



Performance Note
HB0424 - State Economic Loss
Task Force
Sponsor: Rep. Hutchings, Eric K.



Performance Note Report

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Agency: Attorney General

Funding For:

New Services or Benefit

Public Benefit:

Purpose: This new unit will have a directed approach to investigations and the scope of work performed. Currently there is not a sworn law enforcement investigative body that regularly audits or investigates pawn shops and other second-hand merchants. Recent investigations by the Utah Attorney General's Office Investigations Division revealed that some pawn shops are acting as fencing locations for this stolen property. This unit would regularly conduct both audits, as outlined in statute, and criminal investigations into the pawn and second-hand merchant industry. These investigations would be generated by developing relationships with retailers and utilizing the existing Pawn Database to identify individuals who may be stealing as a sole means to support themselves. This unit will also develop relationships with the pawn board and second-hand merchant industry to make them aware of individuals who may attempt to utilize their store to sell their product. This unit will also review online merchant sites for individuals who may be attempting to sell large quantities of stolen goods. Some of these include, Ebay, KSL.com, Offer Up, Let it go, Facebook Classifieds etc. This unit can identify these individuals and conduct an investigation possibly leading to arrests and convictions of these offenders. Recent information revealed that large quantities of property that are brand new and still in the box are being sold at Swap Meets. This unit will identify these individuals and investigate them. Multiple reports are made each year to law enforcement regarding Intellectual Property rights. Some examples of these investigations include pirated copies of popular exercise videos and Disney movies. Previous investigations have revealed that these types of cases can be lucrative for criminals who sell this media. This also creates a substantial loss for merchants. A variety of complaints have been filed regarding gambling in a variety of forms, using games or kiosks that are based largely on chance. This unit can investigate these businesses, checking for compliance with state law or eliminating the business.

Services: The services provided create a full-time unit consisting of a specialized prosecutor that can prosecute cases over the entire state of Utah, a full time paralegal to help in preparing documents, discovery requests and prepping for trial. Six full time investigators from a variety of agencies. This will provide a larger footprint of expertise around the state of Utah. The investigators assigned to this task force will have unique skill sets and disciplines from different law enforcement agencies increasing the impact for the state.

Expected Outcome: The expected outcomes include being another reason that businesses want to come to Utah. This unit is specifically designed to protect their property and keep Utah's free open market competitive. By creating this unit, we minimize the likelihood of Organized Retail Crime. We develop relationships with retailers and help them with shrink problems, we work with online retailers training them to be aware that their platform may be used for criminal activity and being willing to investigate leads when they provide them. Other expected outcomes include working with the Pawn and second-hand merchant industry, communicating with them regularly so they are aware of certain products that may be presented to them and being the unit they call to report suspicious behavior. This unit can provide training to individual agencies, assist on investigations and help with prosecution of a variety of issues regarding organized retail crime. The State of Utah will realize an increase of sales tax revenue generated by traditional transactions. And finally, by assisting businesses with a means to apprehend and prosecute criminals, businesses may lower their marks ups that cover shrink loss and pass those saving on to consumers.

Implementations and Resources: The funding for this bill is outlined in the fiscal note. The funding secures the salary and benefits package for eight FTEs based on skill set. The rest of the funding covers the cost of vehicles, and necessary equipment to conduct these sophisticated investigations.

How: The funding will be spent on manpower and equipment needs to facilitate this unit.

Performance Measures

Goal

Title: Our goal is to protect the economy of the State of Utah by being an advocate, investigative resource and prosecutorial entity for businesses by enforcing criminal laws that pertain to the safety and integrity of commerce throughout Utah.

Description: The mission of this strike force is to strengthen the confidence of both consumers and businesses in our state. This will be done by investigating and prosecuting businesses or individuals that are actively engaging in criminal activity that threaten the strength of the Utah economy and to ensure integrity during both commerce and trade.

Collection Method: The strike force shall make an annual report on its activities to the Legislature's Law Enforcement and Criminal Justice Interim Committee by December 1, together with any proposed recommendations for modifications to this section.

	2019	2020	2021
Target	0.00	0.00	0.00
Baseline	0.00	0.00	0.00

By rule, performance notes are provided by the governmental entity that will supervise the new agency or administer the new program. Performance notes are not written by the Office of the Legislative Fiscal Analyst.