Senator Brad Hoylman and Manhattan District Attorney Cyrus Vance, Jr. Unveil Legislation to Fight Public Corruption

BRAD HOYLMAN   May 18, 2015

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Recommendations from D.A. Vance's White Collar Crime Task Force

Hoylman: "Public corruption in Albany is a scourge that has infected the highest levels of our legislative leadership. Our prosecutors need new tools to root out these sophisticated crimes"

NEW YORK — Today, State Senator Brad Hoylman (D-Manhattan) unveiled a package of legislation to give state and local prosecutors new tools to combat public corruption and other white collar crimes.

Senator Hoylman's legislation adopts recommendations made in a 2013 report released by Manhattan District Attorney Cyrus R. Vance, Jr. as part of his White Collar Crime Task Force, which found that numerous New York State laws were insufficient for prosecutors to effectively prosecute corruption, fraud, larceny and other white collar crimes.

Senator Hoylman's package of legislation includes bills to create the crime of undisclosed self-dealing, strengthen existing laws against bribery of public officials and expand laws to prosecute fraud schemes and larceny.

The package also includes bills to fight trademark counterfeiting, reform commercial bribery laws, criminalize structuring and money laundering, expand tools for prosecutors to

crackdown on tax fraud and modernize computer tampering laws.

New York State Senator Brad Hoylman said**:** "We've seen in recent days that public corruption in Albany is a scourge that has infected the highest levels of our legislative leadership. Unfortunately, we live in an era where the sophistication of those who want to rip off government and business enterprises is outpacing the ability of local prosecutors to use state laws laws to prosecute these crimes.

"Federal prosecutors, to their credit, have gone above and beyond in holding public officials accountable to the law, but local prosecutors are often better positioned to investigate these types of crimes. Therefore, it's crucial we give them new tools to root out these sophisticated crimes. I commend District Attorney Cyrus Vance and the D.A.'s White Collar Crime Task Force for assembling these recommendations."

District Attorney Cyrus R. Vance, Jr. said: "I want to thank Senator Hoylman for his partnership in introducing this legislation, which will empower prosecutors throughout the state and ensure that the laws and the people of New York are protected. New York State's laws relating to white collar crime have not been modernized to any significant degree since 1986, leaving local prosecutors without the adequate tools to effectively fight this level of crime and corruption. When I convened the New York State White Collar Crime Task Force, our goal was to enact meaningful change, and this package of bills is an important step in the right direction."

Frank A. Sedita, III, President of the District Attorneys Association of the State of New York (DAASNY) and Erie County District Attorney said: "In 2013, I served as co-chair of the White Collar Crime Task Force, and ambitious group effort convened by DAASNY that included practitioners from the public and private sector. The recommendations in the final report were made without consideration for political expediency, but were crafted to codify best

practices that will improve the way we respond to both existing and emerging types of criminal activity. I am extremely pleased that Senator Hoylman has introduced these logical, well-reasoned proposals, some of which will even save county governments significant resources."

The New York State White Collar Crime Task Force was created in 2012 by the then-President of the District Attorneys Association of the State of New York (DAASNY), Manhattan District Attorney Cyrus R. Vance, Jr. The Task Force consisted of District Attorneys, Assistant District Attorneys, private practitioners, and members of academia, and was charged with examining New York's anti-fraud and anti-corruption laws, with the goal of recommending legislative and executive changes to modernize enforcement of the law and make it more effective.

In September 2013, the Task Force issued its report, which illustrates how New York State laws are insufficient for prosecutors to charge white collar criminals and made a series of legislative recommendations from procedural reforms to the expansion of existing larceny laws to the creation of new laws to fight cybercrime and elder fraud. Senator Hoylman adopted eight of the Task Force's recommendations in crafting this package of legislation to bring New York laws into line with 21st century white collar crime.

Senator Hoylman's legislative package includes:

S.500 (Undisclosed Self-Dealing): Creates the new crime of "Undisclosed Self-Dealing" by public servants, which involves courses of conduct where public servants have secret interests in government business.

S.4250 (Bribery of Public Officials): Strengthens existing bribery laws to include the intent to influence a public official as part of the crime.

S.95 (Scheme to Defraud/Larceny): Clarifies and streamlines the existing crime of Scheme to Defraud, to more seriously prosecute fraud schemes based on the amount of money wrongfully obtained or the number of victims the defendant intended to defraud. Also expands the crime of Larceny to cover theft of personal identifying information, computer data, computer programs, and services.

S.110 (Trademark Counterfeiting): Streamlines and clarifies the existing laws against Trademark Counterfeiting to better reflect the differences between minor distributors, mid-level distributors, and major traffickers. Makes it easier to prosecute Trademark Counterfeiting based on the number of items counterfeited, rather than just the subjective and difficult-to-prove street value of the items.

S.501 (Commercial Bribery): Removes the requirement that felony-level Commercial Bribery must cause "economic harm" in excess of $250, recognizing that the harm caused by bribery is the purchase of loyalty, not necessarily the economic result.

S.109 (Structuring/Money Laundering): Creates a new crime, based on an existing federal statute, that criminalizes the structuring of cash transactions to avoid reporting requirements. Also criminalizes knowingly spending and depositing criminal proceeds.

S.108 (Tax Fraud): Enables prosecutors to aggregate evaded taxes across multiple years in Criminal Tax Fraud cases.

S.0502 (Computer Tampering): Expands and streamlines the existing laws against Computer Tampering to be consistent with the existing statutory scheme for Grand Larceny laws.

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