

SENATE BILL REPORT

SB 5058

As of January 26, 2015

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: Senators Fain, Dammeier, Hobbs, Liias, Pedersen and Mullet; by request of Attorney General.

Brief History:

Committee Activity: Law & Justice: 1/26/15.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Tim Ford (786-7423)

Background: The Financial Fraud and Identity Theft (FFIT) Crimes Investigation and Prosecution Program was created within the Department of Commerce in 2008, and is set to expire on July 1, 2015. FFIT crimes includes those that involve check fraud, chronic unlawful issuance of bank checks, embezzlement, credit or debit card fraud, identity theft, forgery, counterfeit instruments such as checks or documents, organized counterfeit check rings, and organized identification theft rings.

The FFIT Program consists of two regional FFIT 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. Each task force holds regular meetings to discuss emerging trends and threats of local financial fraud and identity theft crimes. The task forces may apply to the Department of Commerce for funds to 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 FFIT Program is funded through surcharges on Uniform Commercial Code (UCC) filings with the Department of Licensing. The UCC filings include financing statements and other documents evidencing liens against personal property that may be required to be filed

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in order to perfect a secure interest. The surcharges are \$8 for paper filings and \$3 for electronic filings. Revenues from these surcharges are deposited into the FFIT 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 FFIT 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.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: As a result of this program, 535 arrests have been made. The program deals with complex, cross-jurisdictional financial fraud and identity theft crimes. Washington State went from eighth worst in the nation for these types of crimes to 23rd in the nation after the program was implemented. There was an 8 percent decline in complaints over that time. The program helps more than just the counties who participate in the task forces. Criminals need only have some connection to the participating counties but often commit crimes all over the state. The increased fees are needed to hire more detectives, prosecutors, and crime analysts.

Persons Testifying: PRO: Senator Fain, prime sponsor; Mike Webb, Office of Attorney General; Melinda Young, King County Prosecuting Attorney's Office; Mark Johnson, WA Retail Assn.