each of you today.

And, there being no further business to come before, this committee, without objection, the committee is adjourned.

[Whereupon, at 12:11 p.m., the Committee was adjourned.]

APPENDIX

My name is Liora Rez. I am the founder and Executive Director of StopAntisemitism, a nonpartisan grassroots watchdog devoted to raising awareness of antisemitic incidents and holding antisemites accountable for their hateful actions.

I started the organization in 2018 after I started noticing more and more online antisemitism that bled out into the real world and more and more people looking for a safe place to report antisemitic incidents.

Since then, antisemitism on both social media and in our communities has skyrocketed to historic highs. Jews make up just over two percent of the American population but are subject to more than 60% of religious-based hate crimes. Antisemitic harassment, assault, and vandalism have become commonplace, and Hamas's atrocities on October 7 only added more fuel to the fire.

The FBI reported a 60% increase in reported hate crimes after 10/7, most of which were directed at Jews. Our inbox has reflected this and then some – we have experienced a 1500% rise in reported incidents.

Most of these involve individuals, but a disturbing amount are targeted at small businesses. Video after video, from coast to coast, shows antisemites and anti-Israel activists using mob chants, vandalism, and intimidation against Jewish and Israeli owned businesses and their patrons.

I recently had a sobering conversation with a Jewish entrepreneur who owns four restaurants in the greater Detroit area. During his annual New Year's Brunch on January 1, anti-Israel protestors smuggled megaphones into his restaurant and proceeded to harass his patrons. Shouting that the restaurant, which takes no public political stances, was complicit in genocide and foisting activist leaflets on diners, they intentionally created such a hostile atmosphere that everyone in the restaurant simply walked out, costing the owner tens of thousands of dollars over the course of the day. Simultaneously, an anti-Israel online mob threatened him and his family. Their goal was clear: to shut his doors permanently.

The incident dramatically altered how the restaurateur conducts business. He no longer allows large bags, has altered his reservation policy, offered emergency mental health resources to his understandably shaken employees, and has been forced to spend more between $100,000 and $125,000 on security measures in just the last 90 days. One of his employees was also physically attacked during another rally.

His harrowing experience is not unique. Jewish small business owners have had a hard few months:

- A deli in New York City was defaced with a swastika and antisemitic graffiti. The owner was concerned about hanging Israeli and American flags in his window because he feared a mob would "come throw rocks in my storefront" – his synagogue had already been vandalized. "It's sad that people just feel the need to say they hate Jews in 2023,"

he said. "That people can just be so open about it. That Jew hatred is out therein now people just feel more empowered to say it."

- A restaurant in Philadelphia vandalized and surrounded by a mob charging it with genocide. Pennsylvania Governor Josh Shapiro called the incident "a blatant act of antisemitism — not a peaceful protest. A restaurant was targeted and mobbed," he said, "because its owner is Jewish and Israeli. This hate and bigotry is reminiscent of a dark time in history."
- A gift shop in Florida tagged with the phrase "Jew child killers." Last year, a man stood outside the shop and yelled "slaughter all the Jews" in Arabic.
- A kosher restaurant in Houston burglarized and destroyed. Houston Police released a statement calling the incident a burglary that wasn't motivated by hate – but nothing was stolen.
- An ice cream parlor in San Francisco vandalized.

Many of the perpetrators of these incidents were apparently motivated by the businesses' public support for Israel as the nation defends itself against Hamas terrorists, answering the businesses' free speech not with dialog but with hate crimes, essentially holding Jews halfway around the world responsible for a war in the Middle East.

Adding insult to injury, not all these incidents are prosecuted as hate crimes – if they're prosecuted at all. On multiple occasions, our publicizing an incident has led to the DA upgrading the charges to accurately reflect the nature of the crime, but we receive hundreds of reports every week and cannot vet and publish them all. Local law enforcement must become more familiar with these manifestations of antisemitism, and prosecutors must appropriately enforce anti-hate provisions. This problem can only be addressed through accountability.

In my personal correspondence with the proprietors of these businesses, I see the financial and emotional costs of antisemitism every day.

Many small businesses have insufficient cash reserves to repair and secure their locations. Some are threatened, both online and in-person; two people came into the abovementioned Houston restaurant and asked if the proprietor was Israeli. When told 'no,' they said "it's your lucky day then" before leaving.

For me and many other Jews, these incidents call to mind the antisemitic pogroms that have dogged our history. Jewish businesses were routinely vandalized and defaced under the rule of Nazis, Soviets, Tsars, and too many other antisemitic regimes, not just as simple acts of subjugation but also as public signals that Jews were a vulnerable "other," and therefore fair game. Violence was the inevitable result.

Today the word Jew is often replaced with "Zionist" as a code word, a canard that tries to justify antisemitism under the guise of social justice. While the words may change, the result is always the same – the isolation of Jews, the targeting of Jews, and physical violence against Jews.

Despite or perhaps because of that, I am routinely inspired by these small business owners' resilience and tenacity. Rather than being cowed by these acts of intimidation, they double down on living as proud Jews and supporters of Israel. They haven't taken down their Israeli flags, they haven't apologized for their faith or their culture, and they haven't closed their doors.

> "Americans need to wake up," said the Florida gift shop owner. "They will not scare us, and the [Israeli] flag is going to be still flying. I'm not going to remove the flag."
>
> "One way or another, we will be open tomorrow," said the Houston restaurateur. "I will dust, clean, mop and we will be open tomorrow. I'm not going to cower down to their intimidation or anything else people are trying to do to us."

However admirable their resolve, they shouldn't have to display resilience in the first place. It is unacceptable for American small businesses to be subject to hate and vandalism over their religion, much less their views on a conflict in the Middle East.

I'm here because Congress has already provided the tools needed to combat hate through federal anti-discrimination and civil rights laws. Federal agencies must use them to protect American commerce and the small businesses that employ nearly half of all private sector employees. Congress, as the governmental body that provides oversight for these agencies, must take a more active role in ensuring that the federal agencies fulfill their responsibilities.

I appreciate the committee's attention to this crisis. Jewish small businesses have been a part of America's economic fabric since the nation's founding, and we cannot allow rampant antisemitism to change that. Thank you for taking a firm stance to ensure that no small businesses are targeted for the owner or employees' creed, heritage, or exercise of free speech.

Crime on Main Street – House Committee on Small Business
Hearing on January 11, 2024

Chairman Williams and Ranking Member Velázquez,

On behalf of Elmer's Restaurants and the National Restaurant Association, I thank you for the opportunity to share our perspective on how crime on the rise is impacting Main Street businesses like mine.

In 1960, the Elmer family opened their first breakfast-focused restaurant in Portland, Oregon. Truly a family owned and operated labor of love, Walt, Dorothy, and their three sons poured their hearts into serving the local community. It was an immediate success thanks to their commitment to bringing people together for home-style cooking, using only the finest ingredients.

Today, we continue to honor the values of the Elmer's family and grow as a group of locally owned restaurants. Our thirteen franchisee-operated and thirteen company-operated Elmer's and Egg N' Joe restaurants take pride in our local communities, source Northwest fresh ingredients, and are proud to have the most wonderful, loyal guests across Oregon, Washington, Idaho, California and Arizona.

We are proud to be part of a restaurant industry comprised of nearly 1 million restaurant and foodservice outlets and a workforce of 15 million employees—the nation's second largest employer. About 70% of these restaurants are independently owned. These entrepreneurial operators have weathered recent storms in the pandemic, food price inflation, repayment of loans, rapidly rising labor costs, and now a rise in local crime.

We in the restaurant industry are not experts in crime or law enforcement, but we certainly feel the ripple effects when communities are concerned about safety.

In a survey, 44% of adults said they were "more fearful to be in public because of bad behavior and rising violence," ("Supermarkets, Restaurants Hire Security, Limit Hours to Combat Crime," July 17, 2022). When half of our community is concerned about safety, they are not enjoying local restaurants at the same frequency or during extended hours as normal.

Restaurant operators do their best to ensure their patrons and employees feel safe. For example, many operators like me have shortened hours, installed or expanded security systems, and reduced cash on hand. But while we can adopt new practices to lessen risk, the seriousness of crime activity seems like an entirely new game.

The chronic problem of neighborhood crime is frightening customers and devouring our bottom line. A recent *Washington Post* investigation found crime plaguing restaurants across the country in major metropolitan areas including Washington, DC, Northern California, and Chicago. But these aren't just big city problems. These sad and scary narratives persist on Main Streets across the country, including mine.

In the last few months at the Elmer's family of restaurants:

- Two men drove a stolen vehicle through the front doors in order to steal an ATM. In addition to the loss of the ATM and enclosed cash, damage was well over $25,000 and the restaurant was closed for some time in order to repair the entry.
- One of our Portland locations experienced two armed robberies in the space of three weeks.
- Two other locations have had armed robberies.

Crime on Main Street – House Committee on Small Business
Hearing on January 11, 2024

- A young guest was unable to produce a valid ID to purchase a beer. When he became abusive to the server, the guest was asked to leave. He returned with a firearm, pointed it at the server, and threatened to kill the server.
- In another instance of no ID for a liquor purchase, the guest came back later with friends and threatened to beat up the manager on duty if he asked the guest to leave again. The guest used numerous racial slurs directed at the employee and forced the employee to physically defend himself. In the good news department, the employee subdued the assailant. Paramedics arrived to administer to the injured party, but police had too many more urgent calls to take the fellow into custody.
- The franchisee-manager of the Eugene location was attacked while asking an aggressive panhandler to leave the front door area and parking lot.
- In order the bypass the alarm system, a thief broke into the adjoining space then broke through the demising wall into the manager's office. Substantial damage was done to the safe and lock box.
- In Tacoma, guests and employees have had over 15 vehicle break-ins while dining or working, including the theft of the general manager's vehicle.
- In spring of 2021, the crime and homeless issues in the neighborhood around our north Portland location became so untenable that both guests and team members were no longer willing to come to the restaurant. This restaurant, which had been one of the top sales and EBITDA locations in 2018, was closed in April of 2021.

Let me be clear – these criminal acts are not the fault of the police departments, sheriff departments, or public safety bureaus. They are doing their best with the resources they have.

For restaurants, the costs of dealing with an increase in crime is significant. Our team members and guests must feel safe when they come to work or dine. Let's look at an example, the Elmer's in Tacoma, Washington. Here is a restaurant that used to be one of our most profitable. However, because of burgeoning crime, we have had to hire private security patrols in order to maintain a safe environment. With security measures now costing $80,000 per year, this eats up 40% of the restaurants profit before overhead and taxes and, excluding rent, represents the third largest cost after labor cost and food cost. Keeping the restaurant safe has even surpassed credit card fees as a significant cost item.

In many cases, crime losses are not covered by insurance. Property and casualty rates have climbed to the point that we have had to increase deductibles to keep premiums affordable. With a $10,000-$25,000 deductible, many incidents simply go unreported. Imagine what a $15,000 unrecoverable loss does to the bottom line of a restaurant operator who struggles to make a 5% profit.

We have consulted with police in two of the jurisdictions in which we operate our restaurants. While helpful and supportive, even they admit that to make the restaurants completely secure would turn the building into a fortress.

I started in the restaurant business at age 15 as a bus boy in a mom-and-pop Italian restaurant on the Hill in St. Louis. I have spent my entire life since in the business of serving others. I think it is a great life. I am neither a criminologist nor a sociologist. I am a pancake salesman that is looking for help to keep our guests and team members safe. We do everything that we can: security systems, private patrols, training, altering hours of operations, counseling for team members that have been crime victims, and constant vigilance. We cannot do it alone. We need help in reducing crime.

Restaurants build their community. They are a place where people gather to celebrate, to have their first date, to enjoy time with family, free from the weight of the outside world. Restaurants are most often at

the heart of every good time with friends and family. It is where you go to eat, drink, and be merry. Small business owners, the core of the restaurant business, the core of my company, are the entrepreneurs that have their entre net worth, in fact, their entire lives, invested in that building, that block, and that community. Because the guests want to come there, these restaurants provide good jobs, both entry level and professional, for the community.

Crime undermines all of this. Even if the dollar loss is slight, the cost to repair the doors and windows is significant. And what is the cost to an employee to have a gun pointed at them, praying that they survive the next few minutes.

After every crime, when the owner is done picking up the pieces, they ask themselves, "Is this worth it?"

When they start answering no, the lights go out, the community gets colder and darker, and the neighborhood becomes less like a place where you want to live.

CITY OF NORWICH
POLICE DEPARTMENT

REUBEN J. ROACH
CHIEF OF POLICE

SCOTT A. BURLISON
DEPUTY CHIEF

VOICE 607-334-1212
FAX 607-334-1217

Good afternoon! I want to start by thanking this committee and specifically the representatives here who are willing to take the time to listen to those of us from smaller communities who are seeing first-hand, the consequences of the rising crime rate and how it is affecting main street America.

My name is Reuben Roach, and presently I am the Chief of Police for the City of Norwich Police Department in upstate New York. In this role, my duties include managing the resources allocated to me, as well as the twenty-one (21) full-time officers who wear the Norwich Police uniform.

In my twenty (20) year career as a police officer, I have worked in just about every subcategory of law enforcement from narcotics interdiction, as a Drug Recognition Expert (DRE), a child abuse and sex crimes forensic interviewer, a hostage negotiation team member, and many other facets. It has been a rewarding and fulfilling career.

In March of 2023, I was asked to be a representative on the board of Commerce Chenango, in the county where I live. Happily, I accepted this offer, and I was excited to build that relationship between the businesses and the police department. I quickly learned, however, that many of our businesses were suffering and that most of them were desperate for something to change.

The complaints I heard were mostly similar in nature; an influx of homelessness, loitering, open drug use in the business district, and unfortunately, but not uncommon amongst the complaints, was that people were defecating and urination in many of the business owners' doorways and parking areas. Commerce President Salvatore Testani summed it up when he said to me, "*The current homeless challenge has greatly increased the amount of loitering and open drug use in downtown Norwich and throughout the city. They are concerned because their customers and employees feel unsafe and it is having a significant impact on their livelihoods.*'

CITY OF NORWICH
POLICE DEPARTMENT

REUBEN J. ROACH
CHIEF OF POLICE

SCOTT A. BURLISON
DEPUTY CHIEF

VOICE 607-334-1212
FAX 607-334-1217

In the ensuing months, forty (40) of our local business owners have formed a coalition in the City of Norwich, to lobby for tougher nuisance laws, and as many of our business owners have said, "something that has teeth and cleans up the area." Our local common council, codes department, fire department and police department are working to help ease this burden for these businesses, but it is challenging to say the least.

I'm often asked, not just by business owners, but by my residents, about why the crime rate is rising, why people who are repeatedly getting arrested are not in jail, why drug houses are on nearly every street now, and why the overdose rate is as high as it is. While bail reform may not be the answer to every one of these questions, I can tell you from a twenty-year career in law enforcement, it is certainly a contributing factor.

When the Norwich Police Department executes a search warrant on a drug house, the individuals they arrest are back on the street within hours. These are drug houses, and drug dealers that I am talking about, not the drug user. These houses destroy neighborhoods and make them unsafe for people to raise families. Yet, these individuals are released back to the public, often with multiple class B felonies, the very same day they are arrested.

As I mentioned previously, citizens and business owners are concerned about witnessing individuals getting arrested repeatedly and not going to jail. Well, they aren't wrong. Often, we arrest the same individuals five, six, seven times before they are even arraigned in court. Crimes like Loitering, Disorderly Conduct, Harassment 2nd, Trespassing, Criminal Possession of a Controlled Substance, Resisting Arrest, are just a few of the common crimes that we arrest for and release individuals within hours on.

Working closely with our District Attorney Michael Ferrarese, we have continued to fight this uphill battle, all while watching our small town deteriorate. DA Ferrarese also summed it up when he said to me, "*It is concerning to me as the District Attorney that we have businesses*

CITY OF NORWICH
POLICE DEPARTMENT

REUBEN J. ROACH
CHIEF OF POLICE

SCOTT A. BURLISON
DEPUTY CHIEF

VOICE 607-334-1212
FAX 607-334-1217

being stolen from daily without any immediate consequences to the perpetrator. Bail should always be within the Judges discretion and not controlled by legislative roadblocks preventing us from being able to protect our communities."

In closing, I would be remiss if I didn't mention that recruitment and retention in law enforcement is at the lowest that I've ever seen it. When I was hired as a Deputy Sheriff in 2003, I competed with over one-hundred individuals that were vying for three (3) openings. Right now, in 2024 the Norwich Police Department has the potential for three (3) openings, and we have a total of five (5) people on our list who are interested in attending the police academy. As a member of the New York State Chief's Association, I can tell you that recruitment and retention are on the mind of every Chief in New York.

Lastly, I want to thank each one of you for taking the time to listen to me, and to the others, and for helping to come up with solutions for the ever-increasing issue of crime on the rise.

Testimony of John Roman
Senior Fellow and Director of the Center on Public Safety and Justice
NORC at the University of Chicago

House Committee on Small Business
January 11, 2024

Crime on the Rise: How Lawlessness is Impacting Main Street America

Chairman Rodger Williams, Ranking Member Nydia M. Velázquez, and Members of the Committee: I am honored by the opportunity to discuss the important issue of the effects of crime on small businesses in America. I am a senior fellow and director of the Center on Public Safety and Justice at NORC at the University of Chicago (NORC). NORC is a nonprofit economic and social research organization committed to delivering objective, nonpartisan insights and analysis that decision-makers trust. The Center on Public Safety and Justice develops actionable, evidence-based solutions to crime and victimization to empower decision-makers to make criminal justice systems fairer and more effective. Our solutions can also be used to inform community-level responses beyond policing and incarceration. In addition to my role at NORC, I also serve as the chair of the Crime Trends Working Group at the Council of Criminal Justice, which collects real-time crime data, identifies gaps in data collection and availability, and develops strategies to improve crime reporting nationwide. I chair the Federal Firearms Data Infrastructure working group at Safe States Alliance, and I co-direct the National Prevention Science Coalition to Improve Lives. I have been working on these issues for more than 25 years.

The last four years have been a time of profound uncertainty for all Americans, including small business owners and their patrons. In my field of criminal justice and economics, between 2019 and 2020, we observed the largest one-year increase in violent crime and homicide. By 2023, we saw the largest one-year decrease in violence. This period of disruption included several unusual changes in criminal activity, such as reports of increased carjackings, frightening videos of organized retail theft, and vicious images of hate crimes. Separately and together, these events have created deep concern throughout American communities. I purposefully use the word "reports" rather than "statistics" because the empirical data around each of these crimes are extremely limited; thus, our ability to craft evidence-based, data-driven policy is very limited.

My testimony expands upon three distinct areas: 1) what is known about crime and violence overall in the last four years; 2) what is known and unknown about organized retail theft; and 3) the gap in reporting of crime statistics. This last point is critical because it answers both questions at the forefront of this committee: "What is the real risk to small business owners and patrons of Main Street?" and "What is the real risk to the average American as they go about their daily routines?"

CRIME AND VIOLENCE IN THE UNITED STATES: 2020-2023

The last four years have been a time of unprecedented volatility in crime. Crime in the United States varies widely across cities and states; however, year-to-year changes at the national level tend to be small. Taking a historical perspective back to 1960, crime rates in the United States have exhibited long-term trends rather than abrupt increases or decreases. The 1960s and 1970s were a period of steadily

increasing crime.[1] Crime and violence remained at all-time high rates throughout the 1980s.[2] The 1990s saw rapid declines in criminal activity throughout the United States.[3] Crime slowly declined in the 2000s and remained steady in the 2010s.[4] And while crime and violence vary substantially across cities and over time, large year-to-year changes are rare. Between 1960 and 2020, for example, the homicide rate never changed by as much as 10 percent.[5]

Beginning in March 2020, the effects of the COVID-19 pandemic began to overwhelm the daily routines of many, if not most, Americans. This disruption had a significant impact on reported crimes. For example, some types of crime and violence rapidly increased, particularly gun homicides. The changes in crime in 2020 are evident when compared with crime in 2019. During that year, aggravated assaults increased 12.1 percent and homicides increased 29.4 percent. The change from 2019 to 2020 was the largest one-year increase in homicide since the FBI began modern record-keeping in 1960.[6] But not all types of crime increased—robberies declined by 9.3 percent, reported rape by 12 percent, and property crime by 7.4 percent. As with violent crime, the decrease in property crimes was not uniform—motor vehicle thefts increased by 11.8 percent while larceny-theft declined by 10.6 percent.

Changes in reported crimes of this magnitude are extremely unusual. At the same time, Americans' perception of their risk of victimization increased rapidly, and they proposed many hypotheses to explain the rapid rise in violence. In December 2023, the Council on Criminal Justice released a report, *Trends in Homicide: What You Need to Know*, that detailed six leading theories of why violence spiked in 2020.[7] These include:

- Routine Activity Theory. This theory posits that, for a crime to occur, a motivated offender, a suitable target, and an absence of guardianship must converge. Social distancing during the height of the pandemic reduced the number of convergences.
- Police Legitimacy. After George Floyd's death, this theory proposes that citizen perceptions of policing authority as legitimate declined, making citizens less likely to contribute to police investigations, which reduced the clearance rate and thus reduced the perceived cost of committing crimes.
- De-Policing. De-policing theory is hypothesized to have occurred in two ways. In the wake of protests following George Floyd's death, police engaged in less proactive policing, so fewer crimes were prevented. Also, many departments directed their officers to reduce police-citizen contacts to protect officer health and safety.

---

[1] Pfaff, John F. "The micro and macro causes of prison growth." Georgia State University Law Review 28, no. 4 (2012).
[2] Blumstein, Alfred. "The crime drop in America: An exploration of some recent crime trends." Journal of Scandinavian Studies in Criminology and Crime Prevention 7, no. S1 (2006): 17-35.
[3] Levitt, Steven D. "Understanding why crime fell in the 1990s: Four factors that explain the decline and six that do not." Journal of Economic Perspectives 18, no. 1 (2004): 163-190.
[4] Baumer, Eric P., and Kevin T. Wolff. "Evaluating contemporary crime drop (s) in America, New York City, and many other places." In Understanding New York's Crime Drop, pp. 5-38. Routledge, 2020.
[5] Author's calculation.
[6] FBI National Press Office, "FBI Releases 2020 Crime Statistics." September 27, 2021. Accessed January 7, 2024: https://www.fbi.gov/news/press-releases/press-releases/fbi-releases-2020-crime-statistics.
[7] Council on Criminal Justice. "Trends in Homicide: What you need to know". December, 2023. Washington, DC: Council on Criminal Justice.

- Gun Sales. Between 2019 and 2020, the number of firearms purchased increased from 13 million to more than 20 million. The theory hypothesizes that legally purchased firearms become crime guns in fixed proportions, so the increase in sales led to more guns on the street.
- Bail Reform and Progressive Prosecution. The theory hypothesizes that changes in prosecutorial practices, such as ending cash bail and effectively decriminalizing low-level offenses, led to increases in crime.
- Drug Market Disruption. Research suggests that the increase in violence in 2020 was concentrated in places with drug markets and concentrations of high levels of violence.

Recently reported data helps to clarify the timing of the crime and violence spike. In May 2022, the Centers for Disease Control (CDC) reported that the homicide increase in 2020 was largely due to firearms: while the overall homicide rate increased 28 percent, the firearm homicide rate increased 34.6 percent.[8] In the first three months of 2020, there were 3,447 homicides—about a 7 percent increase from the same month in 2019 and a 5 percent increase from 2018. In April, firearm homicides increased by 16 percent in a single month and 18 percent in May. By the end of May, firearms homicides had increased by 33 percent. In the summer months, the firearms homicide rate stabilized, increasing about 4 percent in June, declining 2 percent in July, and declining 7 percent in August.

With respect to the timing of the homicide increase and the timing of the theoretical explanations, social distancing in response to the COVID-19 pandemic best fits the data. Social distancing measures, including pandemic-related shutdowns, were in place and widespread by the beginning of April 2020. Other macro forces that correlate to the spike in crime, such as large numbers of local government employees being separated from their jobs, began at the same time.

Crime Increases across Sectors 2021-2022

One major obstacle to understanding the crime spike and subsequent decline is the lack of national crime data for 2021. The data from 2021 are more limited than other years in the FBI national crime statistics data series. In 2020, FBI data include data from both the Summary Reporting System (SRS)—which has been the main source for decades—and the National Incident-Based Reporting System (NIBRS). In 2020, 16,546 of 18,631 law enforcement agencies submitted data. In 2021, the FBI discontinued the SRS and mandated that only NIBRS data to be reported, and the number of reporting agencies declined to 13,181.[9] In 2022, the FBI again allowed reporting agencies to submit either SRS or NIBRS data, and the number of reporting law enforcement agencies increased to 15,726. Thus, in 2021, only 65 percent of the United States population was served by a law enforcement agency reporting crime data to the FBI.[10] In prior years, about 95 percent of the U.S. population was covered by these official national crime statistics.[11]

---

[8] Scott R. Kegler; Thomas R. Simon; Marissa L. Zwald; May S. Chen; James A. Mercy; Christopher M. Jones; Melissa C. Mercado-Crespo; Janet M. Blair; Deborah M. Stone; Phyllis G. Ottley; and Jennifer Dills. "Vital Signs: Changes in Firearm Homicide and Suicide Rates — United States, 2019–2020." Morbidity and Mortality Weekly Report (MMWR) 71(19);656–663. May 13, 2022.

[9] Federal Bureau of Investigation, "Crime/Law Enforcement Stats (Uniform Crime Reporting Program)" accessed January 7, 2024: https://www.fbi.gov/how-we-can-help-you/more-fbi-services-and-information/ucr.

[10] Berzofsky, Marcus, Dan Liao, G. Lance Couzens, Erica L. Smith, and Cynthia Barnett-Ryan. "Estimation procedures for crimes in the United States based on NIBRS data." Bureau of Justice Statistics (2022).

[11] Ibid.

Overall, between 2020 and 2021, crime in the United States was relatively stable, at least compared with the volatility of the prior year.[12] All violent crime declined by 1.7 percent, although homicide increased by 4.3 percent. Aggravated assault remained steady (a decline of 0.1 percent) and robbery declined substantially (-8.2 percent). Property crime declined by 3.8 percent, larceny-theft declined 4.9 percent, and burglary declined 11.4 percent, while motor vehicle theft increased 12.3 percent.

Compared to 2021, violent crime declined by 1.6 percent in 2022. Homicide declined by 7.9 percent, and aggravated assault declined by 1.4 percent. Robbery increased by 0.9 percent. Property crime rose 6.7 percent, including a 7.4 percent increase in larceny-theft, a steady burglary rate, and a third consecutive year of large increases in motor vehicle theft (10.5 percent).

The 2023 Crime Decline

The December 2023 Council on Criminal Justice *Trends in Homicide: What You Need to Know* report includes data from 30 cities in the United States and explains that homicide declined 9.4 percent in the first half of 2023 compared with the same period in 2022. The June 2023 homicide rate (1.39 per 100,000) is essentially the same as the June 2018 homicide rate (1.36). Crime analyst Jeff Asher reports that, as of early December 2023, homicide has declined 12.7 percent in 2023, which would be the largest one-year decline in homicide since modern records have been recorded.[13] Asher also notes that through the third quarter of 2023, property crime has declined 6.3 percent, including declines in burglary (-11.7 percent) and larceny-theft (-8.5 percent). Only motor vehicle theft continues to increase, up again in 2023 by 10.1 percent.

To summarize the period 2020 through 2023:

- Homicide remains above pre-pandemic levels but has declined two years in a row.
- Violent crime rates appear to have fallen below pre-pandemic levels.
- Property crime rates were elevated for one year (2022) but have remained below pre-pandemic levels throughout the period.
- Burglary rates have declined throughout the period and remain below pre-pandemic levels.
- Larceny-theft rates increased in 2022 and are below pre-pandemic levels.

Explaining the Crime Spike and Crime Decline

Understanding why—and how much—crime first rose then fell is critical to creating evidence-based policies. Policy changes should account for both the sudden increase and the sudden decline. The explanation that best fits the data is that much of the volatility in crime and violence was a result of COVID-19-related causes.

The pandemic can be simply described as an "everything, everywhere, all-at-once" experience for most Americans. Most explanations for the initial crime spike and the subsequent crime decline are not similarly all-encompassing, and most explain the crime spike but not the crime decline. The most straightforward explanation for both the spike and the decline is the pandemic and the direct

---

[12] All data in the paragraph refer to: Federal Bureau of Investigation. (undated). "The Transition to the National Incident-Based Reporting System (NIBRS): A Comparison of 2020 and 2021 NIBRS Estimates." Accessed January 7, 2023, link available at: https://www.hsdl.org/c/abstract/?docid=871879.

[13] Asher, Jeff. "Crime in 2023: Murder Plummeted, Violent and Property Crime Likely Fell Nationally." Accessed January 7, 2024: https://jasher.substack.com/p/crime-in-2023-murder-plummeted-violent

consequences of the pandemic. These consequences occurred in different ways, at different times, and together they provide a coherent narrative.

The spike in firearms homicide coincides with the early days of social distancing caused by COVID-19. This would have kept people who live in historically high-violence places within close proximity of each other during their routine activities. At the same time, guardianship was limited, due to reduced proactive policing either to protect the health and safety of officers and/or in response to public disapproval. As the social distancing abated, firearms homicides first stabilized and then declined.

The later increases of some types of violence and property crimes in 2022 appear to be related to second-order effects of the pandemic. By second-order, we mean changes that indirectly affect crime and violence rather than directly (for example, changes in routine activities can be seen as a direct effect). One large-scale indirect effect of the pandemic on crime was the substantial reduction in local government workforce in the first months of the pandemic. Hundreds of thousands of local government employees who work directly with young people (e.g., teachers, counselors, law enforcement)—who represent the highest-risk population—lost their positions.

The Effect of Local Government on the Crime Spike and Crime Decline

What almost all of the explanations for the crime decline in the Council on Criminal Justice paper and in other research have in common is that they are activities supported by local government, which includes any government below the level of state government, including county, municipal, and township. Local government experienced a dramatic reduction in workforce during the pandemic that persisted through 2022 and then rapidly reversed in 2023. After a lengthy period of underfunding and under-staffing caused by the pandemic, local governments have today, by most measures, returned to pre-pandemic levels.[14]

Local governments perform numerous activities that are directly related to fighting crime. Most of the 700,000 sworn law enforcement officers are employed by local governments, as are about 8 million teachers, including secondary schools and community colleges.[15] Local government employees include behavioral health specialists, nurses, and other health workers, as well as grant monitors who support community-based organizations. Local governments also employ bailiffs, correctional officers, and probation and parole agents (among other justice system employees). Between March and May 2020, more than 1.24 million local government employees lost their jobs. Another 300,000 state government employees lost their positions. Bureau of Labor Statistics data report that local government staffing levels did not return to pre-pandemic levels until December 2023.

ORGANIZED RETAIL THEFT: 2020-2023

It has been widely suggested that commercial larceny-theft, often referred to as shoplifting, changed substantially during the pandemic. A LexisNexis search for "organized retail theft" and "smash and grab" news stories by the Center for Just Journalism found a spike in news stories on both topics beginning in

---

[14] U.S. Bureau of Labor Statistics, All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CES9093000001, January 7, 2024.
[15] Ibid.

2021.[16] A November 2023 study by the Council on Criminal Justice used open-source data from 24 cities over five years to estimate trends in retail larceny-theft.[17] The study replicated the national data described above and found that larceny-theft declined in 2020 and 2021 before increasing in 2022, likely due to changes in routine activities. There was tremendous variation across cities, but, overall, the data are very sensitive to the inclusion of New York City. With New York City in the sample, larceny-theft increased in 2023 (compared with 2020) by 16 percent, yet without New York City in the data, larceny-theft declined by 7 percent. The rates across all months were lower than all but one month in 2018 and 2019.

The challenge with understanding commercial retail theft is that national crime statistics are not designed to measure that specific event. There are many sources of retail loss—theft in the supply chain (cargo theft), paperwork errors (fraud), employee theft, as well in-store theft, which may be amateur thieves, opportunists, "professionals," or theft by organized criminal enterprises. Crimes reported to the police do not distinguish among these categories. A call for service is likely to be recorded in a computer-aided dispatch (CAD) system using NIBRS codes from the FBI.[18] In the category of property crimes, the types of larceny/theft offenses are extensive and include: pocket-picking; purse-snatching; shoplifting; theft from building; theft from coin-operated machine or device; theft from motor vehicle; theft of motor vehicle parts or accessories; and all other larceny.

Instead, many "smash and grab" crimes against retailers may be coded as burglaries, which are defined as "the unlawful entry into a building or some other structure to commit a felony or a theft."[19] They also may be coded as a robbery, which is the taking of property by force or threat of force. Of note, according to the FBI instructions to local law enforcement agencies submitting crime data, "every Robbery includes some type of assault, but because the assault is an element integral to the crime of Robbery, the LEA should report only Robbery."[20]

As is discussed below, national crime statistics in the United States are very limited in general, and, as is shown above, they are of limited utility in understanding the magnitude of organized retail theft. Overall, however, there is limited evidence that organized retail thefts and "smash and grab" crimes have increased nationally. Larceny-theft statistics do not show meaningful increases, except in 2022, nor do robbery and burglary statistics.

IMPROVING THE STATE OF KNOWLEDGE

One important takeaway from this discussion is the inadequacy of current national crime statistics to address these important questions. Organized retail theft is not the only type of crime subject to these limitations. Other examples of insufficient data in national statistics abound. Currently, NIBRS does not record shootings incidents or shooting victimizations—instead, NIBRS includes a category, aggravated

---

[16] Center for Just Journalism. (undated). "Retail Theft: What to Know and Where to Go." Accessed January 7, 2024: https://justjournalism.org/media/download/CJJ_TipSheet_RetailTheft_2022.pdf

[17] Lopez, Ernesto, Robert Boxerman, and Kelsey Cundiff. "Shoplifting Trends: What You Need to Know". Washington, DC: Council on Criminal Justice. November, 2023.

[18] Criminal Justice Information Services Division Uniform Reporting Program. "2023.0 National-Incident Based Reporting System User Manual." June 30, 2023. Accessed January 7, 2024: https://le.fbi.gov/file-repository/nibrs-user-manual-063023.pdf/view

[19] Ibid, page 30.

[20] Ibid, page 18.

assault with firearm (with and without injury), which includes incidents where the weapon was discharged, where the weapon was only brandished, and where the weapon was used to inflict blunt force trauma. Other categories of criminal victimization that have received intense media and public interest during the pandemic include carjacking, which is not an offense codable in NIBRS. Also, data on firearms are not just limited but specifically constrained by the Tiahrt Amendment, which restricts the ATF's ability to share locally collected data with local jurisdictions, and the Dickey Amendment, which limits the CDC's ability to provide grants to researchers to study firearms injury.

CONCLUSION

In recent years, the United States experienced a disruption in daily life that has few precedents in recent decades. One consequence was that crime and violence exhibited radical changes in short timeframes, resulting in concerns about victimization that deepened in all corners of the nation—from neighborhoods with persistent high levels of violence, to Main Streets with little history of victimization. When faced with such uncertainty, one reasonable response is to explore deep policy changes. But in the case of crime and violence, the key causes appear to be direct effects of the pandemic. As effects of the pandemic on routine activities return to normal, those negative effects have begun to dissipate. While there are many lessons from the pandemic, one that gets less attention is the need to strengthen our national criminal justice data infrastructure. Doing so will strengthen the evidence for future policymaking if another crisis emerges or if our policy goals shift from a focus on reducing crime and victimization to a long-term equilibrium with high rates of victimization to an equilibrium at safer levels.

ICSC Statement for the Record

House Small Business Committee Hearing

"Crime on the Rise: How Lawlessness is Impacting Main Street America"

January 11, 2024

ICSC thanks the House Small Business Committee for its interest in the impact of rising crime on America's small businesses. ICSC's nearly 50,000 North American members represent marketplace professionals, including owner/developers of retail centers, as well as retail tenants, investors, economic development and legal professionals. ICSC promotes industry advancement for the spaces where people shop, dine, work, play and gather as foundational and vital ingredients of communities and economies. About 70% of shopping center tenants are small businesses.

Sadly, retail property owners are facing an unprecedented number of Organized Retail Crime (ORC) incidents. ORC involves the illegal acquisition of retail merchandise in substantial quantities through both theft and fraud as part of an unlawful commercial enterprise. It is important to distinguish ORC from traditional shoplifting – or a single individual breaking the law.

Traditional shoplifting is largely spontaneous and self-serving, and typically executed by individuals who need merchandise for personal use they simply cannot afford. Though small-scale shoplifters should not avoid prosecution, ICSC recognizes that many of these individuals need to be treated separately from those who operate as part of a larger criminal enterprise focused on making a profit through the resale of stolen goods.

ORC puts a more serious strain on business owners, particularly small businesses, in multiple ways, including shopper and employee safety, reputational risk, and financial stability. ORC syndicates focus on the theft and resale of high value branded items that are in demand from shoppers from designer handbags to name-brand laundry detergent. When these goods are resold using an online marketplace or other means of sale, most consumers are unaware that they are purchasing stolen goods. While high profile "smash-n-grab" robberies and nationwide cases involving major retailers garnered the headlines this holiday season, the problem is pervasive, impacting shopping centers large and small in all regions of the country. One major enclosed mall owner reports that retail crime theft incidents of over $1000 have nearly doubled over the past eight years. Violent crime, including aggravated assault, battery, and armed robberies have nearly tripled at those retail centers.

And this is just what property owners know: many retail employees have simply stopped reporting incidents to local authorities, including on-site security, because they question whether police

response will be timely or effective, or because they fear retaliation from thieves and their handlers. This pattern contributes to lack of prosecutions of ORC cases and leads to difficulties in allocating public and private resources to combat ORC.

Here are some pragmatic steps Congress and law enforcement can take to address ORC. First, building on the success of state and local ORC coordination centers, Congress can pass legislation to create a federal interagency ORC taskforce. We know there is broad bipartisan support for H.R. 895/S. 140 the Combating Organized Crime Act of 2023 (CORCA). CORCA can make a meaningful impact on ORC by activating a federal coordination center, while also ensuring criminal penalties address the reality of how ORC enterprises operate.

Second, the federal appropriations process can also provide federal law enforcement agencies the resources and a mandate to investigate and prosecute ORC rings. Appropriators funded a similar and successful HSI initiative to combat IP theft with the creation of the National Intellectual Property Rights Coordination Center. We understand CORCA authors sought to replicate that success and use it as a model for the federal ORC Coordination Center. The Coordination Center is a natural next step to build on the effectiveness of HSI's Operation Boiling Point and the accomplishments of state and local ORC task forces.

Despite the rise in e-commerce in recent years, brick-and-mortar stores remain the main sales channel for most goods and services purchased in the United States. However, the rise in ORC has contributed to the reasons why some small businesses have chosen to close store locations. Store closures should not be taken lightly: they result in a significant loss of jobs, diminished state and local sales tax, loss of property tax collected, and food and prescription drug deserts.

ORC is leading to more brazen and violent attacks in retail stores throughout the country. The time is now for Congress to provide prosecutors and investigators with the resources they need to better combat Organized Retail Crime.

NACS NATSO SIGMA
AMERICA'S LEADING FUEL MARKETERS

January 10, 2024

The Honorable Roger Williams
Chairman
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20002

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20002

RE: Full Committee Hearing: "Crime on the Rise: How Lawlessness is Impacting Main Street America"

Dear Chairman Williams and Ranking Member Velázquez:

The National Association of Convenience Stores (NACS), NATSO, Representing America's Travel Plazas and Truckstops, and SIGMA: America's Leading Fuel Marketers (together, "the Associations") appreciate the Committee's interest in exploring the crime that small businesses are increasingly facing across the nation.[1]

Our members are concerned that the level of violence associated with crime in their stores, and the frequency of those crimes, has increased and evolved drastically over recent years. It has created challenges to the operation and viability of their businesses, and finding solutions to this crisis remains a top priority for our industry and our members.

I. Small Businesses Face Increasing Criminal Incidents

Small businesses in every community have faced a changing landscape over the past few years. In-store purchases are increasingly made online and the ability to work from home in the aftermath of COVID-19 has changed where people spend their days (and how they spend their dollars). Retail crime, however, has become a top issue of concern in our industry due to its dramatic increase. For example, since January 2020, the monthly per store losses due to theft in the convenience industry has more than doubled.[2] With that increase, by August of last year, merchandise losses due to theft reached an average per store per month total of $1,953.[3] This is a huge blow for businesses that survive on tiny profit margins of less than 2.5%.[4] The Associations' members have seen increases in theft of all products – including motor fuels, lottery tickets, tobacco products, and cases of beer.

To better understand the industry perspective on this growing trend, NACS conducted a survey of its members late last year. The results were instructive. More than half of the industry found it necessary to increase the number of their employees working on crime prevention.[5] In fact, 31% of survey respondents reported that they had to increase that personnel by more than 10% over 2022.[6] Among small businesses in particular, concerns about theft are rising. While some larger businesses in our industry

[1] NACS is an international trade association representing the interests of the convenience industry. NATSO currently represents approximately 5,000 travel plazas and truckstops nationwide, comprising both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. In the United States, the industry includes more than 150,000 stores employing 2.44 million people. It is truly an industry of small business with a full 60 percent of the industry comprised of single-store operators. The industry handles about 165 million transactions each day – a number equivalent to about half of the U.S. population.
[2] NACS CSX Convenience Benchmarking Database
[3] Id.
[4] See Operating and Net Margins (nyu.edu)
[5] 2023 NACS Crime and Loss Prevention Survey
[6] Id.

worry more about theft by employees than that committed by others, small businesses are much more concerned about and negatively impacted by theft by external individuals.[7] External theft has an outsized impact on small businesses as they do not have the resources to respond to the incidents that some larger companies can deploy.

Unfortunately, the quality of national data on the types of crime our members face is neither clear nor exhaustive. Main Street businesses have found that law enforcement officials in some areas of the nation are reluctant to respond to reports of theft in our members' stores. Not only have store managers been told that law enforcement will not respond to their calls, but they have also been told to stop bothering law enforcement by reporting these crimes at all. Some businesses within our industry have even been advised to hire private security rather than rely on local law enforcement to stop or investigate retail thefts. And, one company in our industry was even told by local law enforcement that they would be fined if they kept reporting their thefts.

We understand that law enforcement personnel perform incredibly difficult jobs and often are overwhelmed by the volume of crimes under their jurisdiction. Nevertheless, the predictable result is that many thefts do not get reported to law enforcement at all, and therefore are not recorded as part of crime statistics. Changes should be made to ensure better reporting and tracking of crime data. Understanding the nature and scope of the problem is important to finding reliable solutions.

II. The Nature of Crimes Committed Has Changed for the Worse

In addition to the amount of crime and theft at retail stores, the nature of those crimes has changed. Thieves have become more brazen and more violent when conducting their crimes. Often, they do not even try to hide that they are stealing. They know that due to our members' safety protocols, employees are trained not to try to physically stop shoplifters. They also know that law enforcement responses to these crimes typically cannot happen fast enough to stop the crime (or do not happen at all). One of the fastest-rising areas of concern for businesses in our industry is the potential for violent crime against employees.[8] Employee safety is a top priority for the industry, and the heightened concern about employees facing violent crime is one of the most alarming and striking findings of NACS's recent industry survey.

These incidents can be frightening for employees and customers as well as costly for businesses. In some instances, they are captured on store surveillance cameras.[9] Our members have even attempted to use these alarming videos as a deterrent by making them public.[10]

III. Increases and Changes in Crime Have an Outsized Impact on Small Businesses

Small businesses in our industry are disproportionately impacted by increases in both the number and type of crimes. These impacts range from lost revenue to difficulties with recruiting and retaining employees as well as public perceptions of our businesses.

It is imperative that customers and employees feel safe in our stores. The Associations' members have therefore invested in ways to combat crime and promote security in their locations – resources that negatively impact on their bottom line. Our members have spent resources on security cameras, alarm systems and technology solutions and, for some, security guards. In fact, across the industry, the largest areas of spending on crime prevention are in technology and video analytics solutions.[11] These security

---

[7] 2023 NACS Crime and Loss Prevention Survey

[8] Id.

[9] See https://www.youtube.com/watch?v=tWsIneU-5ng. Viewer discretion is advised.

[10] Brett Dworski, "How a Kansas City c-store is using YouTube to deter shoplifters," C-Store Dive (Jan. 18, 2023)(available at How a Kansas City c-store is using YouTube to deter shoplifters | C-Store Dive (cstoredive.com))

[11] 2023 NACS Crime and Loss Prevention Survey

investments are especially necessary in jurisdictions where law enforcement has been reluctant to respond. The Associations' members have also increased spending on employee training in an effort to increase situation awareness, deescalate threatening situations and to help protect the safety of store personnel and customers.

Additionally, even businesses with 10 or fewer stores have dedicated nearly two full-time employees to loss prevention activities.[12] That is more significant than it appears. Many of these businesses have 50 employees or less, but a percentage of those employees spend nearly all of their time on addressing security and crime in the store. And as noted above, the NACS Crime and Loss Prevention Survey also shows that spending on personnel and other security measures is growing across the industry.

IV. Implications for Policy

Crime issues are complex and vary across localities. Bipartisan, bicameral legislation pending in this Congress, however, could be helpful. The Combating Organized Retail Crime Act of 2023 (H.R. 895 and S. 140) would increase federal enforcement of organized retail crime in which groups of professionals work together to steal and resell store merchandise. Importantly, the bill would create an Organized Retail Crime Coordination Center within the Department of Homeland Security to coordinate the federal, state, and local law enforcement response to organized retail crime. The Associations support this legislation.

However, organized retail crime is just one aspect of this broader problem. As mentioned earlier, the lack of good data presents challenges to finding effective solutions. We encourage Congress to explore potential avenues to make the reporting of crimes easier and less burdensome for businesses and law enforcement.

In addition, the interplay between substance abuse, mental health issues and the crimes conducted in our locations is significant and merits attention. We urge Congress, as well as state and local government officials, to explore the interconnectedness of these issues.

V. Conclusion

The Associations applaud the Committee for conducting this important hearing on crime issues and potential policy solutions. The growth in these problems creates safety concerns that none of us want. We look forward to working with you on policy solutions that will provide our employees and customers with the confidence that they are safe in our retail locations along with relief from the financial losses associated with criminal activity.

Sincerely,

National Association of Convenience Stores (NACS)
NATSO, Representing America's Travel Plazas and Truckstops
SIGMA: America's Leading Fuel Marketers

[12] 2023 NACS Crime and Loss Prevention Survey

SHEETZ

January 18, 2024

The Honorable Roger Williams
Chairman
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20002

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20002

Dear Committee Members,

Sheetz is troubled by the increase in violent crime that is being seen across the nation and we appreciate the Committee for hosting a hearing on this pressing issue.

Sheetz is a family-owned and family-operated chain of convenience stores, with more than 700 store locations across Pennsylvania, North Carolina, Ohio, Virginia, West Virginia and Maryland. Our company employs more than 25,000 and was founded 72 years ago in Altoona, PA.

All Sheetz store locations operate 24/7/365. We are committed to ensuring a safe experience for our employees and customers, regardless of whether they're present at 2 p.m. or 2 a.m. However, 24/7 operation also poses some unique challenges, as there are times of the day our stores will be the only business open in a community. This means the type and number of crimes that effect our stores are significantly different from many other retailers. We certainly have experienced the impact of the nation's rise in crime in a number of ways.

We are not alone. Our experiences are similar to what our entire industry is facing: an increase in shoplifting, armed robberies, vehicle theft and violent crime that either happens adjacent to, or on the lots of our store locations.

This creates a challenging environment for our employees and customers who never know if one of these incidents will escalate from something minor into a violent criminal act. Unfortunately, that was the case on Saturday, Jan. 30, 2023, when an off-duty police officer confronted three people accused of stealing beer from a Sheetz store location in North Carolina. After being confronted, one of the men accused in this crime allegedly shot and killed the officer, Sgt. Philip Dale Nix of the Greensboro Police Department. Three people have been charged as a result.

As we have been for the past 72 years, Sheetz is committed to using innovation to help maintain safety at our store locations. We are proud to have advanced camera systems that cover nearly every part of our store locations. Those cameras are complemented by a best-in-class security operations center (SOC) that is staffed 24/7/365. The SOC is linked to all of our stores through a communications system, which can be used at any

SHEETZ

time that our store teams need assistance. These safeguards were essential in ensuring the arrest of those charged in the death of Sgt. Nix. Even more security measures are under consideration, including the use of artificial intelligence (A.I.) for crime prevention, digital locking systems for high value/high theft merchandise and deployable security towers for parking lots, as we evaluate the types of activities seen at our stores.

Sheetz has always been dedicated to being the best neighbor we can be in every community where our stores operate. That starts with strong relationships with local law enforcement and first responders – through consistent communication and giving back through free coffee for those who serve our communities. It is also carried through by our corporate donations program that assists approximately 150 nonprofit organizations every month – helping them make an even bigger difference in the neighborhoods we both call home.

However, while we've taken steps to address crime at our stores – Congress can help, too. The Combatting Organized Retail Crime Act of 2023 would increase federal enforcement of organized retail crime in which groups of professional thieves work together to steal and resell store merchandise. It would create an Organized Retail Crime Coordination Center within the Department of Homeland Security to coordinate the federal, state, and local law enforcement response to organized retail crime. We support this bill wholeheartedly and urge Congress to pass this legislation. While it would not address all criminal activity seen at convenience stores, it is a step in the right direction.

We also encourage Congress to explore potential avenues to streamline the reporting of crimes, making the process more accessible for both businesses like ours and for state and local law enforcement.

We appreciate Congress's attention to this critical issue, and we're eager to play an active and constructive role in continuing this conversation.

Sincerely,

Gary Zimmerman
Vice President/General Counsel
Sheetz, Inc.

Vox

We have a request

The 2024 election cycle is here, and Vox is one of the last places readers can access free, accurate, and transparent information. Empower us to deliver on our mission by making a gift today.

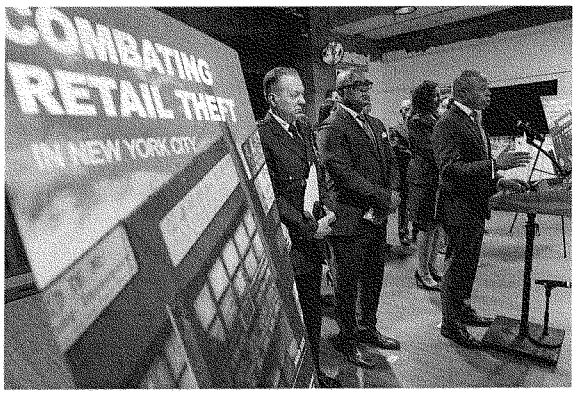
Yes, I'll Give

POLITICS MONEY

The shoplifting scare might not have been real — but its effects are

It turns out shoplifting isn't spiraling out of control, but lawmakers are pushing for tougher penalties for low-level and nonviolent crimes anyway.

By Abdallah Fayyad | abdallah.fayyad@vox.com | Jan 7, 2024, 7:00am EST



New York City Mayor Eric Adams speaks during a press conference on reducing shoplifting. | Barry Williams/NY Daily News via Getty Images

Abdallah Fayyad is a correspondent at Vox, where he covers the impacts of social and economic policies. He previously served on the Boston Globe editorial board.

Over the last couple of years, it seemed that America was experiencing a shoplifting epidemic. Videos of people **brazenly stealing merchandise** from retailers often went viral; chains **closed some of their stores** and **cited a rise in theft** as the primary reason; and drugstores such as CVS and Walgreens started locking up more of their inventory, including **everyday items** like toothpaste, soaps, and **snacks**. Lawmakers from both major parties **called for**, and in some cases **even implemented**, more punitive law enforcement **policies** aimed at bucking the apparent trend.

But evidence of a spike in shoplifting, it turns out, was mostly anecdotal. In fact, there's little data to suggest that there's a nationwide problem in need of an immediate response from city councils or state legislatures. Instead, what America seems to be experiencing is less of a shoplifting wave and more of a moral panic.

For some time, retailers had indeed been complaining about **a rise in theft**. In April, the National Retail Federation, a lobbying group for retailers, published a report to back up that claim. It said that nearly half of all inventory loss in 2021, which amounted to roughly $94 billion, was driven by "organized retail crime" — that is, coordinated shoplifting for the purpose of reselling goods on the black market. As it turned out, organized shoplifting didn't come close to costing businesses that much: With a few exceptions, major US cities actually saw **lower shoplifting rates in 2022** than in 2019, and in December, the National Retail Federation **retracted its alarming claim**.

That's not to say that shoplifting ought to be ignored. Particularly concerning are reports of **organized rings stealing merchandise** to turn a profit, rather than people who steal products they need but can't afford, **like baby formula**. One **expert told the New York Times** that organized retail theft accounts for roughly 5 percent of total inventory loss — a far more modest estimate than the National Retail Federation's original erroneous claim, but one that still amounts to billions of dollars a year. While that's a minuscule problem for big retailers, small businesses that are targeted can feel the pinch. Added security measures also mean a more unpleasant experience for consumers, as well as a potentially more expensive one because, as some analysts say, the added costs for retailers are **reflected in higher prices**.

In the years leading up to the **Covid-19 pandemic**, progressive prosecutors, who pushed for a more lenient and less punitive **criminal justice** system, had been gaining ground. But their **critics have pounced** on faulty statistics like the one put out by the National Retail Federation as **evidence** that America needs to expand policing and once again impose harsher penalties for petty crimes, reversing reforms that have sought to reduce incarceration rates, including **looser enforcement of laws** around things like drug possession, loitering, or, in some cases, shoplifting low-cost goods.

Now, those more forgiving criminal justice policies are at risk, in part because of a perceived trend that **appears to have been overblown**.

What we actually know about shoplifting

In the early months of Covid, shoplifting declined because businesses closed and people stayed home. But as life started going back to normal, so did shoplifting, and rates of retail theft started to creep up again.

The change since 2020 wasn't at all drastic. A report by the nonpartisan Council on Criminal Justice, which looked at 24 big cities, found that amid generally lower **shoplifting rates in most cities**, seven saw increases. Some were modest — shoplifting incidents in Pittsburgh grew by 8 percent between 2019 and 2023 — but others were more serious. New York City, for example, saw a 64 percent increase in that period, though even there, the trend seems to be coming to an end: The city saw lower shoplifting rates in the first half of 2023 than in 2022.

There had been evidence that fears of a major shoplifting wave were overblown. In 2021, Walgreens closed five stores in San Francisco, **citing** a rise in organized shoplifting. When

the San Francisco Chronicle analyzed police data, the newspaper found that there was **little evidence to back up Walgreens's claim**. The Chronicle reported that "the five stores slated to close had fewer than two recorded shoplifting incidents a month on average since 2018."

In an earnings call with investors last year, a Walgreens executive suggested that the company had indeed **overstated concerns about shoplifting**. "Maybe we cried too much," he said, adding that it may have resulted in the retailer spending more than it should have to bolster security.

So where did the National Retail Federation get the number that nearly half of retailers' "shrink" — the industry term for inventory loss due to a range of factors, including theft but also damage and tracking mistakes — was a result of shoplifting? A spokesperson for the group **told Reuters** that it came from 2021 congressional testimony from the former president of the advocacy group the Coalition of Law Enforcement and Retail, who claimed that retailers lose $45 billion a year because of organized retail theft. But it's unclear where that number came from.

Previous reports from the National Retail Federation showed that shoplifting was nowhere near as dire. In a 2020 report, **the lobbying group found** that retailers lost, on average, roughly $720,000 for every $1 billion in sales due to organized retail theft. Shoplifting, in other words, amounts to less than 0.1 percent of total revenue — a cost that retailers often accept as part of operating a business.

Like any crime, shoplifting is often underreported, and it's hard to figure out the extent to which it is. That's in part because there is no national data set to parse, and many law enforcement agencies **have not reported their recent crime data** to the FBI, according to the Marshall Project. But Adam Gelb, the president and CEO of the Council on Criminal Justice, said there are factors other than the total number of reported incidents to consider when trying to understand the overall picture, including how shoplifting incidents have changed.

The Council on Criminal Justice report found that the number of shoplifting incidents that involved another crime, including assault, increased by 9 percent between 2019 and 2021. That could mean shoplifters have a higher tolerance for risk than they used to: an argument that security might be too lax. It could also indicate more organized crime. Still, those

incidents accounted for less than 2 percent of overall shoplifting events, and they also started to decline in the first half of 2023.

Regardless, part of the reason so many retailers and lawmakers have sounded the alarm on a rise in thefts might be because reports of shoplifting had plummeted when Covid first hit, and then shot back up after stores reopened. That created the impression that the problem was spiraling out of control when in reality, shoplifting rates remained below pre-pandemic levels.

"People don't know if something is high or low or medium on some scale, historical or otherwise. But they have a sense of whether it's getting better or getting worse," Gelb said. "And when things are moving in the wrong direction, people want to see action."

The great American shoplifting scare has already had consequences

Since the number of reported shoplifting incidents rose after the initial collapse in 2020, there have been plenty of media reports and viral videos about the potential crime wave. Republicans used the alleged lawlessness, particularly in big Democratic cities, to paint a grim picture of **Joe Biden**'s America. It didn't matter what the reality was; it seemed that the public's perception of rising crime was enough for politicians from both major parties to feel the need to look tougher — be they Eric Adams, the Democratic mayor of New York City, or **Ron DeSantis**, the Republican governor of Florida and candidate for president.

As a result, many policies that were championed by progressive criminal justice reform advocates, including the progressive prosecutor movement, have come under scrutiny, criticized as not only insufficient at combating crime but as policies that promote breaking the law.

Evidence points to the contrary. In Boston, a former district attorney implemented a policy of declining to prosecute certain low-level offenses that are associated with poverty, such as shoplifting. In one study, researchers found that **the new policy had positive impacts** — not only in reducing the number of people who get sucked into the criminal justice system but also in reducing the likelihood of reoffending. Low-level and nonviolent crimes, researchers found, also did not increase as a result of looser enforcement.

As shoddy data about shoplifting helps stir up fear of a potential crime wave, voters are becoming less tolerant of those kinds of policies, and progressive prosecutors have faced

tough election cycles in recent years as a result. That **includes Boston**, and other places, too: Chesa Boudin, the former San Francisco district attorney who became nationally prominent for his more lenient approach to addressing low-level crime, **was recalled in 2022**, for example, after a fearmongering campaign about rising crime, including shoplifting, was launched against him.

Legislatures have also started passing stricter laws. Since 2022, at least **nine states have imposed** harsher penalties for organized retail crime offenses, according to CNBC.

But given how unclear the data on shoplifting actually is and how much is still unknown, this could ultimately be a misdirection of resources — as Walgreens seems to have figured out after beefing up security measures. And given that preliminary data from 2023 shows that the apparent shoplifting trend might actually be moderating, it's worth waiting for more data before drafting up laws that could have lasting consequences.

In a presidential election year, that might be too much to ask for. Everything, after all, is politics, and shoplifting — real or imagined — is no exception.

You've read 1 article in the last 30 days.

Will you help keep Vox free for all?

At Vox, we believe that clarity is power, and that power shouldn't only be available to those who can afford to pay. That's why we keep our work free. Millions rely on Vox's clear, high-quality journalism to understand the forces shaping today's world. **Support our mission and help keep Vox free for all by making a financial contribution to Vox today.**

One-Time | Monthly | Annual

○ **$5/month** ○ $10/month
○ $25/month ○ $50/month
○ Other

Yes, I'll give $5/month

We accept credit card, Apple Pay, and Google Pay. You can also contribute via

PayPal