

House Bill 1034

By: Representatives Scott of the 76<sup>th</sup>, Schofield of the 63<sup>rd</sup>, and Davis of the 87<sup>th</sup>

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to  
2 financial institutions, so as to require that financial institutions provide customers the ability  
3 to place emergency holds on suspected fraudulent transactions; to amend Chapter 1 of Title  
4 10 of the Official Code of Georgia Annotated, relating to selling and other trade practices,  
5 so as to add internet and email fraud to the list of crimes constituting unfair or deceptive  
6 practices in consumer transactions; to amend Chapter 9 of Title 16 of the Official Code of  
7 Georgia Annotated, relating to forgery and fraudulent practices, so as to criminalize  
8 electronic and voice communications intended to fraudulently solicit identifying information  
9 and gain remote access to electronic devices and accounts; to provide a short title; to amend  
10 Chapter 15 of Title 17 of the Official Code of Georgia Annotated, relating to victim  
11 compensation, so as to provide victim relief fund access to victims of certain financial  
12 crimes; to amend Chapter 15 of Title 45 of the Official Code of Georgia Annotated, relating  
13 to general provisions relative to the attorney general, so as to require that the Attorney  
14 General create public awareness and training initiatives regarding certain financial crimes;  
15 to provide for definitions; to provide for a short title; to provide for related matters; to repeal  
16 conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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44 (c) If a financial institution detects an active remote access session or remote  
45 administration software operating during initiation of a covered transfer, such institution  
46 shall pause the transaction and require high assurance reauthentication or in-person  
47 verification.

48 (d) Financial institutions shall implement measures reasonably designed to deter  
49 authorized push payment scams. Upon receiving a customer report of suspected fraudulent  
50 activity, a financial institution shall implement a temporary emergency hold on a covered  
51 transfer prior to final posting or settlement. Such hold may be maintained for up to 72  
52 hours, unless sooner released upon completion of risk review. A single 72 hour extension  
53 may be granted upon a written request from law enforcement or upon the customer's  
54 submission of a police report.

55 (e) A financial institution may place a temporary emergency hold on a customer account  
56 when fraud indicators are present, including, but not limited to, first-time or high-risk  
57 payees, anomalous device or geolocation data, detection of an active remote access session,  
58 or a beneficiary name or identifier mismatch.

59 (f) A financial institution shall notify the customer within one business day after placing  
60 a hold on his or her account and provide an outcome within three business days after  
61 release of such hold, including whether funds were released, reversed, or recalled.

62 (g) All financial institutions shall retain records of account holds for five years and  
63 annually report to the department the number of holds, aggregate dollar amounts paused,  
64 reversals, recalls, and releases. The department shall publish an annual Georgia Financial  
65 Fraud Report summarizing this information state wide."

66 **SECTION 3.**

67 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other  
68 trade practices, is amended in subsection (b) of Code Section 10-1-393, relating to unfair or  
69 deceptive practices in consumer transactions unlawful and examples, by striking "and" at the

70 end of subparagraph (D) of paragraph 36, by replacing the period at the end of paragraph  
71 (37) with "; and", and by adding a new paragraph to read as follows:

72 "(38)(A) Any violation of Code Section 16-9-109.1.

73 (B) In addition to any criminal penalties, the Attorney General may bring a civil action  
74 for injunctive relief, civil penalties, restitution, and other appropriate relief."

75 **SECTION 4.**

76 Chapter 9 of Title 16 of the Official Code of Georgia Annotated, relating to forgery and  
77 fraudulent practices, is amended by revising Code Section 16-9-109.1, relating to fraudulent  
78 business practices using internet or e-mail, definitions, penalties, sanctions, and immunity,  
79 as follows:

80 "(a) As used in this part, the term:

81 (0.1) 'Electronic communication' means any message sent by short message service,  
82 multimedia message service, or internet based messaging platform, including links or  
83 codes that route a user to a web page or remote access session.

84 (1) '~~E-mail~~ Email message' means a message sent to a unique destination, commonly  
85 expressed as a string of characters, consisting of a unique user name or mailbox,  
86 commonly referred to as the 'local part,' and a reference to an ~~Internet~~ internet domain,  
87 commonly referred to as the 'domain part,' whether or not displayed, to which an  
88 electronic message can be sent or delivered.

89 (2) 'Employer' includes a business entity's officers, directors, parent corporation,  
90 subsidiaries, affiliates, and other corporate entities under common ownership or control  
91 within a business enterprise.

92 (3) 'Identifying information' means, with respect to an individual, any of the following:

93 (A) Social security number;

94 (B) Driver's license number;

95 (C) Bank account number;

- 96 (D) Credit card or debit card number;
- 97 (E) Personal identification number or PIN;
- 98 (F) Automated or electronic signature;
- 99 (G) Unique biometric data;
- 100 (H) Account password; or
- 101 (I) Any other piece of information that can be used to access an individual's financial
- 102 accounts or to obtain goods or services.
- 103 (4) 'Internet' shall have the meaning set forth in paragraph (10) of Code Section
- 104 16-9-151.
- 105 (4.1) 'Voice communication' means the conveyance of any message through human
- 106 speech, including live speech, prerecorded or stored human speech, and simulated or
- 107 artificially generated human speech produced by software or artificial intelligence.
- 108 (5) 'Web page' means a location that has a single uniform resource locator or other single
- 109 location with respect to the ~~Internet~~ internet.
- 110 (b)(1) It shall be unlawful for any person with intent to defraud, by means of a web page,
- 111 ~~e-mail~~ email message, voice communication, electronic communication, or otherwise
- 112 through use of the ~~Internet~~ internet, to solicit, request, or take any action to induce
- 113 another person to provide identifying information or remote access to an electronic device
- 114 or account by representing himself, herself, or itself to be a business without the authority
- 115 or approval of such business.
- 116 (2) It shall be unlawful for any person, with actual knowledge, conscious avoidance of
- 117 actual knowledge, or willfully, to possess with intent to use in a fraudulent manner, sell,
- 118 or distribute any identifying information obtained in violation of paragraph (1) of this
- 119 subsection.
- 120 (c) Any person who intentionally violates subsection (b) of this Code section shall be
- 121 guilty of a felony and shall be punished by imprisonment for not less than one nor more
- 122 than 20 years, a fine of not less than \$1,000.00 nor more than \$500,000.00, or both.

123 (d)(1) No employer shall be held criminally liable under this Code section as a result of  
124 any actions taken:

125 (A) With respect to computer equipment used by its employees, contractors,  
126 subcontractors, agents, leased employees, or other staff which the employer owns,  
127 leases, or otherwise makes available or allows to be connected to the employer's  
128 network or other computer facilities when such equipment is used for an illegal purpose  
129 without the employer's knowledge, consent, or approval; or

130 (B) By employees, contractors, subcontractors, agents, leased employees, or other staff  
131 who misuse an employer's computer equipment for an illegal purpose without the  
132 employer's knowledge, consent, or approval.

133 (2) No person shall be held criminally liable under this Code section when its protected  
134 computers, computer equipment, or software product has been used by unauthorized  
135 users to violate this Code section without such person's knowledge, consent, or approval.

136 (e) This Code section shall not apply to a telecommunications provider's or ~~Internet~~  
137 internet service provider's good faith transmission or routing of, or intermediate temporary  
138 storing or caching of, identifying information.

139 (f) No provider of an interactive computer service may be held liable in a civil action  
140 under any law of this state, or any of its political subdivisions, for removing or disabling  
141 access to content on ~~an Internet~~ a website or other online location controlled or operated  
142 by such provider, when such provider believes in good faith that such content has been  
143 used to engage in a violation of this part."

144 **SECTION 5.**

145 Chapter 15 of Title 17 of the Official Code of Georgia Annotated, relating to victim  
146 compensation, is amended by adding a new Code section to read as follows:

147 "17-15-18.

148 (a) This Code section shall be known and may be cited as the 'Georgia Financial Fraud  
149 Victims Relief Fund.'

150 (b) As used in this Code section, the term:

151 (1) 'Eligible financial fraud' means a violation of Code Section 16-9-109.1 or other fraud  
152 resulting in a covered transfer, as such term is defined in Code Section 7-1-847, where  
153 funds are not otherwise reimbursable under federal or state law or by a financial  
154 institution.

155 (2) 'Eligible victim' means a person residing in this state who promptly reports suspected  
156 fraud to a financial institution, cooperates in any investigation or recovery efforts, and has  
157 not received reimbursement from any other source for the loss.

158 (c) There is created the Georgia Financial Fraud Victims Relief Fund, to be administered  
159 by the Criminal Justice Coordinating Council. The fund shall consist of moneys  
160 appropriated by the General Assembly; civil penalties and settlement proceeds recovered  
161 by the state for violations of Code Section 16-9-109.1; and gifts, grants, and donations.  
162 The council shall promulgate rules necessary to implement this Code section.

163 (d) Awards shall reimburse uncompensated pecuniary loss up to \$10,000.00 per incident  
164 and \$20,000.00 per claimant per calendar year, subject to available funds. Any amounts  
165 recovered by the victim after such reimbursement shall be repaid to the fund to the extent  
166 of the award. No award shall duplicate compensation available from any other source.

167 (e) An eligible victim shall apply within one year of discovery of the fraud, subject to  
168 equitable tolling for good cause.

169 (f) The council shall issue an eligibility determination within 90 days of receipt of a  
170 complete application.

171 (g) The council shall publish an annual report on claims received, awards granted or  
172 denied, and aggregate losses and recoveries."

173 **SECTION 6.**

174 Chapter 15 of Title 45 of the Official Code of Georgia Annotated, relating to general  
175 provisions relative to the attorney general, is amended by adding a new Code section to read  
176 as follows:

177 "45-15-21.

178 (a) The Attorney General shall create and maintain a centralized web portal and a toll-free  
179 hotline dedicated to violations of Code Section 16-9-109.1 integrated with existing  
180 consumer complaint systems and capable of referral to applicable federal portals.

181 (b) All reports shall receive an acknowledgment within 48 hours and a status update within  
182 ten business days. The Attorney General shall coordinate referrals with the Georgia  
183 Bureau of Investigation, the Department of Banking and Finance, and applicable federal  
184 agencies.

185 (c) The Attorney General shall conduct an annual public awareness campaign focused on  
186 recognizing fraudulent electronic solicitations, authorized push payment scams, and remote  
187 access fraud.

188 (d) The Attorney General shall develop training programs for state and local law  
189 enforcement agencies and district attorneys regarding technology enabled fraud, including  
190 artificial intelligence generated voice impersonation, deceptive remote access, and  
191 investigative best practices.

192 (e) The Attorney General may promulgate rules and enter into memoranda of  
193 understanding necessary to implement this Code section."

194 **SECTION 7.**

195 All laws and parts of laws in conflict with this Act are repealed.