



NEW YORK STATE SENATOR

Jose Peralta

State Senator Peralta Targets 21st Century Gang Crime

JOSE PERALTA December 10, 2013

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With holiday shopping bills coming due, State Senator Jose Peralta is cautioning consumers to keep an eye out for unauthorized or suspicious transactions on their bank and credit card statements and is introducing legislation to help law enforcement crack down on “21st Century” organized crime activity.

Identity theft and the confiscation of personal information, such as bank PINs, are not “seasonal” crimes, but they occur with greater frequency during periods of increased financial activity—like the Christmas shopping season.

Gangs are becoming more involved in these and other white-collar crimes, such as bank fraud, credit card fraud, money laundering, counterfeiting and mortgage fraud, according to the FBI's National Gang Intelligence Center, which identifies New York and Florida as the twin epicenters of this troubling new development in organized crime.

“Despite the increasing prominence of these crimes, the law used in New York to prosecute gangs and organized crime organizations does not include a wide variety of cyber and identity crimes,” Senator Peralta said. “That’s not surprising considering that when the Enterprise Corruption Statute was passed in 1986, pagers were the cutting-edge personal technology of the day and the identity theft law did not even exist.”

Queens District Attorney Richard A. Brown, who worked closely with Senator Peralta in drafting the legislation, said, “Those committing the crimes of identity theft are well-organized enterprises that inflict economic harm on a global scale, often leaving multiple victims and significant financial losses in their wake. My office has utilized the enterprise corruption statute in the past to pursue justice against those committing these crimes and this legislative fix to strengthen the law will allow us to do that more efficiently. I thank Senator Peralta for his leadership in introducing this legislation and for recognizing that the

law must keep pace with emerging technology.”

Including crimes such as identity theft in the Enterprise Corruption Statute would also save the state money by eliminating duplicative legal proceedings, potentially saving hundreds of thousands of dollars per case.

When a defendant is charged with the crime of enterprise corruption by committing larceny through identity theft, for example, current law requires the defendant be indicted twice for the same underlying actions—one indictment for enterprise corruption and larceny and a second indictment for the identity theft charges.

In turn, a defendant must also be arraigned twice, have bail set twice and have two sets of motions. In the end, a defendant is tried for the same conduct not once, but twice.

In addition to being needlessly costly to the state, the current law is inequitable to defendants, who also face duplicative costs stemming from needing to pay two retainers to defense counsel.

Here’s a small sampling of high-profile cases of new-age organized crime activity: U.S. Says Ring Stole 160 Million Credit Card Numbers; an identity theft ring spearheaded by the Crips, Bloods and a Brooklyn-based gang called the Outlaws stole more than \$2 million from New York charities; a cyber-theft of 10 million credit and debit card records was attributed to a New York City based street gang with ties to Central America; a Romanian man with ties to organized crime was charged with stealing at least \$1.5 million by installing "skimmer" devices at ATM machines across New York City and Long Island.

“The bill would bring the law into the 21st Century,” Senator Peralta said. “And it would make it easier for police and prosecutors to go after gangs and organized crime syndicates, in addition to saving the state money.”