

# Senate Judiciary Committee

*Pete Mulvey 271-4063*

**SB 258-FN**, relative to the crime of fraudulent retail transactions.

**Hearing Date:** February 18, 2025

**Time Opened:** 1:14 p.m.

**Time Closed:** 1:28 p.m.

**Members of the Committee Present:** Senators Gannon, Altschiller and Reardon

**Members of the Committee Absent :** Senators Carson and Abbas

**Bill Analysis:** This bill establishes criminal offenses regarding the fraudulent use of gift cards.

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**Sponsors:**

Sen. Ricciardi

Sen. Murphy

Sen. Innis

Sen. McGough

Sen. Fenton

Rep. Spier

Rep. Potucek

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**Who supports the bill:** 10 individuals signed in support. Contact Pete Mulvey (peter.mulvey@gc.nh.gov) for further detail.

**Who opposes the bill:** N/A

**Who is neutral on the bill:** N/A

**Summary of testimony:**

**Senator Denise Ricciardi**

**Senate District 9**

- Following a site walk at the Bedford Lowes home improvement store, Sen. Ricciardi was informed of the growing issue of retail card fraud.
- Organized crime rings were stealing from local retailers, repeatedly.
- For 17 straight years, gift cards were the most requested holiday gift.
- Organized crime rings stole, tampered, and drained gift cards, which frustrated consumers and left retailers on the hook for lost revenues.
- In summary, inactive cards are taken, tampered with, and repackaged. The cards are replaced, purchased and activated by customers, only for the thieves to be notified of activation; ready to steal.
- New Hampshire was particularly vulnerable due to the lack of sales tax.

- SB 258 was designed by the Blackhawk network in conjunction with project red hook of the Department of Homeland Security.
- Sen. Riccardi provided an amendment for the committee.
- Sen. Altschiller asked Sen. Ricciardi to walk through the amendment
- Senator Ricciardi deferred the question to the Attorney General's office.

## **Brandon Garod**

### **Senior Assistant Attorney General – Consumer Protection and Anti-Trust Bureau**

- Mr. Garod spoke in support of SB 258 to ensure statutes remain relevant and applicable for new criminal trends.
- SB 258 did not do anything complex. The bill accounted for the reality that theft has been modernized and produced difficulties for prosecutors in fitting said crimes into preexisting statute.
- Theft statutes employed the stolen property's value to determine the level offense. That was complicated for prosecutors regarding gift cards, as the value is variable, and information is technically what is being stolen.
- SB 258 clearly defined what the value of the stolen property in question in for prosecutors.
- Mr. Garod stated that the amendment cited RSA 637-2 rather than 637-10, as the definitions section of the theft statutes needed to be changed in order for the new definitions to be applicable across the entire chapter.
- Sen. Gannon asked if someone stole four gift cards, if they could be held to the highest possible value, to ultimately charge the individual in question with a class A felony.
  - Mr. Garod said the card's specific value would matter.
- Sen. Gannon clarified that the value could be indeterminate or variable. In such a case, would prosecutors assume the highest possible value for the card in question
  - Mr. Garod confirmed.

## **Curtis Picard**

### **CEO, New Hampshire Retail Association**

- Mr. Picard spoke in support of SB 258.
- Mr. Picard provided an infographic to detail how gift card fraud occurred.
- States like N.H were particularly vulnerable to these crimes given the lack of a sales tax.
- Cards were redeemed locally and shipped overseas.
- For most of the crime there was no value, only at the very end, which SB 258 mitigated.

PM

Date Hearing Report completed: February 27, 2025