

# FREEZING ASSETS

New technology helps law enforcement seize funds hidden on criminals' prepaid cards

By Pat Curry



U.S. law enforcement agencies have a powerful new tool at their disposal: the Department of Homeland Security Science and Technology Directorate's Electronic Recovery and Access to Data (ERAD) prepaid card reader.

During arrests of criminal couriers, law enforcement officers rarely find bundles of cash wrapped in rubber bands anymore. Instead, they find stacks of plastic cards—credit and debit cards, retail gift cards, library cards, hotel key cards, even magnetic-stripped subway passes.

At first glance, a handful of plastic cards might seem irrelevant to an investigation. But today, something as innocuous as a grocery store rewards card can be disguising a prepaid card containing a huge stash of a criminal's cash.

"Prepaid cards are easier to carry than bulk cash," explains Bill Deso, First Responders Group program manager for the Department of Homeland Security's (DHS) Science and Technology Directorate. "There's no limit to how much money you can put on a card—it's an electronic file. We've seen cards with over a million dollars

on them. Walmart gift cards are very popular with human traffickers."

## A boon to criminal enterprises

Think about how easy these prepaid cards make it for criminals to carry huge sums of untraceable cash, undetected by law enforcement.

"You can train K-9s to detect on currency, which is a lot harder to hide," Deso says. "A million dollars in \$100 bills is a lot bulkier versus that amount on 10 prepaid cards. The criminal element loves these because you can't trace them."

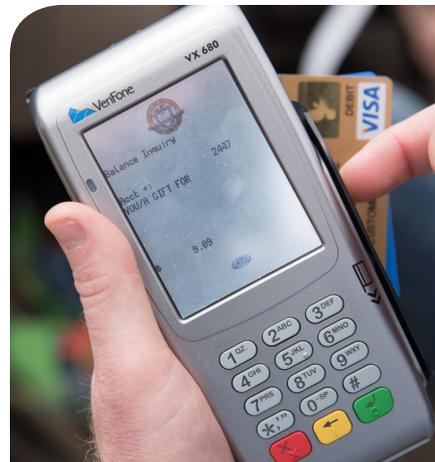
And if they get caught, it is a simple matter to move the funds to another account, leaving the cards empty.

"This was brought to us from ICE," Deso says. "They were seeing these prepaid cards coming through airports during criminal investigations. I was shown a duffle bag full of prepaid cards; ICE strongly suspected criminal activity associated with them... [Tracing the funds] was a very time-consuming process that often led to no useful info. ICE came to us and asked for technology to find the balance and freeze the funds immediately to keep them from being transferred to another account."

It's not just federal law enforcement facing this issue. Sgt. Ron Hain of the Kane County (Illinois) Sheriff's Office Special Operations Unit says his deputies and investigators started seeing prepaid debit cards in conjunction with credit card scams and drug smuggling in 2015. The problem was that the officers had no way to check the balances on the cards or hold the funds while conducting an investigation.

## Reader is easy to use

The ERAD prepaid card reader solves this problem. A handheld wireless device, the reader enables officers in the field to scan the cards and check their balances. This information allows them to put a temporary hold on the linked funds until a full investigation can be completed, giving the arresting agency time to go through the judicial process



of seizing assets. Using the ERAD prepaid card reader, law enforcement officials have successfully recovered or seized suspicious cards loaded with approximately \$10 million in illicit funds.

"We're able to identify stolen credit cards and mag strip information, and we're able to seize cash on the side of the road that is being extorted in prepaid debit cards," Hain says. "ERAD has been able to help us decipher each one of those crimes."

The device, which is like those used to swipe credit cards in stores, is very easy to use, Deso says.

"The training is simple," he says. "When we were doing development of the software, we had members of federal law enforcement come in. We just had the ERADs on the table. We were going to give the agents instructions, but they just turned the devices on and started using them. They're so intuitive."

The next step with the ERAD devices, Deso says, is to get the word out and get them in the hands of officers.

"The law enforcement community is pretty small," he notes. "We're telling each other about it. It's a really good tool. The next step is to get it into widespread use." 🌟

*Pat Curry is senior editor of Sheriff & Deputy. This article was supplemented with information from the DHS Science and Technology Directorate.*