



1155 F Street, N.W. • Suite 400 • Washington, DC 20004
(202)393-4400 • Fax: (202)393-4414

April 24, 2025

The Honorable Robert E. Craven, Sr.
Chair, House judiciary Committee
Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Chairman Craven and members of the House Judiciary committee -

On behalf of The Home Depot's 8 stores and nearly 1,500 associates in the state of Rhode Island, I am here today to offer **our strong support of House Bill 6212**, which we believe will significantly aid in the ongoing fight against organized retail crime and one of its latest evolutions: gift card fraud.

Communities across the country have been grappling with organized retail crime and its funding and fueling of broader criminal activities for some time now. While retailers continue to implement numerous preventative measures, sophisticated fraudsters adapt quickly, and have begun to target one of the retail community's most purchased products: gift cards.

The scheme works like this: organized groups pocket inactivated gift cards from retail establishments, record their identifying numbers, place those cards back on retail shelves, and wait for the cards to be loaded. Once loaded, they drain the funds - leaving the gift card recipient without any funds, the gift card giver short their money, and the retailer left to account for the fraud. The organized groups then purchase goods using the funds from the scheme, and resell them at a profit - often to fund other known connected crimes like human trafficking, drugs, and the like. Moreover, consumer confidence in retailers takes a hit when the gift card they gave to their aunt, nephew, cousin, or friend is suddenly valueless.

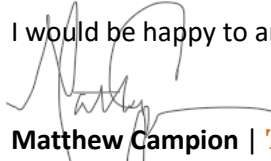
As is the case with the evolution of organized crime, our laws need to be strengthened to enable law enforcement and prosecutors to aggressively combat this kind of crime. The sophisticated nature of these schemes - groups of individuals working in an organized fashion, sometimes with thousands of gift cards in play, recorded databases of card numbers, and computer scripts that run balance checks to verify when funds are loaded - demands stiff penalties to deter bad actors and hold wrongdoers accountable.

The retail industry is therefore engaging with lawmakers like this committee to close loopholes that are being exploited currently (i.e. the gift card as "valueless" when not activated), to classify gift card fraud, scams, and tampering as a crime and assign the greatest value to stolen gift cards, ensuring consumers retail access to secure and trusted gift card products.

Similar bills are being taken up in states across the country. Kentucky, Ohio, Utah, and Arkansas have recently signed similar language into law, and our neighbors - Connecticut and Massachusetts - are considering proposals. And while this activity indeed occurs across state lines, it is also happening right in our backyard (Narragansett, South Kingstown in recent news) - impacting our communities, our customers, and our associates.

We request that the committee consider H. 6212 as a necessary and expeditious step to protect consumers, and ensure the safe and sound continued use of gift cards by the retail industry.

I would be happy to answer any questions you may have.

A handwritten signature in black ink, appearing to read 'Matthew Campion', is positioned above the printed name.

Matthew Campion | THE HOME DEPOT

State and Local Government Relations

302-598-0796 | matthew_c_campion@homedepot.com

ORGANIZED CRIME RINGS ARE TAMPERING WITH GIFT CARDS



GIFT CARD
FRAUD
PREVENTION ALLIANCE

Law Enforcement Needs the Tools to Protect Consumers

HOW FRAUDSTERS TAMPER WITH GIFT CARDS

1



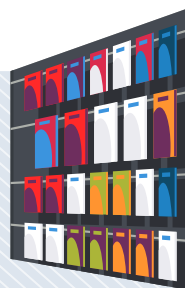
STEAL inactive gift cards from retail stores

2



TAMPER with gift card packaging to obtain card number and pin

3



RETURN tampered gift cards to retail store racks

4



DETECT through sophisticated methods when the consumer has purchased the gift card

5



DRAIN funds from the stolen gift card by purchasing merchandise that is later sold on the secondary market or returned for profit

HOW INDUSTRY IS PROTECTING CONSUMERS



STATE AND FEDERAL LAW ENFORCEMENT PARTNERSHIPS



ADVANCED DETECTION TECHNOLOGY



EMPLOYEE TRAINING



PUBLIC EDUCATION



INNOVATION AND SECURITY



ENCOURAGEMENT OF CONSUMER REPORTING TO LAW ENFORCEMENT

LAWMAKERS SHOULD PROTECT CONSUMERS BY

Criminalizing Gift Card Tampering

- ✓ Acknowledge that current laws are insufficient
- ✓ Pass legislation to classify gift card tampering as a forgery or theft crime
- ✓ Ensure law enforcement has the authority to prosecute crimes
- ✓ Fund law enforcement training to recognize and combat gift card tampering

Join us in the fight to stop gift card fraud and pass legislation today.