

ALABAMA SECURITIES COMMISSION

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Alabama House of Representatives Passes New Statute of Limitations Bill

MONTGOMERY, ALABAMA (March 13, 2014) The Alabama House of Representatives today passed House Bill (HB) 325, which increases the statute of limitations for serious crimes. The bill was brought to the House floor by Alabama State Representative Paul DeMarco (R-Jefferson), Chairman of the House Judiciary Committee.



In his remarks, Rep. DeMarco stated to the House members, “This important piece of legislation will help protect Alabama’s retirees and senior citizens from questionable financial dealings and deceitful tactics designed to rob them of a secure financial future. We can’t afford to let criminals get away with cheating people out of their life savings and this bill will improve the ability of law enforcement officials to prosecute criminals who orchestrate long-term financial and investment schemes.”

Alabama Securities Commission Director Joe Borg said, “We appreciate Chairman DeMarco’s strong stance in support of HB 325. Representative DeMarco’s remarks on the House floor were right on point. This legislation will significantly assist law enforcement in the prosecution of serious crimes that are characterized as felonies in Alabama. Our office has seen numerous instances where scams continue for years, usually in a Ponzi scheme setting, where the victims have no idea that they have even been defrauded until such time as it comes to collect their hard-earned money as promised. Representative DeMarco was also especially on point with regard to financial crimes against our retirees and senior citizens who are particularly targeted by scamsters and con artists.”

Representative DeMarco told the House Chamber that the State only has three years to investigate and prosecute most felony offenses. Most of the states and the federal government provide for longer periods of time. The additional time will significantly aide law enforcement and prosecutors in gathering evidence that could lead to charges. Complex economic and financial crimes are difficult to detect and are often not reported to law enforcement until after the present three year statute of limitations has already lapsed. HB 325 will allow for the prosecution of crimes involving securities fraud and other thefts involving deception for a period of five years following the discovery of the deception or fraud, instead of the date of the transaction. “We cannot allow a criminal to immunize himself from prosecution by employing schemes which prevent timely discovery,” said DeMarco.

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DeMarco further cited an example of a fraudster selling an Alabama citizen a fraudulent insurance investment and at the maturity date, the investor attempts to collect on the note or policy but discovers that the deal was a scam. Under the current statute of limitations, the State may not prosecute the fraudster for theft by deception, and may only prosecute under the Securities Act if the fraudster committed some act in furtherance of the fraud within five years of such event, even if the deception giving rise to the fraud is not discovered until much later.

ASC Director Joseph Borg also said, "We are grateful for Representative DeMarco's strong support and understanding of the importance of this bill to protect Alabamians. The passing of this bill will be a significant asset to enhance the prosecution of criminals who victimize Alabama citizens."



Joseph P. Borg

House Bill 325 now goes to the Senate for review and upon passage will be sent to Governor Bentley for signature.

HB 325 may be viewed at: <http://www.legislature.state.al.us>.

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For more information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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