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Fred Meyer

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Senator Kevin Meyer
Co-Chair, Senate Finance Committee
Room 518, State Capitol
Juneau, AK 99801-1182

Senator Pete Kelly
Co-Chair, Senate Finance Committee
Room 516, State Capitol
Juneau, AK 99801-1182

Dear Co-Chairs Kelly and Meyer,

We are writing today representing Fred Meyer Loss Prevention. Fred Meyer has 11 stores and nearly 3000 employees in Alaska. We request that this letter be placed into the official record with SB 64, and distributed to each member of the Committee in the bill packets.

We encourage you to leave intact the provisions contained in SB 64 that would raise the felony property crime threshold from the current \$500 level to \$750. This level reflects significant cooperation and compromise among interested parties, including the retail sales industry. While FM initially opposed any increase to the existing limit, we recognize the sponsor's desire to deflect some property crime enforcement and corrections expenses in Alaska.

Fred Meyer is a full-line grocery store as well as a general merchandise retailer. We sell many items in our stores that would become prime theft targets should the threshold be higher than the \$750 in SB64.

Theft in our stores no longer fits the traditional definition of shoplifting. It is no longer a person grabbing a carton of milk or eggs or a bottle of wine and stuffing it in their jacket. It's not a young kid, stealing the latest video game or DVD. The days when these kinds of thefts were our primary problem are long gone.

Theft is now a profession. Our problem in today's world is professional, savvy, Organized Retail Crime rings.

At Fred Meyer we sell Dyson Vacuum Cleaners, KitchenAid Mixers, iPads and iPods, LED and Plasma flat screen TVs, Xbox and Wii consoles. These are the items where we face the high theft, and there has not been inflation in these products. In fact, there has been significant deflation. Flat screen TVs used to be \$6000. You can now get 30- and 40-inch flat screen TVs for \$500.

These professional thieves come into our stores and roll out with two Dyson vacuum cleaners, or four flat screen TVs. They take off with 30 or 40 DVDs. They break into our iPod cases and take off with a dozen iPods. They then make a living by selling the items they steal.

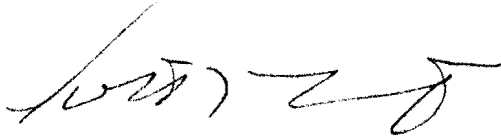
These things happen despite our best and most sophisticated efforts. We have strong and successful theft prevention programs and surveillance in our stores. We invest heavily in staying one step ahead of these professional criminals, and we do a very good job of it. But if any of you have been to a Fred Meyer store on a Thursday or Friday afternoon, you can see how the sheer volume of people in the store makes it possible for a skilled thief to gather multiple items and leave the store before anyone can stop them.

As a retailer, we're trying to get affordable merchandise to the customer, and in today's economy that means doing all we can to keep prices low. The items these professional thieves are stealing are very low margin – there is virtually no margin in TVs or iPods. We sell them because we hope you'll also buy the accessories or grab your groceries while you're there. So when they steal these items from us, that cost simply comes out of the store profit with which we pay wages and benefits to our nearly 3000 employees in Alaska.

We ask you to please leave intact the increase to \$750 and not raise it any further. News that the threshold has been raised will spread like wildfire among our theft and shoplifting community – news of any larger increase will spread even faster and further. At \$750, a young kid who makes a stupid decision and steals a bike or a pair of cool headphones is still only committing a misdemeanor and will get his or her second chance. But more than \$750 allows these professional criminals to walk out of our store with a cartload of infant formula which will be sold on the black market without care for the conditions it has been kept in or whether it's expired. And they will get just a slap on the hand.

We can tell you from experience that the theft community WILL know about any increase and WILL adjust accordingly. This isn't just about protection our profits; it's also about keeping our prices low for consumers and keeping our stores safe. Please leave intact the provisions contained in SB 64 that would raise the felony property crime threshold from the current \$500 level to \$750

Thank you for your time and for the opportunity to submit our thoughts.



Scott Bringhurst
VP Loss Prevention
Fred Meyer Stores



Shawn Crousore
Loss Prevention Coordinator
Fred Meyer Stores Alaska District



The Voice of Small Business®

ALASKA

February 25, 2013

The Honorable Pete Kelly
Co-Chair, Finance Committee
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801-1182

RE: Senate Bill 43

Dear Senator Kelly:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully inform you of our concern about the felony threshold in Senate Bill 64. In a recent NFIB/Alaska member ballot our membership voted overwhelmingly to oppose ~~any~~ increase in the felony theft threshold. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

NFIB/AK members recognize that \$500 is a significant amount to a small business. We have worked with Senator Coghill and the NFIB/Alaska leadership Council to agree to remove our opposition to an increase to \$750. We still strongly believe the state shouldn't be making it easier for thieves to steal from our businesses by raising the felony theft threshold above that level. There is evidence that theft rings are becoming very sophisticated; they are aware of the felony limits and will steal up to that amount. Thus, while there might be potential savings in judicial processes, businesses would see an increase in the amount of theft in goods. Instances of individuals "stealing to feed their families" are rare, and the courts and prosecutors have enough discretion to handle these circumstances appropriately.

I have attached testimony on this issue from the February 25, 2013 Senator Judiciary Committee. It includes testimony by Chris Nettels, a representative of NFIB as well as Detective Ross Plummer. You will see Mr. Nettels concern, having been a victim of theft – a victim we ought not forget in this legislation. The acknowledgement by Detective Plummer relative to treatment of misdemeanor crimes is particularly significant. He confirmed that businesses have reason to be concerned that misdemeanor thefts receive less police attention.

We believe that simply inflation-proofing crime is poor public policy. Our justice system ought to protect citizens and their property, not reduce the level of risk for thieves.

Sincerely yours,

A handwritten signature in black ink, reading "Dennis L. DeWitt", is written over a horizontal line.

Dennis L. DeWitt
Alaska State Director

Cc: Senate Finance Committee
NFIB/AK Leadership Council

Senate Judiciary Committee
February 25, 2014
Senate Bill 43

1:51:41 PM

CHRIS NETTELS, President, GeoTek Alaska, Inc., Anchorage, AK, said he was also testifying on behalf of the National Federation of Independent Businesses to ask the committee not to pass SB 43, which would increase the \$500 felony threshold for theft and property offenses. He reported numerous incidents of stealing at his business property, four of which were thefts valued at \$500 or more. In the past two or three years he has seen a significant increase in the numbers of petty thefts valued at \$200 to \$300, but in the last year there have been several thefts valued between \$1,000 and \$3,500.

MR. NETTELS expressed concern that increasing the felony threshold will have the unintended consequence of increasing the numbers of some crimes. He said he understands the argument for increasing the felony threshold because of inflation, but wonders if all laws will be similarly inflation proofed. He also asked if the penalties would drop if deflation occurs.

He concluded that the \$500 felony threshold has served well and he did not support passage of SB 43.

1:54:48 PM

CHAIR COGHILL, speaking as the sponsor, said he certainly had no argument about how violated somebody feels when thievery occurs in their business.

SENATOR DYSON commented that inherent in the foregoing testimony is the notion that thieves know when the value of a theft passes from a misdemeanor to a felony, and make decisions based on that knowledge. He asked if that's a logical deduction.

MR. NETTELS said yes; he opined that if the bill passes, the word will get out and it will encourage people to take on more risk in stealing things.

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CHAIR COGHILL asked if he'd had trouble making a case to the police or courts in felony theft cases.

MR. NETTELS said no, although he had never received a follow up call or had any property returned in any of the five reports he filed with the police.

CHAIR COGHILL asked Detective Plummer if the police were more likely to respond to a felony theft report as opposed to a misdemeanor theft report.

1:58:34 PM

}DETECTIVE ROSS PLUMMER, Anchorage Police Department (APD)* Municipality of Anchorage* Anchorage, AK, said yes.{ He explained that APD detectives work felony cases and patrol officers are responsible for follow up on misdemeanor cases, but

call volumes leave little time for follow up. If a misdemeanant suspect isn't caught right away or if there isn't a tip that locates the suspect, the chance of closing the case is very small.

CHAIR COGHILL asked if a felony theft would receive more detective-level involvement.

DETECTIVE PLUMMER said yes; felony thefts receive two screenings, one by patrol and the second by detectives, whereas misdemeanor thefts receive just one screening by patrol.

CHAIR COGHILL asked if businesses had a valid fear that raising the felony threshold would cause misdemeanor thefts to receive less police attention.

DETECTIVE PLUMMER acknowledged that there was that chance.