S T A T E O F N E W Y O R K

7563

I N S E N A T E

May 15, 2014

Introduced by Sen. HOYLMAN -- read twice and ordered printed, and when printed to be committed to the Committee on Codes

AN ACT to amend the penal law, in relation to establishing and redefining offenses involving fraud, scheme to defraud and larceny; and to repeal sections 190.60 and 190.65 of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 155.00 of the penal law, subdivisions 1 and 8 as amended by chapter 514 of the laws of 1986, subdivision 6 as added by chapter 791 of the laws of 1967, subdivision 7 as added by chapter 115 of the laws of 1969, subdivision 7-a as added by chapter 556 of the laws of 1987, subdivision 7-b as added by chapter 81 of the laws of 1995, subdivision 7-c as amended by chapter 171 of the laws of 1993, and subdivision 9 as added by chapter 530 of the laws of 1975, is amended to read as follows:

S 155.00 Larceny; definitions of terms.

The following definitions are applicable to this title:

1. "Property" means any money, personal property, real property, computer data, computer program, PERSONAL IDENTIFYING INFORMATION, SECRET SCIENTIFIC MATERIAL, thing in action, evidence of debt or contract, or any article, substance or thing of value, including any gas, steam, water or electricity, which is provided for a charge or compensation.

2. "Obtain" includes, but is not limited to, the bringing about of a transfer or purported transfer of property or of a legal interest therein, whether to the obtainer or another. WITH REGARD TO PERSONAL IDENTIFYING INFORMATION, COMPUTER DATA OR A COMPUTER PROGRAM, OBTAIN INCLUDES DUPLICATING, RECORDING, COPYING, DOWNLOADING, UPLOADING OR PRINTING OUT THE INFORMATION, DATA, OR PROGRAM, OR OBTAINING A PHYSICAL OBJECT CONTAINING SUCH INFORMATION. WITH REGARD TO SERVICE, OBTAIN INCLUDES, BUT IS NOT LIMITED TO, USING OR ACCESSING A SERVICE.

3. "Deprive." To "deprive" another of property means (a) to withhold it or cause it to be withheld from him OR HER permanently or for so extended a period or under such circumstances that the major portion of

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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its economic value or benefit is lost to him OR HER, or (b) to dispose of the property in such manner or under such circumstances as to render it unlikely that an owner will recover such property. WHEN THE PROPERTY IS PERSONAL IDENTIFYING INFORMATION, COMPUTER DATA OR A COMPUTER PROGRAM, TO DEPRIVE ANOTHER OF IT MEANS TO OBTAIN IT OR CAUSE A THIRD PERSON TO OBTAIN IT UNDER SUCH CIRCUMSTANCES THAT A SUBSTANTIAL PORTION OF THE ECONOMIC BENEFIT OR VALUE OF HAVING CONTROL OVER IT OR AUTHORITY OVER ITS USE IS LOST TO AN OWNER. TO DEPRIVE ANOTHER OF SERVICE IS TO USE OR ACCESS A SERVICE OR CAUSE A THIRD PERSON TO USE OR ACCESS A SERVICE UNDER SUCH CIRCUMSTANCES THAT SOME OF THE ECONOMIC BENEFIT OR VALUE OF HAVING CONTROL OR AUTHORITY OVER PROVIDING THE SERVICE IS LOST TO AN OWNER.

4. "Appropriate." To "appropriate" property of another to oneself or a third person means (a) to exercise control over it, or to aid a third person to exercise control over it, permanently or for so extended a period or under such circumstances as to acquire the major portion of its economic value or benefit, or (b) to dispose of the property for the benefit of oneself or a third person. WHEN THE PROPERTY IS PERSONAL IDENTIFYING INFORMATION, COMPUTER DATA OR A COMPUTER PROGRAM OF ANOTHER, TO APPROPRIATE IT TO ONESELF OR A THIRD PERSON MEANS TO OBTAIN IT UNDER SUCH CIRCUMSTANCES AS TO ACQUIRE THE ABILITY TO USE IT OR DISPOSE OF IT TO THE ECONOMIC BENEFIT OF ONESELF OR A THIRD PERSON OR TO THE ECONOMIC DETRIMENT OR DAMAGE OF AN OWNER. TO APPROPRIATE A SERVICE PROVIDED BY ANOTHER TO ONESELF OR A THIRD PERSON MEANS TO USE OR ACCESS THE SERVICE UNDER SUCH CIRCUMSTANCES AS TO ACQUIRE THE ABILITY TO USE IT TO THE ECONOMIC BENEFIT OF ONESELF OR A THIRD PERSON OR TO THE ECONOMIC DETRIMENT OR DAMAGE OF AN OWNER.

5. "Owner." When property OR SERVICE is taken, obtained or withheld by one person from another person, an "owner" thereof means any person who has a right to possession [thereof] OF THE PROPERTY OR A RIGHT TO PROVIDE THE SERVICE superior to that of the taker, obtainer or withholder.

A person who has obtained possession of property OR SERVICE by theft or other illegal means shall be deemed to have a right of possession OF THE PROPERTY OR A RIGHT TO PROVIDE THE SERVICE superior to that of a person who takes, obtains or withholds it from him OR HER by larcenous means.

A joint or common owner of property shall not be deemed to have a right of possession thereto superior to that of any other joint or common owner thereof.

In the absence of a specific agreement to the contrary, a person in lawful possession of property shall be deemed to have a right of possession superior to that of a person having only a security interest therein, even if legal title lies with the holder of the security interest pursuant to a conditional sale contract or other security agreement.

6. "Secret scientific material" means a sample, culture, micro-organism, specimen, record, recording, document, drawing or any other article, material, device or substance which constitutes, represents, evidences, reflects, or records a scientific or technical process, invention or formula or any part or phase thereof, and which is not, and is not intended to be, available to anyone other than the person or persons rightfully in possession thereof or selected persons having access thereto with his, HER or their consent, and when it accords or may accord such rightful possessors an advantage over competitors or other persons who do not have knowledge or the benefit thereof.

7. ["Credit card" means any instrument or article defined as a credit card in section five hundred eleven of the general business law.

7-a. "Debit card" means any instrument or article defined as a debit card in section five hundred eleven of the general business law.

7-b. "Public benefit card" means any medical assistance card, food stamp assistance card, public assistance card, or any other identification, authorization card or electronic access device issued by the state or a social services district as defined in subdivision seven of section two of the social services law, which entitles a person to obtain public assistance benefits under a local, state or federal program administered by the state, its political subdivisions or social services districts.

7-c. "Access device" means any telephone calling card number, credit card number, account number, mobile identification number, electronic serial number or personal identification number that can be used to obtain telephone service.] "PERSONAL IDENTIFYING INFORMATION" MEANS A PERSON'S DATE OF BIRTH, DRIVER'S LICENSE NUMBER, SOCIAL SECURITY NUMBER, PERSONAL IDENTIFICATION NUMBER, FINANCIAL SERVICES ACCOUNT NUMBER OR CODE, SAVINGS ACCOUNT NUMBER OR CODE, CHECKING ACCOUNT NUMBER OR CODE, BROKERAGE ACCOUNT NUMBER OR CODE, CREDIT CARD ACCOUNT NUMBER OR CODE, DEBIT CARD NUMBER OR CODE, AUTOMATED TELLER MACHINE NUMBER OR CODE, TAXPAYER IDENTIFICATION NUMBER, COMPUTER SYSTEM PASSWORD, SIGNATURE OR COPY OF A SIGNATURE, ELECTRONIC SIGNATURE, UNIQUE BIOMETRIC DATA THAT IS A FINGERPRINT, VOICE PRINT, RETINAL IMAGE OR IRIS IMAGE, TELEPHONE CALLING CARD NUMBER, MOBILE IDENTIFICATION NUMBER OR CODE, ELECTRONIC SERIAL NUMBER OR PERSONAL IDENTIFICATION NUMBER, OR ANY OTHER NAME, NUMBER, CODE OR INFORMATION THAT MAY BE USED ALONE OR IN CONJUNCTION WITH OTHER SUCH INFORMATION TO ASSUME THE IDENTITY OF ANOTHER PERSON OR ACCESS FINANCIAL RESOURCES OR CREDIT OF ANOTHER PERSON, OR ANY PHYSICAL OBJECT CONTAINING SUCH INFORMATION, SUCH AS A PRINTOUT OR OTHER WRITTEN MATERIAL, DRIVER'S LICENSE OR OTHER IDENTITY CARD, CREDIT CARD, DEBIT CARD, PUBLIC BENEFIT CARD, AUTOMATED TELLER OR OTHER TRANSACTIONAL CARD, OR COMPUTER, HARD DRIVE, OR OTHER DATA STORAGE DEVICE. IN THIS SUBDIVISION, "PERSON" HAS ALL THE MEANINGS SET FORTH IN SUBDIVISION SEVEN OF SECTION 10.00 OF THIS CHAPTER; "ELECTRONIC SIGNATURE" HAS THE MEANING PROVIDED IN SUBDIVISION THREE OF SECTION THREE HUNDRED TWO OF THE STATE TECHNOLOGY LAW; "CREDIT CARD" AND "DEBIT CARD" HAVE THE MEANINGS PROVIDED IN SECTION FIVE HUNDRED ELEVEN OF THE GENERAL BUSINESS LAW; "PUBLIC BENEFIT CARD" MEANS ANY MEDICAL ASSISTANCE CARD, FOOD STAMP ASSISTANCE CARD, PUBLIC ASSISTANCE CARD, OR ANY OTHER IDENTIFICATION, AUTHORIZATION CARD OR ELECTRONIC ACCESS DEVICE ISSUED BY THE STATE OR A SOCIAL SERVICES DISTRICT AS DEFINED IN SUBDIVISION SEVEN OF SECTION TWO OF THE SOCIAL SERVICES LAW WHICH ENTITLES A PERSON TO OBTAIN PUBLIC ASSISTANCE BENEFITS UNDER A LOCAL, STATE OR FEDERAL PROGRAM ADMINISTERED BY THE STATE, ITS POLITICAL SUBDIVISIONS OR SOCIAL SERVICES DISTRICTS.

8. "Service" includes, but is not limited to, [labor, professional service,] a computer service, transportation service, TELECOMMUNICATIONS SERVICE, CABLE OR SATELLITE TELEVISION SERVICE, MICROWAVE TRANSMISSION SERVICE, THE SUPPLYING OF SERVICE PURSUANT TO A PUBLIC OR GOVERNMENTAL BENEFIT PROGRAM, INCLUDING HOUSING AND MEDICAL CARE, THE SUPPLYING OF SERVICE PURSUANT TO AN INSURANCE POLICY OR PROGRAM, the supplying of hotel accommodations, restaurant services, entertainment, the supplying of equipment for use, and the supplying of commodities of a public utility nature such as gas, electricity, steam and water. A ticket or equivalent instrument which evidences a right to receive a service is not in itself service but constitutes property within the meaning of subdivision one.

9. ["Cable television service" means any and all services provided by or through the facilities of any cable television system or closed circuit coaxial cable communications system, or any microwave or similar transmission service used in connection with any cable television system or other similar closed circuit coaxial cable communications system.] "COMPUTER PROGRAM" MEANS AN ORDERED SET OF DATA REPRESENTING CODED INSTRUCTIONS OR STATEMENTS THAT, WHEN EXECUTED BY COMPUTER, CAUSE THE COMPUTER TO PROCESS DATA OR DIRECT THE COMPUTER TO PERFORM ONE OR MORE COMPUTER OPERATIONS OR BOTH AND MAY BE IN ANY FORM, INCLUDING MAGNETIC STORAGE MEDIA, PUNCHED CARDS, OR STORED INTERNALLY IN THE MEMORY OF THE COMPUTER.

10. "COMPUTER DATA" MEANS A REPRESENTATION OF INFORMATION, KNOWLEDGE, FACTS, CONCEPTS OR INSTRUCTIONS WHICH ARE BEING PROCESSED, OR HAVE BEEN PROCESSED IN A COMPUTER AND MAY BE IN ANY FORM, INCLUDING MAGNETIC STORAGE MEDIA, PUNCHED CARDS, OR STORED INTERNALLY IN THE MEMORY OF THE COMPUTER.

S 2. Paragraph (c) of subdivision 2 of section 155.05 of the penal law is amended and a new paragraph (f) is added to read as follows:

(c) By committing the crime of issuing a bad check, as defined in section 190.05, OR BY OBTAINING PROPERTY OR SERVICE BY USING OR PRESENTING A FORM OF PAYMENT OR PERSONAL IDENTIFYING INFORMATION THE ACTOR KNOWS HE OR SHE IS NOT AUTHORIZED TO USE OR KNOWS IS EXPIRED OR FORGED OR OTHERWISE NOT VALID;

(F) BY THEFT OF SERVICE. THEFT OF SERVICE MANS EITHER: (I) USING OR ACCESSING A SERVICE IN A MANNER THAT OTHERWISE REQUIRES PAYMENT AND INTENTIONALLY FAILING TO PAY FOR SUCH USE OR ACCESS BY EITHER TAMPERING WITHOUT AUTHORITY WITH A DELIVERY, PAYMENT, OR MEASUREMENT DEVICE OR MECHANISM, OR BY ENTERING OR LEAVING PREMISES WHERE THE SERVICE IS PROVIDED BY STEALTH OR BY EVADING A PHYSICAL BARRIER, OR (II) USING OR ACCESSING A SERVICE IN A MANNER THAT OTHERWISE REQUIRES PAYMENT OR THE PRESENTATION OF PERSONAL IDENTIFYING INFORMATION AND USING OR PRESENTING A FORM OF PAYMENT OR PERSONAL IDENTIFYING INFORMATION THE ACTOR KNOWS HE OR SHE IS NOT AUTHORIZED TO USE OR KNOWS IS EXPIRED OR FORGED OR OTHERWISE NOT VALID.

S 3. Subdivisions 1 and 2 of section 155.20 of the penal law, paragraph (b) of subdivision 2 as added and paragraph (c) of subdivision 2 as relettered by chapter 115 of the laws of 1969, are amended to read as follows:

1. Except as otherwise specified in this section, value means the market value of the property at the time and place of the crime, or if such cannot be satisfactorily ascertained: (I) WITH REGARD TO PROPERTY, the cost of replacement of the property within a reasonable time after the crime; OR (II) WITH REGARD TO SERVICE, THE COST OF PROVIDING THE SERVICE AT THE TIME OF THE CRIME.

2. [Whether or not they have been issued or delivered, certain written instruments, not including those having a readily ascertainable market value such as some public and corporate bonds and securities, shall be evaluated as follows:

(a) The value of an instrument constituting an evidence of debt, such as a check, draft or promissory note, shall be deemed the amount due or collectable thereon or thereby, such figure ordinarily being the face amount of the indebtedness less any portion thereof which has been satisfied.

(b) The value of a ticket or equivalent instrument which evidences a right to receive a transportation, entertainment or other service shall be deemed the price stated thereon, if any; and if no price is stated

thereon the value shall be deemed the price of such ticket or equivalent instrument which the issuer charges the general public.

(c) The value of any other instrument which creates, releases, discharges or otherwise affects any valuable legal right, privilege or obligation shall be deemed the greatest amount of economic loss which the owner of the instrument might reasonably suffer by virtue of the loss of the instrument.] THE VALUE OF COMPUTER DATA OR A COMPUTER PROGRAM IS THE REPLACEMENT COST OR THE MARKET VALUE AT THE TIME AND PLACE OF THE CRIME, WHICHEVER IS GREATER.

S 4. The penal law is amended by adding a new section 155.23 to read as follows:

S 155.23 PETIT THEFT OF SERVICE.

A PERSON IS GUILTY OF PETIT THEFT OF SERVICE WHEN HE OR SHE STEALS A SERVICE.

PETIT THEFT OF SERVICE IS A CLASS B MISDEMEANOR.

S 5. Section 155.25 of the penal law is amended to read as follows:

S 155.25 Petit larceny.

A person is guilty of petit larceny when he or she:

1. steals property; OR

2. STEALS A SERVICE AND THE VALUE OF THE SERVICE EXCEEDS FIVE HUNDRED DOLLARS.

Petit larceny is a class A misdemeanor.

S 6. The opening paragraph and subdivisions 1, 4 and 6 of section 155.30 of the penal law, as amended by chapter 515 of the laws of 1986, subdivision 4 as amended by chapter 556 of the laws of 1987, are amended to read as follows:

A person is guilty of grand larceny in the fourth degree when he OR SHE steals property OR A SERVICE and when:

1. The value of the property OR A SERVICE exceeds one thousand dollars; or

4. The property consists of [a credit card or debit card] PERSONAL IDENTIFYING INFORMATION; or

6. The property OR A SERVICE, regardless of its nature and value, is obtained by extortion; or

S 7. Section 155.35 of the penal law, as amended by chapter 464 of the laws of 2010, is amended to read as follows:

S 155.35 Grand larceny in the third degree.

A person is guilty of grand larceny in the third degree when he or she steals property OR A SERVICE and:

1. when the value of the property OR A SERVICE exceeds three thousand dollars, or

2. the property is an automated teller machine or the contents of an automated teller machine, OR

3. THE PROPERTY IS PERSONAL IDENTIFYING INFORMATION CONCERNING TWENTY-FIVE OR MORE PERSONS.

Grand larceny in the third degree is a class D felony.

S 8. Section 155.40 of the penal law, as amended by chapter 515 of the laws of 1986, is amended to read as follows:

S 155.40 Grand larceny in the second degree.

A person is guilty of grand larceny in the second degree when he OR SHE steals property OR A SERVICE and when:

1. The value of the property OR A SERVICE exceeds fifty thousand dollars; or

2. The property OR A SERVICE, regardless of its nature and value, is obtained by extortion committed by instilling in the victim a fear that the actor or another person will (a) cause physical injury to some

person in the future, or (b) cause damage to property, or (c) use or abuse his OR HER position as a public servant by engaging in conduct within or related to his OR HER official duties, or by failing or refusing to perform an official duty, in such manner as to affect some person adversely; OR

3. THE PROPERTY IS PERSONAL IDENTIFYING INFORMATION CONCERNING ONE HUNDRED OR MORE PERSONS.

Grand larceny in the second degree is a class C felony.

S 9. Section 155.42 of the penal law, as added by chapter 515 of the laws of 1986, is amended to read as follows:

S 155.42 Grand larceny in the first degree.

A person is guilty of grand larceny in the first degree when he OR SHE steals property OR A SERVICE and when:

1. the value of the property exceeds one million dollars; OR

2. THE PROPERTY IS PERSONAL IDENTIFYING INFORMATION CONCERNING ONE THOUSAND OR MORE PERSONS.

Grand larceny in the first degree is a class B felony.

S 10. Sections 190.60 and 190.65 of the penal law are REPEALED.

S 11. The penal law is amended by adding six new sections 190.60, 190.61, 190.62, 190.63, 190.64, and 190.65 to read as follows:

S 190.60 SCHEME TO DEFRAUD DEFINED.

1. A PERSON ENGAGES IN A SCHEME TO DEFRAUD WHEN HE OR SHE ENGAGES IN A SCHEME CONSTITUTING A SYSTEMATIC ONGOING COURSE OF CONDUCT WITH INTENT TO DEFRAUD AT LEAST ONE PERSON OR TO OBTAIN PROPERTY OR SERVICE FROM AT LEAST ONE PERSON BY FALSE OR FRAUDULENT PRETENSES, REPRESENTATIONS OR PROMISES, AND SO OBTAINS PROPERTY OR SERVICE FROM AT LEAST ONE PERSON.

2. PROPERTY, SERVICE, COMPUTER DATA AND COMPUTER PROGRAM SHALL HAVE THE MEANINGS SET FORTH IN SECTION 155.00 OF THIS CHAPTER.

3. IN ANY PROSECUTION OF A SCHEME TO DEFRAUD, IT SHALL BE NECESSARY TO PROVE THE IDENTITY OF AT LEAST ONE PERSON FROM WHOM THE DEFENDANT SO OBTAINED PROPERTY OR SERVICE, BUT IT SHALL NOT BE NECESSARY TO PROVE THE IDENTITY OF ANY OTHER INTENDED VICTIM, PROVIDED THAT IN A PROSECUTION OF A SCHEME TO DEFRAUD PURSUANT TO SUBDIVISION THREE OF SECTION 190.62 OF THIS ARTICLE, IT SHALL BE NECESSARY TO PROVE THE IDENTITY OF AT LEAST ONE SUCH VULNERABLE ELDERLY PERSON.

S 190.61 SCHEME TO DEFRAUD IN THE FIFTH DEGREE.

A PERSON IS GUILTY OF A SCHEME TO DEFRAUD IN THE FIFTH DEGREE WHEN HE OR SHE ENGAGES IN A SCHEME TO DEFRAUD.

SCHEME TO DEFRAUD IN THE FIFTH DEGREE IS A CLASS A MISDEMEANOR.

S 190.62 SCHEME TO DEFRAUD IN THE FOURTH DEGREE.

A PERSON IS GUILTY OF A SCHEME TO DEFRAUD IN THE FOURTH DEGREE WHEN HE OR SHE ENGAGES IN A SCHEME TO DEFRAUD, AND

1. INTENDS TO OBTAIN PROPERTY OR SERVICE FROM TEN OR MORE PERSONS; OR

2. THE VALUE OF THE PROPERTY OR SERVICE OBTAINED EXCEEDS ONE THOUSAND DOLLARS; OR

3. INTENDS TO OBTAIN AND DOES OBTAIN PROPERTY OR SERVICE FROM AT LEAST ONE VULNERABLE ELDERLY PERSON AS DEFINED IN SUBDIVISION THREE OF SECTION 260.31 OF THIS CHAPTER.

SCHEME TO DEFRAUD IN THE FOURTH DEGREE IS A CLASS E FELONY.

S 190.63 SCHEME TO DEFRAUD IN THE THIRD DEGREE.

A PERSON IS GUILTY OF A SCHEME TO DEFRAUD IN THE THIRD DEGREE WHEN HE OR SHE ENGAGES IN A SCHEME TO DEFRAUD, AND

1. INTENDS TO OBTAIN PROPERTY OR SERVICE FROM TWENTY-FIVE OR MORE PERSONS; OR

2. THE VALUE OF THE PROPERTY OR SERVICE OBTAINED EXCEEDS THREE THOUSAND DOLLARS.

SCHEME TO DEFRAUD IN THE THIRD DEGREE IS A CLASS D FELONY.

S 190.64 SCHEME TO DEFRAUD IN THE SECOND DEGREE.

A PERSON IS GUILTY OF A SCHEME TO DEFRAUD IN THE SECOND DEGREE WHEN HE OR SHE ENGAGES IN A SCHEME TO DEFRAUD, AND

1. INTENDS TO OBTAIN PROPERTY OR SERVICE FROM ONE HUNDRED OR MORE PERSONS; OR

2. THE VALUE OF THE PROPERTY OR SERVICE OBTAINED EXCEEDS FIFTY THOUSAND DOLLARS.

SCHEME TO DEFRAUD IN THE SECOND DEGREE IS A CLASS C FELONY.

S 190.65 SCHEME TO DEFRAUD IN THE FIRST DEGREE.

A PERSON IS GUILTY OF A SCHEME TO DEFRAUD IN THE FIRST DEGREE WHEN HE OR SHE ENGAGES IN A SCHEME TO DEFRAUD, AND

1. INTENDS TO OBTAIN PROPERTY OR SERVICE FROM ONE THOUSAND OR MORE PERSONS; OR

2. THE VALUE OF THE PROPERTY OR SERVICE OBTAINED EXCEEDS ONE MILLION DOLLARS.

SCHEME TO DEFRAUD IN THE FIRST DEGREE IS A CLASS B FELONY.

S 12. This act shall take effect on the first of November next succeeding the date upon which this act shall have become a law.