

NEWS ADVISORY



Attorney General Edmund G. Brown Jr.
California Department of Justice
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Retail Burglary Scheme Busted

SAN DIEGO—California Attorney General Edmund G. Brown Jr. today announced that two Texan shoplifters will be arraigned today on commercial burglary charges for buying and returning \$375,000 in stolen goods at retailers including Williams-Sonoma, Pottery Barn, Victoria's Secret and Gap across 34 states.

Commenting on today's arraignment, Attorney General Brown said, "This was not petty theft—these sophisticated rip-off artists bought and returned items in 34 states and racked up tens of thousands of dollars on 27 debit cards."

The suspects, Varee Hayes-Malone, 32, and Terrance Malone, 32, were arrested in San Diego last Thursday night after investigators tracked more than 2,000 fraudulent transactions during the past four years. The thieves defrauded retailers using a complicated refund and exchange process involving 27 different credit and debit cards. The suspects moved from store to store, returning more items than were originally purchased to exact profit. The suspects repeated this process—shifting goods and credit cards from store to store—ultimately bilking retailers out of more than \$375,000.

Most of the thousands of returned items were physically-small and expensive items. At Williams-Sonoma stores, for example, the suspects purchased 19 salt and pepper mills and 8 wine openers at \$139 each, but returned 387 mills and 89 wine openers. At \$75 for the mills and \$139 for the wine openers, the suspects bilked the store out of \$38,859 during this one transaction alone.

Under the scheme, the suspects first returned items previously purchased while simultaneously buying new items with store credit during the same transaction. The suspects then returned the new items at different retail locations using the old receipt. The net result of the two transactions was a credit for more than was originally charged and an equivalent credit and debit for the first transaction.

The pair will be arraigned in San Diego Superior court, case CD210415, today at 1:30 p.m. in Department 12. Bail has been set at \$350,000 for each defendant.

The 35 count felony complaint and the declaration in support of the arrest warrant are attached.

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