

TO: All Senators
FROM: Senator Jay Costa
DATE: January 12, 2011
SUBJECT: Introduction of Legislation
Re: Fraudulent Business Practices Grading

Please join me in sponsoring legislation introduced as S.B. 438 in the 2009-2010 legislative session by Senators COSTA, STACK, KITCHEN, FONTANA, BOSCOLA, STOUT, RAFFERTY, MUSTO, O'PAKE, ALLOWAY, BROWNE, TARTAGLIONE AND LOGAN.

The legislation will increase the grading of certain offenses under the Crimes Code that involve large amounts of funds and enhanced sentences when those offenses involve a local government agencies or the breach of a fiduciary duty. Specifically, the grading of fraudulent or deceptive business practices will be increased from a felony of the third degree to a felony of the first degree or second degree depending on the amount of funds involved in the commission of the offense.

I am concerned with the inadequate punishment offered by current law for the fraudulent business practices involving large sums of money or when the offense involves charities, local governments or schools. Currently, these offenses rise to a felony of the third degree when they involve \$2000 or more. However, in most cases, a person charged with these offenses involving large amounts of is ordinarily a first time offender and will not face jail time based on the low grading of the offense. In cooperation with the Allegheny County District Attorney's Office, I have drafted legislation that will increase the grading for theft and fraudulent or deceptive business practices offenses as follows.

- Makes it a felony of the first-degree for the theft of an amount in excess of \$500,000 with a maximum penalty of twenty-(20) years imprisonment.

- Makes it a felony of the second degree when the theft involves between \$100,000 and \$500,000 with a maximum penalty of ten-(10) years imprisonment.
- Makes it a felony of the third degree when the theft involves between \$2,000 and \$100,000 with a maximum penalty of seven-(7) years imprisonment..
- Provides an additional five-year sentencing enhancement when the offense involves the breach of a fiduciary duty or involves the funds of a local government agency or school district.

I hope you will join me in sponsoring this legislation by contacting my office at 7-7683 or e-mailing Anne Griffin-Gray at aggray@pasenate.com. Thank you for your attention to this matter.