

TESTIMONY FOR HOUSE BILL ON RETAIL THEFT

I'M MARC SHERMAN - M-A-R-C S-H-E-R-M-A-N AND I AM A FOUNDING OWNER OF OUTDOOR GEAR EXCHANGE IN BURLINGTON

THANK YOU ALL FOR SPONSORING THIS BILL AND FOR TAKING THE TIME TO HEAR MY TESTIMONY

OUTDOOR GEAR EXCHANGE HAS BEEN IN DOWNTOWN BURLINGTON SINCE WE OPENED IN 1995. AS YOU KNOW, RETAIL THEFT, OR LOSS, IS UNFORTUNATELY PART OF DOING BUSINESS AS A RETAIL STORE. WE HAVE SEEN LOSS FROM OUR EARLY YEARS AND HAVE SEEN IT INCREASE WITH EACH OF OUR EXPANSIONS THROUGH THE YEARS.

SHOPLIFTING HAS ALWAYS BEEN AN ISSUE IN OUR CURRENT LOCATION - IN FACT BOTH OLD NAVY AND LL BEAN HAVE LEFT BURLINGTON FOR WILLISTON IN PART DUE TO THE RAMPANT SHOPLIFTING THEY WERE EXPERIENCING DOWNTOWN AND THE CVS AND WALGREENS HAVE HAD THE HIGHEST RATES OF THEFT OF THEIR CHAINS NATIONALLY.

WE TOOK OVER OLD NAVY'S SPACE IN 2011 AND HAVE SEEN THEFT INCREASE IN OUR LOCATION ON CHURCH STREET, BUT IN THE PAST TWO YEARS WE HAVE SEEN A MARKED INCREASE IN RETAIL THEFT - BOTH IN THE FREQUENCY AND EXTENT OF OUR LOSSES. LAST YEAR AFTER THE NEW YORK TIMES PUBLISHED THEIR ARTICLE ON BURLINGTON'S BIKE THEFT PROBLEM I SPOKE TO CITY COUNCIL MULTIPLE TIMES MAKING IT CLEAR THAT OGE WAS EXPERIENCING ABOUT \$200,000 A YEAR IN KNOWN RETAIL GOODS BETWEEN ORGANIZED AND

"NORMAL" SHOPLIFTING - AND ESTIMATE THE TOTAL (INCLUDING LOSS THAT WE DON'T SEE OR KNOW ABOUT) AT \$400,000 PER YEAR. THESE FIGURES HAVE INCREASED SUBSTANTIALLY IN THE PAST YEAR. IN 2022 TO TRY AND MITIGATE THESE LOSSES WE HIRED OUR OWN SECURITY AT \$2,000/WEEK TO HELP REDUCE THESE LOSSES AND PROTECT OUR STAFF. WE SPEND AT LEAST \$100,000 / YEAR ON OUR OWN LOSS PREVENTION TEAM AND ALL THE HARD TAGS WE HAVE BUY, PUT ON, AND REMOVE AND STILL EXPERIENCE THESE LOSSES. COMBINED, WE ARE LOSING IN EXCESS OF \$500,000 DUE TO RETAIL THEFT AND THE COSTS OF TRYING TO PREVENT IT.

THIS IS NOT SUSTAINABLE AND CALLS OUR PRESENCE IN DOWNTOWN AND AS A BUSINESS AT ALL INTO QUESTION. FURTHERMORE, I'D LIKE TO COUNTER THE VIEW THAT RETAIL THEFT IS NOT A VICTIMLESS CRIME AS OUR LOSSES AMOUNT TO HUNDREDS OF THOUSANDS OF DOLLARS ANNUALLY THAT WE ARE NOT ABLE TO INVEST IN FUTURE GROWTH, STAFFING, WAGE INCREASES FOR OUR EXISTING STAFF, AND OUR FUNDING FOR COMMUNITY RESOURCES AND NON-PROFITS.

OVER THE PAST YEAR, IN EFFORTS TO STOP WOULD BE THIEVES AND OR RECOVER LOST GOODS MY STAFF HAVE BEEN THREATENED WITH BEING FOLLOWED HOME, WITH THREATS OF ATTACK, MORE THAN ONE EMPLOYEE WAS HIT AND AND WE'VE HAD SEVERAL INCIDENTS OF OUR STAFF BEING SPIT ON BY PEOPLE WE TRY TO STOP FROM LEAVING THE STORE WITH GOODS THEY HAVEN'T PAID FOR.

THE MAJORITY OF OUR OBSERVED THEFTS ARE FROM REPEAT OFFENDED THOUGH ALWAYS FOR LESS THAN \$900. THAT BEING SAID, IN AGGREGATE, EACH OF THESE OFFENDERS HAS STOLEN MUCH MORE THAN \$900 FROM US. WE HAD ONE CASE OF SOMEONE STEALING \$2,000 FROM US OVER THE COURSE OF TWO WEEKS. PLEASE NOTE, THESE FIGURES ARE FOR OGE ONLY - I HAVE NO DOUBT THAT THESE SAME CHARACTERS HAVE STOLEN FROM MANY OTHER RETAILERS IN AND AROUND BURLINGTON. OUT OF THOSE WE HAVE MANY INDIVIDUALS WHO HAVE BROKEN THEIR TRESPASSES MORE THAN 10 TIMES. TO BE SURE, WE HAVE BEEN PART OF A PRIVATE GROUP SHARING LEADS AND INFORMATION ABOUT RETAIL THEFT ON THE STREET. TO REPEAT, LOCAL BUSINESS HAVE HAD TO BAND TOGETHER TO HELP EACH OTHER AVOID THESE LOSSES.

SOMETHING ELSE I'LL ADD IS THAT A LOT OF THESE INDIVIDUALS HAVE A CERTAIN LEVEL OF ENTITLEMENT BECAUSE THEY RARELY FACE CONSEQUENCES FOR THEIR ACTIONS. THEY'RE NOT AFRAID TO KEEP COMING BACK BECAUSE EVEN IF WE'RE ON THEM AND KICK THEM OUT, THEY WILL KEEP COMING BACK UNTIL THEY DO SOMETHING THAT TRIGGERS A SPEEDY POLICE RESPONSE, TYPICALLY ASSAULTING ONE OF MY STAFF. SO BASICALLY IT FEELS LIKE A LOT OF THE TIME WE HAVE TO WAIT UNTIL A REPEAT OFFENDER ATTACKS US FOR SOMETHING TOO EFFECTIVE TO HAPPEN TO THEM AND EVEN THEN, THE CURRENT LAWS HAVE SIGNIFICANT LIMITATIONS.

OUR HANDS ARE STILL VERY MUCH TIED WITH ATTEMPTS TO KICK PEOPLE WHO ARE TRESPASSED. HEARING THAT THE ACLU'S THREATS HAVE LED TO THE CITIES ATTORNEY RECOMMEND WE DON'T ENFORCE EXISTING LAWS. DON'T ENFORCE THE LAW - COMING FROM THE CITY'S ATTORNEY - THIS HAS CONTRIBUTED TO THE SENSE OF LAWLESSNESS - WHICH IS NOT UNIQUE TO BURLINGTON. WHEN ASKED ABOUT WHY THIS WASN'T A PROBLEM IN SARATOGA, NEW YORK, A SARATOGA RESIDENT EXCLAIMED THAT THEY SEND THEM TO BURLINGTON WHERE THEY CAN GET AWAY WITH THESE BEHAVIORS.

WE KNOW THE BPD DOESN'T HAVE THE RESOURCES IT NEEDS BUT A BIG PART OF THE PROBLEM IS THAT NEITHER DO THE PROSECUTORS. WHERE THIS BILL STANDS TO HELP US IS BY GIVING PROSECUTORS THE ABILITY TO TRY AND IDEALLY INCINERATE THOSE WHO ARE CURRENTLY AWARE OF THE \$900 LIMIT AND KNOW TO STAY INSIDE OF IT. IF THOSE INDIVIDUALS WERE HELD ACCOUNTABLE, AS THEY WOULD BE UNDER THIS NEW BILL, WE EXPECT WE WOULD SEE A SIGNIFICANT DROP IN THESE LOSSES NEARLY IMMEDIATELY.

I'LL ALSO ADD THAT THE BEHAVIORS ASSOCIATED WITH THE CRIMES AND BY THOSE STEALING FROM US AND SUPPORTING THE MOVEMENT OF STOLEN GOODS, BURLINGTON HAS SEEN A MARKED DECREASE IN FOOT TRAFFIC AND THIS IN RETAIL SALES. THROUGH THE HOLIDAY SEASON WE SAW DECREASES IN FOOT TRAFFIC OF 30-40%. LET THAT SINK IN: OUR HOLIDAY SALES IN BURLINGTON WERE 30-40% DURING THE PERIOD OF THE YEAR WHEN

MOST RETAIL BUSINESSES MAKE THEIR PROFIT FOR THE YEAR. THIS YEAR, IN AN EFFORT TO COUNTER THOSE REDUCTIONS IN TRAFFIC AND SALES WE OPENED A SATELLITE STORE IN THE ESSEX EXPERIENCE AND CONTINUALLY HEAR THAT PEOPLE SIMPLY DIDN'T WANT TO GO TO BURLINGTON ANYMORE BECAUSE OF THE DOWNTURN IT WAS EXPERIENCING. WITHIN A WEEK OF OPENING IN ESSEX WE'VE SEEN SEVERAL INCIDENTS WHERE THE STORE HAS BEEN CASED AND THEN SOMEONE CAME IN AND QUICKLY GRABBED AN ARMFUL OF GOODS. THIS HAS HAPPENED MULTIPLE TIMES IN THE 2-5 MONTHS WE'VE BEEN OPEN.

TO BE SURE, BURLINGTON IS STILL THE QUEEN CITY BUT IF WE DON'T GET RETAIL THEFT AND THE ASSOCIATED BEHAVIORS UNDER CONTROL IT WILL BE A STEADY DECLINE. IN THE PAST YEARS MOST RETAILERS HAVE BEEN CLOSING EARLIER AND RESTAURANTS HAVE BEEN CLOSED FOR ONE OR TWO DAYS A WEEK (SOMETHING I HAVEN'T SEEN IN BURLINGTON UNTIL RECENTLY). THESE CHANGES JUST ADD TO THE REASONS PEOPLE WON'T COME DOWNTOWN AND WITH FEWER SHOPPERS, DINERS, OFFICE WORKERS, AND RESIDENTS DOWNTOWN BURLINGTON AND OTHER CITIES IN VERMONT WILL SIMPLY NOT BE ABLE TO SUPPORT THE VIBRANT LOCAL RETAIL AND HOSPITALITY EXPERIENCES WE ARE KNOWN FOR. - AND THAT LOSS WILL TAKE YEARS TO RECOVER FROM