



# RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

## H5637 - SUPPORT

25 March 2025

Dear Chairman Craven and Committee Members:

The Rhode Island Liquor Operators Collaborative supports House Bill 5637.

Over the last two decades, electronic payments, such as the in-person use of debit and credit cards, have become the dominating payment method in the retail marketplace. Credit and debit card use, although popular before the COVID-19 pandemic, exploded from 2020 and beyond, with many retailers reporting their transaction volume percentages have reached 85% electronic payment versus 15% cash, up from a 70/30 split pre-pandemic.

While counterfeit bills have always been, and still are, a risk for retailers, sophisticated electronic payment fraud schemes have proven to be even costlier. Rhode Island Class A Alcohol Retailers participate in an informant group whose sole purpose is to notify one another about occurring payment fraud and theft. The frequency of electronic payment fraud cases is troubling, with many incidents reported of individuals or groups attempting to pay for premium merchandise totaling in the hundreds to thousands of dollars using fraudulent methods. After accepting a fraudulent electronic payment, retailers don't know a fraudulent sale has occurred until a chargeback is reported from the electronic payment processor. At that point, the offender is "in the wind" and very difficult to track down. Unfortunately, retailers are left to foot the, oftentimes very expensive, bill.

**Adding "debit cards" to the language of the existing statute is beyond appropriate, however, a better amendment would include using the terminology "electronic payments" to anticipate new players, such as Apple Pay and Venmo, in the payments space.**

Sincerely,

A handwritten signature in black ink, appearing to read "Nicholas A. Fede, Jr.", written in a cursive style.

Nicholas A. Fede, Jr.

Executive Director

Rhode Island Liquor Operators Collaborative