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Senate Bill 23 (Substitute S-1 as passed by the Senate) Senate Bill 24 (Substitute S-1 as passed by the Senate)

Sponsor: Senator Jim Runestad (S.B. 23)

Senator Peter J. Lucido (S.B. 24)

Committee: Judiciary and Public Safety

Date Completed: 9-6-19

RATIONALE

Reportedly, mail theft is on the rise in Michigan. Mail theft is different from other property theft because mail often contains sensitive personal or financial information. For this reason, mail theft often is associated with other crimes, such as fraud and identity theft. The ability to prosecute mail theft is a first line of defense against criminals looking to commit more serious crimes. Some people believe that the United States Postal Inspection Service (USPIS), the law enforcement arm of the U.S Postal Services, has insufficient resources to investigate every mail theft complaint it receives. Reportedly, the U.S. Attorney's Office has a high threshold for the value of stolen goods needed to investigate mail theft, which leaves many mail theft cases unprosecuted at the Federal level.

Evidently, Michigan law provides little authority to prosecute mail theft at the State or local level. To deter mail theft and provide additional authority to prosecute mail thieves, it has been suggested that the theft or destruction of mail be addressed specifically in a new act.

CONTENT

Senate Bill 23 (S-1) would enact the "Mail and Mail Depository Protection Act" to do the following:

- -- Prohibit a person from taking certain actions with respect to mail that was addressed to another person.
- -- Allow a person to assert one or more specified affirmative defenses to an alleged violation of the proposed Act.
- -- Prescribe misdemeanor and felony penalties for violations of the proposed Act.

<u>Senate Bill 24 (S-1)</u> would amend the sentencing guidelines in the Code of Criminal Procedure to include the felonies proposed by Senate Bill 23 (S-1).

Senate Bill 24 (S-1) is tie-barred to Senate Bill 23. Each bill would take effect 90 days after its enactment.

Senate Bill 23 (S-1)

Prohibitions

Under the proposed Act, a person could not do any of the following with respect to mail that was addressed to another person:

- -- Knowingly and intentionally remove mail from a mail depository.
- -- Knowingly and intentionally take mail from a mail carrier.
- -- Obtain custody of mail by intentionally deceiving a mail carrier, or other person who rightfully possessed or controlled the mail, by making a written, verbal, or electronic representation that

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the person knew to be false with intent to deceive and actually deceive a mail carrier or other person who possessed or controlled the mail.

- -- Knowingly and intentionally remove the contents of mail.
- -- Knowingly and intentionally take mail that had been left for delivery at the location specified on the mail.
- -- Knowingly and intentionally take mail that had been left for collection on or adjacent to a mail depository.
- -- Knowingly and intentionally destroy or damage mail.
- -- Receive, possess, transfer, or conceal mail, knowing or having reason to believe the mail was obtained in violation of the Act or in a manner that was otherwise prohibited by the State or Federal law.

"Mail" would mean a letter, postal card, package, bag, or any other article or thing contained therein, or other sealed article addressed to a person. "Mail depository" would mean a mailbox, letter box, or mail receptacle, a post office or a station of a post office, a postal service vehicle, or any authorized depository for mail. "Mail carrier" would mean a person who is employed to deliver and collect mail.

Affirmative Defenses

Except for a person who was charged with obtaining custody of mail through deception, a person could assert one or more of the following as an affirmative defense to an alleged violation of the Act:

- -- That the person acted with the consent of the person to whom the mail was addressed, unless that person gave consent knowing that the information would be used to commit an unlawful act.
- -- That the action taken was authorized or required by State or Federal law, rule, or regulation, or a court order or rule.
- -- That the person was the legal guardian of a child or an adult and was authorized to possess that child's or adult's mail and to make decisions regarding access to it.

A person asserting an affirmative defense described above would have the burden of establishing it by a preponderance of the evidence.

It would be an affirmative defense to a prosecution under the Act that the person lawfully transferred, obtained, or attempted to obtain mail for the purpose of detecting, preventing, or deterring mail theft or another crime. The defendant would have the burden of establishing the affirmative defense by a preponderance of the evidence.

Penalties

A person who violated the Act would be guilty of a crime as follows:

- -- A misdemeanor punishable by imprisonment for up to one year or a maximum fine of \$500, or both.
- -- A felony punishable by up to five years' imprisonment or a maximum fine of \$1,000, or both, if the violation were a second violation.
- -- A felony punishable by up to 10 years' imprisonment or a maximum fine of \$2,000, or both, if the violation were a third or subsequent violation.
- -- A felony punishable by up to five years' imprisonment or a maximum fine of \$1,000, or both, if the violation involved the theft of mail by a person with the intent to commit fraud.

The Act would apply whether a person whose mail was obtained, or was attempted to be obtained, in violation of the Act was alive or deceased at the time of the violation.

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The Act would not prohibit a person from being charged with, convicted of, or sentenced for any other violation of law committed by that person using mail obtained in violation of the Act or any other violation of law committed by that person while violating or attempting to violate the Act.

Senate Bill 24 (S-1)

The bill would amend the Code of Criminal Procedure to include the felonies proposed by Senate Bill 23 (S-1) in the sentencing guidelines, as shown in the table below.

Violation	Category	Class	Stat Max
Mail theft - second offense	Public Order	Е	5
Mail theft - third or subsequent offense	Public Order	D	10
Mail theft with the intent to commit fraud	Public Order	E	5

MCL 777.14h (S.B. 24)

BACKGROUND

Federal Procedures

In fiscal year 2018, the USPIS initiated over 1,350 cases involving mail theft, which resulted in almost 2,500 arrests and over 2,100 convictions, according to the USPIS's 2018 Annual Report. A conviction for mail theft under Federal law is punishable by imprisonment or a fine, or both. The U.S. Attorney's Office is responsible for prosecuting these cases.

Rising Mail Theft

In 2018, there were 17,000 complaints of Amazon packages not received, 1,916 mail theft reports, 168 prescription theft reports, 155 complaints of mail tampering, and 399 reports of check theft in Michigan, according to testimony presented before the Senate Committee on Judiciary and Public Safety. A February 2019 article from the *Associated Press* reported that between October 2018 and February 2019, the USPIS received more than 5,000 reports of stolen Amazon packages, over 300 reports of stolen credit cards, 140 reports of stolen checks, and more than 50 reports of stolen medications from Michigan residents.¹

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

While mail theft is a Federal crime, it often is not prosecuted because of a lack of resources and the high financial loss threshold necessary for prosecution. Since mail theft complaints often are concentrated in local areas, local law enforcement agencies have a strong interest to investigate and prosecute the crime within their respective jurisdictions.

Local and State law enforcement agencies that wish to prosecute mail theft that has been left unprosecuted at the Federal level find themselves unable to do so under current law. For example, package theft is included under the criminal prohibitions against larceny, but it is hard to prove that a financial loss occurred, which is necessary for a larceny conviction. The law does not criminalize the theft of letters, credit cards, personal financial information, or checks, unless the check is cashed or credit cards are used. Additionally, stolen property that is valued under \$200 is classified as petty larceny and is punishable only as a misdemeanor. Mail thieves can be prosecuted

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¹ Eggert, David, "Michigan Senate approves bills to combat mail theft", Associated Press, 2-28-19.

for associated crimes that can result from mail theft (such as fraud and identity theft), but there is little statutory authority to prosecute the mail theft itself.

Senate Bills 23 (S-1) and 24 (S-1) would criminalize and establish penalties for mail theft and subsequent offenses, giving local and State law enforcement the tools necessary to enforce this crime when the Federal government is unable to do so. Since mail theft is on the rise in the United States and in Michigan, this bill is an important step in reducing the amount of mail theft and the costs it imposes on Michigan residents.

Legislative Analyst: Carlee Knott

FISCAL IMPACT

Senate Bill 23 (S-1)

The bill would have a negative fiscal impact on the State and local government. New felony arrests and convictions under the proposed Act could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. However, it is unknown how many people would be prosecuted under the bill's provisions. The average cost to State government for felony probation supervision is approximately \$3,024 per probationer per year. For any increase in prison intakes, in the short term, the marginal cost to State government is approximately \$5,315 per prisoner per year. Any additional revenue from imposed fines would go to local libraries.

Senate Bill 24 (S-1)

The bill would have no fiscal impact on local government and an indeterminate fiscal impact on the State, in light of the Michigan Supreme Court's July 2015 opinion in People v. Lockridge, in which the Court ruled that the sentencing guidelines are advisory for all cases. This means that the addition to the guidelines under the bill would not be compulsory for the sentencing judge. As penalties for felony convictions vary, the fiscal impact of any given felony conviction depends on judicial decisions.

Fiscal Analyst: Joe Carrasco

Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.