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February 9, 2023

Mr. Jamie Dimon
Chairman and Chief Executive Officer
JPMorgan Chase & Co.
270 Park Avenue
New York, NY 10017

Dear Mr. Dimon:

I am writing to urge that JPMorgan Chase ("Chase") immediately change its fraud reimbursement policy and implement stringent safeguards in connection with e-pay platforms, particularly in light of the series of shocking incidents at LGBTQ bars and nightclubs in my Senate district where individuals apparently have been preyed upon, incapacitated against their will, and robbed through fraudulent transfers on Zelle.

Reports indicate at least eight people have been robbed through Zelle and online payment apps after being subject to the horrific experience of being drugged and abducted following visits to LGBTQ establishments, some with dire consequences.¹ In one instance, 25-year old Julio Ramirez died on April 21, 2022 after being drugged and robbed following a visit to an LGBTQ bar in my Senate district. An NYPD investigation subsequently revealed approximately \$20,000 was stolen from his accounts through the platforms ApplePay and Zelle.² To my knowledge, his family has not been reimbursed. Worse, his murder remains unsolved.

¹ Matt Laviertes, "Gay New Yorkers Share Accounts Similar to Robberies that Left Two Dead," *NBC News*, November 18, 2022, <https://www.nbcnews.com/nbc-out/out-news/gay-new-yorkers-share-accounts-similar-robberies-left-two-dead-rcna57088>; Matt Laviertes, "Patrons of NYC gay bar incapacitated and robbed of thousands via facial recognition on their phones," *NBC News*, February 2, 2023, <https://www.nbcnews.com/nbc-out/out-news/patrons-nyc-gay-bar-incapacitated-robbed-thousands-facial-recognition-rcna68842>.

² Jay Valle, "A 25-Year-Old Got in a Taxi Outside an N.Y.C. Gay Bar. He Was Dead an Hour Later." *NBC News*, May 27, 2022, <https://www.nbcnews.com/nbc-out/out-news/25-year-old-got-taxi-nyc-gay-bar-was-dead-hour-later-rcna29844>.

Another victim, a constituent, had \$10,000 stolen from him through Zelle while he was unconscious after being drugged at another LGBTQ bar in my Senate district. Thankfully, he survived the attack, but he has yet to be reimbursed by Chase for his loss, which constitutes the vast majority of his savings, even though he promptly filed a fraud claim.³

The problem of fraud reimbursement for e-pay platforms is widespread beyond the examples cited above. In fact, a recent government analysis showed that major banks reimbursed less than half (47%) of funds stolen from customers through Zelle.⁴ As these platforms are being exploited by wrongdoers in the most appalling of circumstances, creating a heightened level of public concern, I hope you hasten action to change your fraud policies and reimburse these victims and their families as soon as possible. In addition, I implore you to swiftly institute suspicious activity safeguards and other precautions for e-pay platforms that can provide an early warning to banks and law enforcement to help discourage and prevent these abhorrent crimes, such as requiring mandatory two-factor authentication or other verification for large transfers.

Thank you for your prompt attention to this important issue. Please contact me if you have any questions.

Sincerely yours,



Brad Hoylman-Sigal
New York State Senator
47th District

cc:

Ms. Clare M. Cusack
President and CEO, New York Bankers Association

Ms. Samantha Diliberti
Vice President, State and Local Government Affairs, Northeast, JPMorgan Chase & Co.

³ This constituent provided me with the claim they have filed with the New York Department of Financial Services. Out of respect to their privacy, they are unnamed.

⁴ Office of Sen. Elizabeth Warren, *Facilitating Fraud: How Consumers Defrauded on Zelle are Left High and Dry by the Banks that Created It*, October 2022, <https://www.warren.senate.gov/oversight/reports/new-report-by-senator-warren-zelle-facilitating-fraud-based-on-internal-data-from-big-banks>.