

SENATE BILL REPORT

SB 5719

As Reported By Senate Committee On:
Financial Services, Insurance & Housing, February 27, 2003

Title: An act relating to fraudulent use of a credit card scanning device.

Brief Description: Penalizing the fraudulent use of credit card scanning devices.

Sponsors: Senators Winsley, Prentice, Benton, Finkbeiner and Shin.

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 2/13/03, 2/27/03 [DPS].

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 5719 be substituted therefor, and the substitute bill do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Reardon and Roach.

Staff: Joanne Conrad (786-7472)

Background: Credit card scanning devices are legitimately used to access, read, and store information encoded on credit cards and other forms of payment card, in order to process transactions. Some of the devices are small and portable, to facilitate businesses transacting with payment cards, in restaurants and other settings. Some employees and others may use scanners to obtain a cardholder's information, in order to commit financial fraud.

Summary of Substitute Bill: Fraudulent use of a payment card scanning device is a class C felony. Subsequent violations are a class B felony.

Substitute Bill Compared to Original Bill: Financial institutions are added to the category of possible victims of scanning fraud.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: There is an increase in fraud due to criminal use of credit card scanning devices, to expropriate the victim's credit card data. This has become a "crime of choice."

Testimony Against: None.

Testified: Dedi Hitchins, WA Retail Assn.; Steve Satuloff, Target Corp.

