

Article 19B.

Financial Transaction Card Crime Act.

**§ 14-113.8. Definitions.**

The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

- (1) Acquirer. – "Acquirer" means a business organization, financial institution, or an agent of a business organization or financial institution that authorizes a merchant to accept payment by financial transaction card for money, goods, services or anything else of value.
- (1a) Automated Banking Device. – "Automated banking device" means any machine which when properly activated by a financial transaction card and/or personal identification code may be used for any of the purposes for which a financial transaction card may be used.
- (2) Cardholder. – "Cardholder" means the person or organization named on the face of a financial transaction card to whom or for whose benefit the financial transaction card is issued by an issuer.
- (3) Expired Financial Transaction Card. – "Expired financial transaction card" means a financial transaction card which is no longer valid because the term shown on it has elapsed.
- (4) Financial Transaction Card. – "Financial transaction card" or "FTC" means any instrument or device whether known as a credit card, credit plate, bank services card, banking card, check guarantee card, debit card, or by any other name, issued with or without fee by an issuer for the use of the cardholder:
  - a. In obtaining money, goods, services, or anything else of value on credit; or
  - b. In certifying or guaranteeing to a person or business the availability to the cardholder of funds on deposit that are equal to or greater than the amount necessary to honor a draft or check payable to the order of such person or business; or
  - c. In providing the cardholder access to a demand deposit account or time deposit account for the purpose of:
    1. Making deposits of money or checks therein; or
    2. Withdrawing funds in the form of money, money orders, or traveler's checks therefrom; or
    3. Transferring funds from any demand deposit account or time deposit account to any other demand deposit account or time deposit account; or
    4. Transferring funds from any demand deposit account or time deposit account to any credit card accounts, overdraft privilege accounts, loan accounts, or any other credit accounts in full or partial satisfaction of any outstanding balance owed existing therein; or
    5. For the purchase of goods, services or anything else of value; or
    6. Obtaining information pertaining to any demand deposit account or time deposit account;

- d. But shall not include a telephone number, credit number, or other credit device which is covered by the provisions of Article 19A of this Chapter.
- (5) Issuer. – "Issuer" means the business organization or financial institution or its duly authorized agent which issues a financial transaction card.
- (6) Personal Identification Code. – "Personal identification code" means a numeric and/or alphabetical code assigned to the cardholder of a financial transaction card by the issuer to permit authorized electronic use of that FTC.
- (7) Presenting. – "Presenting" means, as used herein, those actions taken by a cardholder or any person to introduce a financial transaction card into an automated banking device, including utilization of a personal identification code, or merely displaying or showing a financial transaction card to the issuer, or to any person or organization providing money, goods, services, or anything else of value, or any other entity with intent to defraud.
- (8) Receives. – "Receives" or "receiving" means acquiring possession or control or accepting a financial transaction card as security for a loan.
- (9) Revoked Financial Transaction Card. – "Revoked financial transaction card" means a financial transaction card which is no longer valid because permission to use it has been suspended or terminated by the issuer.
- (10) Scanning Device. – "Scanning device" means a scanner, reader, or any other device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on a financial transaction card. (1967, c. 1244, s. 2; 1971, c. 1213, s. 4; 1979, c. 741, s. 1; 1989, c. 161, s. 1; 2002-175, s. 2.)

**§ 14-113.9. Financial transaction card theft.**

(a) A person is guilty of financial transaction card theft when the person does any of the following:

- (1) Takes, obtains or withholds a financial transaction card from the person, possession, custody or control of another without the cardholder's consent and with the intent to use it; or who, with knowledge that it has been so taken, obtained or withheld, receives the financial transaction card with intent to use it or to sell it, or to transfer it to a person other than the issuer or the cardholder.
- (2) Receives a financial transaction card that he knows to have been lost, mislaid, or delivered under a mistake as to the identity or address of the cardholder, and who retains possession with intent to use it or to sell it or to transfer it to a person other than the issuer or the cardholder.
- (3) Not being the issuer, sells a financial transaction card or buys a financial transaction card from a person other than the issuer.
- (4) Not being the issuer, during any 12-month period, receives financial transaction cards issued in the names of two or more persons which he has reason to know were taken or retained under circumstances which constitute a violation of G.S. 14-113.13(a)(3) and subdivision (3) of subsection (a) of this section.

- (5) With the intent to defraud any person, either (i) uses a scanning device to access, read, obtain, memorize, or store, temporarily or permanently, information encoded on another person's financial transaction card, or (ii) receives the encoded information from another person's financial transaction card.

(b) Credit card theft is punishable as provided by G.S. 14-113.17(b). (1967, c. 1244, s. 2; 1979, c. 741, s. 1; c. 760, s. 5; 1979, 2nd Sess., c. 1316, s. 47; 1981, c. 63, s. 1; c. 179, s. 14; 2002-175, s. 3.)

#### **§ 14-113.10. Prima facie evidence of theft.**

When a person has in his possession or under his control financial transaction cards issued in the names of two or more other persons other than members of his immediate family, such possession shall be prima facie evidence that such financial transaction cards have been obtained in violation of G.S. 14-113.9(a). (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

#### **§ 14-113.11. Forgery of financial transaction card.**

(a) A person is guilty of financial transaction card forgery when:

- (1) With intent to defraud a purported issuer, a person or organization providing money, goods, services or anything else of value, or any other person, he falsely makes or falsely embosses a purported financial transaction card or utters such a financial transaction card; or
- (2) With intent to defraud a purported issuer, a person or organization providing money, goods, services or anything else of value, or any other person, he falsely encodes, duplicates or alters existing encoded information on a financial transaction card or utters such a financial transaction card; or
- (3) He, not being the cardholder or a person authorized by him, with intent to defraud the issuer, or a person or organization providing money, goods, services or anything else of value, or any other person, signs a financial transaction card.

(b) A person falsely makes a financial transaction card when he makes or draws, in whole or in part, a device or instrument which purports to be the financial transaction card of a named issuer but which is not such a financial transaction card because the issuer did not authorize the making or drawing, or alters a financial transaction card which was validly issued.

(c) A person falsely embosses a financial transaction card when, without authorization of the named issuer, he completes a financial transaction card by adding any of the matter, other than the signature of the cardholder, which an issuer requires to appear on the financial transaction card before it can be used by a cardholder.

(d) A person falsely encodes a financial transaction card when, without authorization of the purported issuer, he records magnetically, electronically, electro-magnetically or by any other means whatsoever, information on a financial transaction card which will permit acceptance of that card by any automated banking device. Conviction of financial transaction card forgery shall be punishable as provided in G.S. 14-113.17(b). (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

#### **§ 14-113.12. Prima facie evidence of forgery.**

(a) When a person, other than the purported issuer, possesses two or more financial transaction cards which are falsely made or falsely embossed, such possession shall be prima

facie evidence that said cards were obtained in violation of G.S. 14-113.11(a)(1) or 14-113.11(a)(2).

(b) When a person, other than the cardholder or a person authorized by him possesses two or more financial transaction cards which are signed, such possession shall be prima facie evidence that said cards were obtained in violation of G.S. 14-113.11(a)(3). (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

**§ 14-113.13. Financial transaction card fraud.**

(a) A person is guilty of financial transaction card fraud when, with intent to defraud the issuer, a person or organization providing money, goods, services or anything else of value, or any other person, he

- (1) Uses for the purpose of obtaining money, goods, services or anything else of value a financial transaction card obtained or retained, or which was received with knowledge that it was obtained or retained, in violation of G.S. 14-113.9 or 14-113.11 or a financial transaction card which he knows is forged, altered, expired, revoked or was obtained as a result of a fraudulent application in violation of G.S. 14-113.13(c); or
- (2) Obtains money, goods, services, or anything else of value by:
  - a. Representing without the consent of the cardholder that he is the holder of a specified card; or
  - b. Presenting the financial transaction card without the authorization or permission of the cardholder; or
  - c. Representing that he is the holder of a card and such card has not in fact been issued; or
  - d. Using a financial transaction card to knowingly and willfully exceed:
    1. The actual balance of a demand deposit account or time deposit account; or
    2. An authorized credit line in an amount which exceeds such authorized credit line in the amount of five hundred dollars (\$500.00), or fifty percent (50%) of such authorized credit line, whichever is greater; or
- (3) Obtains control over a financial transaction card as security for debt; or
- (4) Deposits into his account or any account, by means of an automated banking device, a false, fictitious, forged, altered or counterfeit check, draft, money order, or any other such document not his lawful or legal property; or
- (5) Receives money, goods, services or anything else of value as a result of a false, fictitious, forged, altered, or counterfeit check, draft, money order or any other such document having been deposited into an account via an automated banking device, knowing at the time of receipt of the money, goods, services, or item of value that the document so deposited was false, fictitious, forged, altered or counterfeit or that the above deposited item was not his lawful or legal property.

(b) A person who is authorized by an issuer to furnish money, goods, services or anything else of value upon presentation of a financial transaction card by the cardholder, or any agent or employee of such person is guilty of a financial transaction card fraud when, with intent to defraud the issuer or the cardholder, he

- (1) Furnishes money, goods, services or anything else of value upon presentation of a financial transaction card obtained or retained in violation of G.S. 14-113.9, or a financial transaction card which he knows is forged, expired or revoked; or
- (2) Fails to furnish money, goods, services or anything else of value which he represents in writing to the issuer that he has furnished.

Conviction of financial transaction card fraud as provided in subsection (a) or (b) of this section is punishable as provided in G.S. 14-113.17(a) if the value of all money, goods, services and other things of value furnished in violation of this section, or if the difference between the value actually furnished and the value represented to the issuer to have been furnished in violation of this section, does not exceed five hundred dollars (\$500.00) in any six-month period. Conviction of financial transaction card fraud as provided in subsection (a) or (b) of this section is punishable as provided in G.S. 14-113.17(b) if such value exceeds five hundred dollars (\$500.00) in any six-month period.

(c) A person is guilty of financial transaction card fraud when, upon application for a financial transaction card to an issuer, he knowingly makes or causes to be made a false statement or report relative to his name, occupation, financial condition, assets, or liabilities; or willfully and substantially overvalues any assets, or willfully omits or substantially undervalues any indebtedness for the purpose of influencing the issuer to issue a financial transaction card.

Conviction of financial transaction card fraud as provided in this subsection is punishable as provided in G.S. 14-113.17(a).

(c1) A person authorized by an acquirer to furnish money, goods, services or anything else of value upon presentation of a financial transaction card or a financial transaction card account number by a cardholder, or any agent or employee of such person, who, with intent to defraud the issuer, acquirer, or cardholder, remits to an issuer or acquirer, for payment, a financial transaction card record of a sale, which sale was not made by such person, his agent or employee, is guilty of financial transaction card fraud.

Conviction of financial transaction card fraud as provided in this subsection is punishable as provided in G.S. 14-113.17(a).

(d) A cardholder is guilty of financial transaction card fraud when he willfully, knowingly, and with an intent to defraud the issuer, a person or organization providing money, goods, services, or anything else of value, or any other person, submits, verbally or in writing, to the issuer or any other person, any false notice or report of the theft, loss, disappearance, or nonreceipt of his financial transaction card.

Conviction of financial transaction card fraud as provided in this subsection is punishable as provided in G.S. 14-113.17(a).

(e) In any prosecution for violation of G.S. 14-113.13, the State is not required to establish and it is no defense that some of the acts constituting the crime did not occur in this State or within one city, county, or local jurisdiction.

(f) For purposes of this section, revocation shall be construed to include either notice given in person or notice given in writing to the person to whom the financial transaction card and/or personal identification code was issued. Notice of revocation shall be immediate when notice is given in person. The sending of a notice in writing by registered or certified mail in the United States mail, duly stamped and addressed to such person at his last address known to the issuer, shall be prima facie evidence that such notice was duly received after seven days from the date of the deposit in the mail. If the address is located outside the United States, Puerto Rico,

the Virgin Islands, the Canal Zone and Canada, notice shall be presumed to have been received 10 days after mailing by registered or certified mail. (1967, c. 1244, s. 2; 1979, c. 741, s. 1; 1989, c. 161, s. 2.)

**§ 14-113.14. Criminal possession of financial transaction card forgery devices.**

(a) A person is guilty of criminal possession of financial transaction card forgery devices when:

- (1) He is a person other than the cardholder and possesses two or more incomplete financial transaction cards, with intent to complete them without the consent of the issuer; or
- (2) He possesses, with knowledge of its character, machinery, plates, or any other contrivance designed to reproduce instruments purporting to be financial transaction cards of an issuer who has not consented to the preparation of such financial transaction cards.

(b) A financial transaction card is incomplete if part of the matter other than the signature of the cardholder, which an issuer requires to appear on the financial transaction card before it can be used by a cardholder, has not yet been stamped, embossed, imprinted, encoded or written upon it.

Conviction of criminal possession of financial transaction card forgery devices is punishable as provided in G.S. 14-113.17(b). (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

**§ 14-113.15. Criminal receipt of goods and services fraudulently obtained.**

A person is guilty of criminally receiving goods and services fraudulently obtained when he receives money, goods, services or anything else of value obtained in violation of G.S. 14-113.13(a) with the knowledge or belief that the same were obtained in violation of G.S. 14-113.13(a). Conviction of criminal receipt of goods and services fraudulently obtained is punishable as provided in G.S. 14-113.17(a) if the value of all the money, goods, services and anything else of value, obtained in violation of this section, does not exceed five hundred dollars (\$500.00) in any six-month period; conviction of criminal receipt of goods and services fraudulently obtained is punishable as provided in G.S. 14-113.17(b) if such value exceeds five hundred dollars (\$500.00) in any six-month period. (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

**§ 14-113.15A. Criminal factoring of financial transaction card records.**

Any person who, without the acquirer's express authorization, employs or solicits an authorized merchant, or any agent or employee of such merchant, to remit to an issuer or acquirer, for payment, a financial transaction card record of a sale, which sale was not made by such merchant, his agent or employee, is guilty of a felony punishable as provided in G.S. 14-113.17(b). (1989, c. 161, s. 3.)

**§ 14-113.16. Presumption of criminal receipt of goods and services fraudulently obtained.**

A person who obtains at a discount price a ticket issued by an airline, railroad, steamship or other transportation company from other than an authorized agent of such company which was acquired in violation of G.S. 14-113.13(a) without reasonable inquiry to ascertain that the person from whom it was obtained had a legal right to possess it shall be presumed to know that such ticket was acquired under circumstances constituting a violation of G.S. 14-113.13(a). (1967, c. 1244, s. 2; 1979, c. 741, s. 1.)

**§ 14-113.17. Punishment and penalties.**

(a) A person who is subject to the punishment and penalties of this Article shall be guilty of a Class 2 misdemeanor.

(b) A crime punishable under this Article is punishable as a Class I felony. (1967, c. 1244, s. 2; 1979, c. 741, s. 1; c. 760, s. 5; 1993, c. 539, ss. 55, 1183; 1994, Ex. Sess., c. 24, s. 14(c).)

**§ 14-113.18. Reserved for future codification purposes.**

**§ 14-113.19. Reserved for future codification purposes.**