



Matthew C. Moynihan  
Chief of Police

## South Kingstown Police Department

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March 9, 2026

The Honorable Carol Hagan McEntee  
Chairwoman, House Judiciary Committee  
Rhode Island House of Representatives  
State House  
Providence, RI 02903

Dear Chairwoman McEntee,

I am writing to express my support for House Bill 8044 relating to gift card fraud. I would also like to acknowledge and thank Representative Baginski for introducing this important legislation to address a growing form of organized financial crime.

Gift card fraud schemes have become increasingly sophisticated and are frequently carried out by organized criminal groups that travel between communities targeting retail establishments. In many cases these groups operate across multiple jurisdictions and states, targeting retailers in coordinated efforts designed to exploit vulnerabilities in gift card systems. These individuals tamper with large numbers of gift cards displayed in stores and later access the funds once unsuspecting consumers purchase and activate them. These crimes can result in substantial financial losses to consumers and retailers and can be difficult to investigate and prosecute under existing statutes.

In South Kingstown, our officers investigated a case in February 2024 involving individuals engaged in a sophisticated gift card fraud scheme at CVS on Main Street. During that investigation, officers seized 1,848 suspected tampered gift cards from a vehicle and an additional 935 altered cards from the store display. These cards had been manipulated and placed back onto store racks in anticipation that unsuspecting customers would later purchase and activate them. The potential financial loss associated with those cards was substantial. Had the altered cards been returned to circulation and activated by consumers, the resulting fraud could have approached \$1 million.

While our officers were able to intervene before many consumers became victims, the case highlighted the challenges law enforcement and prosecutors often face when attempting to apply existing statutes to modern gift card fraud schemes. In this particular case, two defendants were initially charged with felony counts of forgery, counterfeiting, and conspiracy. However, the case ultimately resulted in both defendants pleading to the charge of keeping or maintaining a common nuisance and receiving a three-year deferred sentence. In practical terms, this outcome amounted to little more than a slap on the wrist for individuals who appeared to be part of a sophisticated multi-state organized criminal group. Had these individuals not been apprehended, the altered cards could have resulted in hundreds of Rhode Island victims and significant financial losses. Unfortunately, this type of organized gift card fraud is not unique to South Kingstown and is occurring in communities throughout our state and across the country.

Criminal activity of this nature fuels broader organized crime operations and contributes to the millions of dollars in fraud losses experienced across the country each year. The statutory changes proposed in this legislation would provide clearer tools for law enforcement and prosecutors to address these schemes by specifically criminalizing the possession, alteration, and fraudulent use of gift cards and associated redemption information. These provisions recognize the evolving methods used by organized retail crime groups and would strengthen our ability to intervene before significant financial losses occur.

At the same time, it is important to recognize that the intent of this legislation is not to target isolated incidents involving an individual who may possess one or two stolen gift cards. Existing theft statutes are already appropriate for those situations. Rather, this legislation is aimed at organized criminal organizations that engage in large-scale gift card fraud operations involving numerous cards and significant financial losses.

For these reasons, I believe these statutory changes are both necessary and appropriate to address a growing form of organized retail fraud that impacts communities throughout Rhode Island and across the nation.

I am happy to answer any questions you may have, and I thank you in advance for your support of this very important piece of legislation.

Sincerely,



Matthew C. Moynihan  
Chief of Police