

FOR IMMEDIATE RELEASE

December 7, 2021

Contact: Jackie Thornhill: jackie.thornhill@sfgov.org | Cell: 818.636.5150

San Francisco Board of Supervisors calls on Congress to pass H.R. 5502 – the INFORM Consumers Act with no further amendments

San Francisco Board of Supervisors passes resolution by Supervisor Rafael Mandelman calling on Congress to pass H.R. 5502, the INFORM Consumers Act, with no further amendments, to hold e-commerce companies accountable for the sale of stolen goods.

SAN FRANCISCO — In an effort to address escalating organized retail theft, the San Francisco Board of Supervisors unanimously approved a resolution by District 8 Supervisor Rafael Mandelman calling on Congress to pass H.R. 5502, the INFORM Consumers Act, with no further amendments.

“The more I learn about organized retail theft, the more concerned I’ve become about the role that large online marketplaces play in facilitating the sale of stolen goods at an unprecedented scale,” said Mandelman. “It’s one thing for brick-and-mortar retailers to face fair competition from new business models, it’s another issue entirely when that competition comes in the form of one business profiting off another’s stolen merchandise.”

The Coalition of Law Enforcement and Retail estimates that organized retail theft is a \$45 billion, nationwide industry. CVS alone expects to close more than 70 e-commerce cases with Amazon this year, totaling over \$100 million in stolen goods sold on the online marketplace.

In March, Senator Dick Durbin introduced the INFORM Consumers Act, which would require online marketplaces to collect, verify, and disclose certain information from high-volume, third-party sellers. The INFORM Act would also require online marketplaces to make certain information about high-volume sellers available to consumers through the sellers’ product listings and provide consumers with methods to report any suspicious activity.

“The ongoing issue of retail theft at our stores puts our employees and customers in harm’s way,” said Safeway spokesperson Wendy Gutshall. “We fully support the INFORM Consumer Act and Supervisor Mandelman’s resolution to put in safeguards and deterrents to these criminal acts.”

E-commerce companies lobbied against the INFORM Act, delaying it for months and resulting in a compromise bill - H.R. 5502. The latest version of the INFORM Act would still represent an important step toward holding e-commerce companies accountable for their facilitation of the sale of an immense amount of stolen goods.

“We need to get to the root cause of this shoplifting issue. We need to hold these re-sellers accountable and shut-off these channels,” said Dan Larson, President of United Food and Commercial Workers Local 648. “We have had 17 stores close due to the prolific shoplifting and

it needs to stop. The INFORM Act is a step in the right direction.”

In addition to this resolution addressing the online resale market for stolen goods, Supervisor Mandelman recently convened a meeting with Chief Scott, DA Boudin, and representatives from Safeway and United Food and Commercial Workers to address organized retail theft at Safeway Stores in San Francisco. In the weeks since, Safeway has collaborated with SFPD on best practices, employee training, and other key areas. Supervisor Mandelman’s office has also met with representatives from Walgreens to discuss the impact of organized retail theft on their stores and offer assistance in coordinating with SFPD and the DA’s office.

There is a lot of responsibility to go around when it comes to organized retail theft, and as San Francisco works to take responsibility for our share of the problem by improving coordination between law-enforcement, retailers, and prosecutors, we need e-commerce companies to take responsibility for their share of the problem by stepping up verification requirements for sellers and complying with the INFORM Act.

###