

HB 707 -- OFFENSE OF FINANCIAL INSTITUTION ACCOUNTS FRAUD

SPONSOR: Oehlerking

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 0 with 1 voting present.

This bill establishes the offense of financial institution accounts fraud whereby a person accesses or uses an account in a financial institution under false pretenses to withdraw money or transfers money to another person or another financial institution in order to deprive the customer or the financial institution of the moneys.

The offense is classified as a class B misdemeanor if the fraud amount is less than \$500. If the amount is greater than \$500, the bill provides for various felony classifications based upon whether the person acted with criminal negligence; recklessly; knowingly; or purposefully.

PROPOSERS: Supporters say that from 2011 to 2023, Missourians faced a substantial increase in losses perpetrated by fraud. With the emergence of Artificial Intelligence and the ability to mimic voices and make calls to older generations for money, the problem could worsen. Banks and credit unions have been adversely impacted by financial fraud and therefore, penalties are necessary from the institutions' perspective. Banks have been informed about the gaps in the criminal code and this bill seeks to address fraud prevention.

Testifying in person for the bill were Representative Oehlerking; Missouri Credit Union Association; Missouri Independent Bankers Association; Arnie Dienoff; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.