

HOUSE BILL REPORT

HB 1090

As Passed Legislature

Title: An act relating to reauthorizing and expanding the financial fraud and identity theft crimes investigation and prosecution program.

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

Sponsors: Representatives Kirby, Jinkins and Rodne; by request of Attorney General.

Brief History:

Committee Activity:

Judiciary: 1/20/15, 1/29/15 [DP];

General Government & Information Technology: 2/10/15 [DP].

Floor Activity:

Passed House: 3/4/15, 97-0.

Passed Senate: 4/13/15, 48-0.

Passed Legislature.

Brief Summary of Bill

- Extends the Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program (Program) until 2020.
- Increases surcharges dedicated to funding of the Program.
- Expands the Central Puget Sound Financial Fraud and Identity Theft Task Force to include Snohomish County.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 13 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Goodman, Haler, Hansen, Kirby, Klippert, Muri, Orwall, Stokesbary and Walkinshaw.

Staff: Edie Adams (786-7180).

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.

**HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION
TECHNOLOGY**

Majority Report: Do pass. Signed by 6 members: Representatives Hudgins, Chair; Senn, Vice Chair; MacEwen, Ranking Minority Member; McCabe, Morris and Takko.

Staff: Derek Rutter (786-7157).

Background:

The Financial Fraud and Identity Theft Crimes Investigation and Prosecution Program (Program) within the Department of Commerce was created in 2008 and is set to expire on July 1, 2015. The Program consists of two regional financial fraud and identity theft crime task forces: the Central Puget Sound Task Force that includes King and Pierce counties, and the Spokane County Task Force.

The task forces include representatives of local law enforcement agencies, county prosecutors, the Office of the Attorney General, financial institutions, and other law enforcement entities. The task forces employ law enforcement, investigation, and prosecutorial staff dedicated to investigating and prosecuting financial fraud and identity theft crimes, focusing on complex regional and multijurisdictional cases.

The Program is funded through surcharges on filings with the Uniform Commercial Code (UCC) Program within the Department of Licensing. The UCC Program files financing statements and other documents evidencing liens against personal property. The surcharges are \$8 for paper filings and \$3 for electronic filings. Revenues from these surcharges are deposited into the Financial Fraud and Identity Theft Investigation and Prosecution Program Account, which may be used only to support the activities of the task forces and the expenses of the Department of Commerce in administering the Program.

Summary of Bill:

The expiration date for the Program is extended to July 1, 2020. The Central Puget Sound Task Force is expanded to include Snohomish County.

Surcharges on UCC Program filings are increased from \$8 to \$10 for paper filings and from \$3 to \$10 for electronic filings.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2015.

Staff Summary of Public Testimony (Judiciary):

(In support) The UCC Program has had a huge impact in the area. Washington has been named the number one property crime state, but our identity theft statistics have been going

down. The UCC Program's task forces focus on the most prolific offenders and coordinate between jurisdictions. Identity theft crimes are unique and difficult cases because of their multi-jurisdictional element. It is critical that we are aware of the activity of the perpetrators in other jurisdictions. The ability of the task forces to hire a crime analyst who is able to recognize patterns and communicate with multiple law enforcement agencies has been critical to our success. It allows the courts to punish and address the full extent of the criminal activity across jurisdictions, not just in one jurisdiction. This program is especially important for seniors, which represent about 36 percent of identity theft victims. The UCC Program is a great example of a successful and important public private partnership. There is overwhelming support in the financial industry for the increased fees to support the program because it is so successful.

(Opposed) None.

Staff Summary of Public Testimony (General Government & Information Technology):

(In support) In 2008 when the UCC Program was created, 2015 seemed distant. Now, the UCC Program is set to expire, but it has been a good program and should be extended. This bill slightly raises the fee supporting the UCC Program and expands it to Snohomish County, which is good for consumers there.

The UCC Program is funded by the Washington Bankers Association, which supports this bill. The UCC Program is a great example of a successful public-private partnership, and financial institutions across the state overwhelmingly support raising the fee to expand its reach.

Identity theft is a major problem in Washington and across the country. It is a complex crime that often spans multiple jurisdictions and disproportionately impacts vulnerable populations as well as retailers. The task forces provide resources to local jurisdictions so that coordination on cases is possible. A dedicated detective in King County would have helped on certain cases spanning King and Snohomish Counties, and this bill provides the additional funding to make that possible.

(Opposed) None.

Persons Testifying (Judiciary): Melinda Young and Peter Lewicki, King County Prosecutor's Office; Mary Clogston, AARP; Denny Eliason, Washington Bankers Association; and Mike Webb, Washington Attorney General's Office.

Persons Testifying (General Government & Information Technology): Representative Kirby, prime sponsor; Melinda Young, King County Prosecuting Attorney's Office; Denny Eliason, Washington Bankers Association and United Financial Lobby; Nicole Perry, Greater Puget Sound Financial Fraud and Identity Theft Task Force and Redmond Police Department; Mike Webb, Office of the Attorney General; and Joanie Deutsch, Washington Retail Association.

Persons Signed In To Testify But Not Testifying (Judiciary): None.

Persons Signed In To Testify But Not Testifying (General Government & Information Technology): None.