

Question#:	1
Topic:	SEARCH
Hearing:	Combating International Organized Crime: Evaluating Current Authorities, Tools, and Resources
Primary:	The Honorable Richard J. Durbin
Committee:	JUDICIARY (SENATE)

Question: ICE recently launched the SEARCH (Seizing Earnings and Assets from Retail Crime Heists) Initiative to address the threat of transnational crime being committed by organized retail crime rings. Please discuss the actions that the SEARCH Initiative has undertaken and the results it has thus far achieved.

Please discuss any other steps that ICE is taking to combat organized retail crime.

Response: Homeland Security Investigations (HSI) is aware of the importance of the Seizing Earnings and Assets from Retail Crime Heists (SEARCH) Initiative and the impact organized retail crime has on more than just our retail industry and retail economy. HSI investigations have demonstrated that profits generated from organized retail crime represent a clear threat to the U.S. financial sector because profits may be laundered through U.S. and international financial systems. Similar to other criminal organizations, organized retail crime rings look for and exploit the vulnerabilities within these financial infrastructures to move and store their illicit proceeds.

HSI launched the SEARCH Initiative on February 8, 2011, due to the success of the Organized Retail Crime (ORC) Pilot program. This is an ongoing, national initiative that links federal, state, and local law enforcement, prosecutors, and the financial and retail community to provide a multi-faceted approach to prosecuting and deterring individuals and/or organizations involved in ORC. The retail industry has been pushing to make this a national initiative because this type of organized criminal activity is considered to be a local problem. Lack of visibility outside a jurisdiction can contribute to the appearance that it is a local problem. Federal investigations conducted by HSI, however, have proven that the level and sophistication of criminal enterprises involved in ORC are often much greater. HSI SEARCH cases have led to the seizure of over \$8.2 million in cash, property, and monetary instruments.

Statistics—February 8, 2011 (Inception) through November 9, 2011:

Cases Initiated—129

Criminal Arrests—84

Indictments—56

Convictions—23

Seizures—351

Search Warrants—4

Administrative Arrests—15

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Investigative Hours—78,983

Note that several of the above investigations are ongoing and further indictments and convictions can be expected.

A recent example of an HSI-led ORC case involved a vast network of undocumented Honduran and El Salvadoran nationals involved in the “boosting” or theft of over-the-counter merchandise from pharmacies throughout the United States. Employees of the organization would clean and repack the stolen products and then sell the merchandise to wholesale distributors. This investigation resulted in a 29-count federal indictment, charging seven defendants with conspiracy to transport stolen merchandise in interstate commerce, structuring monetary transactions, and money laundering. Three search warrants and eight arrest warrants were executed with 20 criminal/civil seizure warrants on bank accounts in the Houston, Texas, area. An analysis of financial transactions revealed the primary suspect generated, in a 1-year period, more than \$5 million from selling the stolen merchandise.