

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON JUDICIARY CRIME AND CORRECTIONS

May 21, 1991Hearing Room 357 1:30 p.m.Tapes 109 - 110

MEMBERS PRESENT:Rep. Randy Miller, Chair Rep. Ray Baum Rep. Judy Bauman Rep. Tom Brian Rep. Rod Johnson Rep. Tom Mason Rep. Del Parks Rep. Ron Sunseri

STAFF PRESENT: Holly Robinson, Committee Counsel Jeff Steve, Committee Assistant

MEASURES HEARD:HB 3502 - PH & WS

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TAPE 109, SIDE A

004 CHAIR RANDY MILLER: Opens Subcommittee on Criminal Law and Corrections.

HB 3502 - COMMUNICATIONS FRAUD - PUBLIC HEARING

Witnesses:Rep. Bob Shiprack Rep. Judy Bauman Rep. Kevin Mannix

018 REPRESENTATIVE BOB SHIPRACK: Provides members with articles relating examples of white collar crime which he considers a prevalent problem. Urges favorable committee support for HB 3502.

057 REP. BAUMAN: Gives examples of white collar crimes.

Reviews HB 3502-1 amendment (EXHIBIT A) which amends the ORICO statute to create racketeering activity in a single incident.

Amendment establishes that if a telephone, mail delivery, or courier service is the instrument by which the racketeering activity is committed, a single incident constitutes a pattern of racketeering activity.

Section 2 of the amendment creates a crime of communications fraud to take care of boiler room marketing scams.

114 REP. BRIAN: Is the primary purpose to get the activity under ORICO?

120 REP. BAUMAN: Yes. It also makes the crime a Class A felony. It has been difficult to prosecute these cases in the past.

127 REP. BRIAN: Will some of the other activities which currently fall under ORICO on a two or more activity basis fall under the one time rule covered by this bill if they use a telephone?

135 REP. BAUMAN: Yes.

139 REP. BRIAN: Asks why "delivery" and "courier" are used in the bill.

142 REP. BAUMAN: People wanting to escape liability for their activities use courier services so that their activities can not be prosecuted by the U.S. Postal Department.

151 REP. BRIAN: The courier services we could name are PUC licensed. Would you restrict your definition to those with business licenses or include anyone making deliveries.

156 REP. BAUMAN: We are leaving out the runner and covering courier services which are more institutionalized.

Have worked closely with the Securities Division of the Department of Insurance and Finance and the Department of Justice. The Department of Justice is very wary of expanding ORICO and proposes language in "A Bill For An Act" from Kay Pruitt (EXHIBIT B).

188 REP. JOHNSON: Why is it essential to make a single incident a pattern, as opposed to two?

191 REP. BAUMAN: Because it has been difficult to put patterns together, victims are reluctant to call, and it is complex for district attorneys to prosecute.

202 REP. BAUM: Refers to 3502-1 amendment. Why is single incident language used?

207 REP. BAUMAN: If you have two incidents you fall within the ORICO statute as it currently exists. That has not been strong enough for us to put a stop to some serious economic criminal activity which is occurring.

213 REP. BAUM: Does the same person have to be contacted?

214 REP. BAUMAN: They can be different people.

Department of Justice suggestion is to replace Section 1 with the money laundering language.

239 REP. JOHNSON: Has problems with one thing being a pattern.

266 REP. BAUMAN: If the committee has a problem with the ORICO language in Section 1 of the 350 2-1 amendment, thinks that the Payne Pruitt language (EXHIBIT B) is an effort by the Department of Justice to do the same thing without using ORICO.

278 REP. BAUM: Are you suggesting that we insert the Attorney General's

money laundering in place of Section 1, 3502-1 and leave Section 2 of 3502-1 in place?

280 REP. BAUMAN: Yes.

Would like to add a section following Section 2 that would require the Criminal Justice Council to report back to the 1993 Legislature on the extent of the white collar crime problem and their recommendations for improvements and changes in the statute.

315 REP. MASON: Likes the original bill, the 3502-1 amendments, but gets uncomfortable with talking about communications because of its complexity. Likes the money laundering aspects and given the orientation of the committee and society's concern about drug profiteering, a money laundering bill might be appropriate. Does not know who would be opposed to it.

338 REP. MANNIX: Reviews SB 493-2 amendments. (EXHIBIT C) which would add a prohibition against a person who requires a credit card number.

390 REP. BAUMAN: Would prefer that Rep. Mannix' proposal be added to a different bill.

395 REP. SHIPRACK: Agrees.

404 REP. MASON: Thinks Rep. Mannix' bill is an excellent idea, but feels the Oregon Retail Council might be uncomfortable with it.

TAPE 120, SIDE A

HB 3502 - WORK SESSION

010 MOTION, REP. MASON: Moves the Pruitt Amendments (EXHIBIT B).

026 REP. BAUMAN: Suggests friendly amendment. Replace Section 1 of the 350 2-1 amendments with the Kay Payne Pruitt amendment (EXHIBIT B).

042 VOTE: Without objection, amendment is adopted.

062 MOTION: REP. JOHNSON: Moves to delete language on page 5, line 3 "punishable by a term of incarceration of at least" and in the remaining blank insert "Class A misdemeanor".

Speaks to his motion.

085 REP. BAUMAN: Speaks about sliding scale used by Florida based on value of property obtained or attempted to be obtained.

092 REP. MASON: Withdraws motion.

110 REP. BRIAN: Comments on sliding scale.

143 CHAIR MILLER: Adjourns meeting at 3:10 p.m.

Transcribed by:

Pat Zwick

EXHIBIT LOG: A:HB 3502-1 Amendment - Rep. Bauman - 5 pages B:HB  
3502-Pruitt Amendment - Rep. Bauman - 2 pages C:HB 3502-SB 493-A2  
Amendment - Rep. Mannix - 2 pages