European Financial Integrity Summit

Amsterdam 2025

15 May 2025





WELCOME! WELKOM!



Hannah Shimko Managing Director GCVA



Wendy Trienen Chair BVCNL

Thank you to our Sponsors



The GCVA & BVCNL Teams



Hannah Shimko Managing Director



Victoria Evans Head of Business Development and Engagement



Amberlie Ross-Scott Operations Director



Wendy Trienen Chair BVCNL



Edward Marshall Scheldt Business Development Administrator



Georgia Wellard Operations Manager

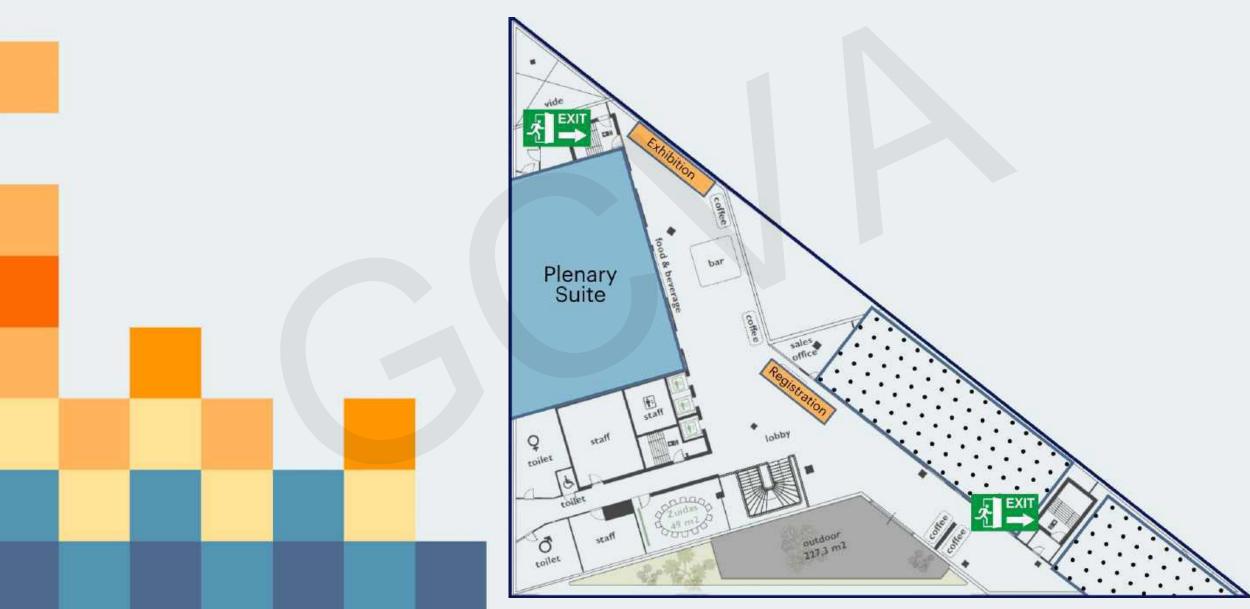


Rhiannon Whitehead Digital Content & Communications Executive



Rene De Wit Senior Industry manager BVCNL

HOUSEKEPING...



Agenda

- 9:40 Setting the Scene Why are we discussing risk, fraud-mitigation and financial integrity?
- 9:55 What's Happening as We Speak: Case Studies
- **10:35** Don't Panic! Working Together on Media Strategy
- 10:45 Morning break
- **11:20** Interpersonal Fraud: The Illusion & Reality
- **12.05** Looming Regulation: Learning from Abroad, Preparing for Change
- 12:35 Lunch & Networking
- 13:50 US Law Enforcement Briefing: Fraud Cases & Investigations
- **14:35** Gift Card Fraud: Spot It, Share It, Stop It: Law Enforcement, Information Sharing and Victim Support across Europe
- 15:15 Afternoon break
- 15:55 Icebreaker: Break the Pack with our Manufacturers
- 16:15 Fraud Prevention Solutions Showcase
- 17:25 Best Practice Update: European Guideline
- 17:35 Conference Close & Final Words
- 17:45 Drinks Reception sponsored by Intersolve
- **19:30** Close

Visit our Exhibitors



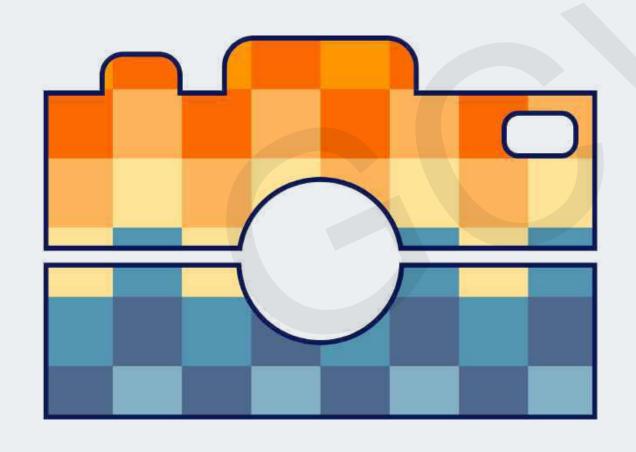








PHOTOGRAPHY



WORDCLOUD TIME

Where have you travelled from to join us today?



WORDCLOUD TIME

Why have you joined us at the European Financial Integrity Summit today?



Setting the Scene Why are we discussing risk, fraudmitigation and financial integrity?



Hannah Shimko Managing Director GCVA



Wendy Trienen Chair BVCNL

To view video, please watch the recorded catch up session

UK Consumers Experiences

Before today, were you aware that gift cards are sometimes associated with fraud or scams (e.g., being tampered with before purchase)?

Total	
No, I was not aware	43.1%
Not sure	11.0%
Yes, I was aware	45.9%

Have you ever read, seen, or heard any news stories or warnings about gift cards being used in fraud or scams?

	Total	
	No, never	46.1%
ls	Not sure	12.2%
	Yes, frequently	8.3%
	Yes, occasionally	33.4%

Have you, or anyone you know, ever been personally affected by a scam, fraud, or issue involving a gift card?

Total	
No, I have never experienced this	77.1%
Not sure	7.3%
Yes, I have personally experienced this	5.0%
Yes, someone I know has experienced this	10.7%

	Total	
Has your awareness or experience of gif	"No, it has not affected my decision"	60.0%
card fraud influenced your decision to	"Yes, but I take extra precautions when buying or using gift cards"	17.9%
purchase or use gift cards?	"Yes, I am now less likely to purchase or use gift cards"	13.7%
	Not sure	8.4%

Enjoy the day!

What's Happening as We Speak: Case Studies



Shelly Roberts
Commercial Manager
Gift Card Malls
Sainsbury's



Therese Van Vliet Risk & Compliance Officer VVV Nederland



André Moen Owner Intersolve

What's Happening as We Speak: Case Studies



Shelly Roberts
Commercial Manager
Gift Card Malls
Sainsbury's

Retailer fraud

Shelly Roberts 15th May 2025





Types of gift card fraud across retail channels

Several retailers in the UK experience some or all the following gift card fraud activities:

Fraud activity

Preventative measures

Online

B₂B

- Purchases using compromised bank cards
- Loyalty exploitation

- Fictitious accounts and company details
- Mailed gift cards being intercepted

Third party malls

- Phone calls targeting stores
- Pretender activation
- Impersonation scams
- Card tampering
- Accessing points on loyalty program

- Limit transactions to two gift cards
- Cannot purchase gift cards with a gift card

- KYB (Know your business) checks
- Control on credit offering & monitoring accounts
- Delayed activation
- Internal fraud measures
- Colleague engagement and information sharing
- Till restrictions at terminal and store level
- Signs on our fixtures advising customers to be vigilant
- Active members of fraud forums and discussions



The impact of fraud

It is important to have customers and colleagues at the heart of any process we adopt to deal with fraud

Customers

- Compassion
- Genuine customers vs fraudsters

Shop floor colleagues

- Communication
- Co-operation and Understanding
- Customer service

Our business

- Reputation
- Remain profitable
- GCVA & Action Fraud



What's Happening as We Speak: Case Studies



Therese Van Vliet
Risk & Compliance
Officer
VVV Nederland



Introducing myself

Thérèse van Vliet

- Risk & Compliance officer
 - 2010 -2021: Health insurance company's
 - 2021 present: VVV Cards
 - Everything related to AMLR/AMLD, PSD2, GDPR, DORA, AI act, ESG, Accessibility Act, fraud detection
 - Member of managementteam

Member of BVCNL Financial integrity committee





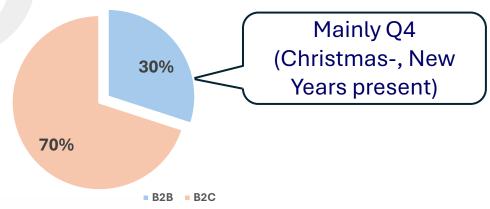




Introducing VVV Cards

- Giftcard issuer since 1974
- Started with paper voucher, 2017 switched to gift card -> electronic money
- Award winning Multi-choice gift card & B2B giftcard

• 2024: > 4 million gift cards sold







Fraudsters are getting smarter!

B2B context in Q4

- Many orders in a short time
- High ordervalue
- Increase of new requests to pay on account
- Orders must be processed quickly (late orders)

➤ An ideal period for B2B fraud and they know it!





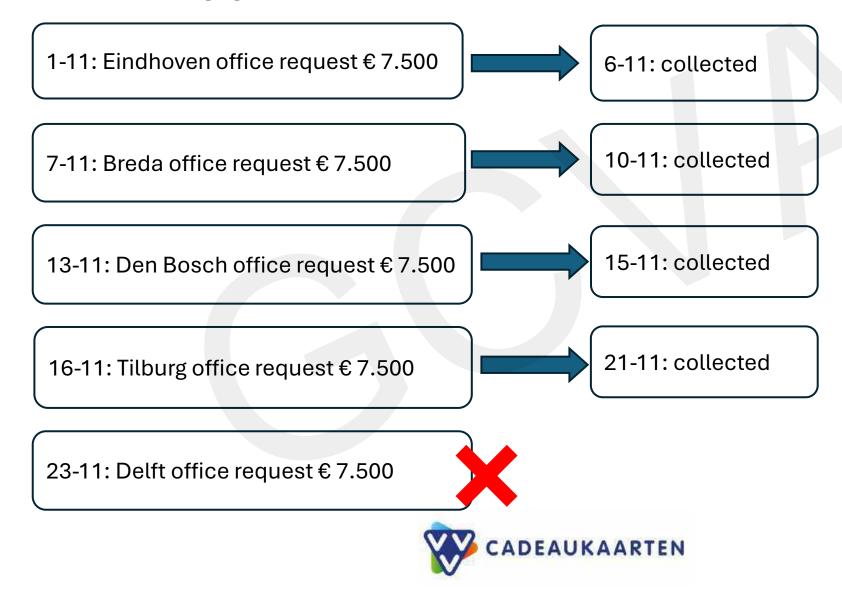
- Dutch real estate agent
- 26 offices nationwide
- New business relationship
- Requests to 'pay on account' for serveral offices





What happened?







Following the rejection of Delft at least 4 new requests to pay on account

23-11: Office supplies company

30-11: Consulting firm

Sujeo 1-12: Software company

1-12: Pharmacy





Follow up

- Installed IT business rules on our transaction system
- Anyone in our company may report high-profile transactions
- Screening B2B in busy period by legal/compliance
- Developed a handout for the sales department to recognize fraud
- We filed a police report
 - initially rejected but after objection still accepted by the DA's office
- Most important: raising fraud awareness through meetings





Take aways

We see an increase in B2B fraud with this mode of operation.

And therefore:

- Ensure a monitoring system is in place
- Create awareness & listen to the gut feeling of your employees
- File a police report. Perseverance wins!





What's Happening as We Speak: Case Studies



André Moen
Owner
Intersolve

intersolve

Gift Card Fraud

The Dark Side Of Digital Happiness

André Moen, CEO Intersolve - andre.moen@intersolve.nl

























Intersolve Introduction

Established in 1996

Card issuing processor AND E-Money issuer AND Aggregator AND Integrator

Programmable money for gift cards, loyalty and prepaid solutions

Large number of clients in retail and brands in the Netherlands

2004 First Dutch gift card launched

2012 EMI license with the Dutch Central Bank

2024 Visa principal member

€3.8B 200k Processing per year Points of Sale

521 Brands

80m Cards Issued per year















The more links, the more loopholes

Fraud monitoring 2024 in a Nutshell

Two reasons for investigating fraud incidents

1 Support to our clients

Regulatory obligations
(as EMI for a number of co-branding cards)





Fraud monitoring at Intersolve

Regulator DNB, ISO27001 security, ISAE3402, external audits, internal control IAD, security officers, risk officers, KYC team, DORA (Digital Operational Resilience Act)

Transaction monitoring

Data Sources	e.g. POS, platforms, PSP's	
Logstash	parsing and enrichment of data	
ElasticSearch	indexes large volumes of data	
Kibana	dashboards to visualize key metrics	
Anomaly detection	to flag suspicious patterns	
Alerting	to notify teams in real-time	







Fraud incidents 2024

Fraud Type	Qty	Euro
Buy now, pay later	2	€ 940.000
Pay on account (B2B)	3	€ 90.000
Employee fraud	3	€ 187.000
Paypal fraud	1 (520)	€ 60.000
Stolen bank cards	52	€ 12.000? Source: banks € 500.000
Fake websites/companies	10	unkown
Monitoring alerts	19	€ 10.000

0,08% of total sale value





Fraud incidents 2024

- Based on internal data and reporting
- Not all fraud cases are reported to Intersolve!

Mixed opinions

Adding security in UX affects customer journey negatively

They paid for the product, not our fraud

Only 0,08% of total giftcard sales value @ Intersolve (*)

In 2018 we submitted the first letter with fraud prevention recommendations.

Many of these were largely overlooked, especially by closed loop gift card issuers, on the ground that "it rarely happens".

(until it does....)





Improvements

Ignoring early warnings creates blind spots.
 Blind spots are where fraud thrives.

- 2. Create Fraud awareness sessions
- 3. Better collaboration between stakeholders in the industry

Be open in sharing fraud cases

Setup fraud teams in partnership

Respond faster during incidents

4. KYC and monitoring, also for non-regulated products







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Don't Panic! Working Together on Media Stategy



Steve Leigh

Managing Director

PR Agency One

Don't Panic! Working Together on Media Strategy

Steve Leigh - PR Agency One

What's the scale and nature of media interest?

What are the implications for gift card businesses?

How best to respond?

Scale of Media Interst

- Last year, in the UK alone, there were 560 online media stories about scams and fraud involving gift cards.
- 39% of these appeared in the key Christmas sales period November / December 2024 (a 13% increase in media coverage from the previous Christmas).
- A clear risk to reputation that needs to be addressed.



Risk <u>and</u> Opportunity

- While this rising profile presents a risk media interest is also an opportunity.
- Media is heavily focused on raising awareness and educating the public about the various tactics employed by scammers in gift card fraud.
- Tackled in the right way it is a powerful tool we can use to reduce incidents and educate customers

Risk <u>and</u> Opportunity

Most common media themes are:

- <u>Consumer Protection</u>: Informing public about scam tactics and prevention.
- <u>Community Outreach</u>: Authorities engaging communities through awareness campaigns.
- Online Shopping Risks: Highlights vulnerabilities during peak seasons.
- <u>Diversity of Scam Tactics</u>: Education on romance and tech support fraud involving gift cards.
- <u>Economic Impact</u>: Reports on financial losses and mitigation efforts.

Gift cards are successful because they are simple, reliable, accessible, cost-effective, flexible.

They are associated with spreading joy / saying thank you.

Maintaining this positive image and public trust is vital to continued growth.

Therefore – key risks we need to avoid:

- Being seen to be ignorant / ambivalent to the problem.
- Not caring about the cost / impact on our customers.
- Having no plan in place to tackle organised frauds, scams and thefts.
- Products being 'risky' or unreliable.

Responding to Media

- Be prepared have draft statements in place for potential issues and enquiries / use internal experts / follow protocols
- 2. Be respectful of the journalist and the job they are trying to do polite, responsive, keep to agreed deadlines.
- 3. Gather all details and information before formulating a response including the facts of the incident and the tone/character of the media involved.
- **4. Consider if you should respond** might GCVA be better placed for example?

- 5. Focus any response on the 'reasonable observer' what would the typical person on the street think is fair and reasonable? Where does blame lie?
- 6. What is the outcome you are seeking for example, is this an opportunity to educate and inform?
- 7. Do you have evidence, guidance or resources that adds weight to your statement?
- 8. Say something useful and interesting above all media want something to stimulate readership / clicks

Key Messages

Raise Consumer Awareness:

 Trade associations are committed to educating consumers on the risks of gift card fraud and empowering businesses to combat this threat effectively.

Adopt the Sector Code of Practice:

- Implement packaging adjustments to prevent tampering.
- Introduce technologies such as geolocation tracking to detect suspicious activities.
- Strengthen checks at the point of sale to improve security and transparency.

Train Retail Staff:

 GCVA members are rolling out training programs for in-store staff to identify and prevent fraudulent activity.

Educate Consumers:

- Purchase gift cards from trusted sources only.
- Never share gift card details with anyone.
- Check packaging for signs of tampering before buying.

Collaborate with Law Enforcement and Partners:

 Work with industry partners and law enforcement to share insights and develop better systems for fraud detection and prevention.

Stay Ahead of Emerging Fraud Tactics:

 Trade associations remain proactive in tracking new fraud trends and collaborating with stakeholders to protect the integrity of the gift card sector.

MORNING BREAK

See you at

11:20

30 mins

Visit our exhibitors outside

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Interpersonal Fraud: The Illusion and Reality



Dr Carter
Criminologist,
Forensic Linguist
Kingston University

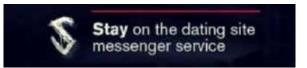






REALITY OF FRAUD | EASE AND EFFECTIVENESS OF PROTECTION | SELF-BLAME

Abstinence-based



Responsibalisation of abused





Don't fall prey

- "fallen for"
 - Appropriate for other crimes of abuse / grooming?
 - What are the underlying messages being sent

Don't be a victim

- Case studies
 - Laser focus

NEVE

- Never... Always...
 - Realistic? Possible?
 - Genre mapping

If someone you have never met in person asks you for money; **Just Say No!**And cease all communications with them.

Never click links in messages.

NEVER CLICK A LINK OR PHONE A NUMBER RECEIVED VIA TEXT

such as name and address. If something feels wrong, then it's usually right to question it.
#CourierFraud

Don't make life easy for criminals







Strategy and practice need to reflect the reality of fraud tactics







Urgency, Secrecy, Isolation



recast as: - a joint enterprise

 nurturing or helping the relationship to survive

- desirable



Strategies of self-protection

recast as: - lack of trust

-harmful

- selfish

- destructive



MISREPRESENTATIONS AND IMPACTS

- What fraud really is and what it looks like
 - Victims do not recognise themselves as at risk or as a current victim
- Ease and effectiveness of protection.
 Able to spot the signs of fraud
 - Self-blame
- Fraud victims
 - Stupid, greedy, unable or unaware

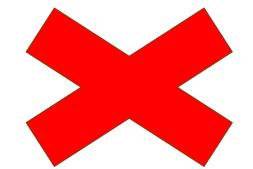
ARE YOU SCAM-SAVVY?

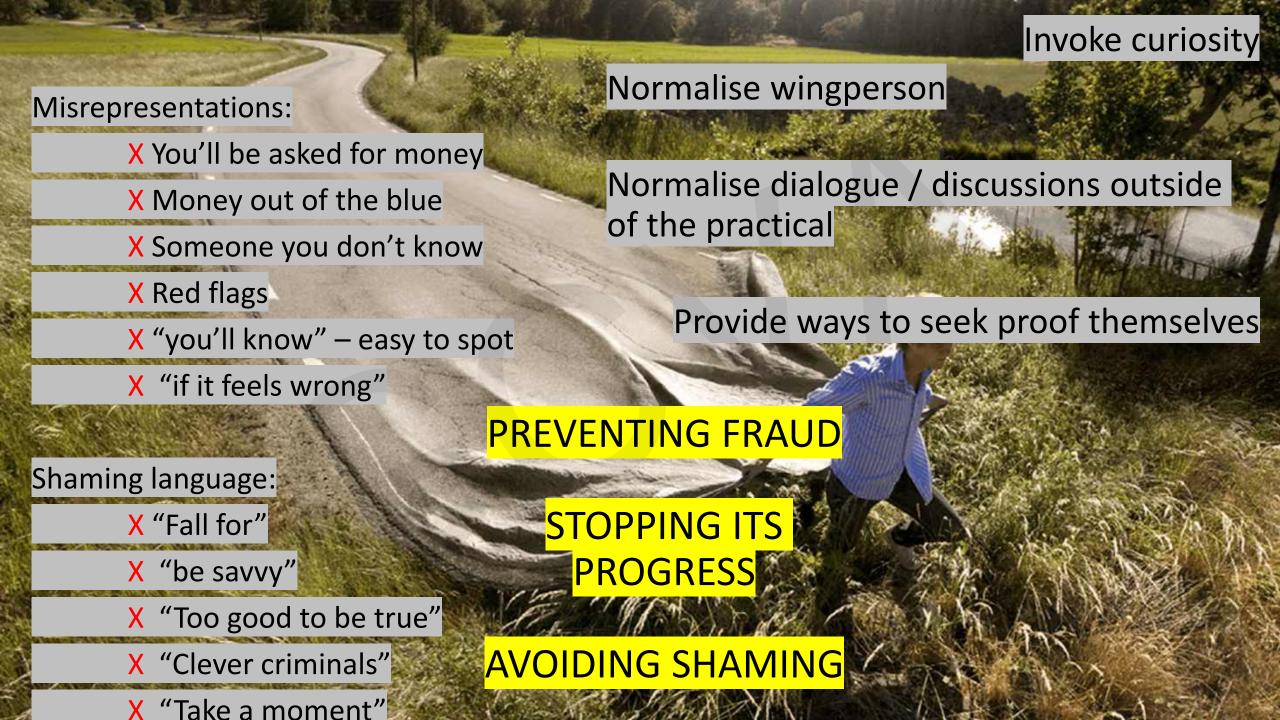
Criminals are turning to more sophisticated ways to take your money, whether through online offers, emails or telephone calls. Can you outsmart them?



CHALLENGE

Ask yourself, could it be fake? It's ok to reject, refuse or ignore any requests. Only criminals will try to rush or panic you.





Print ISSN 0007-0955 Online ISSN 1464-3529



THE BRITISH JOURNAL OF CRIMINOLOGY

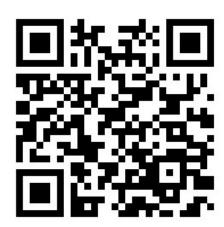
AN INTERNATIONAL REVIEW OF CRIME AND SOCIETY

VOLUME 61 NUMBER 2 MARCH 2021

Published on behalf of the Centre for Crime and Justice Studies in association with the British Society of Criminology

https://academic.oup.com/bjc

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National Trading Standards (NTS) Scams Team 'Coercion and control in financial abuse; learning from domestic abuse'

October 2022

Authors:

Jennifer Hawkswood Dr Elisabeth Carter Professor Keith Brown



Print ISSN 0007-0955 Online ISSN 1464-3529

BJC

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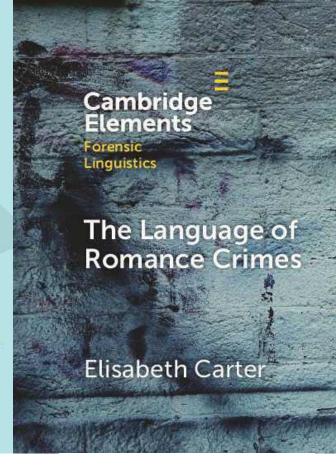
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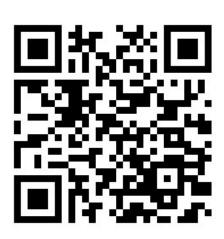
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Looming Regulation: Learning from Abroad, Preparing for Change



Cara Renfroe SVP Global Operations & Transformations



Rob Hadden Senior Vice President, Fraud Ops InComm Payments

To view video, please watch the recorded catch up session

Looming Regulation: Learning from Abroad, Preparing for Change



Welcome



Rob Hadden SVP, Fraud Ops InComm Payments



Cara Renfroe

SVP, Global Operations

Blackhawk Network

State of the union

- Fraud & cyber crime continue to be a significant area of focus across the payments industry and the greater business world.
- We have uncovered over-arching connectivity across Gift Card Fraud, Organized Retail Crime, Elder Fraud, Smishing/Phishing Schemes, the majority of which tie back to Transnational Criminal Organizations.
- We are making significant progress in the battle against gift card fraud, as we globalize solutions and unfold continued innovation across the market.
- Continued collaboration with federal and state level law enforcement remains a top priority for 2025 and beyond.
- Proactive relationships with legislators & regulators has emerged as a new and critical dimension of our ongoing efforts.

Cross-industry collaboration must continue at global scale



2 types of Legislation have emerged in the United States as state level law makers look for ways to protect their constituents...

1.

Regulating legislation that places specific requirements on retailors, brands, and networks

2.

Proactive industry driven legislation that targets the root cause of the gift card fraud issues through targeting the criminals

Maryland Bill



Maryland Gift Card Scams Prevention Act of 2024 requires merchants to conspicuously display a notice:

- In person at or near where cards are displayed or where the sale occurs; or
- Online where the card is offered for sale or before the sale is finalized.

The notice must:

- Caution consumers about gift card scams;
- Instruct consumers on what to do if they suspect they may be a victim of a gift card scam; and
- State that a gift card may not be used to pay debt.

Cards sold in stores must also be enclosed in secure packaging....

- (3) (2) FOR AN IN-PERSON SALE OF AN OPEN-LOOP GIFT CARD,
 THE GIFT CARD IS ENCLOSED IN SECURE PACKAGING THAT:
- (I) IS SEALED IN A MANNER THAT IS NOT EASILY OPENED WITHOUT SIGNS OF TAMPERING AND;
- (II) EXCEPT AS PROVIDED IN ITEM (III) OF THIS ITEM, CONCEALS ALL NUMERIC CODES SPECIFIC TO THE ACTIVATION OR THE REDEMPTION OF THE GIFT CARD, INCLUDING ANY BAR CODE, CVV NUMBER, PIN NUMBER, OR ACTIVATION CODE;
- (III) DISPLAYS AN ACTIVATION CODE, BAR CODE, OR OTHER ACTIVATION DATA ONLY IF THE PACKAGING USED IS MORE SECURE THAN IT OTHERWISE WOULD BE IF THE DATA WERE FULLY CONCEALED; AND
- (H) (IV) INCLUDES A WARNING THAT STATES THE FOLLOWING OR USES LANGUAGE SUBSTANTIALLY SIMILAR TO THE FOLLOWING:

"DO NOT SELL OR PURCHASE IF PACKAGING HAS BEEN BROKEN OR INDICATES TAMPERING".

Packaging Language

The Maryland bill contains specific language as to what is considered "secure packaging" for a gift card:

- Sealed in a way that is not easily opened without signs of tampering
- Conceals all activation and redemption data
- · Includes a warning not to sell or buy cards that have signs of tampering

Exclusions on activation data concealment are made for certain types of open-loop gift cards.

It's important to ensure legislation does not impede the industry's ability to innovate as threats evolve.



Why packaging legislation doesn't work

Restrictive language will impede our ability to innovate over-time







- Innovations complementing packaging can be valuable. For example, Target Gift Cards have a blank space where access codes used to be printed on the back of cards.
- At checkout, a team member applies a security access label to the gift card, reducing the potential for fraud.

Proactive and self-regulating action is critical to avoiding unwanted legislation

Layered Approach

Tamper Evident Packaging

Exclusive and proven packaging solutions, supported by ongoing R&D and innovation to stay ahead of the fraudsters.

Geolocation

Geolocation technology has the ability to evaluate the physical location associated with an activation request and decline authorization if deemed suspicious.

Back-end Transaction Controls

Implement effective transaction monitoring controls to stop card tampering behind the scenes.

Engagement with Federal & Local Law Enforcement

Engagement with Legislators and Regulators

Product Innovation



Project Red Hook was launched by Homeland Security Investigations in January 2024:

- This nationwide initiative is aimed at disrupting the abuse of retail gift cards by transnational organized crime groups.
- Based on centralized intelligence collected from across the industry, broad operations have been established that ultimately target the dismantling of the higher levels of the card tampering operations.
- Red Hook also encompasses extensive efforts to educate law enforcement entities across the US regarding
 gift card fraud and provides tools and centralized contacts for local and state level resources who encounter
 card tampering cases.
- The industry has broadly mobilized in support of Project Red Hook and operations are planned to continue into 2025 and potentially beyond
- We have made significant progress with over 160 arrests and informational leads on 500 additional individuals across
 the country
- Project Red Hook is expanding to encompass new and emerging schemes impacting gift cards and payments

Prosecuting these criminals has emerged as a complex challenge

Driving our own legislative efforts

One of the challenges we are currently facing is a consistent and clear path to the prosecution of gift card fraud criminals, largely due to three key factors:

- 1 Lack of legislative definition
- 2 Inactive card value
- 3 Law enforcement education



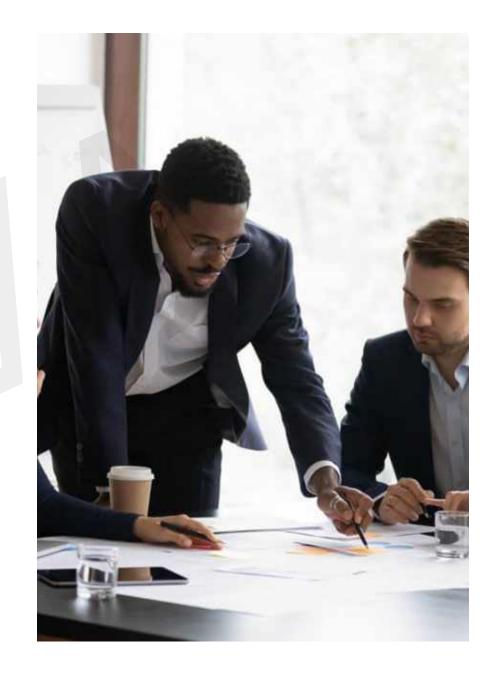






The plan

- Legislation to Combat Fraud: Define and pass prosecutorial legislation focused on criminalizing gift card fraud in as many states as possible in 2025.
- Law Enforcement Training: Increase national awareness regarding card tampering and gift card fraud across all law enforcement agencies at the federal, state, and local levels.
- Law Enforcement Operations: Engage and educate retailers regarding how to work with law enforcement to ensure arrests take place.
- Best Practices: Update T&Cs on both gift card products and card holder sites (i.e. balance inquiry) that will help facilitate successful prosecution.



Momentum builds - 25 states engaged:

20 states advancing gift card prosecutorial legislation, with 5 having already enacted it into law

of states by phase*

8Draft language in review

Bill introduced /

in committee

Passed 1 or both chambers

Signed into law



Legislation criminalizes:

- Unlawful receipt and use of gift card redemption information
- Victim-assisted fraud schemes
- Language contains several gift card definitions, including defining the value to inactive gift cards

Note: The balance of states are being engaged and working towards drafting language. Some have deadlines that have passed and will be re-engaged next year.

Other State Initiatives



Michigan Attorney General Dana Nessel established the FORCE Team and the Organized Retail Crime Unit in January 2023.

- Targets criminal organizations that steal products from retailers to repackage and sell for a profit.
- Collaboration between the Department of Attorney General, Michigan State Police, FBI's Detroit Fraud and Financial Crimes Task Force, and the Postal Inspection Service.

This is a first-in-the-nation unit, unique in the 50 states as being the first such unit with embedded, dedicated staff from the Department of Attorney General.

National Collaboration





The grass-roots industry coalition we formed in 2024 along side Project Red Hook has grown.

In partnership with the Retail Industry Leaders Association (RILA), we have transitioned the coalition into a formalized non-profit called the *Gift Card Fraud Alliance*.

This transition will allow scale, extensibility, and unlocks larger collaborations with both law enforcement and law makers.

Executive Summary & Closing

To stay head of fraudsters & unwanted regulations:

Be Proactive – embrace new solutions, self-regulate to protect your brand and consumers from fraud.

Forge Positive Relationships – reach out before a negative issue arises.

Collaborate – drive partnerships with each other, and with external entities, that can help us in the fight against Gift Card Fraud.

Innovate – share ideas, work with partners to unfold new types of industry innovation, geared towards protecting consumers and our industry over-time







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Speaker

Rob Hadden

Senior Vice President, Fraud Ops InComm Payments



Legislation

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Legislation

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Exclusions on activation data concealment are made for certain types of open-loop gift cards.

It's important to ensure legislation does not impede the industry's ability to innovate as threats evolve.









Legislation

Looking Beyond Packaging

Bills that focus solely on packaging risk impeding the ability to innovate.

Innovations complementing packaging can be valuable. For example, Target Gift Cards have a blank space where access codes used to be printed on the back of cards.

At checkout, a team member applies a security access label to the gift card, reducing the potential for fraud.



Legislation

New Bills

Rollout will make it easier to arrest Mules.

Industry collaborations with state legislatures help ensure bills allow for innovation to stay ahead of emerging threats.

State Gift Card Fraud / Crime Bills	
As of May 5, 2025	
Enacted	Arkansas, Iowa, Kentucky, Ohio (2024), Tennessee, Utah
To Governor	Florida, Kansas, Texas
Passed First Chamber	Arizona, Georgia (carry over to 2026), Louisiana, New Hampshire, North Carolina
Pending	California, Connecticut, Maine, Massachusetts, Minnesota, Rhode Island
Failed	Colorado, Maryland, Washington, Virginia

Sample Language Supporting Prosecution (Iowa)

Iowa Senate File 266 - Enacted

Effective July 1, 2025

Language defines felonies for gift card fraud, helping Law Enforcement prosecute offenders. Example:

- 2. a. Any person who, with intent to defraud, acquires or retains possession of a gift card or gift card redemption information without the consent of the cardholder, card issuer, or gift card seller commits theft and is guilty of an aggravated misdemeanor.
- b. Any person who, with intent to defraud, alters or tampers with a gift card commits forgery and is guilty of an aggravated misdemeanor

Iowa Senate File 266 (con't)

Any person who, with intent to defraud, devises a scheme to obtain a gift card or gift card redemption information from a card holder, card issuer, or gift card seller by means of false or fraudulent pretenses, representations, or promises engages in a fraudulent practice and is guilty of the following:

- (1) A class felony if the amount of money or value of property or services involved exceeds five thousand dollars.
- (2) A class ""d" felony if the amount of money or value of property or services involved exceeds one thousand dollars but does not exceed five thousand dollars.
- (3) An aggravated misdemeanor if the amount of money or value of property or services involved exceeds five hundred dollars but does not exceed one thousand dollars.
- (4) A serious misdemeanor if the amount of money or value of property or services involved is five hundred dollars or less.



Sample Language Supporting Prosecution (Florida)

Florida Senate Bill 1198

Sample Language:

- 2) It is unlawful for a person, with the intent to defraud:
- (a) To acquire or retain possession of a gift card or of gift card redemption information without the consent of the cardholder, card issuer, or gift card seller.
- (b) To alter or tamper with a gift card or its packaging.
- (c) To devise a scheme to obtain a gift card or gift card redemption information from a cardholder, card issuer, or gift card seller by means of false or fraudulent pretenses, representations, or promises.
- (d) To use, for the purpose of obtaining money, goods, services, or anything else of value, a gift card or gift card redemption information that has been obtained in violation of this subsection.

Florida Senate Bill 1198 (con't)

- (3)(a) Except as provided in paragraph (b), a person who violates subsection (2) commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.
- (b) A person commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if:

 1. The person violates subsection (2) and has previously been
- 1. The person violates subsection (2) and has previously been convicted of a violation of subsection (2).
- 2. The value of any gift card; gift card redemption information; or money, goods, services, or other thing of value obtained as a result of violating subsection (2) exceeds \$750.
- (c) For the purposes of this subsection, the value of any gift card; gift card redemption information; or money, goods, services, or other thing of value obtained as a result of violating subsection (2) may be aggregated to determine the degree of the offense.





Prevention

Partnerships

Homeland Security Investigations (HSI) launched Project Red Hook, a collaboration between law enforcement, brands, merchants and networks to address gift card tampering.

Four-step approach: Mitigation; Education; Disruption; Dismantlement

Results and insights:

- All 50 states, Australia, Canada, the U.K. and Western Europe
- 500+ subjects identified; 160+ arrests; 50+ active HSI investigations
- One 4-person cell = \$40M+ in goods exported
- Conspiracy of more than 400 individuals active across U.S.
- Thousands of U.S. victims. Under-reported due to embarrassment and confusion
- Open-source reporting of \$300M+ for just one retailer
- Late 2024, new methodology emerged using SMShing, stolen payment credentials, relay software, and exploiting Tap-2-Pay



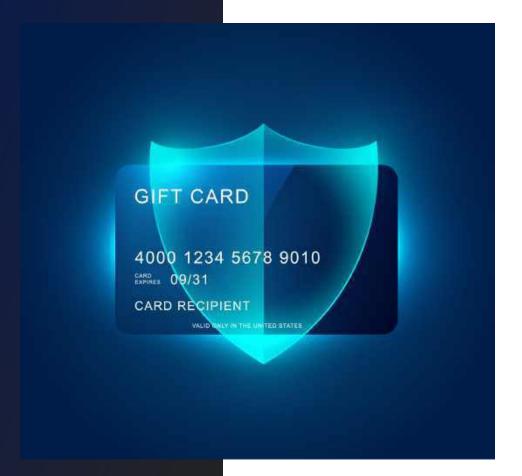
Partnerships

State Initiatives

Michigan Attorney General Dana Nessel established the FORCE Team and the Organized Retail Crime Unit in January 2023.

- Targets criminal organizations that steal products from retailers to repackage and sell for a profit.
- Collaboration between the Department of Attorney General, Michigan State Police, FBI's Detroit Fraud and Financial Crimes Task Force, and the Postal Inspection Service.

This is a first-in-the-nation unit, unique in the 50 states as being the first such unit with embedded, dedicated staff from the Department of Attorney General.



Partnerships

National Initiatives



The Gift Card Fraud Prevention Alliance, started by the Retail Industry Leaders Association (RILA), is a national effort to protect consumers and drive innovation to fight against gift card fraud.

Follows larger collaborations between federal, state and local law enforcement to combat criminal networks engaged in organized retail crime, cargo theft and gift card fraud schemes.

Our expanding efforts are underpinned by critical partnerships and industry alignment

Layered Approach

Tamper Evident Packaging

Exclusive and proven packaging solutions, supported by ongoing R&D and innovation to stay ahead of the fraudsters.

Geolocation

Geolocation technology has the ability to evaluate the physical location associated with an activation request and decline authorization if deemed suspicious.

Back-end Transaction Controls

Implement effective transaction monitoring controls to stop card tampering behind the scenes.

Engagement with Federal & Local Law Enforcement

Engagement with Legislators and Regulators

Product Innovation



Legislation

Maryland Bill

Maryland Gift Card Scams Prevention Act of 2024 requires merchants to conspicuously display a notice:

- In person at or near where cards are displayed or where the sale occurs: or
- 2. Online where the card is offered for sale or before the sale is finalized.

The notice must:

- 1. Caution consumers about gift card scams;
- 2. Instruct consumers on what to do if they suspect they may be a victim of a gift card scam; and
- 3. State that a gift card may not be used to pay debt.

Cards sold in stores must also be enclosed in secure packaging.







Legislation

Looking Beyond Packaging

Bills that focus solely on packaging risk impeding the ability to innovate.

Innovations complementing packaging can be valuable. For example, Target Gift Cards have a blank space where access codes used to be printed on the back of cards.

At checkout, a team member applies a security access label to the gift card, reducing the potential for fraud.

Lunch Downstairs

See you at

13:50

1h 15 mins

Visit our exhibitors outside

European Financial Integrity Summit

Amsterdam 2025

15 May 2025



