



Testimony of Matthew Netto, AARP Rhode Island
In support of House Bill 8044
House Judiciary Committee
March 10, 2026

Chairwoman McEntee and Members of the House Judiciary Committee:

AARP is a nonpartisan, social mission organization with 38 million members nationwide and over 125,000 members here in Rhode Island. We advocate on behalf of issues that impact older adults, and we appreciate the opportunity to offer our support for making offenses against gift card holders subject to the penalties for larceny, as House Bill 8044 from Representative Baginski intends to do.

Scammers steal billions of dollars from unsuspecting consumers every year. The impact on victims and their families are wide reaching and can be financially and emotionally devastating, especially for older adults. Gift cards are frequently used as a payment method for fraud criminals. A 2022 AARP survey revealed that 1/3 of U.S. adults have been asked to purchase a gift card to pay a debt or obligation (which is always a scam) and nearly 1/4 of these individuals followed through with the request. That equals about 13 million U.S. adults ages 18 or older, and about 2 million 50+ adults.

According to the Federal Trade Commission, consumer-reported scams involving gift cards as the form of payment led to losses of \$212 million in 2024. Criminals prefer these cards because they are readily available, and most have high load limits. Retailers have inconsistent – and sometimes nonexistent – policies for spotting and intervening with consumers under duress.

Gift cards are utilized as the payment method in several forms of scams including social security scams, romance scams, IRS scams, grandparent scams, sweepstake scams and many more. In October of 2024 three men were arrested in southern Rhode Island for altering or tampering with over 2,000 gift cards.

Gift card tampering is a specific form of fraud that targets the prepaid cards often used for gifts or promotional purposes. This type of tampering typically involves altering the card's information or packaging to gain unauthorized access to the card's value. Common methods include scratching off the protective covering to reveal the card's PIN, re-sealing the packaging to make the card appear unused, or using electronic devices to capture and clone the card's data. These fraudulent activities can occur at various points in the distribution chain, from the manufacturing process to the retail environment, making it a widespread concern.

The consequences of gift card tampering for consumers are significant. Victims may find that their gift cards have been drained of value before they even have a chance to use them, leading to financial loss and frustration. Additionally, the process of disputing fraudulent transactions and seeking reimbursement can be time-consuming and may not make the victim whole. To address this issue, this legislation would target the possession, alteration, and schemes to obtain gift cards fraudulently, imposing harsher penalties on those caught engaging in such activities. By creating a legal framework that specifically addresses gift card fraud, this bill would help deter potential fraudsters and provide a clearer path for law enforcement to prosecute these crimes, ultimately protecting consumers from financial harm.

In conclusion, AARP Rhode Island strongly supports House Bill 8044 and respectfully asks that you recommend passage. Something must be done to hold these criminals accountable. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Matt Netto".

Matt Netto, AARP RI, Associate State Director of Advocacy
401-834-0524 / mnetto@aarp.org