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FOR IMMEDIATE RELEASE

ORGANIZED RETAIL THEFT RING, TARGETING LOWES AND HOME DEPOT STORES IN THREE COUNTIES, BROKEN UP WITH ARRESTS



JOSEPH A. PAYEA



PENELOPE L. McCLAIN

NORRISTOWN, Pa. (June 3, 2022) — Montgomery County District Attorney Kevin R. Steele and Lower Pottsgrove Township Police Chief Rick Bell announce the arrests of Joseph A. Payea, 67, and Penelope L. McClain, 49, both of Macungie, and three other defendants on felony charges related to an organized retail theft ring operating in Montgomery, Lehigh and Berks counties.

The investigation began in December 2021 when Lower Pottsgrove Police determined that recent retail thefts in their area were not isolated acts but instead were being committed by a network of individuals acting together to steal various items. The ensuing investigation found that Payea and McClain were the leaders of the corrupt organization. Payea would use social media or texts to provide shopping lists of desired merchandise to a group of individuals suffering from substance use disorder, who obtained the merchandise by stealing it, primarily from Lowe's and Home Depot stores. The theft ring stole a variety of merchandise, which included Milwaukee power tools, Dewalt power tools, generators and electrical wire, which were then resold at below market value, typically 60 to 80 percent of the retail value, using Facebook Marketplace, personal sales and through high-volume "mud sales." Payea and McClain paid cash for the stolen merchandise, paying approximately 40 to 50 percent of the merchandise's retail value. The investigation found that the sub-

operators of the corrupt organization would then purchase illegal drugs such as heroin/fentanyl with the cash, thereby furthering their addiction.

“This was a high-volume organized retail theft ring that caused the targeted businesses to suffer significant losses, both through the thefts themselves and through the loss of customers who bought the stolen merchandise from the defendants. At one point, the two main defendants made more than \$50,000 in one day’s sale of stolen items at a mud sale. That is a significant loss for any business to withstand on an ongoing basis,” said DA Steele. “Additionally, the fact that the corrupt organization was using individuals suffering from addiction is unconscionable and furthered their addiction to poisons.”

The investigation involved the Montgomery County Detective Bureau, Lower Pottsgrove Township Police, Pennsylvania State Police and Lehigh County Detective Bureau, with assistance from loss prevention units of Home Depot and Lowes, due to those stores being targeted by the organized retail theft ring. This criminal investigation included the use of physical surveillance, fixed surveillance, cellphone call detail records, cell site analysis, search warrants and undercover buys of stolen items.

At the time of the arrests of the Payea and McClain, search warrants produced a large quantity of tools, mostly new, in unopened, store-packaged boxes. More than 500 tools and tool components, approximately 50 chainsaws and 67 spools of electrical wire, as well as other stolen merchandise, were seized. Loss prevention experts evaluated the seized merchandise, scanning the UPC codes to determine retail price and originating store. They estimated the total retail value of the seized merchandise to be \$99,721.53. Additionally, an additional \$88,444 in cash was seized, which included some marked bills used in a controlled purchase of stolen merchandise.

Both Payea and McClain were arrested and charged with charges of operating a Corrupt Organization, Conspiracy, Dealing in the Proceeds of Unlawful Activities, Organized Retail Theft, Criminal Use of a Communications Facility, Receiving Stolen Property, Criminal Solicitation to Commit Retail Theft and related charges. The defendants were arraigned on June 2, 2022 by Magisterial District Judge Edward Levine who set bail at \$500,000 unsecured for Payea and \$250,000 unsecured for McClain. A preliminary hearing is scheduled for 10 a.m., June 15, 2022, before Magisterial District Judge James P. Gallagher.

The case will be prosecuted by Assistant District Attorney Kelli McGinnis.

Approved for release:

Kevin R. Steele

CRIMINAL CHARGES, AND ANY DISCUSSION THEREOF, ARE MERELY ALLEGATIONS AND ALL DEFENDANTS ARE PRESUMED INNOCENT UNTIL AND UNLESS PROVEN GUILTY.