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Virginia House of Delegates

Virginia House Commerce and Energy Committee, Subcommittee #4

Good afternoon -- Chairman Head and Members of the Subcommittee,

My name is Brian Gamberini and I'm the Sr. Manager, State and Local Government Relations for The Home Depot here in Virginia. I'm also a resident of the Commonwealth in the Fairfax County.

On behalf of our over 8,7000 associates across the state of Virginia, I am here today to voice support for S.B. 341 – a bill establishing requirements for third-party high-volume sellers to protect consumers in Virginia – patroned by Senator Barker.

Organized retail crime (ORC), a \$68.9 billion industry, puts Home Depot associates in harm's way, leaves consumers at risk of unknowingly buying potentially unsafe and tampered goods, and undermines legitimate businesses by forcing them to compete against deceptively cheap products. The lucrative nature and ease with which stolen goods can be sold via online marketplaces has created organized criminal rackets, which are often connected to other criminal activities such as human trafficking, drug trafficking, corruption, bribery, and money laundering.

As criminals become more brazen, the threats to Home Depot associates and customers have increased. While the recent rash of smash-n-grab incidents has drawn attention across the country, Organized Retail Crime has been a long-term problem for retailers like The Home Depot and businesses across Virginia of all sizes. SB 341 gets at the incentive of organized retail crime; the ability to sell stolen products easily, quickly, and anonymously online.

Under SB 341, high-volume sellers are being asked to provide six basic pieces of information that any legitimate business would be willing to share. This information would be verified by the online marketplaces – some of the most technologically advanced companies in the world – and then under this bill, certain pieces would be disclosed to consumers in the Commonwealth, so they know who and where they are making purchases. Consumers would also have verified contact information in case they need to contact the seller about a damaged or defective product.

SB 341 is setting a basic verified seller standard to ensure legitimate small businesses can use the Internet to reach customers around the globe, and bad actors can be identified and stopped.

Law enforcement in Virginia needs all the tools and resources available to investigate, track and prosecute organized criminal activity that target businesses of all sizes. SB 341 gives law enforcement that additional tool to go after organized retail crime.

Over twenty other states are considering similar legislation and the US Congress has a version of the INFORM Consumers Act under consideration – language that this bill is modeled from. While a federal solution would be ideal, Virginia cannot wait for the US Congress to act, and continue to allow criminals to take advantage of vulnerable Virginians and businesses.

I ask that you support SB 341 and thank you for your time. I would be happy to take any questions.