

Public Safety and Security Committee JOINT FAVORABLE REPORT

Bill No.: SB-1321

AN ACT CONCERNING CRIMES RELATING TO GIFT CARDS, ORGANIZED RETAIL THEFT, FOSTERING THE SALE OF STOLEN PROPERTY AND CIVIL LIABILITY FOR CERTAIN CONDUCT RELATING TO GOODS, MERCHANDISE

Title: OR PRODUCE.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 2/18/2025

File No.:

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SPONSORS OF BILL:

[Rep. Michael DiGiovancarlo, 74th Dist.](#)

REASONS FOR BILL:

Senate Bill 1321 addresses the growing concern of organized retail theft, fraudulent gift card usage, and the illicit resale of stolen merchandise. These activities collectively imposed significant financial strain on retailers and communities. This bill aims to modernize existing criminal penalties and enhance enforcement tools to tackle these emerging issues. Retail theft has evolved into a more sophisticated and organized problem, often involving coordinated theft rings and online “fencing” operations. The legislation proposes to criminalize the fraudulent acquisition, alteration, and misuse of gift cards, which have become common vehicles for laundering stolen funds. It strengthens penalties for organized retail theft by allowing thefts committed over a 365-day period. Furthermore, the bill establishes a new offense, “fostering the sale of stolen property,” which targets individuals or entities that knowingly facilitate the resale of stolen goods. It also enhances civil liability for theft involving goods, merchandise, or agricultural produce and increases penalties for price tag tampering. Collectively, these measures are designed to protect businesses, improve public safety, and deter theft-related crime.

Substitute Language

Section 1 in the original bill is removed and some of those definitions gift card crime, cardholder, close-looped, gift card, open-looped gift card, gift card redemption, and gift card seller were added to section 2 (20) of the substitute language.

RESPONSE FROM ADMINISTRATION/AGENCY:

[William Tong Attorney General William Tong, Office of the Attorney General \(OAG\)](#)

Attorney General Tong expressed strong support for S.B. No. 1321. He emphasized its potential to address the growing problem of organized retail theft and gift card fraud. He highlighted the wide-ranging impact of ORT, noting that it not only increases costs for retailers and leads to higher prices for consumers but also poses significant safety concerns for employees and shoppers. He pointed out that ORT often involves organized criminal rings, including out-of-state actors who exploit vulnerable individuals to carry out thefts while avoiding liability themselves. S.B. 1321, according to the Attorney General's Office, strengthens enforcement against ORT by enhancing penalties for the illegal sale of stolen goods, clarifying civil liabilities for those involved in ORT, and providing law enforcement with more effective tools to combat gift card fraud.

[Patrick Griffin Chief States Attorney The Division of Criminal Justice](#)

Mr. Griffin supports the bill, recognizing the growing problem of Organized Retail Theft and its impact on both retailers and consumers. The Division highlights the rise of criminal enterprises involved in large-scale thefts of retail merchandise, including gift cards, with the intent to resell the stolen goods for financial gain. They also express concern over the black-market resale of stolen items and the economic toll it takes on the state, from higher consumer prices to the loss of sales tax revenues. The Division welcomes the proposed legislation to address the emerging trend of gift card theft and the illegal resale of stolen property through online platforms. However, the Division recommends certain changes to the bill, such as eliminating restrictions on the definition of gift cards to apply to all gift cards, regardless of their intended use, and clarifying the language regarding "fostering the sale of stolen property" to align with existing statutory definitions of receiving stolen property.

NATURE AND SOURCES OF SUPPORT:

[Christopher Davis, Vice President of Public Policy Connecticut Business & Industry Association](#)

Mr. Davis supports the bill but recommends including additional provisions for self-checkout theft in Section 3. He argues that self-checkout theft is a major issue for Connecticut retailers, contributing significantly to financial losses. The association feels that this problem has not been adequately addressed in the bill as it currently stands, and including provisions to address self-checkout fraud would better protect businesses.

[Wayne Pesce Connecticut Food Association \(CFA\):](#)

Mr. Pesce supports the bill as a crucial step in combating organized retail theft (ORT), gift card fraud, and the resale of stolen goods. However, he emphasizes the need for stronger penalties for fraud-related crimes to ensure accountability, especially when criminals engage in large-scale theft. His primary concern is that food retailers, who are facing rising security costs and safety risks, need more robust protections from these crimes. CFA urges the committee to strengthen the bill to provide better safeguards for food retailers.

[Jay Sargent President, CT Association of Pawnbrokers](#)

While Jay does not oppose the bill, he raises concerns about the definition of "stolen property" in Section 3, Subsection 19, particularly the use of the word "probably." He argues

that the term is too subjective and could lead to ambiguity in its application, especially for licensed pawnbrokers. CAP works diligently to avoid accepting stolen items by asking for receipts, questioning sellers, and conducting due diligence. However, they worry that the subjective nature of “probably” could result in misinterpretation, potentially harming their businesses. He recommends removing the word “probably” to ensure greater clarity and prevent any unintended consequences.

[John Erlingheuser Senior Director AARP Connecticut](#)

Mr. Erlingheuser strongly supports S.B. No. 1321, with a focus on the bill’s provisions aimed at addressing gift card fraud. This issue disproportionately impacts older adults. AARP represents nearly 550,000 members in Connecticut and has made it a priority to advocate for consumer protection, particularly in preventing financial exploitation through gift card scams. He emphasize the increasing frequency of such fraud, where scammers target vulnerable populations by coercing individuals to buy gift cards under false pretenses. AARP supports the bill's enhancements to existing laws, including penalties for fraudulent gift card activities and the establishment of civil liabilities for the sale of stolen property. Furthermore, AARP advocates for additional measures, such as requiring merchants to post fraud warnings at the point of sale and mandating employee training to identify and prevent gift card fraud. These provisions are seen as essential for protecting consumers from rising scams and fraud

[Howard Handler, Senior Director of Strategy, Policy, and Government Affairs National Insurance Crime Bureau](#)

Mr. Handler supports the bill and states that it is a crucial step in combating stolen property sales and organized crime. However, while the NICB is advocating for the bill, opposition could come from parties who think this might place too much burden on online platforms or increase the responsibilities of businesses. NICB emphasizes that criminalizing the fostering of stolen property sales could have broader implications for businesses, particularly online sellers, who may unintentionally facilitate these transactions. However, no explicit opposition from NICB is noted in their testimony.

[Tim Phelan, President, Connecticut Retail Network \(ORC\)](#)

Mr. Phelan supports S.B. No. 1321 because the bill addresses the critical issue of organized retail crime (ORC) that is increasingly affecting retailers and consumers in Connecticut. The organization represents over 42,000 retail establishments across the state, which contribute significantly to the state's economy. Supporters, like the Connecticut Retail Network, believe the bill will provide law enforcement with the tools necessary to prosecute ORC more effectively, which is essential given the increasing frequency and violence of these crimes. The network points to the growing prevalence of criminal rings that not only steal goods from multiple retailers but also endanger public safety, as these groups often engage in additional illegal activities such as drug trafficking and money laundering. The bill’s provisions are seen as necessary for enhancing law enforcement's ability to dismantle these criminal operations and provide stronger protections for consumers and store employees.

NATURE AND SOURCES OF OPPOSITION:

[Trevor Vroom Office of Chief Public Defender](#)

Mr. Vroom opposes the bill and points out that the bill creates new crimes without considering the value of the gift cards involved, which could result in felony charges for relatively minor

offenses. The current statutory framework for larceny already considers the monetary value of stolen property when determining penalties. He states that by creating new offenses independent of these thresholds, the bill may lead to harsher penalties for minor infractions, such as tampering with a low-value gift card. They OCPD recommends aligning the new offenses with existing larceny definitions to ensure fairer and more proportionate punishment for crimes involving gift cards. They request that the Committee either amend the bill to reflect these concerns or take no action on the current draft.

[Jess Zaccagnino The American Civil Liberties Union of Connecticut \(ACLU-CT\):](#)

Jess Zaccagnino opposes Raised S.B. No. 1321, citing concerns about its potential to contribute to mass incarceration. The ACLU-CT argues that creating new crimes with increased penalties, as proposed in the bill, will not effectively reduce retail crimes and will only exacerbate the problem of over incarceration. They emphasize that longer prison sentences have been shown to be counterproductive for public safety. The organization urges the Public Safety Committee to reject the bill, urging a focus on reducing the number of individuals entering the criminal legal system and shortening prison terms for non-violent offenses

Reported by: Danny Pina

Date: 3/28/25