



March 3, 2022

Assembly Member Reginald B. Jones-Sawyer, Sr.
Chair
Assembly Public Safety Committee
California State Legislature

Oppose AB 1700: Implementing Duplicative Reporting Mechanisms are Unnecessary and Unhelpful

Dear Chair Jones-Sawyer and members of the committee,

I write on behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future. Our organization works to ensure that all Americans benefit from technological leaps.

We urge this committee to **oppose AB 1700**. We share your concerns and commitment to combating organized retail crime, but implementing the bill's duplicative reporting mechanisms when robust reporting mechanisms already exist is unnecessary.

Most online marketplaces, including those covered by this bill, are already prioritizing the tracking and reporting of fraud and the sale of stolen and counterfeit goods. By utilizing sophisticated software and tools, most companies already have the capability to detect suspicious goods and identify counterfeiters before a transaction occurs.

Online marketplaces also provide a responsive customer support feature that is readily available for victims to report incidents and identify culprits. Most of these companies already partner with the Attorney General and work alongside local law enforcement agencies to report crimes that occur on the online marketplaces.

By collecting information gathered on their platform's reporting system, companies can take immediate action, compile pertinent information, and provide it to law enforcement authorities in an organized and efficient way. AB 1700 would require online marketplaces to post a link to a separate reporting mechanism, removing communication from the platform and taking away the opportunity for companies to communicate with consumers, identify perpetrators, gather intel for law enforcement, follow up with consumers, and remediate the issue that occurred on their site. This could undermine efforts to swiftly eliminate and ban bad actors that will surely act again.

Rather than pass this bill, we encourage the California legislature to consider other ways to protect consumers and combat organized retail crime. Gathering better data about organized retail theft as a whole in order to be **proactive instead of reactive** would be beneficial to the state of California. *The Atlantic* recently reported that experts say there's simply not enough empirical evidence to prove that reselling stolen goods "is primarily the province of huge, violent criminal-conspiracy

organizations.”¹ Last year, several states including Arizona, Georgia, North Carolina, and Texas initiated studies to better understand the organized retail theft problem. This shows more data must be gathered before fingers are pointed at online marketplaces, and more resources should be provided to California to do it.

California has already taken a major step towards combating organized theft attempts. Governor Newsom recently announced a plan to help local police fight organized crime, including \$255 million in grants for local police departments, \$48 million to bulk up prosecution of retail theft, and \$20 million in grants to help small businesses.² We support this plan. California is strengthening protection of consumers, brick-and-mortar retailers, and online entrepreneurs.

We welcome the opportunity to work with this committee to protect Californians from online schemers. In the meantime, we ask that you oppose AB 1700 as this legislation is unnecessary, duplicative, and will not fix the cause of the problem at hand.

Sincerely,



Montana Williams
Director of State & Local Public Policy
Chamber of Progress

¹ Amanda Mull, *The Great Shoplifting Freak-Out*, The Atlantic, (Jan. 2022)

<https://www.theatlantic.com/health/archive/2021/12/shoplifting-holiday-theft-panic/621108/>

² Dustin Gardiner, Newsom Unveils 300 Million Plan to Crack Down on Organized Retail Theft, San Francisco Chronicle, (Feb. 2022)

<https://www.sfchronicle.com/politics/article/Newsom-unveils-250-million-plan-to-crack-down-on-16710754.php#:~:text=SACRAMENTO%20%E2%80%94%20Gov.enforcement%20fight%20organized%20criminal%20rings.&text=office%20in%20Dublin,-,%E2%80%9CThese%20organized%20efforts%20have%20created%20tremendous,and%20anxiety%20to%20any%20Californians.%E2%80%9D>