Subject: Ordinance Proposal Regarding Third Party Gift Card Procurement

Meeting Date: April 6, 2022
Submitted/Presented by/Department: Brian Sturgeon, Chief of Police

Action Type
☐ Consent Item  ☒ Discussion/Direction
☐ Public Hearing  ☐ Informational Only
☐ Action/Motion  ☐ Report
☐ Resolution  ☐ Other:

Action
Discussion

Background
Theft and fraud through the use of stolen credit cards is nothing new but over the past couple of years we have seen a rise in this type of crime that takes considerable resources to investigate, charge and prosecute. At any given time, our investigators have at least a dozen of these cases in their work load. This does not include the misdemeanor and gross misdemeanor offenses that our patrol officers dedicate time to investigate.

Through the use of self-checkouts in larger retail stores and the practice of employees not asking for identification when making credit card or debit card purchases we have seen an increase in fraud activities.

Criminals will use recently stolen credit and debit cards to purchase pre-paid cards for other vendors such as Visa, MasterCard, American Express, Amazon, Ebay, etc., and then use those to make purchases of goods. The requirement to ask for identification for these types of purchases is anticipated to dramatically reduce the number of cases we investigate.

As an example, Shakopee passed an ordinance similar to what is being proposed for West St Paul and last year they only had two cases of fraud involving the purchasing of gift cards.

Attached is the ordinance from Shakopee and discussion and feedback on moving forward with something similar is requested.

Attachments
Shakopee Ordinance.

Previous Relevant Actions

Alternatives
Subject: Ordinance Proposal Regarding Third Party Gift Card Procurement

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<td>□ No Financial Impact</td>
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