

Financial Crimes

There are many ways in which our financial interests may be impacted by the actions of other people. While some of those situations properly give rise to criminal liability, others are civil in nature. That is, they do not lend themselves to disposition within the criminal justice system and must be resolved through other means, such as filing a civil lawsuit.

The dividing line between what is criminal and what is civil is typically focused on the intent of the people involved. Where the intent of one person to unlawfully deprive another of his/her property is clear, then a criminal charge of theft (or similar offense) is likely appropriate. However, where there is a genuine dispute between two people over who is entitled to certain property, the matter must be resolved in the civil arena. Each case must be reviewed on its own specific facts to determine whether it should be handled as a criminal or civil matter. However, some examples may be helpful.

Examples of criminal conduct (not a complete list – instructive only):

1. As a woman is walking down the street, George runs up, grabs her purse, and runs away (Robbery);
2. Without prior permission, George takes his roommate's credit card out of his wallet and uses it to purchase several items. When the roommate gets his credit card bill, he confronts George. George denies any knowledge of the purchases. (Access Device Fraud);
3. Without prior permission, George takes money from his roommate's wallet with no intention to pay it back. (Theft);
4. George is the Treasurer for his child's soccer club. As part of that position, he collects all of the registration fees and is authorized to make purchases for the club. Instead of using all of the fees to support the soccer club, George uses some of the money to buy items for himself and/or his family. (Theft);
5. George is a contractor. He agrees to build a new deck for Howard and estimates the job will take 2 weeks. Howard pays George an initial installment of \$1,500.00. George does no work, makes excuses for a few weeks, and then stops answering Howard's calls. (Home improvement fraud; theft);
6. George sells mobile homes. As part of his job, George collects down payments from several prospective purchasers. Each purchaser signs a form that says the down payment is non-refundable. However, before they sign, George tells each of them that if the deal falls through, he will give them the money back. Each of the deals falls through for various reasons. George refuses to return the down payment money. (Theft by Deception).

Examples of civil disputes (not a complete list – instructive only):

1. George is a contractor. He agrees to build a new deck for Howard and estimates the job will take 2 weeks. George and Howard agree that Howard will pay \$1,500.00 up front, and then another \$2,500.00 upon completion. Howard pays George an initial installment of \$1,500.00. George purchases the materials to build the deck and completes the job. Howard is not happy with the deck because he believed it would be made of Trex, but George used wood. Howard refuses to pay the remaining amount. (civil contract dispute);

2. George is the Treasurer for his child's soccer club. As part of that position, he collects all of the registration fees and is authorized to make purchases for the club. Under club by-laws, any purchase over \$500.00 requires Board approval. Without waiting for permission from the club's Board, George uses the registration fees to purchase two new soccer goals for the club, for a total cost of \$2,500.00. The Board members are angry because they did not authorize this purchase. (violation of club rules, but not a crime – George did not use the money for himself);
3. Howard pays a lawn service company \$300.00 per month to treat his lawn. The company guarantees no weeds or crabgrass. After 4 months of treatments and \$1,200.00 paid, Howard is outraged because his lawn still has weeds and looks terrible. (civil contract dispute);
4. Howard has a leaky roof and hires a roofing company to replace the roof. He pays them \$8,000.00. The company replaces the roof and tells Howard it will last 20 years. After 6 months, the roof begins to leak. (civil contract dispute);
5. George is married for 15 years. During the marriage, he and his wife purchase expensive furniture sets for the living room and bedroom. When George is at work one day, his wife has movers remove all of the furniture and tells George she wants a divorce. George goes to the police, alleging that his wife has "stolen" the furniture. (civil property dispute).

If you believe you have been defrauded by a business, contact the Pennsylvania Office of Attorney General at 800-441-2555 (Consumer Protection) or 888-520-6680 (Home Improvement Consumer), or visit their website at www.attorneygeneral.gov/get-help.

One common type of fraud involves HOME IMPROVEMENT contractors. Before you hire a contractor, you should take the following steps:

1. Verify the contractor is registered with the Pennsylvania Office of Attorney General, as required by law (www.attorneygeneral.gov/protect-yourself/home-improvement);
2. Check your potential contractor's references;
3. Check for complaints about this contractor with the Better Business Bureau (www.bbb.org, or 717-364-3250).

Another common type of fraud or embezzlement involves people who handle money for YOUTH SPORTS ORGANIZATIONS. Many of these organizations bring in thousands of dollars with little to no oversight of the person collecting the money. To avoid becoming the victim of theft, be sure to check the background of anyone handling money, and require at least two people to oversee the account(s). However trustworthy the Treasurer may appear, allowing one person to have sole access and control over the organization's money is asking for trouble.