



June 22, 2010

Massachusetts State Senate
State House
Boston, MA 02133

Re: RAM's Support of Amendment 75 to S.2495, An Act Relative to Gaming in the Commonwealth

Dear Senator:

The Retailers Association of Massachusetts (RAM), established in 1918, is a statewide trade association of over 3,200 member companies. Our membership ranges from independent, "mom and pop" owned stores to larger, national chains operating in the general retail, restaurant and service sectors of the retail industry. The industry's contributions to the Commonwealth include over \$112 billion in annual sales; over \$5.7 billion in annual sales and use taxes collected; 17% of all Massachusetts jobs; and operations in over 38,000 locations across the state.

On behalf of RAM, I respectfully ask for your support of Amendment 75 (Baddour), Enterprise Crimes, to S.2495, An Act Relative to Gaming in the Commonwealth.

Amendment 75 is a necessary public safety tool aimed at combating organized crime. The retail community, in particular, has been a major target for organized crime. Sophisticated theft rings operating throughout the country have cost retailers more than \$30 billion dollars annually. Organized Retail Crime (ORC) affects a retailer's bottom line, consumer prices and the safety and security of employees and customers.

During these difficult economic times, the impact of organized retail crime on state governments, retailers and consumers is staggering. Not only does ORC cost retailers billions of dollars per year but it significantly deprives states of sales tax revenues. Additionally, retailers with razor thin profit margins are faced with no option but to raise consumer prices to recover their losses due to this criminal activity.

Retailers have always had to deal with shoplifting as a part of doing business. However, ORC is anything but shoplifting. It is theft committed by professionals, in large volume, for resale and it is being committed against retailers of every type at an increasing rate. Gangs of sophisticated, full-time thieves are operating around the country, including in Massachusetts. These gangs are stealing

everything from electronics to razor blades to jewelry to DVDs to over-the-counter (OTC) medications and infant formula. These products are then being sold at either online auction sites or at flea markets or through other second hand dealers. Often times, ORC criminals use the money they make to fund other criminal activities.

ORC also presents a real threat to the health and safety of consumers. Professional crime rings will resell health products like infant formula or OTC medicine after storing the items in hot temperatures that will spoil the products or alter the expiration dates. The reintroduction of these spoiled or expired goods causes a significant health risk to the unsuspecting consumer.

Over the past few years, several states have adopted ORC legislation. This growing trend is in response to the growth of criminal activity. As organized criminals grow more and more sophisticated in their methods, we need to adopt laws to deter ORC or to properly prosecute these brazen thieves. Massachusetts is a hotbed for this criminal activity and should be on the forefront of adopting criminal laws to combat these dangerous and costly crimes.

While the House gaming legislation included language to target all organized crime activity, S.2495 mistakenly limits the language on criminal enterprises to activity that directly “affects” gaming. This limitation creates a loophole for organized criminals operating in and around casinos to avoid prosecution.

I respectfully urge you to adopt Amendment 75. RAM, along with our Loss Prevention Committee, stands ready to answer questions or offer any additional information you may need. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Erin Trabucco".

Erin Trabucco
General Counsel

