

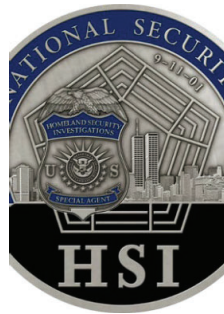


## Project Red Hook

CrimeStoppers Conference  
October 25, 2025

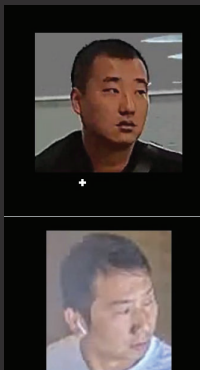
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**Project Red Hook (PRH)** is an HSI-led, nationwide initiative targeting the abuse of retail gift cards by organized crime groups emanating from the People's Republic of China (PRC) to generate capital for illicit underground banking activities and black-market financial exchange.



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## Bottom Line Up Front



- These schemes have victimized tens of thousands of Americans and caused over \$1 billion in consumer and retail losses.
- This activity appears to be an active front in the PRC's economic and hybrid warfare campaigns against the U.S.
- PRH provides a coordinated, ICE-wide response that leverages our unique capabilities to disrupt immigration-based transnational crime





## Project Red Hook Milestones

- ✓ November 2023 – ICE HQ Roundtable with U.S. Retail Industry Representatives
- ✓ December 2023 – Project Red Hook Established
- ✓ September 2024 – 100<sup>th</sup> Arrest
- ✓ April 22-24, 2025 – *Operation Double Tap*
- ✓ April 28, 2025 – GCFPA MOU signed at RILA Conference
- ✓ July 2025 – 200<sup>th</sup> Arrest
- ✓ 2026 (Proposed) – *Operation Retail Me Not*, i.e., Spoof Sites

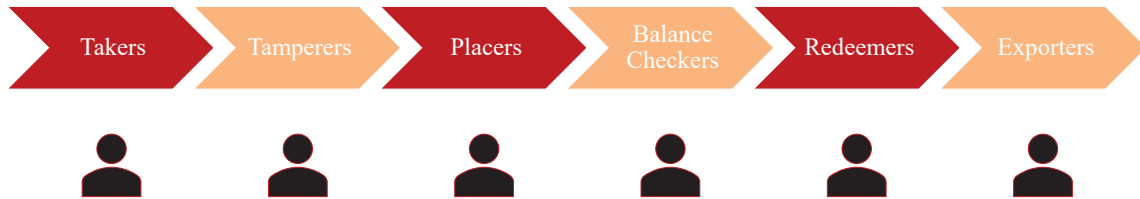


# Project Red Hook

Tampering & Draining







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#### Takers

- ☐ Chinese nationality
- ☐ 35 or younger
- ☐ Cross-body, fanny pack, or puffer jacket
- ☐ Arrive in out-state plated vehicle (CA or NY)
- ☐ Travels in pairs
- ☐ Communicate with handler via WeChat
- ☐ Strict record-keeping and labeling of cards by store number and address

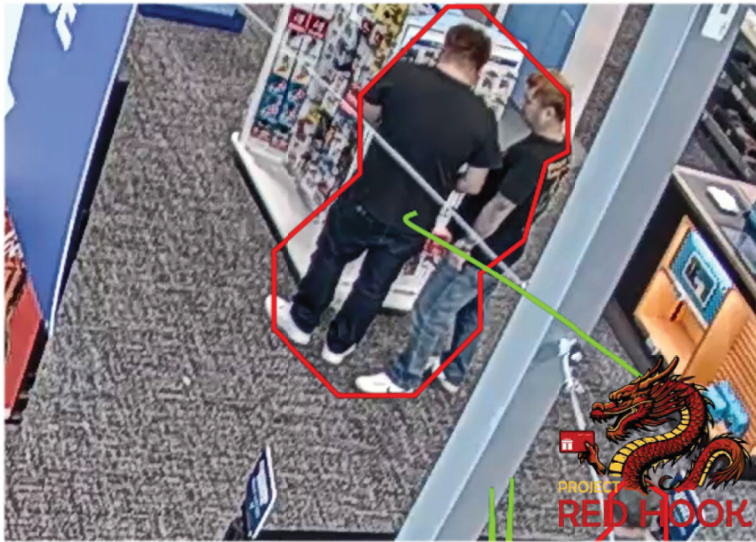
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#### Tamperers

- ☐ Stationary or mobile
- ☐ Females
- ☐ Massage parlors
- ☐ Receive boxes of 1000s of cards at a time
- ☐ Send & receive through express consignment

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### Placers

- ☐ Placer and Taker are often the same person
- ☐ Taking and placing may occur in the same incident
- ☐ Attention to detail to ensure cards are returned to the same location from where they were taken
- ☐ Use merchandising best practices e.g., eye level placement

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### Balance Checkers

- ☐ Balances checked online using 3<sup>rd</sup> party sites and VPNs
- ☐ Employ countermeasures to prevent geolocation mismatches and pre-activation blocks
- ☐ Balance checked within minutes to days of customer purchase at point-of-sale

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## Concord Police, HSI Bust Multi-Million Dollar Gift Card Scam Operation

2 New Yorkers and a Nashua man arrested after a multi-month investigation; cops, feds seize millions of dollars worth of electronic devices.

numbers. Once the balance is added to a card, the information is given “to a different group of suspects,” who purchase electronics or other expensive items. The electronics and other items like Apple iPads, iPhones, and computers were purchased by another group of suspects and then resold.

“While executing the search warrant,” the detective wrote, “a package delivery drive from UPS arrived at the apartment with a delivery of 15 packages.”

The packages contained iPhones. The UPS driver said they made approximately four daily deliveries to the apartment, primarily Apple products.

### Redeemers

- ❑ Redeemers receive the details of cards with balances from the balance checkers
- ❑ Load card information into virtual wallets or use images of the bar codes
- ❑ Apple product is #1 choice
- ❑ Prioritize no sales tax states to maximize their purchasing power

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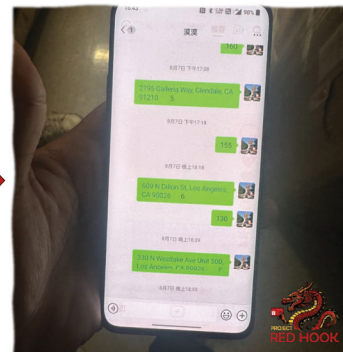
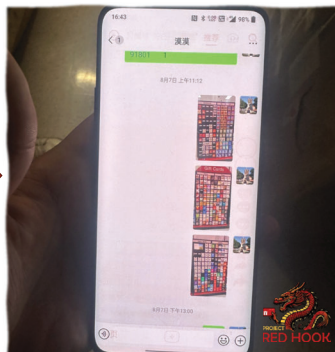


### Exporters

- ❑ Product is exported from the U.S. via FedEx to Hong Kong
- ❑ Product is shipped in bulk
- ❑ HSI and CBP work together to seize illicit shipments from the international mail stream prior to departure from the U.S.

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## Command & Control



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## Record Keeping

800 Rockhill	1824 E Ridge Pike	19B	22B	75A
1100 Roosevelt	170 Upland Square	31 York Rd	6206 US-30 Green	4449 Howe Ave
7400 Bustlet	4879 Perkiomen Av	200 Malcolm Dr	8931 US - North Hwy	4200 20th St
4004 US-13	2769 Paper Mill Rd	11200 Reisterstown Rd	4004 Monteville Bl	CH-303 Sereetsboro
4 Centre	14200 Nesh street	9901 York Rd	2661 Freeport Rd	2582 Golden Link Blvd
1101 Easton	178	1737 Reisterstown	150	27049 W 17th St
1495 Old York	1745 Quentin Rd	1238 Putty Hill Ave	6231 23rd St	1855 N Market Pl Dr
125 不行	5125 Jonesown Rd	20B	1717 Lebanon church	10070 Cedar Rd
2410 Shoppes	4600 High Pointe P	7951 Notpark Ct	201 S Hills Village P	6850 Ridge Rd
4000 Monum	6466 Carlisle Pike	2384 Brandermill Blv	288 Mt Nebo Point	3535 Steelyard Dr
2250 Chemi	15246 Westminister	3343 Corridor Market	105 4th St	3100 W 117th St
160 W Deka	15A	6111 Dobbin Rd	4801 McKnight Rd St	2900 Westgate Mall Dr
200 Mill Rd	760 Lititz Pike	4390 Montgomery Rd	1717 PA-228 Granb	24446 Brookpark Rd
1824 E Ridge	159 Fruitville pike	6100	24A	27B
465 Carnegie	385 Covered Brid	3500 East-West Hwy	1980 Lincoln way E	1015 N Court St
201 Sunrise	610 Pleasant Vain	12000 Cherry Hill Rd	5584 Dressler Rd	18200 Rotation Rd
180 Eagleview	257 York Crossing	25 Grand Corner Ave	762 Arling Ridge	240 AAA Market Dr
		20908 Frederick Rd	1183 Williams Reserve	8000 Oak Point Rd
			2801 W Market St	

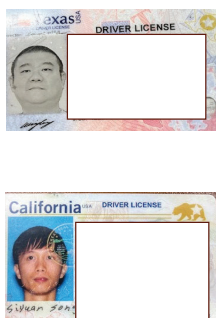
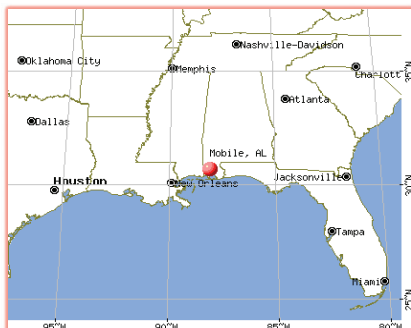
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### June 20, 2024

Interstate 65 (Mobile, AL)  
Baldwin County Sheriff's Office

Total Card Value: **\$1.4 Million**



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### June 27, 2024

Burleson, TX  
Burleson Police Department

Total Card Value: **\$1.7M**



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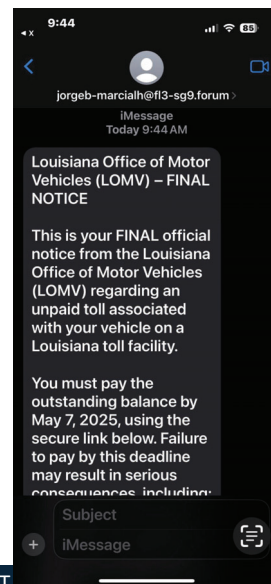
# Project Red Hook

Operation Double Tap

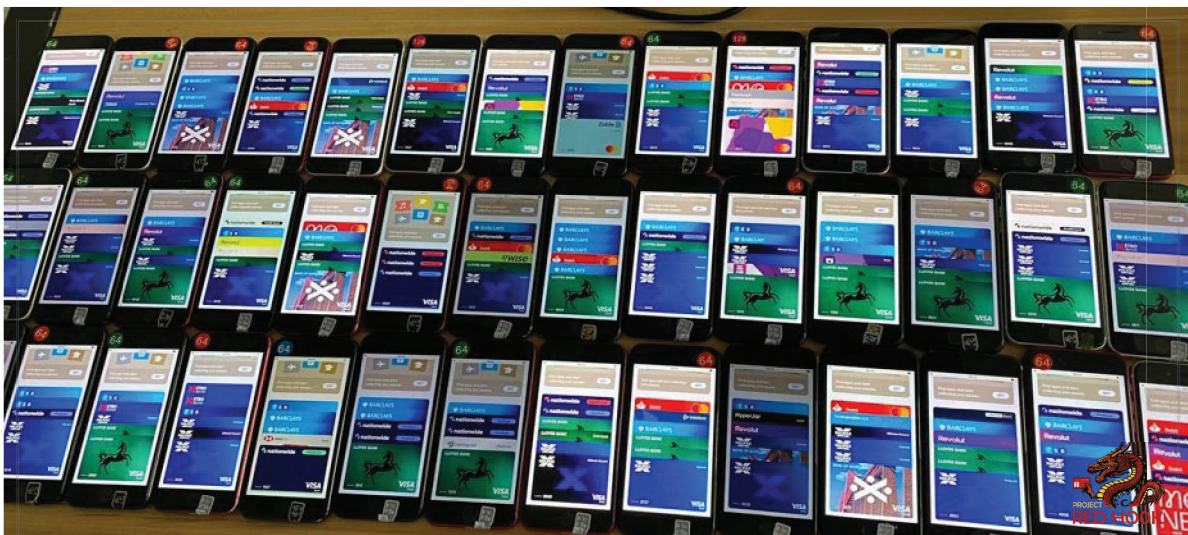


## SMSHING Campaigns

Unpaid Tolls, Undelivered Packages, etc.



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## Stolen Card Data

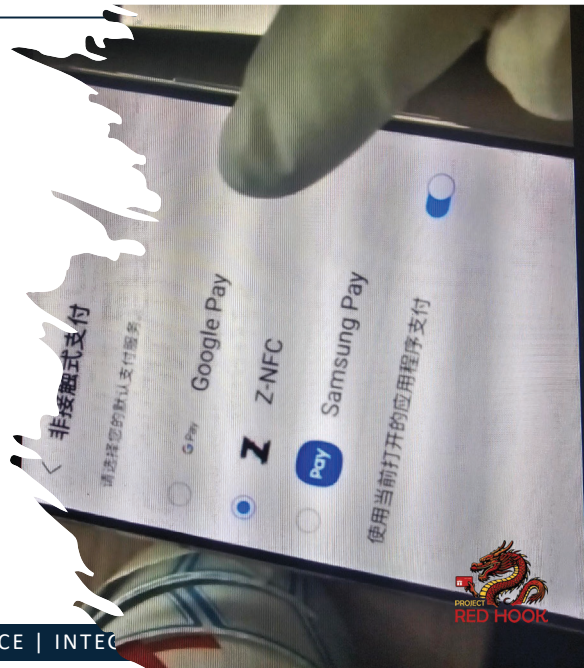
Stolen Payment Credentials Loaded into Mobile Wallets on iPhones in China

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## Z-NFC

Relay Software Loaded onto  
Android Devices

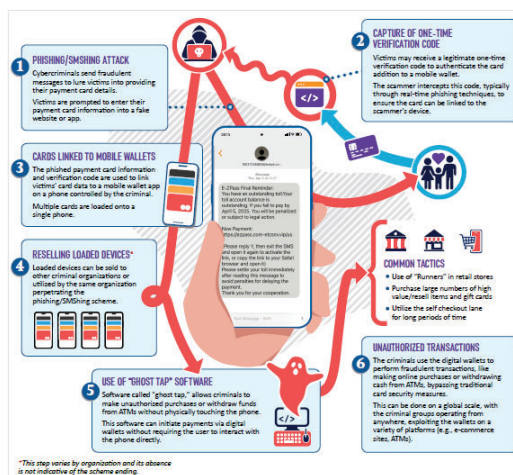
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## Z-NFC

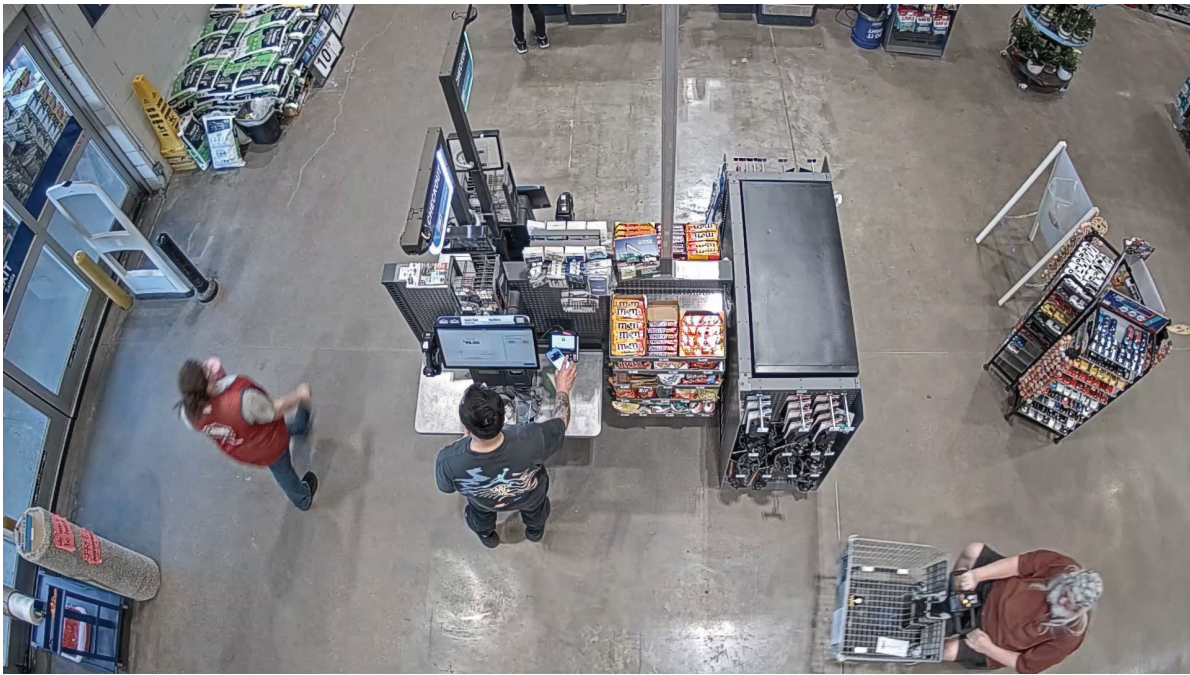
Bridge between the iPhone in China  
with stolen payment credentials, an  
Android phone in China, and the  
mule's Android phone anywhere in the  
world.

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**9 Days**  
(July 2 – July 11, 2025)



**15,181 Confirmed Fraud Transactions, all In-Store**

Average of 1,686/day

20 individuals x 85 transactions/day



**\$7M (and counting) in loss**



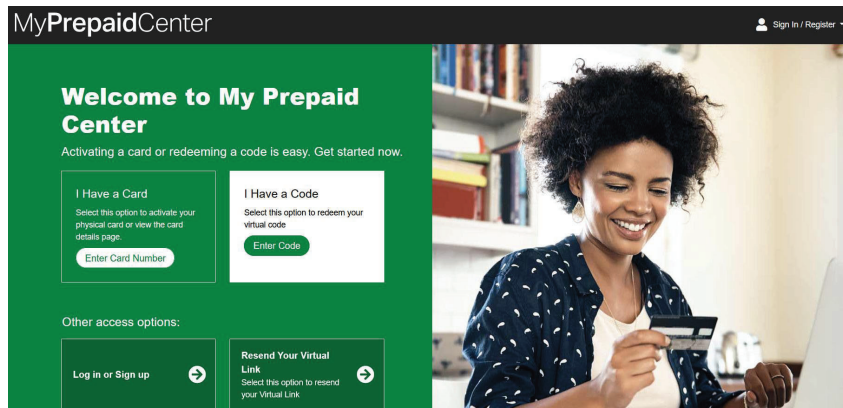
# Project Red Hook

Operation Retail Me Not



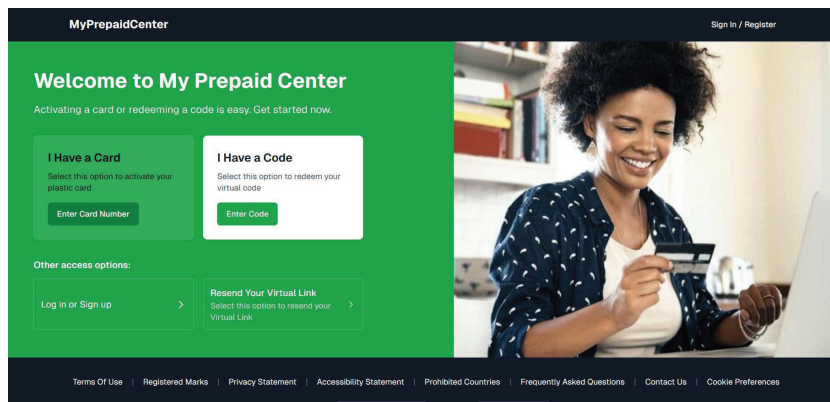
# Legitimate Site

<https://www.myprepaidcenter.com/home>



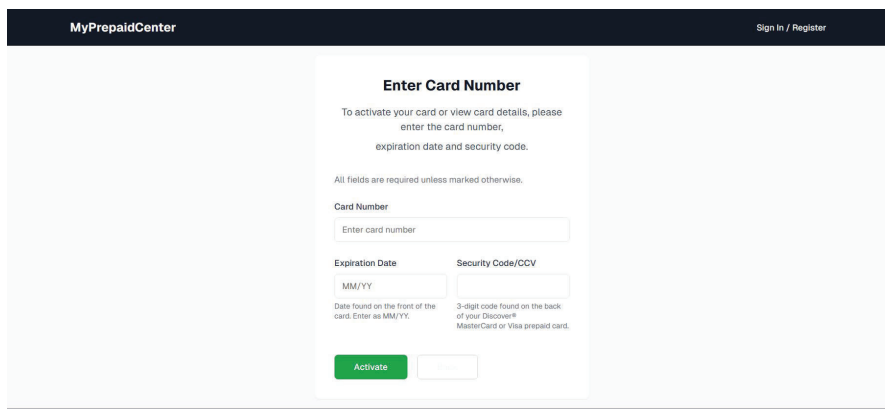
# Spoof Site

<https://myprepaidcenter-seven.vercel.app/>



# Spoof Site

<https://myprepaidcenter-seven.vercel.app/>







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# Project Red Hook

## Strategy



PRH uses a **four-step approach** to identify and address gift card industry vulnerabilities exploited by PRC-based organized crime groups and leverages public-private intelligence exchange to inform enforcement efforts against the criminal networks involved.

Mitigation

Education

Disruption

Dismantlement

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Mitigation



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Education



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Education

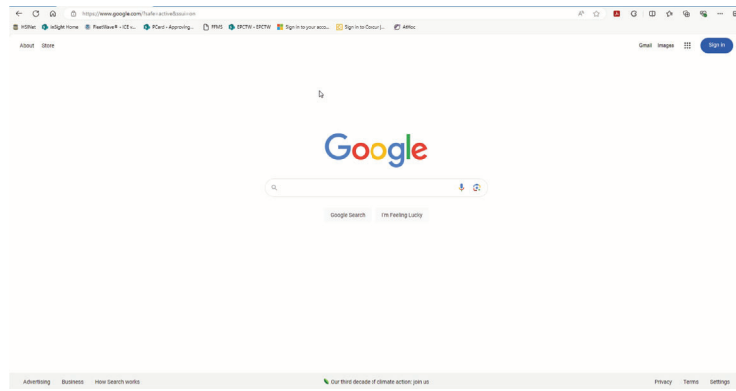


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Education



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Disruption

	<u>Incident Location (Full Address) if known</u>	<u>Retail Corporation</u>	<u>Photo of Subject (s)</u>
1			
	2855 Broadway St NE, Salem, OR 97303	Fred Meyer (Kroger)	
2			
	2855 Broadway St NE, Salem, OR 97303	Fred Meyer (Kroger)	
3			
	11425 SW Beaverton Hillsdale Hwy, Beaverton, OR 97005	Fred Meyer (Kroger)	
4			

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# Project Red Hook

## Partnerships





## GIFT CARD FRAUD PREVENTION ALLIANCE MEMORANDUM OF UNDERSTANDING

### I. PURPOSE

The purpose of this Memorandum of Understanding (MOU) is to delineate the roles and responsibilities of participants in the Gift Card Fraud Prevention Alliance (hereinafter "GCFPA" or "Alliance"). Except for the confidentiality and antitrust obligations set forth in Sections IV and V, which are binding on the signatories, this MOU is not binding or legally enforceable, imposes no enforceable obligations upon the signatories, and does not grant any rights.

### II. BACKGROUND

The Gift Card Fraud Prevention Alliance (GCFPA) is a program that began with a group of leading retail companies, gift card processors, and Homeland Security Investigations (HSI), a premier federal law enforcement agency within the Department of Homeland Security (DHS). In 2025, RILA Communities Foundation (RCF), a non-profit 501(c)(3), assumed responsibility for managing and overseeing GCFPA. GCFPA's purpose is to educate lawmakers and the general public about gift card fraud, enhance collaboration among the private and public sectors to investigate criminal activity and drive innovation to combat fraud. Membership in GCFPA is open to retailers, gift card processors, and other stakeholders aiming to collaborate on investigations involving prolific offenders committing gift card tampering, victim-assisted fraud, and related criminal activity, identify best-in-class risk mitigation practices, and support state advocacy efforts to criminalize gift card fraud. Given the multi-disciplinary focus areas, GCFPA members are encouraged to have cross-functional representation from asset protection/fraud, gift card operations teams, and public policy.

[www.ProtectMyGiftCard.com](http://www.ProtectMyGiftCard.com)



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## INDUSTRIES COLLABORATING TO ADDRESS CARD TAMPERING

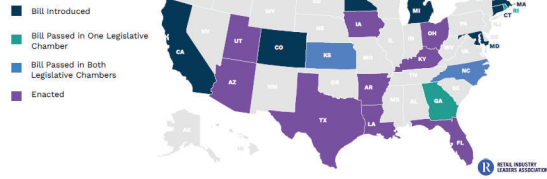
Retailers, gift card networks, and distributors are collaborating with the U.S. Department of Homeland Security and other law enforcement agencies through initiatives like Project Redhook, sharing intelligence and best practices to investigate and combat fraud.







Gift Card Fraud  
Legislation 2025



# Legislative Fixes

## HOMELAND SECURITY INVESTIGATIONS

### Contact Information

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Assistant Special Agent in Charge



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(225) 321-2135



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