



Statement of Daniel J. Eckert
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Chairman Nelson and Ranking Member Collins:

Thank you for the opportunity to submit a statement for the record for the July 16 hearing at the Senate Special Committee on Aging titled: *"Hanging Up on Phone Scams: Progress and Potential Solutions to this Scourge."* We commend your focus and attention on an important and relevant issue for our nation's seniors.

Walmart Services is a division of Walmart U.S. with responsibility over financial services products available at Walmart and other service offerings provided to our customers.

We consider ourselves an advocate for the more than 140 million customers that shop our US stores every week, and are always looking for ways to help them save money on the products and services they want and need.

We have financial services centers, called the Walmart MoneyCenter, in more than 1,000 stores. In the remaining stores, customers can access everyday money services at our customer service centers and via self-service kiosks located after the check-out lanes in our stores.

As it relates to financial services offerings in our stores, Walmart MoneyCenter Associates, Customer Service Desk Associates, and front end hourly supervisors receive annual training to learn how to help detect consumer fraud; how to respond to the customer when rejecting his/her transaction; and how to report fraud or possible fraud. Additionally, Walmart's financial services providers facilitate enhanced training to our associates in some geographic locations identified as having high incidents of fraud.

For example, Walmart MoneyCenter Associates, Customer Service Desk Associates, and front end hourly supervisors are trained to be aware of countries where these scam transfers are often sent. These associates are also trained to ask customers certain questions, which may include the following or similar questions:

- Do you know the receiver?
- What is your relationship with the receiver?
- Have you confirmed with other relatives or friends that the receiver is in another country?
- Were you promised something in return for sending the money?
- What is the purpose for your transaction?
- Were you sent a check and then asked to wire money?

- Are you sending money in advance for a loan?
- Are you responding to an advertisement, phone call, letter, or email?
- Are you sending money to pay for an item purchased over the internet?

In addition, some of our stores have TVs that run commercials at the Walmart MoneyCenter or at in-lane registers warning customers of consumer fraud and how to identify red flags. Consumer fraud red flag warnings and disclosures are on the front cover of all money transfer send forms. “Stop” signs are posted on register poles at Walmart MoneyCenters or Customer Service Desks where financial services are completed that warn customers they should know to whom they are sending money. Consumer fraud awareness pamphlets are available for customers at all Walmart MoneyCenters or Customer Service Desks where financial services are completed.

Our money transfer providers MoneyGram International and Ria Financial Services also have fraud prevention controls based on rules that identify transactions that have red flags or common characteristics of fraud transactions. Databases of victims and perpetrators are maintained and scanned against to help prevent future fraudulent transactions.

Walmart and its financial services providers also maintain Anti-Money Laundering (AML) programs that are aimed at identifying potentially illegal or fraudulent transactions.

At Walmart Services, we are always evaluating our product mix and whether technological innovations or other market developments create a change in customer’s need for a particular type of product offering. For example, we made the decision to no longer sell certain products like the MoneyPak and Vanilla Reload offerings based on our consideration of numerous variables, including but not limited to:

- 1) new innovations in the money transfer space that eliminate the need to carry a physical item in the store to provide customers what they want;
- 2) the development of new options that are better, faster and more affordable for our customers; and
- 3) awareness of increasing instances where customers said they were steered toward these products by fraudsters.

Specifically, I would like to share with you two technology/product advancements that Walmart worked to develop to improve speed of service, fraud controls and pricing in the pre-paid and money remittance space.

Walmart Rapid Reload is now available at participating Walmarts¹ for the reload of prepaid cards at any register, which allows customers to add funds to their prepaid cards using cash or PIN-debit at any check-out register. The cashier or customer

¹ Not available in VT or WY.



simply swipes the prepaid card, applies the payment method and the amount is directly added to the card almost instantly.² A service fee of \$3.74 applies.

In April 2014, we rolled out the Walmart-2-Walmart money transfer service powered by Ria. This service removes the complex and costly fees that often come with transferring money within the United States.

Walmart-2-Walmart offers a simple and transparent fee structure with just two price points: customers can transfer up to \$50 for \$4.50 and up to \$900 for \$9.50.

The savings customers can see at Walmart are very clear when looking at the cost of money transfers over \$50, which are the majority of transactions in the U.S. For example, a person transferring \$500 with other services could pay up to \$40 to complete the transaction.

Again, we appreciate the opportunity to provide our perspective on this topic and the committee's efforts to assess ways for business, government and law enforcement to work collaboratively to address and mitigate fraud.

²Up to \$1,000 at Walmart as long as card load limits are not exceeded.