

FINAL BILL REPORT

SSB 6074

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Synopsis as Enacted

Brief Description: Reauthorizing and expanding the financial fraud and identity theft crimes investigation and prosecution program.

Sponsors: Senate Committee on Law & Justice (originally sponsored by Senators Dhingra, Rivers, Padden, Mullet, Van De Wege, Randall, Salomon, Keiser, Conway, Pedersen, Kuderer, Das and Stanford).

Senate Committee on Law & Justice
Senate Committee on Ways & Means
House Committee on Civil Rights & Judiciary
House Committee on Appropriations

Background: Estimated Frequency of Fraud and Identity Theft in the United States. The frequency of financial fraud and identity theft (FFIT) continues to rise across the nation. The Federal Trade Commission (FTC) compiles consumer complaints related to FFIT from a number of sources through its Consumer Sentinel Network and publishes a yearly report on the rate of consumer FFIT and other consumer complaints in 29 categories.

The FTC's 2018 Consumer Sentinel Network report shows, in the aggregate, that FFIT complaints increased over 2017 levels. The report identifies fraud complaints as the single largest category of complaints. Of nearly 3 million reports, 1.4 million or about 48 percent of all reports were fraud complaints. Imposter scams produced the highest number of fraud complaints. Identity theft, the second largest category, amounted to approximately 15 percent of the complaints in the reporting year. Credit card theft produced the highest number of identity theft complaints.

The FTC's 2018 report also ranks the number of complaints by state and by metropolitan statistical area. Among states, Washington ranked 25th for fraud complaints at 582 complaints per 100,000 population. Washington ranked 23rd for identity theft complaints at 100 reports per 100,000 population.

The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program. In 2008, the Legislature created the Financial Fraud and Identity Theft Crime Investigation and Prosecution Program to improve the state's capacity to respond to FFIT crimes. Initially, the program was slated to end in 2015, but the Legislature extended it to 2020. The Department of Commerce administers the program and provides an annual progress report to the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Legislature that includes, among other information, statistics on investigations conducted, crimes charged, convictions obtained for FFIT crimes, recommendations for operational improvements, and recommendations for improved response to FFIT crimes from the two program task forces.

The two regional task forces operating within the program are the Greater Puget Sound Task Force covering King, Pierce, and Snohomish counties, and the Spokane County Task Force. Each task force includes representatives from local law enforcement; county prosecutors; the state Attorney General's Office; financial institutions; and other state, local, and federal law enforcement and investigative agencies. FFIT crimes that are the program's focus include check fraud, chronic unlawful issuance of bank checks, embezzlement, credit and debit card fraud, identity theft, forgery, counterfeit checks and documents, organized counterfeit check rings, and organized identification theft rings. The task forces' work emphasizes large, complex, and multi-jurisdictional investigations and prosecutions.

The task forces meet regularly and share information about key suspects, crime trends, and investigations. The task forces direct funds for law enforcement investigation and forensic analysis, and for prosecutorial staff for FFIT cases.

The program receives funding from a statutory surcharge on UCC-1 filings at the Department of Licensing (DOL). The surcharge funds are transferred by DOL into a dedicated account for the program. In 2015, the Legislature set the surcharge at \$10 per filing. The program and surcharge expire on July 1, 2020.

Summary: The program is extended until July 1, 2030. Additionally, until July 1, 2030, the surcharge on certain UCC filings at DOL increase from the current \$10 surcharge to \$15 per filing. DOL deposits the surcharges in a dedicated account created to fund the program. To facilitate biennial reviews of its funding, the program must include information about the use of funds and its funding needs in its annual report to the Governor and Legislature.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: June 11, 2020