



# Retail Theft: A Data-Driven Response for California

Report #280 | July 2024



Milton Marks Commission on California State  
Government Organization and Economy

[www.lhc.ca.gov](http://www.lhc.ca.gov)

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## Dedicated to Promoting Economy and Efficiency in California State Government

The Little Hoover Commission, formally known as the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

**...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...**

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

## Contacting the Commission

All correspondence should be addressed to the Commission Office:

Little Hoover Commission  
925 L Street, Suite 805, Sacramento, CA 95814

(916) 445-2125 | [LittleHoover@lhc.ca.gov](mailto:LittleHoover@lhc.ca.gov)

This report is available from the Commission’s website at [www.lhc.ca.gov](http://www.lhc.ca.gov).

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# Letter from the Chair

## July 11, 2024

The Honorable Gavin Newsom  
Governor of California

The Honorable Mike McGuire  
President pro Tempore of the Senate  
and members of the Senate

The Honorable Brian Jones  
Senate Minority Leader

The Honorable Robert Rivas  
Speaker of the Assembly  
and members of the Assembly

The Honorable James Gallagher  
Assembly Minority Leader

### **DEAR GOVERNOR AND MEMBERS OF THE LEGISLATURE:**

In June 2023, the Commission received a request from the California state legislature to look at issues surrounding retail theft. The request letter, which was signed by 66 members of the legislature, referenced increasing reports of retail theft in the state and the heightened scrutiny of law enforcement's ability to respond effectively to these crimes.

In response, the Commission held a series of hearings examining how retail theft and corresponding arrests, filings, and convictions are reported and tracked, and whether there are improvements that could be made to better inform evidence-based decision-making.

In this report, we examine the impact of retail theft, provide data about the frequency of reported theft, and review current government initiatives to combat these issues. We also offer suggestions on how to better tackle retail theft and its impacts through increased data collection and collaboration with research institutions.

The Commission respectfully submits this work and stands prepared to help you take on this challenge.

Sincerely,

A handwritten signature in black ink, appearing to be 'PN'.

Pedro Nava, Chair  
Little Hoover Commission

# ■ Executive Summary

The Little Hoover Commission conducted an examination of California’s response to retail theft following a request by 66 members of the state legislature. This report outlines the available data and offers recommendations to the Governor and Legislature on comprehensive data collection and analysis.

## Impact

Any increase in retail theft has real-world impacts on businesses, consumers and others.

Some businesses have cited theft as a reason for closing stores. Mom-and-pop businesses have a smaller safety net than national retailers to recover from these losses. Losses due to theft are often recuperated through higher prices, a particular challenge for vulnerable populations. Frequent incidents of theft can also lead to an unpleasant shopping experience.

Retail theft also burdens the criminal justice system, as resources spent addressing retail theft could be redirected towards more severe crimes. New technologies also make it easier to resell stolen merchandise across multiple jurisdictions, which further complicates investigating and prosecuting retail theft.

## Data

**Frequency of Reported Theft.** Reported retail theft has ticked up since 2019, but remains at roughly the same level it was during the 2010s and lower than it was in earlier decades.

**Underreporting.** Not all retail theft is reported, but by its nature underreporting is extremely difficult to measure. Little data is available. A federal study of the reporting of household and personal property crimes shows a moderate downward trend in the rate of reporting since 2010.

**Geographic variations.** Retail theft rates vary by region across California. It is difficult to detect a consistent geographic pattern for shoplifting. Commercial burglary, a more serious crime than shoplifting, has primarily, though not exclusively, increased in counties containing large urban areas.

**National comparison.** Reported incidents of theft in the other 49 states often, though not always, follow a similar trajectory to the California data.

**Shrink rate changes.** A common way the retail industry measures theft is through “shrink,” which combines theft and other factors. Shrink rates have slightly increased over the past decade.

## Public Opinion

A poll by the Public Policy Institute of California found in 2023 that 8 percent of respondents identified “crime, gangs, drugs” as the top issue confronting the state. About a third identified “jobs, economy, inflation” as the most important issue, and a roughly similar share identified housing and homelessness.

## Proposition 47

Proposition 47, passed by voters in 2014, reclassified several theft and drug offenses from felonies and wobblers to misdemeanors. It also limited the prior offenses that make it possible to charge someone with petty theft with a prior. Despite widespread confusion on this point, Prop. 47 did not change the threshold at which crimes could typically be charged as grand theft, a felony. That threshold had been increased from \$400 to \$950 by the Legislature in 2010.

## Initiatives to Combat Retail Theft

California’s leaders created additional initiatives to combat retail crime in the past few years. These include establishing specialized task forces,

promoting public-private partnerships, and creating an online reporting mechanism for suspected theft and reselling. Additionally, in the fall of 2023 the state awarded \$267 million to aid law enforcement in combating organized retail theft.

- Property crime framework. In January 2024, Governor Newsom proposed a six-point property crime framework addressing many aspects of retail theft, including cracking down on professional thieves, increasing penalties for resellers and other steps.
- Bipartisan legislation. A bipartisan coalition introduced AB 2943, which would clarify and strengthen aggregation statutes and take other steps.

## Recommendations

1. The California Department of Justice should collect detailed data that includes but is not limited to the circumstances surrounding a crime, law enforcement's response to the crime, demographic data about the people arrested and, if applicable, charged with the crime, whether and what charges the prosecutors file, the final disposition of the case, and the offender's rehabilitation, reentry, and recidivism.
2. To better understand the complexities involved in the causes and effects of retail crime to develop evidence-based solutions, the State of California should fund studies on preventative measures, commercial victimization, the economic impact of retail theft, drivers of public perception, and the fencing of stolen goods. This research should be conducted by the University of California, the California State University, the California Community Colleges, independent universities, or other nonpartisan research institutions.

# ■ Retail Theft: A Data-Driven Response for California

## Introduction

In June 2023, 66 members of California’s legislature asked the Little Hoover Commission to examine retail theft. This report responds to that request. This report examines the impact of retail theft, provides data about the frequency of reported theft, and makes recommendations on needed additional data.

For many Californians, the evidence of retail theft is plain to see. Videos on social media and in news reports show brazen thefts of property, sometimes by large or violent gangs. Retailers say that they rarely call law enforcement when theft occurs, and some law enforcement officials say there are few consequences even if citations are issued. Businesses are locking up more items on their shelves. Public officials have taken notice. Governor Gavin Newsom awarded \$267 million in extra funding to local law enforcement to combat organized retail theft. The Legislature created a new committee to address the issue, and a variety of bills were introduced. Local leaders such as San Francisco Mayor London Breed announced crackdowns.

At the same time, available data show a more nuanced picture. Reports of retail theft increased in 2022, but remain far below reported levels of the 1970s, 80s and 90s. Different regions of the state reflect different experiences of retail crime – some increasing, others decreasing. The rate of “shrink” – the term used by the retail industry to refer to theft and other inventory losses – shows a modest increase. Perhaps most important, the rate of under-reporting of theft to law enforcement, a crucial issue, is hotly debated. Retailers and some law enforcement officials suggest a substantial amount of under-reporting; scholars who study data about retail theft say it is difficult to assess the level of under-reporting with any degree of certainty.

All of these factors have contributed to an increased degree of public fear and concern about theft, yet these issues also point to a need for more and better data.

## Impact

Any increase in retail theft has real-world impacts on businesses, consumers and others, and it is important to understand the concrete effect of this form of crime.

### **IMPACT ON BUSINESSES AND CONSUMERS**

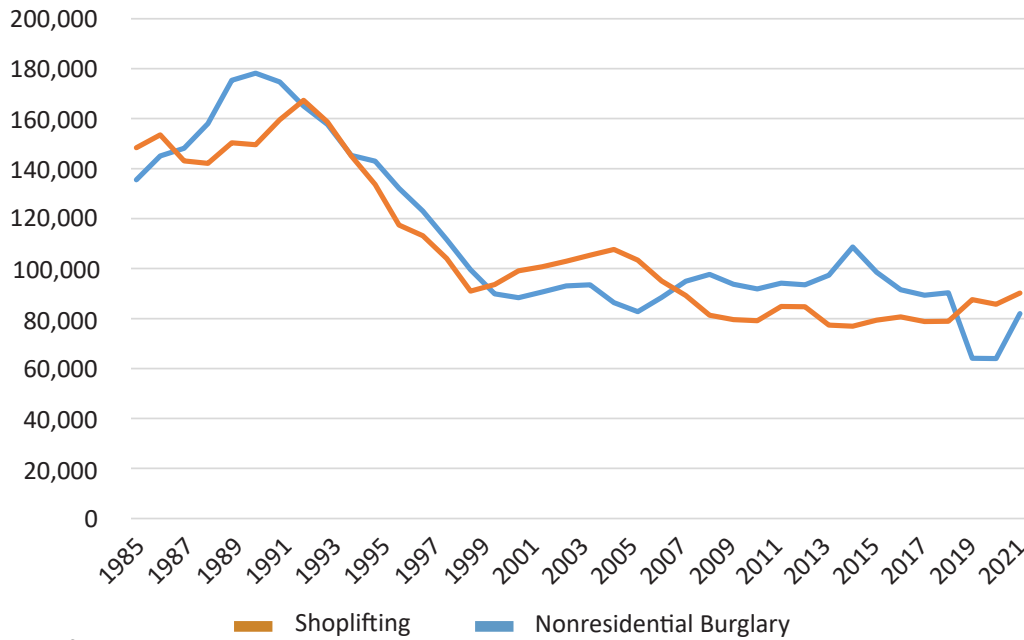
Retail theft’s most direct consequences are the losses experienced by businesses. Some businesses have cited theft as a reason for closing stores. Mom-and-pop businesses, often operating on razor-thin margins, have a smaller safety net than national retailers to recover from these losses.

In addition to the immediate monetary losses, there are indirect costs associated with retail theft, such as enhanced security measures and an increase in insurance premiums. In extreme cases, these cumulative expenses can result in business closures, subsequently affecting local employment.

The effects aren’t limited to businesses. Losses due to theft are often recuperated through higher prices. This can be particularly challenging for economically vulnerable populations. Furthermore, frequent incidents of theft can lead to an unpleasant shopping experience, characterized by a visible security presence, locking items away from customers, and other measures resulting in a perceived decline in customer service. This, in turn, can lead consumers to shop elsewhere, further harming the store’s bottom line.



**Figure 1: Reported Incidents of Shoplifting and Commercial Burglary in California, 1985 to 2022**



Source: Federal Bureau of Investigation

**IMPACT ON THE CRIMINAL JUSTICE SYSTEM**

Retail theft also burdens the criminal justice system. Resources spent addressing retail theft could be redirected towards more severe crimes. The legal system must balance imposing penalties that act as effective deterrents and managing the cost and feasibility of prosecuting such offenses. Offenders may struggle with poverty and substance use disorders that require more holistic solutions than incarceration and probation alone can provide.

Organized retail crime exacerbates these challenges, with criminal masterminds preying on the vulnerable to perform the tasks most likely to result in being caught. New technologies can make it easier to unload stolen merchandise across multiple jurisdictions while blending in with legitimate sellers, which further complicates investigating and prosecuting retail theft. Balancing this wide spectrum of needs while keeping up with ever-evolving technology strains law enforcement agencies and judicial resources, diverting attention from other critical areas of public safety and welfare.

**Definitions**

Retail theft is a catch-all term that describes the act of stealing from a retailer. The Commission considered the four crimes detailed below in its retail theft study. The study particularly focused on the misdemeanor of shoplifting.

1. Shoplifting. Shoplifting is the act of entering a business during regular business hours to steal, or with the intent to steal, merchandise valued at \$950 or less. It is a misdemeanor.<sup>1</sup>
2. Commercial burglary. Commercial burglary is the act of entering a commercial establishment to commit, or with the intent to commit, grand theft. Typically, grand theft is committed when the stolen value exceeds \$950. Entering a commercial establishment outside of business hours with the intent to steal, regardless of the amount stolen, also is a burglary. Burglary is a felony.<sup>2</sup>



3. Robbery. Robbery is the act of taking property in the presence of its owner, against their will, through force or fear. It is a felony.<sup>3</sup>
4. Organized retail theft. There are four activities that the state defines as organized retail theft:
  - Two or more people steal merchandise from a retailer (either brick-and-mortar or online) with the intent to sell the stolen goods, or exchange or return the items to the retailer for value.
  - Three or more people receive, purchase, or possess merchandise that is stolen or believed to have been stolen.
  - One or more people steal merchandise on behalf of someone else.
  - One or more people recruit, organize, or finance the theft or reception of stolen goods for profit.<sup>4</sup>

Organized retail theft can be punished as a misdemeanor or felony.<sup>5</sup>

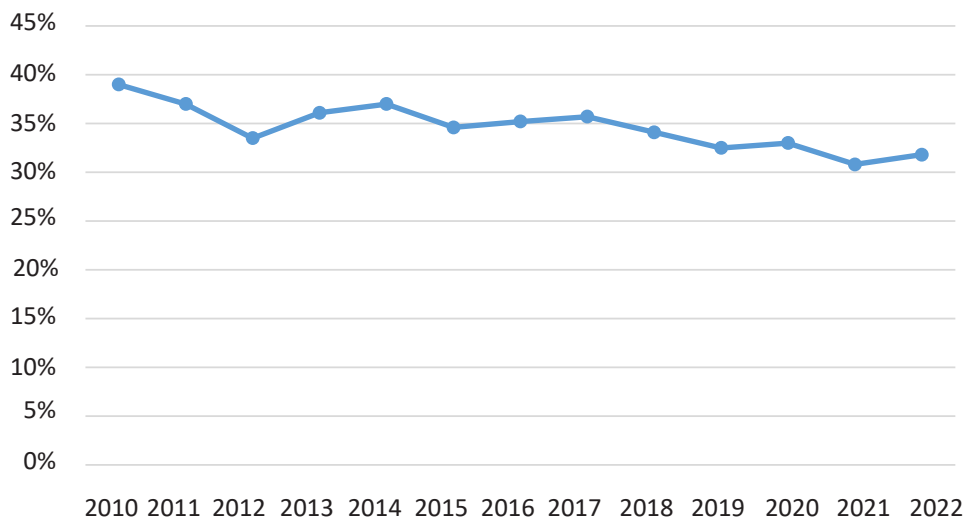
## What Available Data Show

Reported retail theft has ticked up since 2019, but remains at roughly the same level it was during the 2010s, and lower than it was reported in the 1970s, 80s and 90s. Given the incomplete data issues caused by underreporting, additional studies would be required to reach definitive conclusions about retail theft trends.<sup>6</sup>

### **NOT ALL RETAIL THEFT IS REPORTED, BUT BY ITS NATURE UNDERREPORTING IS EXTREMELY DIFFICULT TO MEASURE.**

It's important to note that the data in Figure 1 reflect incidents of retail theft reported to the police. Some share of retail theft goes unreported, but it is extremely difficult to estimate underreporting, and how it may or may not have changed through the years. Retailers and some law enforcement personnel report anecdotal evidence that underreporting has increased. Academic researchers say they are unaware of statistical evidence of an increase in underreporting.

**Figure 2: Household and Personal Belongings Property Crime Reporting Rates, 2010 to 2022**



Source: Bureau of Justice Statistics, U.S. Department of Justice



Using 2014 and 2022 as the years for comparison, the counties highlighted in red in Figure 3 experienced increases in reported shoplifting incidents. Other counties either experienced a decline, remained the same, or had no data.<sup>12</sup>

The Public Policy Institute of California also found that reported commercial burglaries have primarily, though not exclusively, increased in counties containing large urban cities between 2014 and 2022.<sup>13</sup> Figure 4 highlights in blue the counties that experienced increases in non-residential burglaries in 2022 compared to 2014.<sup>14</sup>

**COMPARING CALIFORNIA TO THE REST OF THE COUNTRY**

Reported incidents of theft in the other 49 states often, though not always, follow a generally similar trajectory to the California data. For example, as seen in Figure 5, the number of nonresidential burglary incidents in the other 49 states increased slightly in 2022, though remains lower than in previous decades.

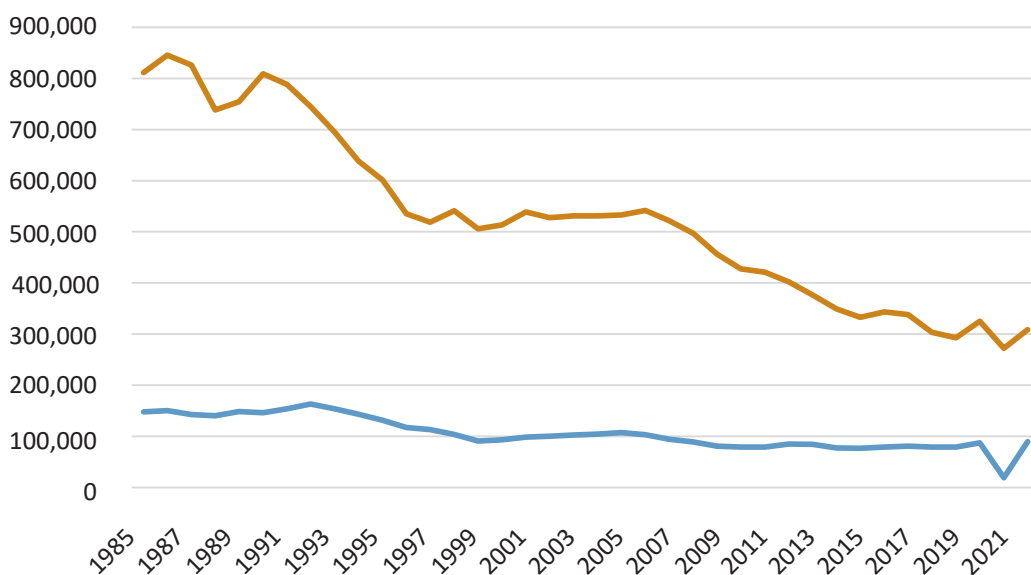
Similarly, as seen in Figure 6, the general pattern for rates of reported robbery in California mirrors that of the other 49 states – a slight uptick recently, but far fewer robberies than occurred in earlier decades.

Interestingly, reported shoplifting incidents in the other 49 states follow a somewhat different pattern, declining slowly until 2006, and then increasing in more recent years to levels not seen in earlier decades.

**SHRINK RATES HAVE SLIGHTLY INCREASED OVER THE PAST DECADE.<sup>15</sup>**

A common way the retail industry measures retail crime is through “shrink,” meaning inventory loss. Shrink includes retail theft and other causes such as employee theft, vendor fraud, bookkeeping errors, and transport accidents. Thus, external theft of the kind assessed in this report is included in shrink, though it is only one of several components. Shrink rates have increased slightly, though not dramatically, in recent years.

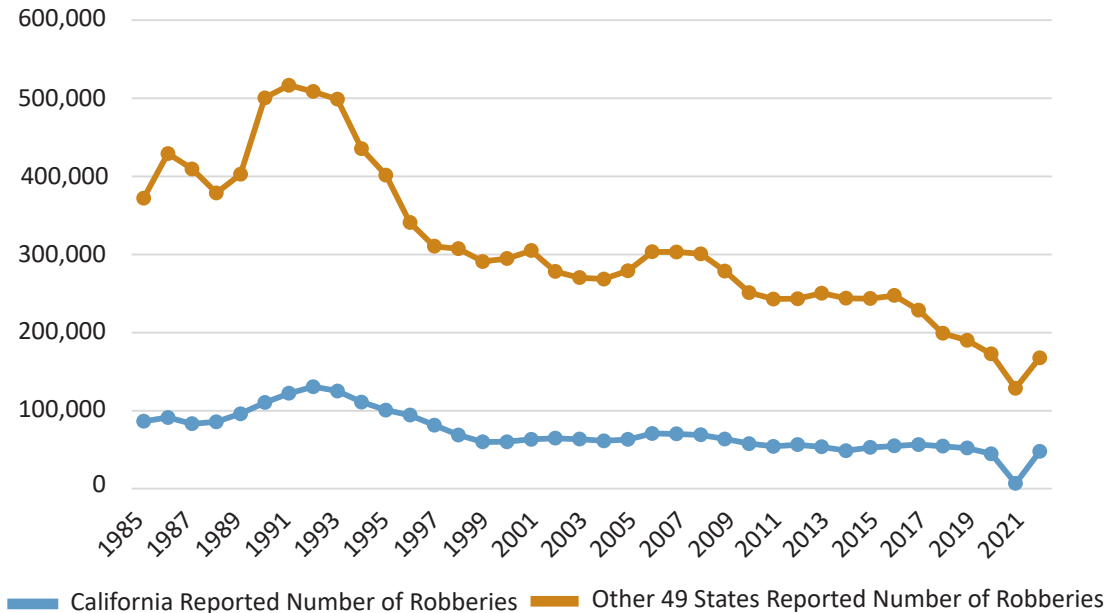
**Figure 5: Nonresidential Burglary Reported Incidents in California and the Other 49 States, 1985 to 2022**



■ Nonresidential Burglary Incidents Reported in California ■ Nonresidential Burglary Incidents Reported in the Other 49 States

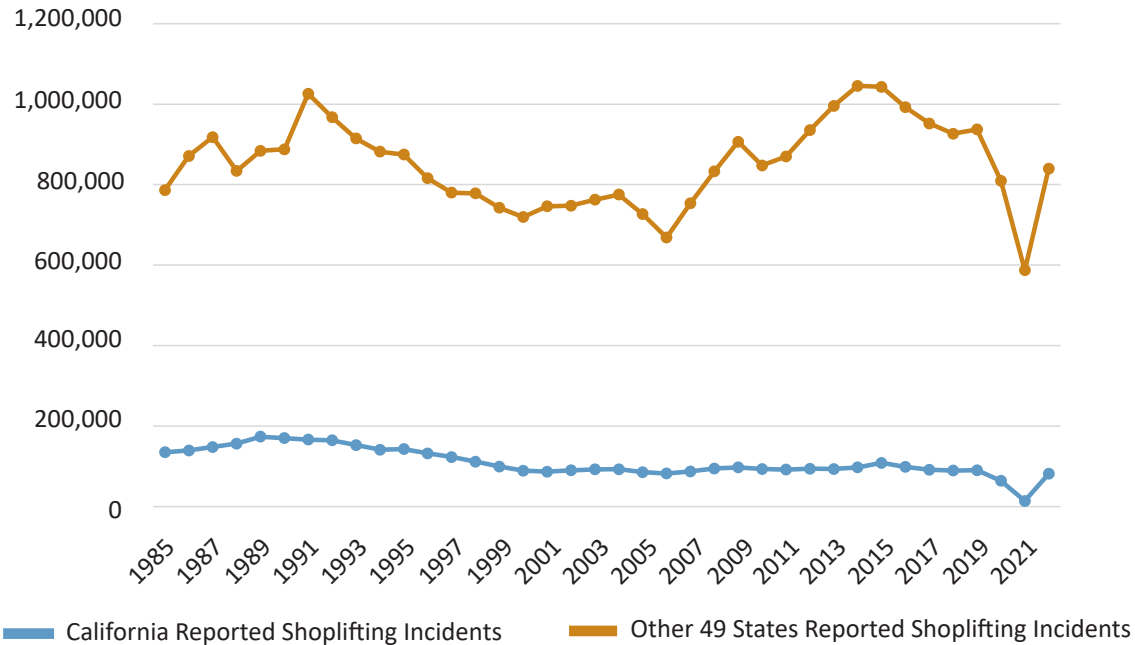
Source: Author calculations using FBI Crime Data Explorer. Expanded property crime dataset.

**Figure 6: Reported Number of Robberies in California and the Other 49 States, 1985 to 2022**



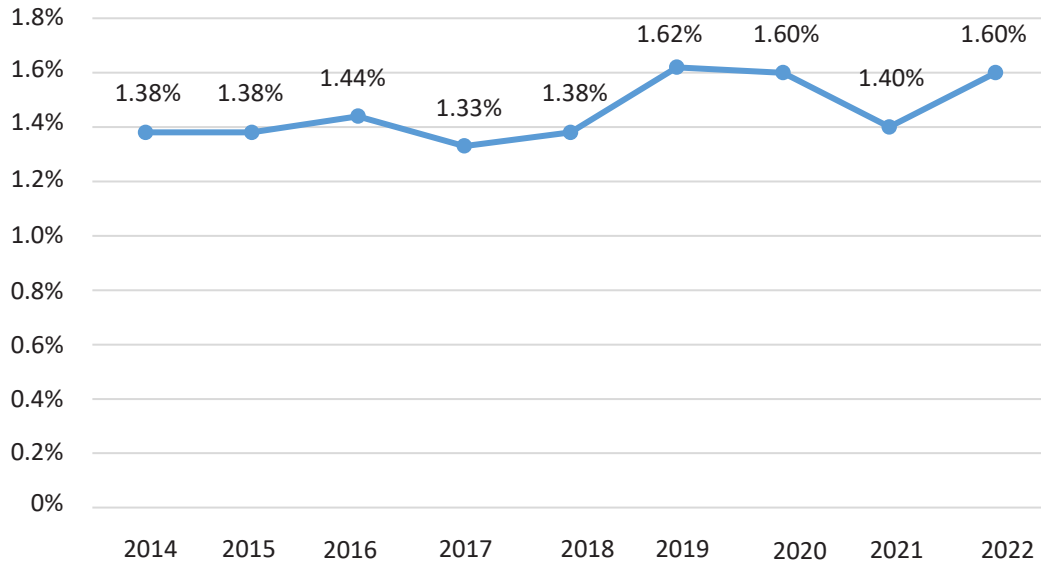
Note: These figures represent all robberies, regardless of location.  
 Source: Author calculations using FBI Crime Data Explorer. Crime dataset. Subcategory: Robbery

**Figure 7: Reported Shoplifting Incidents, California and the Other 49 States, 1985-2022**



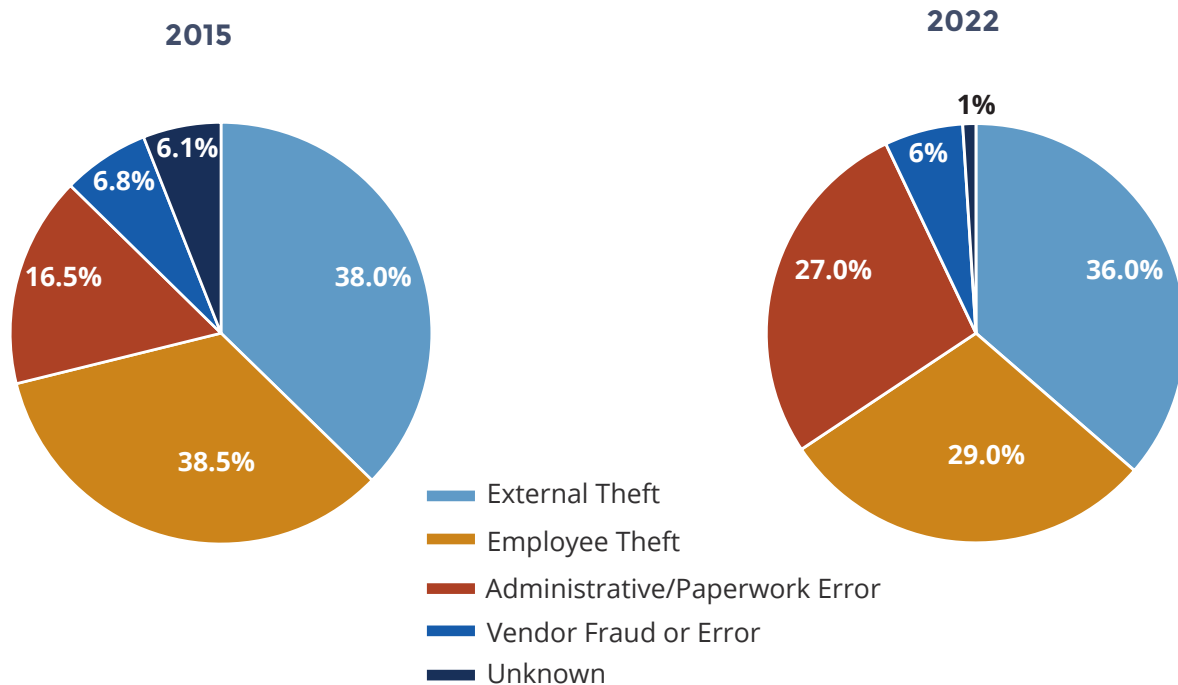
Source: Author calculations using FBI Crime Data Explorer. Crime dataset. Subcategory: Robbery

**Figure 8: Retailer Shrink Rates 2014-2022**

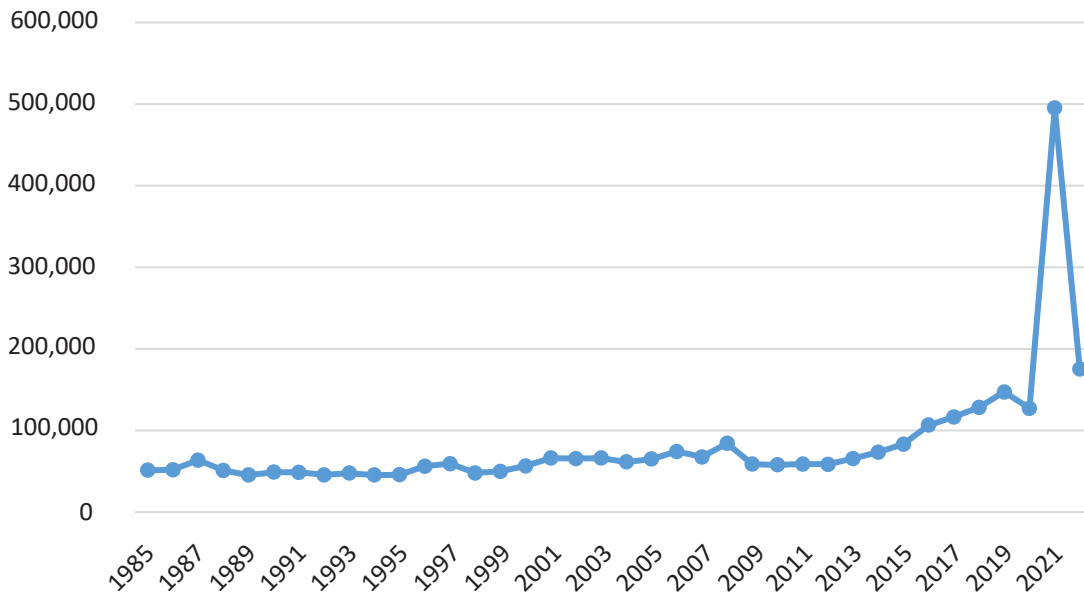


Source: National Retail Security Survey

**Figure 9: Reported Causes of Shrink in 2015 and 2022**



**Figure 10: Average Stolen Value of Reported California Shoplifting Incidents 1985-2022**



Sources: FBI Crime Data Explorer. Expanded Property Crime Data. Subcategory: California. Subcategory: Larceny. <https://cde.ucr.cjis.gov/LATEST/webapp/#/pages/explorer/crime/property-crime>. Inflation calculated using Bureau of Labor Statistics CPI Inflation Calculator for December of reporting year into February 2024 dollars.

**THE AVERAGE VALUE OF REPORTED ITEMS SHOPLIFTED FROM CALIFORNIA INCREASED FROM \$240 IN 1985 TO \$876 IN 2022.<sup>16</sup>**

In 2022, retailers nationwide earned \$4.9 trillion in sales,<sup>17</sup> and experienced an estimated \$112.1 billion in lost sales due to inventory shrink.<sup>18</sup>

Though there are yearly fluctuations, the reported primary causes of shrink – external and employee theft – have remained relatively stable in the recent past.<sup>19</sup>

The reasons for the recent increase in the average value of stolen goods are unclear. In interviews with Commission staff, researchers speculated that possible causes could include the increased portability of expensive goods, such as computers, or a more targeted approach to shoplifting. This appears to be an area in which more research is required.

**Public Opinion**

**POLLING ON CALIFORNIANS’ TOP CONCERN**

A Public Policy Institute of California survey conducted in November 2023 found that 8 percent of respondents identified “crime, gangs, drugs” as the top issue confronting the state. About a third identified “jobs, economy, inflation” as the state’s most important issue, and a roughly similar share identified housing and homelessness. Compared to crime, fewer respondents identified environmental concerns, immigration and the state budget as the top issue.<sup>20</sup>

**CONCERN ABOUT ORGANIZED RETAIL THEFT AND ASSOCIATED VIOLENCE IS INCREASING AMONG RETAILERS.**

In its 2023 security survey, the National Retail Federation found that an increasing number of retailers were concerned about organized retail

crime. More than 78 percent of respondents considered organized retail crime to be more of a priority than it was the year before. Nearly 69 percent of respondents considered non-organized retail theft to be more of a priority than it was the year before.<sup>21</sup>

Violence is a top concern for retailers. In its 2022 survey, the National Retail Federation found that 81 percent of respondents experienced increased aggression and violence from perpetrators of organized retail crime – a rise from the 36 percent of retailers who reported an increase in violence and aggression the year before.<sup>22</sup>

**MEDIA ATTENTION TO RETAIL THEFT IS INCREASING.**

The Center for Just Journalism tracked U.S. news stories on retail theft between 2018 and the end of June 2022, and found that the number of stories jumped by 134 percent between 2020 and 2021. This, the researchers noted, corresponded with smash-and-grab videos going viral in early 2021.<sup>23</sup> Shoplifting and nonresidential burglary in California fell by 1.3 percent between 2020 and 2021.<sup>24</sup>

**PROPOSITION 47**

California’s Proposition 47, passed by voters in 2014, reclassified several theft and drug offenses from felonies and wobblers – meaning the crime can be charged as a felony or misdemeanor – into straight misdemeanors. Previously, retail thefts had typically been charged either as petty theft or in some cases as burglary, giving prosecutors the option of charging such crimes as misdemeanors or felonies. In the wake of the passage of Prop. 47, such crimes were generally classified as shoplifting and could only be charged as misdemeanors.

Despite widespread confusion about this point, Prop. 47 did not change the threshold at which crimes could typically be charged as grand theft, a felony. That threshold had been increased from \$400 to \$950 by the Legislature in 2010.<sup>25</sup>

**Figure 11: Survey Question: Thinking about the state as a whole, what do you think is the most important issue facing people in California today?**

Percentage	Issue
31%	Jobs, Economy, Inflation
15%	Housing costs, Availability
14%	Homelessness
8%	Crime, Gangs, Drugs
6%	Environment, Pollution, Climate Change
4%	Immigration (legal and illegal)
3%	State budget, Deficit, Taxes
3%	Government in general, Problems with elected officials, Political parties
1%	Water, Drought
12%	Other ( <i>Specify</i> )
3%	Don't Know

**Figure 12: Annual News Stories by Keyword**

Year	“Organized Retail Crime” or “Organized Retail Theft”	“Smash-and-Grab”
2018	207	521
2019	206	436
2020	171	480
2021	645	880
2022 (First Half)	541	925

Source: Center for Just Journalism. “Retail Theft: What to Know and Where to Go for More.” <https://justjournalism.org/page/retail-theft>. Accessed January 19, 2024.



However, Prop. 47 did increase the grand theft threshold for a few items, primarily agricultural and animal, that had been excluded from the 2010 legislation.

Other crimes the proposition reclassified from felonies and wobblers to misdemeanors include:

- Check, bond, bank bill, note, cashier's check, traveler's check or money order forgery where the value is \$950 or less (does not apply if the defendant is also convicted of identity theft).
- Insufficient funds (cannot exceed \$950).
- Receiving stolen property (cannot exceed \$950)
- Possession of some controlled substances.

### **CALIFORNIA'S FELONY THEFT THRESHOLD**

California has one of the lowest felony theft thresholds in the nation, as shown in Figure 14. However, Prop. 47 limited the prior offenses that make it possible to charge someone with petty theft with a prior in California to violent and serious felony convictions, crimes that require offenders to register as sex offenders, and theft crimes against vulnerable populations. Some other states retain more latitude in the types of crimes that underlie a charge of petty theft with a prior. This means that in those states, defendants might be charged more often with a felony even if the amount stolen is underneath the threshold cited in Figure 14.

### **Jail Capacity**

Though jail overcrowding often is suspected to be a reason why lower-level offenders are not incarcerated for their full term, recent research by the Public Policy Institute of California shows that the population of most counties' jails are not above their jails' rated capacity. Using September 2023 data, the PPIC found that three counties – Amador, Los Angeles, and Fresno – were above their jail system's rated capacity. Another two counties – Yolo and Siskiyou – were above 90 percent capacity, which is

the threshold at which many experts believe jails can be safely managed. Some counties have multiple jails, and individual jails can be above capacity, even if the county's overall system is below capacity.

About 19 percent of all jails in California were above capacity, the PPIC found, a sharp decrease from the 61 percent of jails above capacity in October 2014.<sup>26</sup>

Despite most counties' jails being below capacity, the PPIC found that 23 counties reported releases due to capacity constraints.<sup>27</sup> More research is needed to understand the discrepancy between the rated capacity of jails and capacity-constrained releases. More information on the PPIC's work on California's county jails can be found [here](#).

### **Additional Government Initiatives to Combat Retail Theft**

California's leaders created additional initiatives to combat retail crime in the past few years. These include:

- Legal definition and task force. In 2019, the state legislature created the crime of organized retail theft. At the same time, it created a property crimes task force headed by the California Highway Patrol (CHP), in coordination with the Department of Justice, to identify geographic areas experiencing increased property crimes and assist local law enforcement to combat them.<sup>28</sup>
- Online reporting. In 2022, the state created an online reporting tool within the California Department of Justice that members of the public may use to report suspected retail theft.<sup>29</sup>
- Public-private collaboration. In summer 2023, Attorney General Rob Bonta announced a collaboration with large retailers to crack down on retail theft. Retailers agreed to be more proactive in reporting thefts, keep surveillance footage for longer periods of time to aid in prosecution,

## Figure 13: The Most Common Statutes Related to Retail Theft

### LAWS FREQUENTLY CITED IN THE RETAIL THEFT DISCOURSE

The Committee on Revision of the Penal Code shared the most common statutes related to retail theft.<sup>30</sup> These included the following:

Crime/Condition	Misdemeanor	Penal Code (PC) Section	Description
Shoplifting (Less than \$950)	Felony	PC §459.5	Stealing or intending to steal less than \$950 in value from a store during business hours. It is a misdemeanor and can carry up to six months in jail.
Higher Value Thefts (More than \$950)	Felony	PC §§ 460, 461, 487, 489	Stealing or intending to steal more than \$950 of property can be charged with commercial burglary or grand theft. Sentences can be up to three years in jail.
Multiple Thefts	Felony	PC § 487€	Stealing property over the course of distinct but related acts can be added together (“aggregated”) to reach the \$950 felony threshold for grand theft.
Multiple people	Felony	PC §§ 182, 490.4	Two or more people working together to steal or resell stolen goods can, in some circumstances, be charged with organized retail theft or conspiracy. Sentences can be up to three years in jail.
Destroying Property while Stealing	Felony	PC § 594(b)	Destroying more than \$400 in property, e.g. smashing a window or display case, during a theft can make a person eligible for felony vandalism charges, with a sentence of up to 3 years in jail.
Robbery (using force or fear while stealing)	Felony	PC § 211	Taking property, regardless of value, through force or fear. This is a “strike” offense and carries up to 5 years in prison.
Prior Strike	Felony	PC §§ 669(a),1170.1(a)	Committing a felony with a prior strike can result in the felony sentence being doubled, and must be served in prison.

designate points-of-contact for working with law enforcement, and create policies to help identify incidents of organized retail theft, among other provisions.<sup>31</sup>

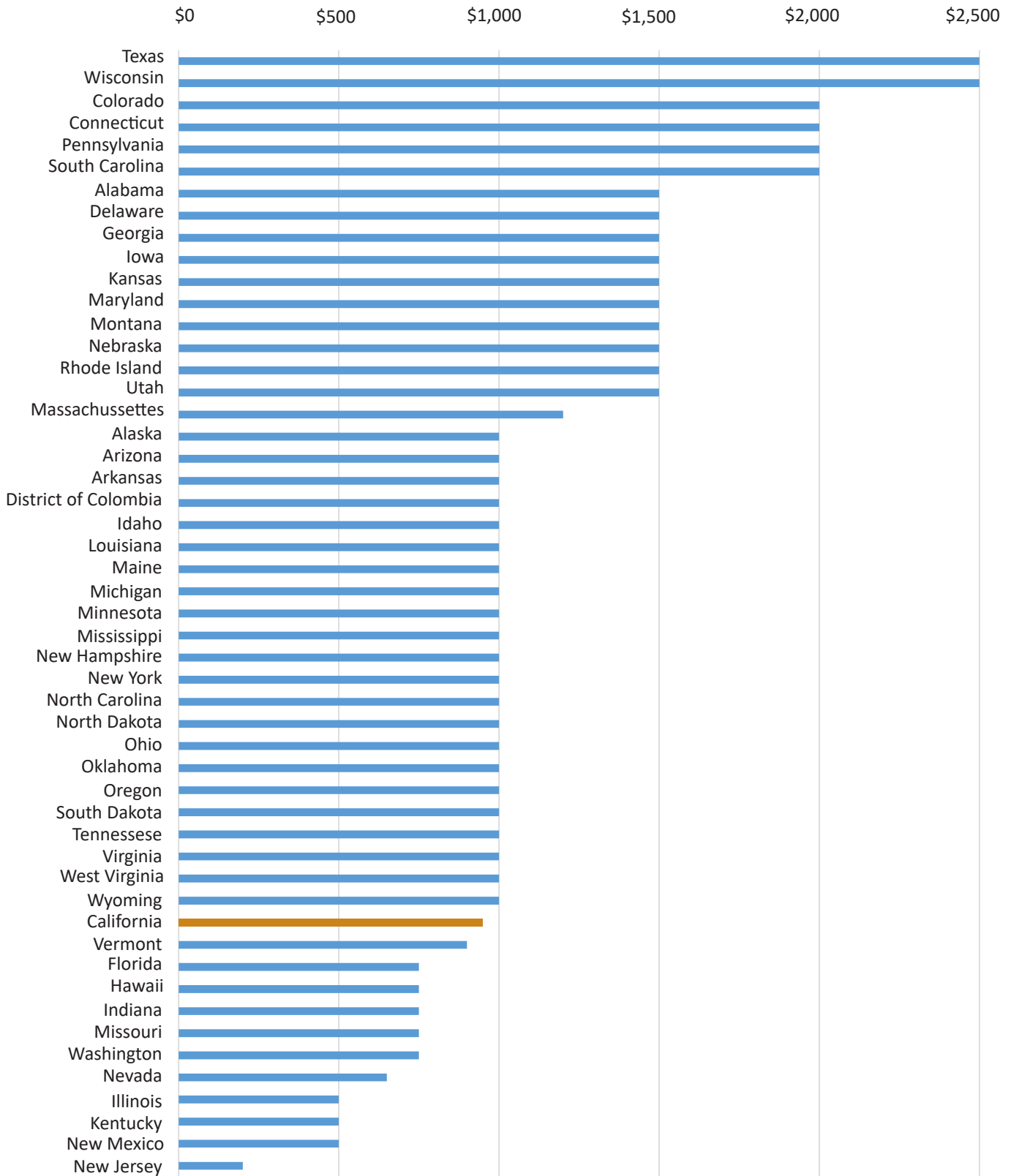
- Targeted funding. In fall 2023, the state awarded \$267 million to aid law enforcement in combating organized retail theft.<sup>32</sup> Forty-one law enforcement agencies will receive about \$23.6 million dollars each over the next three years to create retail theft investigative units, install advanced surveillance technology, train loss prevention officers, create new task forces, increase cooperation with businesses, and set up sting operations. This funding also is to be used to crack down on vehicle and catalytic converter theft. Thirteen district attorneys' offices will receive about \$2 million each over the next three years to establish prosecution units and county-wide intelligence centers for organized retail theft.<sup>33</sup>
- Property crime framework. In January 2024, Governor Newsom proposed a six-point property crime framework addressing many aspects of retail theft:
  1. Cracking Down on Professional Thieves. This would create new penalties for stolen goods resellers and those stealing with the intent to resell.
  2. Increasing Enforcement Tools. This would allow law enforcement to arrest retail theft suspects even if they did not witness the crime in progress.
  3. Aggregating Theft Amounts. This would clarify existing law that law enforcement may combine the value of multiple thefts, across different victims, to reach the threshold for grand theft.
  4. Fighting Auto Burglary. Auto burglary is the type of property crime that has seen significant recent increases, and this would create new penalties for those who steal with the intent to resell.

5. Eliminating the Organized Retail Crime Sunset Provision. Currently, the Organized Retail Crime Task Force, led by the CHP, is scheduled to sunset in 2026. This provision would eliminate that sunset date.

6. Increasing Penalties for Resellers.<sup>34</sup>

- Bipartisan Legislation. Among several other bills addressing retail theft, a bipartisan coalition introduced AB 2943 (Zbur and Robert Rivas) in 2024. If enacted, the bill would:<sup>35</sup>
  - Clarify that similar acts against multiple victims or in multiple counties can be aggregated into a grand theft charge.
  - Allow the aggregation of three years' worth of stolen property found in the possession of a fence.
  - Add shoplifting to domestic violence, violating a restraining order, and carrying a concealed firearm in an airport to crimes for which law enforcement can make a warrantless arrest without the offense occurring in their presence if they have probable cause to believe the crime occurred.
  - Extend a provision in existing law that exempts law enforcement from releasing with a promise to appear in court someone arrested for misdemeanor organized retail theft. Set to expire in 2026, that provision would be extended to 2031.
  - Increase the maximum probation ceiling for those convicted of shoplifting or petty theft from one year to two years, and require courts to impose a minimum term of one year.
  - State legislative intent to enact legislation requiring sellers of specified products to maintain chain of custody requirements.
  - State legislative intent to require retail businesses above a certain size to periodically report theft data and to strengthen laws preventing stolen goods from being sold online.

**Figure 14: Felony Theft Threshold by State**



California Senate pro Tempore Mike McGuire is leading a bipartisan, bicameral effort to prevent and respond to crime. Some of the bills related to retail theft under his Working Together for a Safer California initiative include:<sup>36</sup>

- SB 982 (2024, Wahab). Similar to AB 1802, this bill would remove the 2026 sunset to make organized retail theft a permanent designation for this type of organized crime.
- SB 1144 (2024, Skinner). This bill would require third-party sellers on online marketplaces to be certified, and would ban sellers suspected of criminal activities from selling on those platforms.
- SB 1242 (2024, Min). When sentencing defendants convicted of arson, this bill would allow an offender's intent to use the fire to commit organized retail theft to be considered an aggravating factor.
- SB 1416 (2024, Newman). This bill would create a sentencing enhancement of 1 to 4 years for high-value thefts from commercial establishments or for planning, reselling stolen items, or otherwise working with someone who committed or intended to commit a high-value theft.

Additionally, a ballot measure proposed for the November 2024 election would allow prosecutors to charge a suspect with a felony, regardless of the stolen item's value, if the suspect has two or more prior theft convictions. The measure also provides for sentencing enhancements if the suspect acted with other people or if the value of goods stolen is large. The measure also contains several provisions related to drug-related crimes.<sup>37</sup>

## Recommendations

As outlined above, the Legislature is considering Penal Code changes as this report is being produced. Because we anticipate legislative action on those changes before the recommendations in this report could be implemented, the Commission's recommendations focus on obtaining the necessary data to allow policy- and lawmakers to construct evidence-based solutions in the long term, rather than immediate changes to the Penal Code.

California needs comprehensive data collection and analysis to better tackle retail theft and its impacts. California's Department of Justice has made a fine start in collecting criminal-justice related data, but this effort needs to be expanded significantly. State lawmakers should mandate and appropriately fund the collection of detailed data that would allow California leaders and researchers to better understand the circumstances around crime and the people involved in it. These data should be anonymized to protect individuals' privacy. To maximize the utility of this data, it should be made accessible in user-friendly formats, catering to both academic researchers and the general public, with tools for geographical and temporal mapping.

In addition to expanding the data it collects, California's policymakers should collaborate with the universities and other nonpartisan research institutions to conduct in-depth studies around retail theft. This research would fill existing knowledge gaps and guide the development of future solutions. California can set a precedent for data-driven criminal justice policy, paving the way for more informed, effective decision-making that benefits all Californians.

**Recommendation 1:** The California Department of Justice should collect detailed data that includes but is not limited to the circumstances surrounding a crime, law enforcement’s response to the crime, demographic data about the people arrested and, if applicable, charged with the crime, whether and what charges the prosecutors file, the final disposition of the case, and the offender’s rehabilitation, reentry, and recidivism.

- a. The state should incorporate, to the extent feasible, existing data, databases, and data collection systems.
- b. The Legislature should appropriately fund this initiative, including increased administrative costs.
- c. The data collected should help policymakers and researchers respond to the following topics. Additionally, California Department of Justice officials should confer with policymakers and researchers, as well as their own experts, to determine what other topics should be addressed via the data collected by the state
  - Crime statistics.
  - Geographic data.
  - Temporal data.
  - Demographic data.
  - Response times.
  - Prosecution and Adjudication data
  - Rehabilitation, Reentry, and Recidivism data. In addition to tracking the amount of time served and/or spent on probation, the state should track what resources were provided for an offender’s rehabilitation and, if incarcerated, reentry (e.g. education, substance use disorder rehabilitation, cognitive behavioral therapy, reentry wraparound services), as well as whether the individual reoffends.

- d. This data should be made available to the public in formats friendly for both professional researchers and the layperson. Ideally, this should include options to map the data geographically and temporally.

**Recommendation 2:** To better understand the complexities involved in the causes and effects of retail crime to develop evidence-based solutions, the State of California should fund studies on the following topics. This research should be conducted by the University of California, the California State University, the California Community Colleges, independent universities, or other nonpartisan research institutions.

- a. Retail theft preventative measures and effectiveness. This should include information on the types and effectiveness of retail theft prevention programs, policies, and technologies.
- b. Underreporting of retail theft. By examining the frequency of underreporting and the degree to which underreporting changes over time, this study could resolve the most important gap in current data about retail theft.
- c. Economic impact of retail theft. This should include direct and indirect costs to businesses, insurance companies and premiums, taxpayers, the community, and local and state government.
- d. Causes of public perception of retail theft. In addition to understanding what the public’s perception of retail theft is, this study should investigate why the public believes what it does.
- e. Fencing of stolen goods. This study should look at how and where stolen goods are disseminated to consumers and who is purchasing them.

# Appendix

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0115

## California Legislature

June 14, 2023

The Honorable Pedro Nava  
Chair, The Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

### **RE: Request to Research and Report on Retail Theft in California**

Dear Chair Nava:

We respectfully request that the Little Hoover Commission investigate retail theft, shoplifting, and organized retail theft in California, and publish a report detailing its findings. Rising crime rates in 2021 led to increased criticism of Proposition 47 including claims that it leaves law enforcement and prosecutors unable to do their jobs. However, a lack of aggregated data makes it difficult to substantiate these claims. In order for the Legislature to best address retail theft it must have a better understanding of what is actually occurring from a data-driven viewpoint.

In 2014, California voters approved Prop. 47 which reclassified certain drug possession offenses and property offenses less than \$950 from felonies or wobblers to misdemeanors, and created the misdemeanor offense of shoplifting. Reports of increased theft post-Prop. 47 have led to heightened scrutiny of law enforcement's ability to respond effectively with agencies and prosecutors arguing that Prop. 47 restricts their ability to arrest and prosecute perpetrators and leaves them unable to adequately address the rise in crime.

In contrast, supporters of Proposition 47 point to substantially reduced prison populations and historically low crime rates in 2020 as some of the successes of the legislation, and research in other states has shown that raising the felony theft threshold has no impact on crime. Others still feel that while there are ample laws on the books to arrest and prosecute individuals for theft, law enforcement may not be as motivated to make arrests when felony charges are not an option. With convincing arguments from both support and opposition as well as a lack of concrete information on retail theft, it is difficult to ascertain the actual impact of Prop 47.

We recognize the Commission's long standing reputation as a trusted provider of independent research to the Legislature. This is why we request that the Commission shed light on this multi-faceted issue by investigating retail theft, shoplifting, and organized crime and publishing a report including specific data on the number of reported thefts, the value of thefts, and the responses made by law enforcement and prosecutors. Specifically, we request a report which provides:

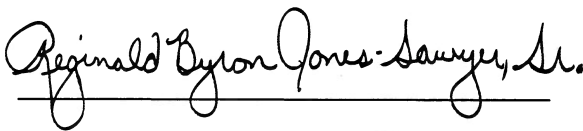


- Information including the number of reported retail thefts, shoplifting, and organized retail thefts, the size of the business, the type of property reported stolen, and monetary value of the property reported stolen.
- Information on law enforcement’s response to reports of retail theft, shoplifting, and organized retail theft, including, the average amount of time taken by the law enforcement agency to respond, whether the report was investigated by law enforcement, whether an arrest was made in response to each report, whether a citation was made in response to each report, and, if so, which, and whether the investigating law enforcement referred the case to the district attorney for prosecution.
- Information on whether the district attorney who received reports of retail thefts, shoplifting, and organized retail thefts from law enforcement agencies filed criminal charges in each case, and, if charges were not filed, the extent to which this was due to the district attorney’s determination that there was insufficient evidence to prosecute the offense, due to policies relating to the prioritization of filing charges in these types of cases, or due to some other reason for declining to file criminal charges in these cases.
- Countywide statistical information, including the amount of reports of theft, shoplifting, and organized retail theft made to law enforcement in each county as well as the corresponding response, the amount of citations given, the number of cases referred to the district attorney for prosecution, and the disposition of each case referred to the district attorney in each county.

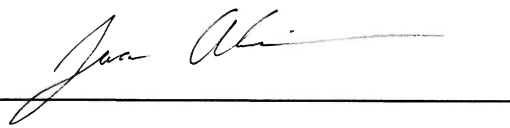
This information will allow lawmakers to gain a better understanding of retail theft and the effects of Proposition 47.

Thank you for your consideration of this request.

Sincerely,



REGINALD BYRON JONES-SAWYER, SR.  
State Assemblymember, 57<sup>th</sup> District



JUAN ALANIS  
State Assemblymember, 22<sup>nd</sup> District



DAWN ADDIS  
State Assemblymember, 30<sup>th</sup> District



REBECCA BAUER-KAHAN  
State Assemblymember, 16<sup>th</sup> District



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MARC BERMAN  
State Assemblymember, 23<sup>rd</sup> District



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LAURIE DAVIES  
State Assemblymember, 74<sup>th</sup> District



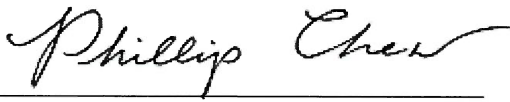
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JUAN CARRILLO  
State Assemblymember, 39<sup>th</sup> District



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DIANE DIXON  
State Assemblymember, 72<sup>nd</sup> District



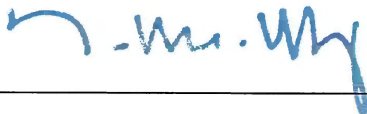
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PHILLIP CHEN  
State Assemblymember, 34<sup>th</sup> District



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BILL ESSAYLI  
State Assemblymember, 63<sup>rd</sup> District



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DAMON CONNOLLY  
State Assemblymember, 12<sup>th</sup> District



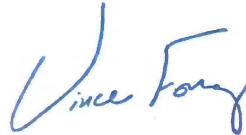
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HEATH FLORA  
State Assemblymember, 9<sup>th</sup> District



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MEGAN DAHLE  
State Assemblymember, 1<sup>st</sup> District



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VINCE FONG  
State Assemblymember, 32<sup>nd</sup> District



AL MURATSUCHI  
State Assemblymember, 66<sup>th</sup> District



JOE PATTERSON  
State Assemblymember, 5<sup>th</sup> District



STEPHANIE NGUYEN  
State Assemblymember, 10<sup>th</sup> District



GAIL PELLERIN  
State Assemblymember, 28<sup>th</sup> District



BLANCA PACHECO  
State Assemblymember, 64<sup>th</sup> District



JAMES C. RAMOS  
State Assemblymember, 45<sup>th</sup> District



DIANE PAPAN  
State Assemblymember, 21<sup>st</sup> District



FREDDIE RODRIGUEZ  
State Assemblymember, 53<sup>rd</sup> District



JIM PATTERSON  
State Assemblymember, 8<sup>th</sup> District



BLANCA E. RUBIO  
State Assemblymember, 48<sup>th</sup> District



AL MURATSUCHI  
State Assemblymember, 66<sup>th</sup> District



JOE PATTERSON  
State Assemblymember, 5<sup>th</sup> District



STEPHANIE NGUYEN  
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State Assemblymember, 21<sup>st</sup> District



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State Assemblymember, 53<sup>rd</sup> District



JIM PATTERSON  
State Assemblymember, 8<sup>th</sup> District



BLANCA E. RUBIO  
State Assemblymember, 48<sup>th</sup> District



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KATE SANCHEZ  
State Assemblymember, 71<sup>st</sup> District



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CARLOS VILLAPUDUA  
State Assemblymember, 13<sup>th</sup> District



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MIGUEL SANTIAGO  
State Assemblymember, 54<sup>th</sup> District



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MARIE WALDRON  
State Assemblymember, 75<sup>th</sup> District



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ESMERALDA SORIA  
State Assemblymember, 27<sup>th</sup> District



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GREG WALLIS  
State Assemblymember, 47<sup>th</sup> District



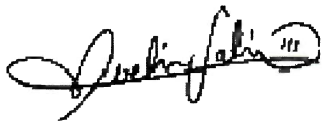
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TRI TA  
State Assemblymember, 70<sup>th</sup> District



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AKILAH WEBER, M.D.  
State Assemblymember, 79<sup>th</sup> District



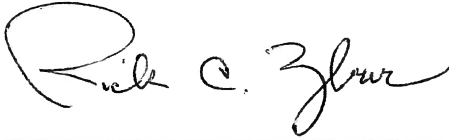
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AVELINO VALENCIA  
State Assemblymember, 68<sup>th</sup> District



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LORI WILSON  
State Assemblymember, 11<sup>th</sup> District



RICK CHAVEZ-ZBUR  
State Assemblymember, 51<sup>st</sup> District



ANNA M. CABALLERO  
State Senator, 14<sup>th</sup> District



MARIE ALVARADO-GIL  
State Senator, 4<sup>th</sup> District



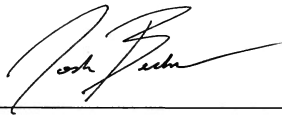
DAVE CORTESE  
State Senator, 15<sup>th</sup> District



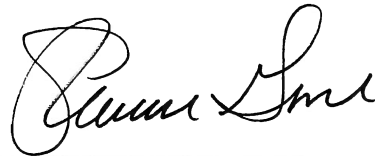
BOB ARCHULETA  
State Senator, 30<sup>th</sup> District



BRIAN DAHLE  
State Senator, 1<sup>st</sup> District



JOSH BECKER  
State Senator, 13<sup>th</sup> District



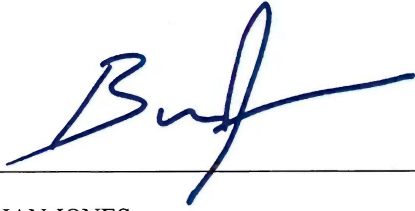
SHANNON GROVE  
State Senator, 12<sup>th</sup> District



CATHERINE BLAKESPEAR  
State Senator, 38<sup>th</sup> District



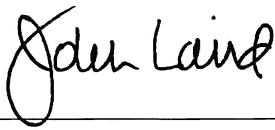
MELISSA HURTADO  
State Senator, 16<sup>th</sup> District



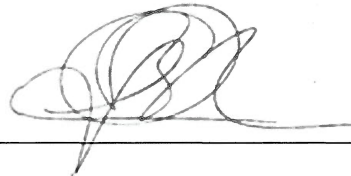
BRIAN JONES  
State Senator, 40<sup>th</sup> District



ROGER NIELLO  
State Senator, 6<sup>th</sup> District



JOHN LAIRD  
State Senator, 17<sup>th</sup> District



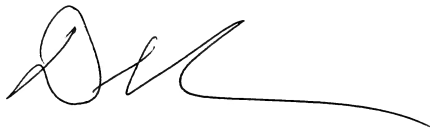
ROSILICIE OCHOA BOGH  
State Senator, 23<sup>rd</sup> District



MONIQUE LIMON  
State Senator, 19<sup>th</sup> District



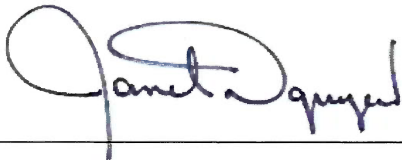
SUSAN RUBIO  
State Senator, 22<sup>nd</sup> District



DAVE MIN  
State Senator, 37<sup>th</sup> District



KELLY SEYARTO  
State Senator, 32<sup>nd</sup> District



JANET NGUYEN  
State Senator, 36<sup>th</sup> District



HENRY STERN  
State Senator, 27<sup>th</sup> District





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TOM UMBERG  
State Senator, 34<sup>th</sup> District



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AISHA WAHAB  
State Senator, 10<sup>th</sup> District

# Notes

1. California Penal Code §459.5.
2. California Penal Code §459, §459.5 §487.
3. California Penal Code §211.
4. California Penal Code §490.4(a).
5. California Penal Code §490.4(a).
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13. Magnus Lofstrom, Policy Director and Senior Fellow, Public Policy Institute of California. January 25, 2024. Written testimony to the Commission. Slide 5. Available at [https://lhc.ca.gov/wp-content/uploads/Lofstrom\\_Testimony-slides\\_LHC\\_Jan-25-2024\\_final.pdf](https://lhc.ca.gov/wp-content/uploads/Lofstrom_Testimony-slides_LHC_Jan-25-2024_final.pdf).
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# ■ Little Hoover Commission Members

## **CHAIR PEDRO NAVA | Santa Barbara**

Appointed to the Commission by Speaker of the Assembly John Pérez in April 2013 and reappointed by Speaker of the Assembly Anthony Rendon in 2017 and again in 2021. Government relations advisor. Former State Assemblymember from 2004 to 2010, civil litigator, deputy district attorney and member of the state Coastal Commission. Elected chair of the Commission in March 2014.

## **VICE CHAIR ANTHONY CANNELLA | Ceres**

Appointed to the Commission by the Senate Rules Committee in March 2022. Civil engineer and principal with Northstar Engineering Group. Former State Senator from 2010 to 2018. Previously served on the Ceres City Council and was twice elected mayor of that city. Elected Vice Chair of the Commission in July 2023.

## **DION ARONER | Berkeley**

Appointed to the Commission by the Senate Rules Committee in April 2019. Partner for Aroner, Jewel, and Ellis. Former State Assemblymember from 1996 to 2002, chief of staff for Assemblymember Tom Bates, social worker for Alameda County, and the first female president of Service Employees International Union 535.

## **DAVID BEIER | San Francisco**

Appointed to the Commission by Governor Edmund G. Brown Jr. in June 2014 and reappointed in January 2018. Managing director of Bay City Capital. Former senior officer of Genentech and Amgen, and counsel to the U.S. House of Representatives Committee on the Judiciary.

## **ASM. PHILLIP CHEN | Yorba Linda**

Appointed to the Commission by Speaker of the Assembly Anthony Rendon in October 2021. Elected in November 2016 to represent 55<sup>th</sup> District. Represents portions of Los Angeles, Orange and San Bernardino counties and the cities of Brea, Chino Hills, Diamond Bar, La Habra, Industry, Placentia, Rowland Heights, Walnut, West Covina and Yorba Linda.

## **GIL GARCETTI | Los Angeles**

Appointed to the Commission by Governor Gavin Newsom in November 2021. Professional photographer and author of ten books. Former Los Angeles County District Attorney, teaching Fellow at Harvard University's Kennedy School, and president of the California Science Center Foundation's Board of Trustees.

## **JOSÉ ATILIO HERNÁNDEZ | Burbank**

Appointed by Speaker of the Assembly Anthony Rendon in April 2023. Founder and CEO of IDEATE California, a public relations and policy management firm. Also, founder and Board Chairman of ideateLABS. Former Director for External Affairs and Community Relations for ConnectEd: The California Center for College and Career.

## **JASON JOHNSON | Napa**

Appointed by Governor Newsom in June 2023. Member of the Land Trust of Napa County Board of Trustees and Horary Commander of Travis Air Force Base. Former Managing Partner at Founders Den. Founder and former CEO at August Home Inc.

## **SEN. DAVE MIN | Irvine**

Appointed to the Commission by the Senate Rules Committee in September 2021. Elected in November 2020 to represent the 37<sup>th</sup> Senate District. Represents Anaheim Hills, Costa Mesa, Huntington Beach, Irvine, Laguna Beach, Laguna Woods, Lake Forest, Newport Beach, Orange, Tustin, and Villa Park.

## **ASM. LIZ ORTEGA | San Leandro**

Appointed to the Commission by Speaker of the Assembly Anthony Rendon in March 2023. Elected in November 2022 to represent the 20<sup>th</sup> Assembly District. Represents Hayward, San Leandro, most of Union City, portions of Dublin and Pleasanton, and several unincorporated communities.

## **JANNA SIDLEY | Los Angeles**

Appointed to the Commission by Governor Edmund G. Brown Jr. in April 2016 and reappointed in February 2020. Partner at Ichor Strategies and appointed to the Board of the Los Angeles City Employee Retirement System ("LACERS"). Former general counsel at the Port of Los Angeles and city attorney at the Los Angeles City Attorney's Office.

## **SEN. SCOTT WILK | Santa Clarita**

Appointed to the Commission by the Senate Rules Committee in April 2023. Elected in November 2016 to represent the 21<sup>st</sup> Senate District. Represents communities in the Antelope, Santa Clarita, and Victor Valleys.

**Full biographies are available on the Commission's website at [www.lhc.ca.gov](http://www.lhc.ca.gov).**

**“DEMOCRACY ITSELF IS A PROCESS OF CHANGE, AND SATISFACTION AND COMPLACENCY ARE ENEMIES OF GOOD GOVERNMENT.”**

By Governor Edmund G. “Pat” Brown,  
addressing the inaugural meeting of the Little Hoover Commission,  
April 24, 1962, Sacramento, California



Milton Marks Commission on California State  
Government Organization and Economy

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