



ATTORNEY GENERAL WILLIAM TONG
STATE OF CONNECTICUT

Testimony in Support of Senate Bill No. 257: *An Act Concerning High Volume Third-Party Sellers On Online Marketplaces*
Public Safety and Security Committee
Thursday, March 17, 2022

Chairwoman Horn, Ranking Member Champagne, Chairwoman Osten, Ranking Member Howard, and distinguished members of the Public Safety and Security Committee, thank you for the opportunity to testify before you today on SB 257, *An Act Concerning High Volume Third-Party Sellers On Online Marketplaces*.

The Office of the Attorney General (“Office”) supports this legislation, which seeks to require high volume third-party sellers on online marketplaces to disclose certain information on the marketplaces and to consumers. If passed into law, SB 257 will be an important first step to combat the growing problem of smash-and-grab thefts in which large quantities of relatively inexpensive goods are stolen and then resold online.

As much as \$68.9 billion worth of products were stolen from retailers in 2019 or about 1.5% of total retail sales. In Connecticut, the [problem is estimated to cost about 8,000 jobs and more than \\$169 million in lost tax revenue each year](#). Organized retail crime is not your run-of-the mill shoplifting. Reportedly crime rings, often operating across state lines, recruit local residents to participate in the theft of large quantities of these everyday products. Now, instead of taking the stolen goods to a pawn shop or selling them off the back of a truck, these sophisticated organizations lease warehouses and list the goods for sale on the major online platforms, and they electronically fence the products.

The Governor and I recently announced the Connecticut Organized Retail Crime Task Force (ORCT), charged with combating the growing problem of organized robberies at brick-and-mortar retailers. The ORCT will include representatives from my office, the Department of Emergency Services and Public Protection, local law enforcement, consumer protection officials and officials from large retailers such as CVS. The ORCT is establishing the coordination and collaboration between retailers, law enforcement and online marketplaces necessary to identify the organizations behind these thefts and prevent them from reoccurring. However, this problem must be dealt with on both the supply side and the demand side. SB 257 is a good first step to addressing the problem of the ease with which criminals can resell their stolen wares through online retailers.

This bill has benefitted from the thoughtful input of various stakeholders. By providing that non-compliance is a *per se* violation of Connecticut’s unfair trade practices act, the bill opens the courts to Connecticut’s brick-and-mortar business owners who are victimized by these thefts to bring civil actions. The bill also enables our Office to appropriately investigate potential violations and pursue penalties and injunctive relief where circumstances warrant.



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Once again, we appreciate the opportunity to weigh in on this important bill and support its passage. We look forward to working with the Committee as the bill progresses.

For additional information, please contact Cara Passaro, Chief Counsel to the Attorney General and Director of Legislative Affairs at cara.passaro@ct.gov.