

STATE OF NEW YORK

4741

2025-2026 Regular Sessions

IN SENATE

February 12, 2025

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

AN ACT to amend the penal law, the general business law and the labor law, in relation to schemes to defraud and establishing the crime of harassment of a legal services client; and to repeal certain provisions of the penal law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative intent. The legislature finds that fraudulent
2 schemes and unethical practices, particularly by legal professionals
3 entrusted with significant responsibilities, undermine public trust and
4 harm clients. This act aims to strengthen protections against such
5 conduct, ensure accountability, and uphold fairness and transparency in
6 legal services and professional interactions.

7 § 2. Sections 190.60 and 190.65 of the penal law are REPEALED and five
8 new sections 190.60, 190.62, 190.64, 190.66 and 190.68 are added to read
9 as follows:

10 § 190.60 Scheme to defraud in the fifth degree.

11 A person is guilty of scheme to defraud in the fifth degree when they
12 engage in a systematic, ongoing course of conduct with intent to defraud
13 more than one person or to obtain property from more than one person by
14 false pretenses, representations, or promises, and so obtain property
15 from one or more such persons.

16 Scheme to defraud in the fifth degree is a class A misdemeanor.

17 § 190.62 Scheme to defraud in the fourth degree.

18 A person is guilty of scheme to defraud in the fourth degree when
19 they:

20 1. Engage in such conduct with intent to defraud ten or more persons;

21 or

22 2. Obtain property exceeding one thousand dollars in value; or

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

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1 3. Defraud individuals, including two or more vulnerable elderly
2 persons; or

3 4. Dispose of solid waste on the property of others, causing damage
4 exceeding one thousand dollars.

5 Scheme to defraud in the fourth degree is a class E felony.

6 § 190.64 Scheme to defraud in the third degree.

7 A person is guilty of scheme to defraud in the third degree when they:

8 1. Engage in such conduct with intent to defraud twenty-five or more
9 persons; or

10 2. Obtain property exceeding three thousand dollars in value; or

11 3. Defraud individuals, including two or more vulnerable elderly
12 persons, obtaining property exceeding one thousand dollars in value.

13 Scheme to defraud in the third degree is a class D felony.

14 § 190.66 Scheme to defraud in the second degree.

15 A person is guilty of scheme to defraud in the second degree when
16 they:

17 1. Engage in such conduct with intent to defraud one hundred or more
18 persons; or

19 2. Obtain property exceeding fifty thousand dollars in value; or

20 3. Defraud individuals, including two or more vulnerable elderly
21 persons, obtaining property exceeding three thousand dollars in value.

22 Scheme to defraud in the second degree is a class C felony.

23 § 190.68 Scheme to defraud in the first degree.

24 A person is guilty of scheme to defraud in the first degree when they:

25 1. Engage in such conduct with intent to defraud one thousand or more
26 persons; or

27 2. Obtain property exceeding one million dollars in value; or

28 3. Defraud individuals, including two or more vulnerable elderly
29 persons, obtaining property exceeding fifty thousand dollars in value.

30 Scheme to defraud in the first degree is a class B felony.

31 § 3. Subdivision 2 of section 496.06 of the penal law, as added by
32 section 14 of subpart A of part H of chapter 55 of the laws of 2014, is
33 amended to read as follows:

34 2. A "specified offense" is an offense defined by any of the following
35 provisions of this chapter: section 155.25 (petit larceny); section
36 155.30 (grand larceny in the fourth degree); section 155.35 (grand
37 larceny in the third degree); section 155.40 (grand larceny in the
38 second degree); section 155.42 (grand larceny in the first degree);
39 section 190.60 (scheme to defraud in the ~~second~~ fifth degree); section
40 190.62 (scheme to defraud in the fourth degree); section 190.64 (scheme
41 to defraud in the third degree); section 190.66 (scheme to defraud in
42 the second degree); or section ~~[190.65]~~ 190.68 (scheme to defraud in the
43 first degree).

44 § 4. Paragraph f of subdivision 1 of section 410 of the general busi-
45 ness law, as amended by chapter 189 of the laws of 2018, is amended to
46 read as follows:

47 f. Conviction of any of the following crimes subsequent to the issu-
48 ance of a license or registration pursuant to this article: fraud pursu-
49 ant to sections 170.10, 170.15, 176.15, 176.20, 176.25, 176.30, 190.62,
50 190.64, 190.66 and ~~[190.65]~~ 190.68; falsifying business records pursuant
51 to section 175.10; grand larceny pursuant to article 155; bribery pursu-
52 ant to sections 180.03, 180.08, 180.15, 180.25, 200.00, 200.03, 200.04,
53 200.10, 200.11, 200.12, 200.45, 200.50; perjury pursuant to sections
54 210.10, 210.15, 210.40; assault pursuant to sections 120.05, 120.10,
55 120.11, 120.12; robbery pursuant to article 160; homicide pursuant to
56 sections 125.25 and 125.27; manslaughter pursuant to sections 125.15 and

1 125.20; kidnapping and unlawful imprisonment pursuant to sections
2 135.10, 135.20 and 135.25; unlawful weapons possession pursuant to
3 sections 265.02, 265.03 and 265.04; criminal use of a weapon pursuant to
4 sections 265.08 and 265.09; criminal sale of a weapon pursuant to
5 sections 265.11 and 265.12; compelling prostitution pursuant to section
6 230.33; sex trafficking pursuant to section 230.34; sex trafficking of a
7 child pursuant to section 230.34-a; and sex offenses pursuant to article
8 130 of the penal law. Provided, however, that for the purposes of this
9 article, none of the following shall be considered criminal convictions
10 or reported as such: (i) a conviction for which an executive pardon has
11 been issued pursuant to the executive law; (ii) a conviction which has
12 been vacated and replaced by a youthful offender finding pursuant to
13 article seven hundred twenty of the criminal procedure law, or the
14 applicable provisions of law of any other jurisdiction; or (iii) a
15 conviction the records of which have been expunged or sealed pursuant to
16 the applicable provisions of the laws of this state or of any other
17 jurisdiction; and (iv) a conviction for which other evidence of success-
18 ful rehabilitation to remove the disability has been issued.

19 § 5. Clause (ii) of subparagraph 2 of paragraph b of subdivision 3 of
20 section 220-b of the labor law, as amended by chapter 7 of the laws of
21 2008, is amended to read as follows:

22 (ii) coercion in the first degree as defined in section 135.65 of the
23 penal law, grand larceny in the fourth degree as defined in section
24 155.30 of the penal law, grand larceny in the third degree as defined in
25 section 155.35 of the penal law, grand larceny in the second degree as
26 defined in section 155.40 of the penal law, grand larceny in the first
27 degree as defined in section 155.42 of the penal law, forgery in the
28 second degree as defined in section 170.10 of the penal law, forgery in
29 the first degree as defined in section 170.15 of the penal law, criminal
30 possession of a forged instrument in the second degree as defined in
31 section 170.25 of the penal law, criminal possession of a forged instru-
32 ment in the first degree as defined in section 170.30 of the penal law,
33 criminal possession of forgery devices as defined in section 170.40 of
34 the penal law, falsifying business records in the first degree as
35 defined in section 175.10 of the penal law, tampering with public
36 records in the first degree as defined in section 175.25 of the penal
37 law, offering a false instrument for filing in the first degree as
38 defined in section 175.35 of the penal law, issuing a false certificate
39 as defined in section 175.40 of the penal law, insurance fraud in the
40 fourth degree as defined in section 176.15 of the penal law, insurance
41 fraud in the third degree as defined in section 176.20 of the penal law,
42 insurance fraud in the second degree as defined in section 176.25 of the
43 penal law, insurance fraud in the first degree as defined in section
44 176.30 of the penal law, aggravated insurance fraud as defined in
45 section 176.35 of the penal law, commercial bribing in the first degree
46 as defined in section 180.03 of the penal law, commercial bribe receiv-
47 ing in the first degree as defined in section 180.08 of the penal law,
48 bribing a labor official as defined in section 180.15 of the penal law,
49 bribe receiving by a labor official as defined in section 180.25 of the
50 penal law, criminal impersonation in the second degree as defined in
51 section 190.25 of the penal law, criminal impersonation in the first
52 degree as defined in section 190.26 of the penal law, criminal usury in
53 the second degree as defined in section 190.40 of the penal law, crimi-
54 nal usury in the first degree as defined in section 190.42 of the penal
55 law, scheme to defraud in the first degree as defined in section
56 [~~190.65~~] 190.68 of the penal law, bribery in the third degree as defined

1 in section 200.00 of the penal law, bribery in the second degree as
2 defined in section 200.03 of the penal law, bribery in the first degree
3 as defined in section 200.04 of the penal law, bribe receiving in the
4 third degree as defined in section 200.10 of the penal law, bribe
5 receiving in the second degree as defined in section 200.11 of the penal
6 law, bribe receiving in the first degree as defined in section 200.12 of
7 the penal law, rewarding official misconduct in the second degree as
8 defined in section 200.20 of the penal law, rewarding official miscon-
9 duct in the first degree as defined in section 200.22 of the penal law,
10 bribe giving for public office as defined in section 200.45 of the penal
11 law, or the attempted commission of any of the offenses set forth in
12 this paragraph, provided that such offense constitutes a felony; or

13 § 6. Paragraph (a) of subdivision 1 of section 460.10 of the penal
14 law, as amended by chapter 134 of the laws of 2019, is amended to read
15 as follows:

16 (a) Any of the felonies set forth in this chapter: sections 120.05,
17 120.10 and 120.11 relating to assault; sections 121.12 and 121.13 relat-
18 ing to strangulation; sections 125.10 to 125.27 relating to homicide;
19 sections 130.25, 130.30 and 130.35 relating to rape; sections 135.20 and
20 135.25 relating to kidnapping; sections 135.35 and 135.37 relating to
21 labor trafficking; section 135.65 relating to coercion; sections 140.20,
22 140.25 and 140.30 relating to burglary; sections 145.05, 145.10 and
23 145.12 relating to criminal mischief; article one hundred fifty relating
24 to arson; sections 155.30, 155.35, 155.40 and 155.42 relating to grand
25 larceny; sections 177.10, 177.15, 177.20 and 177.25 relating to health
26 care fraud; article one hundred sixty relating to robbery; sections
27 165.45, 165.50, 165.52 and 165.54 relating to criminal possession of
28 stolen property; sections 165.72 and 165.73 relating to trademark coun-
29 terfeiting; sections 170.10, 170.15, 170.25, 170.30, 170.40, 170.65 and
30 170.70 relating to forgery; sections 175.10, 175.25, 175.35, 175.40 and
31 210.40 relating to false statements; sections 176.15, 176.20, 176.25 and
32 176.30 relating to insurance fraud; sections 178.20 and 178.25 relating
33 to criminal diversion of prescription medications and prescriptions;
34 sections 180.03, 180.08, 180.15, 180.25, 180.40, 180.45, 200.00, 200.03,
35 200.04, 200.10, 200.11, 200.12, 200.20, 200.22, 200.25, 200.27, 200.56,
36 215.00, 215.05 and 215.19 relating to bribery; sections 187.10, 187.15,
37 187.20 and 187.25 relating to residential mortgage fraud, sections
38 190.40 and 190.42 relating to criminal usury; ~~section 190.65~~ sections
39 190.62, 190.64, 190.66 and 190.68 relating to schemes to defraud; any
40 felony defined in article four hundred ninety-six; sections 205.60 and
41 205.65 relating to hindering prosecution; sections 210.10, 210.15, and
42 215.51 relating to perjury and contempt; section 215.40 relating to
43 tampering with physical evidence; sections 220.06, 220.09, 220.16,
44 220.18, 220.21, 220.31, 220.34, 220.39, 220.41, 220.43, 220.46, 220.55,
45 220.60, 220.65 and 220.77 relating to controlled substances; sections
46 225.10 and 225.20 relating to gambling; sections 230.25, 230.30, and
47 230.32 relating to promoting prostitution; section 230.34 relating to
48 sex trafficking; section 230.34-a relating to sex trafficking of a
49 child; sections 235.06, 235.07, 235.21 and 235.22 relating to obscenity;
50 sections 263.10 and 263.15 relating to promoting a sexual performance by
51 a child; sections 265.02, 265.03, 265.04, 265.11, 265.12, 265.13 and the
52 provisions of section 265.10 which constitute a felony relating to
53 firearms and other dangerous weapons; sections 265.14 and 265.16 relat-
54 ing to criminal sale of a firearm; section 265.50 relating to the crimi-
55 nal manufacture, sale or transport of an undetectable firearm, rifle or
56 shotgun; section 275.10, 275.20, 275.30, or 275.40 relating to unauthor-

1 ized recordings; and sections 470.05, 470.10, 470.15 and 470.20 relating
2 to money laundering; or

3 § 7. Paragraph (d) of subdivision 2 of section 155.05 of the penal law
4 is amended to read as follows:

5 (d) By false promise.

6 (i) A person obtains property by false promise when, pursuant to a
7 scheme to defraud, [~~he~~] such person obtains property of another by means
8 of a representation, express or implied, that [~~he~~] such person or a
9 third person will [~~in the future~~] engage in [~~particular~~] future conduct,
10 [~~and when he does not intend to engage in such conduct or, as the case~~
11 ~~may be, does not believe that the third person intends~~] while intending
12 not to engage in such conduct.

13 [~~In any prosecution for larceny based upon a false promise, the~~
14 ~~defendant's intention or belief that the promise would not be performed~~
15 ~~may not be established by or inferred from the fact alone that such~~
16 ~~promise was not performed. Such a finding may be based only upon~~
17 ~~evidence establishing that the facts and circumstances of the case are~~
18 ~~wholly consistent with guilty intent or belief and wholly inconsistent~~
19 ~~with innocent intent or belief, and excluding to a moral certainty every~~
20 ~~hypothesis except that of the defendant's intention or belief that the~~
21 ~~promise would not be performed.~~]

22 (ii) In cases involving lawyers obtaining property from multiple
23 clients, property obtained from multiple clients across counties may be
24 aggregated into a single larceny count.

25 (iii) The defendant's intention not to perform the promise must be
26 proven by evidence wholly consistent with guilty intent and excluding
27 all innocent explanations.

28 § 8. Title N of the penal law is amended by adding a new article 243
29 to read as follows:

30 ARTICLE 243

31 HARASSMENT OF LEGAL SERVICES CLIENTS

32 Section 243.00 Harassment of a legal services client in the second
33 degree.

34 243.05 Harassment of a legal services client in the first
35 degree.

36 § 243.00 Harassment of a legal services client in the second degree.

37 A lawyer is guilty of harassment of a legal services client in the
38 second degree when, with intent to induce a client to retain services or
39 pay unreasonable fees, such lawyer intentionally:

40 1. Fails to return the client's documents upon request; or

41 2. Fails to return unused funds from a retainer upon request.

42 Harassment of a legal services client in the second degree is a class
43 A misdemeanor.

44 § 243.05 Harassment of a legal services client in the first degree.

45 A lawyer is guilty of harassment of a legal services client in the
46 first degree when, with intent to induce a client to retain services or
47 pay unreasonable fees, such lawyer threatens, expressly or impliedly, to
48 reveal confidential information, including but not limited to the
49 client's immigration status.

50 Harassment of a legal services client in the first degree is a class E
51 felony.

52 § 9. Severability. If any clause, sentence, paragraph, section or part
53 of this act shall be adjudged by any court of competent jurisdiction to
54 be invalid and after exhaustion of all further judicial review, the
55 judgment shall not affect, impair or invalidate the remainder thereof,
56 but shall be confined in its operation to the clause, sentence, para-

1 graph, section or part of this act directly involved in the controversy
2 in which the judgment shall have been rendered.
3 § 10. This act shall take effect on the first of January next succeed-
4 ing the date on which it shall have become a law.