

House Research Act Summary

CHAPTER: 354

SESSION: 2000 Regular Session

TOPIC: Stolen and counterfeit checks

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Overview

This act imposes new criminal penalties on persons who traffic in stolen or counterfeit checks or who falsely report the theft of blank checks or debit cards to a financial institution. The act also limits the liability of financial institutions that provide information in good faith to third parties, such as check verification services and consumer reporting agencies, regarding stolen, forged, or fraudulent checks.

Section

- 1 **Limit on liability of financial institution.** Limits the liability of financial institutions that provide information to third parties concerning stolen, forged, or fraudulent checks. Under current law, good faith disclosure of such information is protected when the recipient is the crime alert network or a law enforcement agency. Under this provision, good faith disclosure to other third parties, such as check verification services and consumer reporting agencies, would likewise be protected. Additionally, disclosures made by the financial institution's employees or company agents on behalf of the financial institution would be protected under this provision.
- 2 **False information to financial institution.** Provides a misdemeanor penalty for any person who informs a financial institution that the person's blank checks or debit card have been lost or stolen, knowing or having reason to know that the information is false.
- 3 **Penalties.** Makes technical amendments to the penalty section of the identity theft law to make it match current thresholds for misdemeanor and gross misdemeanor crimes under the theft statute.
- 4 **Possession or sale of stolen or counterfeit checks; penalties.** Creates a new crime applicable to persons who possess, sell, receive, or transfer stolen or counterfeit checks, knowing or having reason to know that the check is stolen or counterfeit. As with the crime of identity theft (enacted in 1999), penalties for this new crime increase with the number of victims affected by the unlawful activity and the amount of loss caused by the offender.

- 5 **Forfeiture law.** Provides that persons convicted of committing the check fraud crime created in section 4 are subject to forfeiture sanctions upon conviction for the offense.
- 6 **Racketeering law.** Provides that persons who commit the check fraud crime created in section 4 also may be prosecuted for racketeering if their criminal activity is the type of organized pattern of criminal activity covered by the racketeering crime.
- 7 **Effective date.** August 1, 2000, for crimes committed on or after that date.