

What's on your list today? You'll find it at
Fred Meyer

Fred Meyer Stores • P.O. Box 42121 • Portland, OR 97242-0121 • 3800 SE 22nd Ave. • Portland, OR 97202-2999 • 503 232-8844 • www.fredmeyer.com

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.

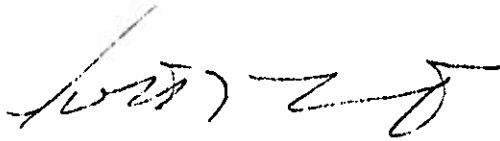
These things happen despite our best and most sophisticated efforts. We have strong and successful theft prevention programs and surveillance in our stores. We invest heavily in staying one step ahead of these professional criminals, and we do a very good job of it. But if any of you have been to a Fred 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 Bringham
VP Loss Prevention
Fred Meyer Stores



Shawn Crouse
Loss Prevention Coordinator
Fred Meyer Stores Alaska District