
Financial Institutions & Insurance Committee

HB 1844

Brief Description: Criminalizing possession of instruments or equipment of financial fraud.

Sponsors: Representatives Schual-Berke, Benson, Simpson, Morrell, McIntire, Mielke, Hudgins, Rockefeller and Bush.

Brief Summary of Bill

- Creates six financial fraud crimes pertaining to the use, possession, or production of payment instruments, identification, or devices used to produce fraudulent documents.
- Adds five felony offenses to the list of predicate offenses that can give rise to prosecution under the Criminal Profiteering Act.

Hearing Date: 2/19/03.

Staff: Thamas Osborn (786-7129).

Background:

The proliferation of identity theft and other financial fraud crimes is due, in part, to the increasing sophistication of offenders with respect to the use of technology to produce fraudulent credit/debit cards, identification, and various payment instruments. Although the use of fraudulent documents or instruments may currently constitute any one of several crimes, the mere possession or manufacture of such items is not necessarily criminal.

Summary of Bill:

Overview: The bill creates five new financial fraud crimes pertaining to the use, possession, or production of payment instruments, identification, or devices used to produce fraudulent documents. Statutory definitions are added with respect to new terminology introduced in the descriptions of these offenses. Several of these crimes are added to the list of predicate offenses that can give rise to prosecution under the Criminal Profiteering Act.

Unlawful production of payment instruments: It is a crime to print or otherwise produce a

check or other payment instrument that includes either the name, routing number, or account number of another person without the consent of that person. (Class C felony.)

Unlawful possession of payment instruments: It is unlawful to possess two or more payment instruments in the name of a person, or which contain the routing or account number of a person, absent the permission of that person. Such possession is also prohibited if the named person, routing number, or account number is fictitious. (Class C felony.)

Unlawful possession of a personal identification device: It is unlawful to possess “with criminal intent” any device whose purpose is to manufacture or print any driver’s license, identification card, credit/debit card, or badge. (Class C felony.)

Unlawful possession of fictitious identification: It is unlawful to possess “with criminal intent” an identification card in the name of a fictitious person. (Class C felony.)

Unlawful possession of instruments of financial fraud: It is unlawful to possess check making equipment or software with the intent to perpetrate a crime involving financial fraud. (Class C felony.)

Unlawful possession of another’s identification: It is unlawful to possess identification in the name of another person unless one has the permission of that person. (Gross misdemeanor.)

Jurisdiction: When the prosecution of any of the offenses created by the bill relates to the offense of identity theft, the jurisdiction may be either the place of the victim’s residence or the locality in which any part of the offense took place.

Criminal Profiteering Act: The five felony offenses created by the bill constitute criminal profiteering and are subject to the remedies available under the Criminal Profiteering Act.

Ranking of Seriousness Level: The Class C felonies created by the bill are ranked in the sentencing guidelines as seriousness level I. This ranking is considered in conjunction with an offender’s criminal history in order to determine the appropriate sentence.

Appropriation: None.

Fiscal Note: Requested on February 13, 2003.

Effective Date: The bill takes effect ninety days after adjournment of session in which bill is passed.