



Your source for payments education

# Fighting Digital Fraud and Collaboration With Law Enforcement

A law enforcement and merchant collaboration to combat digital fraud.



Detective Mark Hwang – Anaheim Police Department  
Detective James Woo – Anaheim Police Department

# Key Takeaways

- **Understand Emerging Fraud Tactics**

Gain insight into how criminals use synthetic identities, account takeovers, and point-of-sale (POS) terminal manipulation to commit large-scale fraud.

# Key Takeaways

- **Recognize the Impact on Merchants**

Explore how digital fraud leads to chargebacks, financial losses, and long-term reputational damage across multiple merchant sectors.

# Key Takeaways

- **Analyze Real-World Case Patterns**

Examine recent fraud investigations and case studies to identify common indicators, suspect behaviors, and cross-jurisdictional trends.

# Key Takeaways

- **Strengthen Law Enforcement–Merchant Collaboration**

Discover how partnerships between law enforcement and organizations like the PaymentsEd Forum can improve detection, reporting, and disruption of digital fraud schemes.

IMAGINE THIS...

- ❖ On 6-4-25, the Resort Hotel GM called APD regarding a suspicious subject who booked multiple hotel rooms.
- ❖ “Madhav Raja” initially booked the hotel rooms online using the reward program of the hotel.
- ❖ The initial payment was declined via online booking. The secondary payment was completed via POS terminal by manual input. The secondary payment was declined.

- ❖ Attempt to contact Madhav Raja with negative results (telephone).
- ❖ The door knocked to the hotel rooms led to numerous unregistered occupants encamped inside without permission.
- ❖ Police responded for trespass/keep the peace and learned the hotel rooms were sub-rented from Madhav Raja.

DO WE HAVE A CRIME?



To Maintain A Safe Community  
To Live, Work and Play

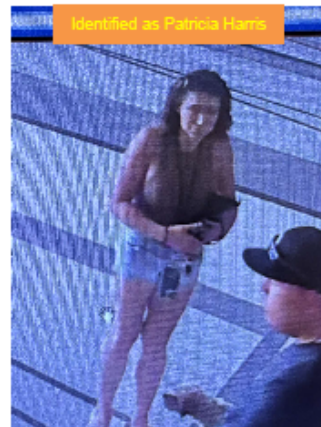


**\*\*BOLO\*\***

|   |                                       |                             |
|---|---------------------------------------|-----------------------------|
| CONFIDENTIAL: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |                                       |                             |
| TYPE OF INCIDENT: <b>Fraudulent purchase of rooms</b>                             |                                       |                             |
| DATE: <b>8-19-24</b>  | TIME(S) OF OCCURRENCE: <b>All Day</b> | POLICE NOTIFIED: <b>Yes</b> |
| LOCATION OF OCCURRENCE: <b>Resort Area in Anaheim</b>                             |                                       |                             |
| REPORTING PARTY: <b>Detective M. Hwang #864</b>                                   |                                       |                             |

On 8-20-24, multiple hotel rooms were fraudulently purchased with counterfeit credit cards and bogus reward membership accounts. The hotel rooms were reserved under **Madhav Raja**, 212-973-0372, 119 Henry Street, Dayton, OH, 45403 with associated contact numbers (714-650-9608 and 949-652-9608). Then, **Madhav Raja**, illegally sublet those rooms out to multiple occupants. Out of the occupants, some claimed their mutual acquaintance (Bryan Scott or Bryan Scott Vera) invited them to stay inside fraudulently purchased hotel rooms. In addition, another female associated to the rooms was identified as **Patricia Harris** (DOB: 12-17-1981) driving a white Lincoln SUV (Ca Plate #9LXN365). These individuals were possibly seen on 8-7-24 at one of the hotels in Lake Forest with **Madhav Raja** as the registered guest of 4 hotel rooms. Currently working with the hotels for additional information. Looking for similar cases and attempting to identify the male subjects.

If these subjects comes onto your property please exercise caution and refuse them service. Your safety as well as your staff is priority. If you need assistance contact your local law enforcement agency. APD non-emergency line is (714) 765-1900. These subjects are not wanted at this time.





To Maintain A Safe Community  
To Live, Work and Play



**\*\*BOLO\*\***

CONFIDENTIAL: YES  NO

TYPE OF INCIDENT: **Fraudulent purchase of rooms**

DATE: **11-13-24** TIME(S) OF OCCURRENCE: **Late night/early morning** POLICE NOTIFIED: **Yes**

LOCATI/ON OF OCCURRENCE: **Resort Area in Anaheim**

REPORTING PARTY: **TOP**

On 11-13-24, multiple hotel rooms were fraudulently purchased with counterfeit credit cards with the same individual from the previous [CAN flyer on 8-19-24](#). The hotel rooms were reserved under **Andrew Sitter**, this time. However, we have identified the main suspect as **Kevin Tabo Navarro**. Kevin has used **Madhav Raja** to check in before as well. From our previous cases and intelligence, Kevin and his crew would first book the rooms using a third party site (like Expedia or Booking.com) for about two days. He'll come into the front desk after the two days to extend his stay using a fake ID and most likely a credit card that has **NOT** been reported stolen yet. Kevin never stays at any of these hotel rooms and sublets it to other subjects who have been known to use drugs and possess illegal contraband. The photos below are all the subjects who we believe have been associated with Kevin. As of now, they are **NOT WANTED**, however, please refuse them service as we believe they will cause chargebacks for purchases at your respective businesses.

If these subjects come onto your property please exercise caution. Your safety as well as your staff is priority. If you need assistance contact your local law enforcement agency. APD non-emergency line is (714) 765-1900.

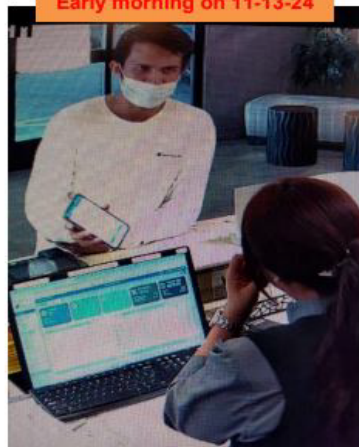
Unidentified on 8-19-24



Identified as Kevin Tabo Navarro



Early morning on 11-13-24



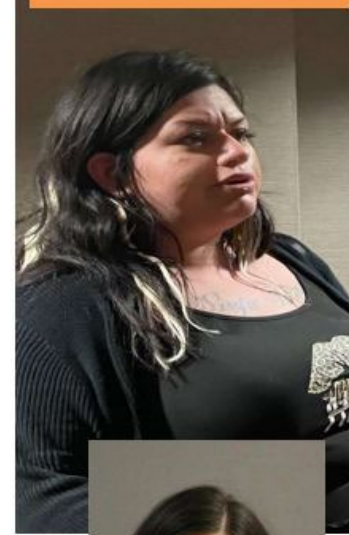
Identified as Monica Galaviz



Identified as Anthony Nguyen Cao



Identified as Graciela Leonardo, but used "Yesenia Aguilar" or "Stephanie Sanchez"



Identified as Gilbert Penalzoza



Identified as Adrian Cisneros



## TAKEAWAYS:

- **Fraudulent Operation exploiting hotel reward programs to book/reserve multiple hotel rooms illegally and sub-rent them to criminals for profit. The TOP team discovered one of their method of operation and would like to share what we learned.**
- **PLEASE CONSULT WITH YOUR LEGAL DEPARTMENT BEFORE TAKING ANY ACTIONS FROM OUR TAKEAWAYS.**
- **The suspect would use different types of identity theft/fraud schemes (merging real names with fake information) to avoid detection.**
- **Create fake profiles to join hotel reward programs**
  - **Maximize reward points to bring status to “Platinum”**
  - **Due to “Platinum” status, it is easy for check in and create room access via cell phone to avoid detection from hotel management**
- **Usually book multiple hotel rooms using third-party booking**
- **ALWAYS check-in during odd late/early hours**
- **Once checked in, request for extended stays (usually 2-3 days) or additional hotel rooms (usually 2 rooms). The suspect will sub-rent the illegally booked/reserved hotel rooms to other criminals for profit.**
- **Until the credit card companies contact the hotel for fraud/chargebacks, the suspect will stay as long as they can.**
- **The majority of the credit cards are from Bank of Commonwealth in Australia**
  - **BIN (Bank Identifying Number) starts with “5523 50XX XXXX XXXX”**



- ❖ As of 6-4-25, we learned there were approximately 12 hotels affected by Madhav Raja.
- ❖ Madhav Raja was using the Hilton Honors, Bonvoy Marriott, and IHG reward programs.
- ❖ The suspect spent \$30,000.00 a month using stolen credit cards and earned “Platinum” status within one week. Approximately \$360,000.00 loss for the hospitality industry.

WHAT ARE THE CHALLENGES THAT  
ARE CURRENTLY IMPACTING LAW  
ENFORCEMENT?



# LOYALTY/REWARD POINT THEFT

# How Long Have Loyalty/Reward Programs Been Around?

SINCE THE ANCIENT EGYPTIAN TIMES



# Loyalty/Reward Point Theft

- ❖ Loyalty programs have become an integral part of modern business strategies.
  - ❖ Membership rewards
  - ❖ Membership discounts
  - ❖ Exclusive perks to customers (i.e. Silver, Gold, Platinum, Elite Platinum)
- ❖ These programs are designed to foster customer engagement, increase retention, and drive revenue.

# Loyalty/Reward Point Theft

- ❖ These amazing loyalty/reward programs also make them vulnerable to fraud.
- ❖ Account Takeover (ATO) – In ATO fraud, criminals gain unauthorized access to a user's loyalty account. They may use stolen credentials, phishing attacks, or brute force techniques. Once inside, criminals can redeem points, change account details, or transfer rewards.

# Loyalty/Reward Point Theft

- ❖ These amazing loyalty/reward programs also make them vulnerable to fraud.
- ❖ Point Manipulation – Criminals exploit vulnerabilities in loyalty/reward point programs to inflate their points balance. They may manipulate transaction records, create fake transactions, or exploit loopholes in point redemption rules.

# Loyalty/Reward Point Theft

- ❖ These amazing loyalty/reward programs also make them vulnerable to fraud.
- ❖ Internal Fraud – Insider fraud occurs when employees or partners conspire with external criminals to defraud the loyalty program. This can involve creating fake accounts, transferring points, or selling rewards on the black market.

# Facts

Loyalty program fraud attack  
**increases compared to the previous year** Source: CyberSource

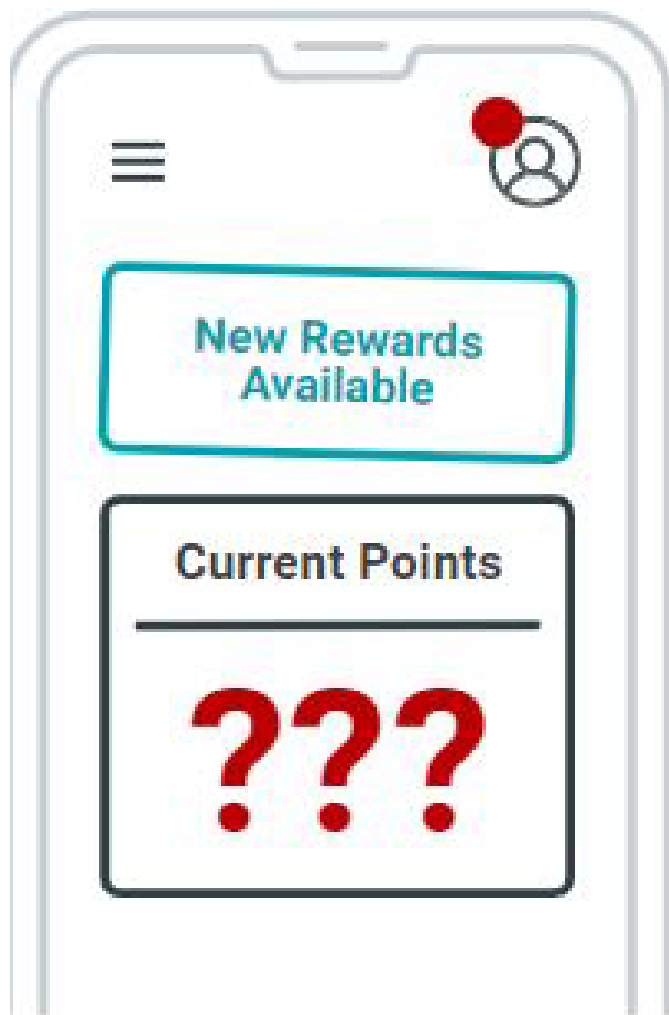


# Just over \$1 billion is the estimated cost of loyalty program fraud every year.

Source: New York Times

Some criminals use stolen credentials to impersonate customers, breach loyalty profiles and then tap into separate accounts. These scammers will auction off many different kinds of rewards, including frequent flyer miles.

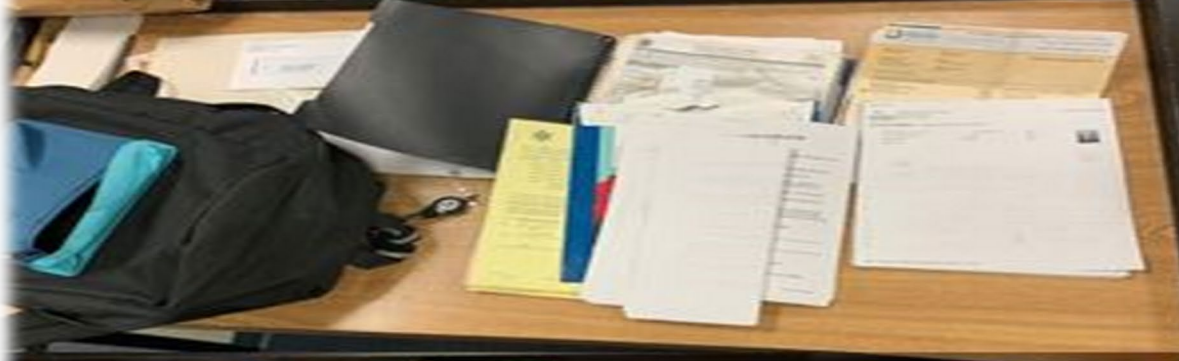




**57%** of program members  
**don't know their point balance,  
and don't check them frequently.**

Source: Bond

Encourage more engagement with your brand's loyalty program by offering a tier system. In these systems the more a user participates in the program, the higher tier they go. A consumer that engages frequently will be rewarded by receiving exclusive rewards/benefits.



Anaheim & Lake forest  
Yorba Linda

Pomona

Buena Park

Chino, Chino Hills

Los Angeles

Corona

Garden Grove

Fullerton

Long Beach

Diamond Bar

Glendale

Newport Beach

Costa Mesa

Rancho Mirage

Thousand Palms

THE VIV Hotel

Anaheim Marriot

Lakewood INN

Holiday INN Express

Four Points Sheraton

Candlewood Suites

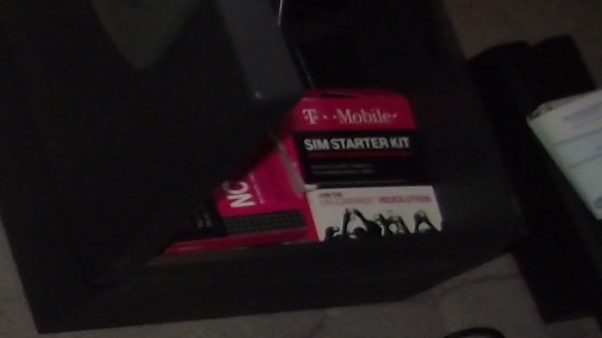
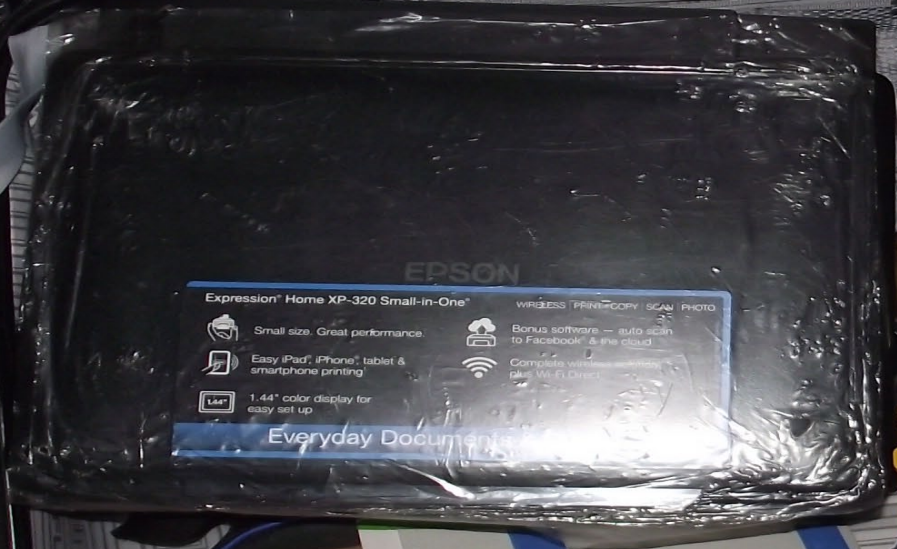
Townplace Suites

Hampton INN & Suites

FiMobile

In reply refer to: 148501111  
May 25, 2022 LTR 5071C B0  
202112 30 00087309  
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MISSION VIEJO, CA 92691

DOB **03/07/1978**  
RSTR NONE

SEX **M** HAIR **BLK** EYES **BRN**  
HGT **5'-07"** WGT **135 lb**  
ISS **04/20/2012**

DD **04/03/201262135/CCFD/17**

030773

Send

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Visit USA

**NEW VEHICLE DEALER NOTICE TEMPORARY IDENTIFICATION**  
(Must be affixed to the vehicle before delivery to the purchaser)

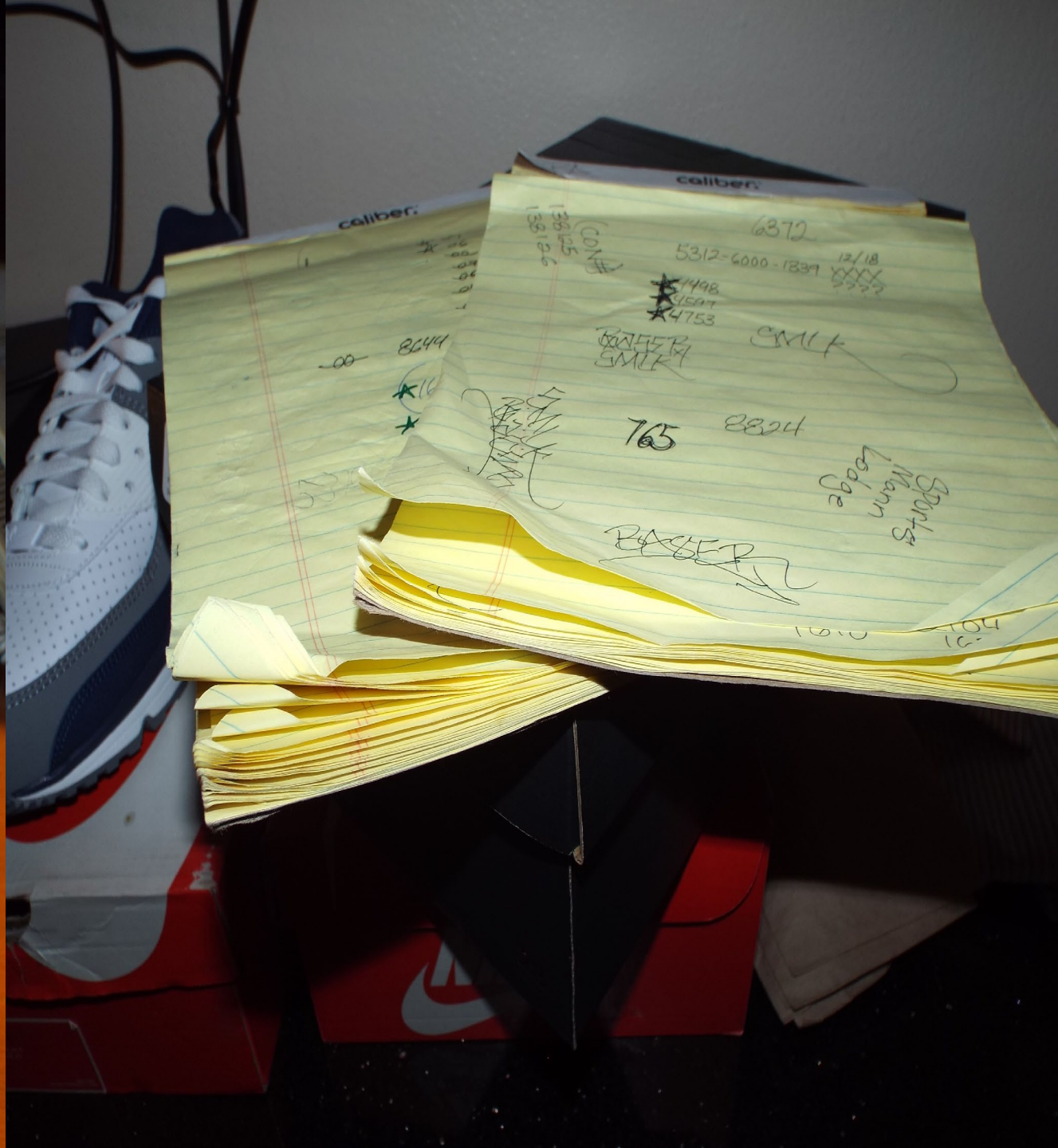
|           |               |                               |                   |
|-----------|---------------|-------------------------------|-------------------|
| BODY TYPE | 4D 1.8 LX SSP | VEHICLE IDENTIFICATION NUMBER | 19XFB2F53EE274844 |
| OR        |               | DEALER'S NUMBER               | 27056             |
|           |               | SALESPERSON'S NUMBER          | S676155           |

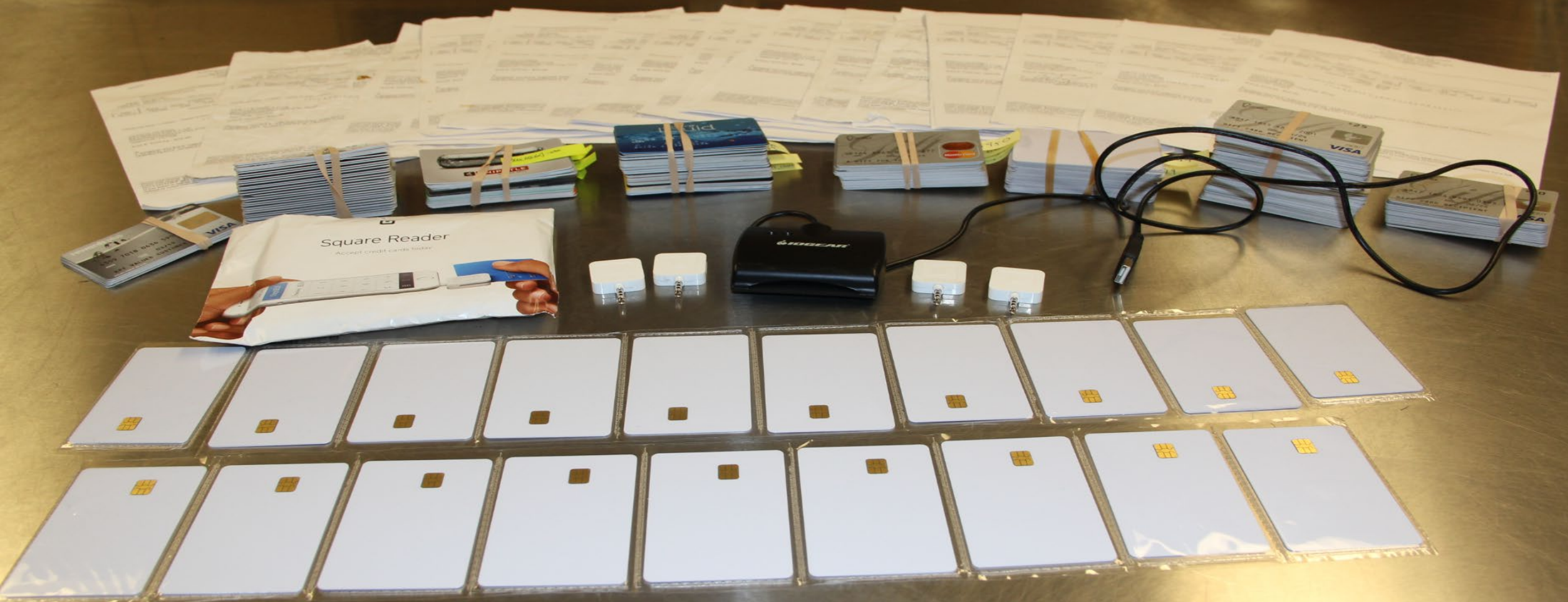
32162374

31 IMPORTANT! ENTER BOTH DEALERS AND SALESPERSON'S NUMBERS  
is a notice of purchase of vehicle. Do not use as an application for registration.

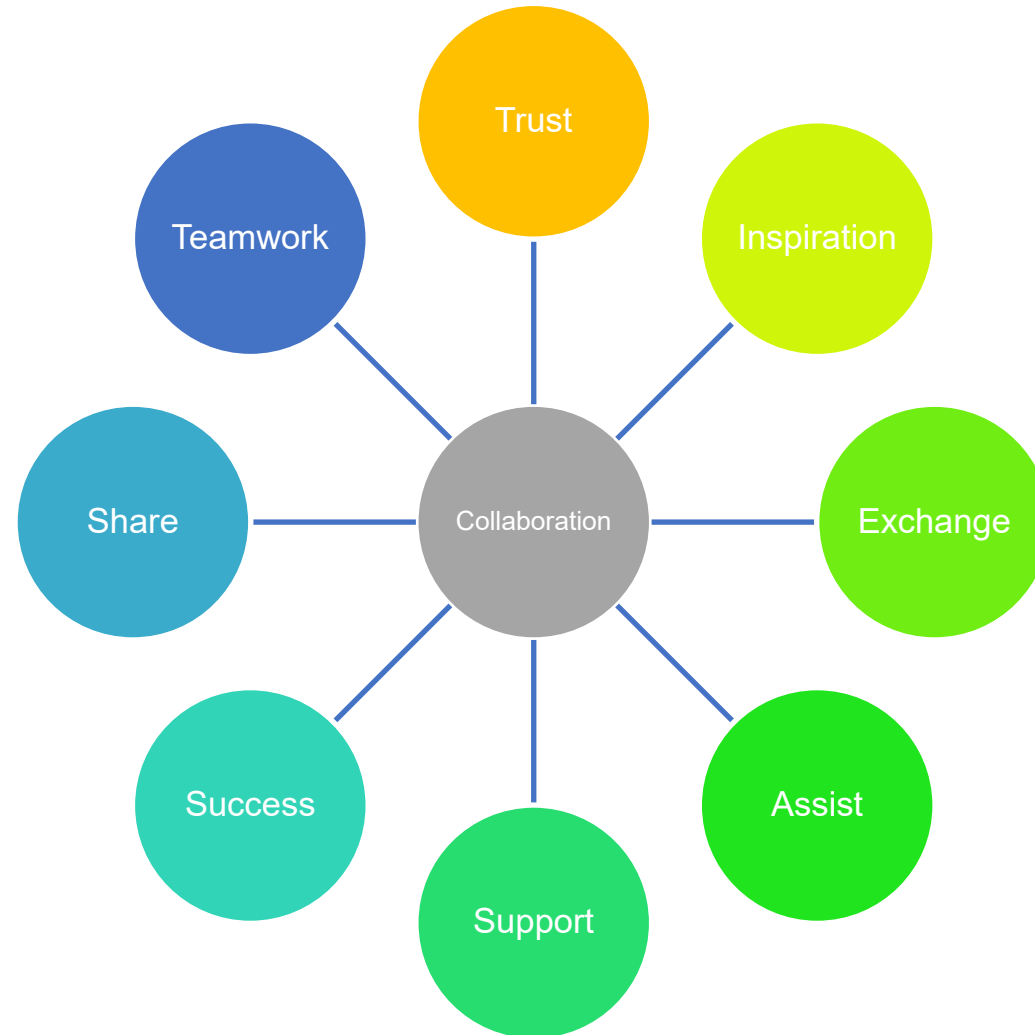
stin CA 92780

Supplier





# Summary & Key Takeaways



# Thank you



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- Don't forget to submit your session evaluation!