

## Subject: Ordinance Related to Gift Card Procurement

<b>Meeting Date:</b> April 25, 2022	
<b>Submitted/Presented by/Department:</b> Brian Sturgeon, Chief of Police	
<b>Action Type</b>	
<input type="checkbox"/> Consent Item	<input checked="" type="checkbox"/> Discussion/Direction
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Informational Only
<input type="checkbox"/> Action/Motion	<input type="checkbox"/> Report
<input type="checkbox"/> Resolution	<input type="checkbox"/> Other:
<b>Action</b>	
Provide staff direction to either proceed or not proceed with the proposed ordinance.	
<b>Background</b>	
<p>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.</p> <p>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.</p> <p>Criminals will use recently stolen credit and debit cards to purchase pre-paid cards and/or gift cards such as Visa, MasterCard, American Express, Amazon, Ebay, etc., and then use those to make purchases of goods or utilize them to further their criminal activity. The requirement to ask for identification and verify the purchaser's name is the same on the credit/debit card for these types of purchases is anticipated to dramatically reduce the number of fraud cases reported to our department and hopefully reduce the initial theft of these credit and debit cards.</p> <p>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 with stolen credit or debit cards. Shakopee's work in passing this ordinance earned them an innovation award from the League of Minnesota Cities.</p> <p>We have attached some preliminary language to a proposed ordinance for discussion and review. If the Council directs staff to move forward, a formal ordinance proposal will come to Council for a first reading and public hearing in a future council meeting.</p>	
<b>Attachments</b>	

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Preliminary language for the proposed ordinance.	
<b>Previous Relevant Actions</b>	
<b>Alternatives</b>	
Council may decide to move forward with the proposal, make adjustments to the language or recommend not to move forward with an ordinance.	
<b>Financial</b>	
Budgeted: <input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No Financial Impact
Fund:	
Department:	
Account:	
Amount:	