

MEMBERS PRESENT: Chairman Stewart
Vice Chairman Sader
Mr. Thompson
Miss Foley
Mr. Beyer
Mr. Price
Mr. Chaney
Mr. Malone
Mrs. Cafferata
Mrs. Ham
Mr. Banner

MEMBERS ABSENT: None

GUESTS PRESENT: Assemblywoman Jane Ham
Pete Kelley, Nevada Retail Association
Michael A. de la Torre, Dept. Law Enforcement
Assistance
Larry Ketzenberger, LV Metro Police Department
Frank Daykin, Legislative Counsel

Chairman Stewart called the meeting to order at 8:03 a.m. and asked for committee action on SB 246 heard on April 2.

SB 246: Permits either spouse to bring an action for separate maintenance.

After a reading of the bill by the committee, Mr. Sader moved DO PASS SB 246, seconded by Mrs. Cafferata, and carried unanimously by the committee.

SB 251: Revises provisions relating to parentage.

Chairman Stewart reminded the committee that there was a question as to whether the county paid for the tests or not at page 2, lines 35 and 36. It was noted that currently the county pays for them. Miss Foley tended to agree with the county since they have a spending cap. Mrs. Cafferata commented that if the state must pay for the cost of the tests, then the bill would have to be referred to Ways and Means. Miss Foley suggested leaving the clause out, adding that if left as it is, the county could charge the state if it wanted to. Chairman Stewart commented that the State makes money on this since the district attorney collects more than the state puts out.

Mr. Malone moved AMEND SB 251 by deleting the new language at page 2, lines 34 through 36, seconded by Mrs. Ham, and carried unanimously by the committee.

Mr. Malone moved DO PASS SB 251 AS AMENDED, seconded by Mr. Thompson, and carried unanimously.

AB 250: Forbids probation or suspension of sentence for persons convicted of burglary.

Assemblywoman Jane Ham of Clark County stated that during her campaign she had found that in her district one of the biggest concerns of the people was burglary, resulting in AB 250. She commented that most of the people present had either had their homes burglarized or had friends and neighbors victimized. She noted that burglary is currently a felony and the intent of the bill is not to put the first-time offender in jail, but there is a necessity to penalize the repeaters of the crime. AB 250 proposes that suspended sentence and probation be denied to repeat offenders.

Larry Ketzenberger of the Las Vegas Metropolitan Police Department spoke in support of AB 250 and commented that when a home is broken into, it is difficult to erase the feeling of having a stranger in the home and taking prized possessions. He stated that burglary in the State of Nevada last year accounted for about 35% of all property crimes. In 1980, there were a total of 23,016 burglaries in the State of Nevada, with 77% being residential. In Clark County, of that total, 14,526 burglaries occurred with 11,949 being residential. Mr. Ketzenberger felt that imprisonment for second and continued offenders would decrease the amount of burglaries. Currently, a first offender is given probation generally and usually has not committed just one burglary, but several. Generally, this offender does not go to trial for burglary, but plea bargains and perhaps cops a plea to one and the others are dismissed. In essence, if a person commits one burglary and goes out on bail, he can pretty well be assured that by the time the case comes to trial, he can make a deal with the district attorney's office because of the overwhelming caseload and perhaps receive probation.

Mr. Thompson asked how many of the 23,016 were convictions. Mr. Ketzenberger did not have those statistics and stated that the crime of burglary is one with a low conviction rate, primarily because they are never seen, making sure there is no one home and often going to the back door. He added that it is not unusual to have a burglar ring the front doorbell and kick the door in when there is no answer. He suggested there would be a reduction in the crime rate if these people could come to trial within the 60 day limit. He pointed out that another reason these statistics are not available is because in the State of Nevada there is no central criminal history record repository which tracks a criminal suspect through the system from the time of arrest to the time of disposition in court.

Miss Foley asked if there was a problem with second and third time offenders being given probation. Mr. Ketzenberger stated that there are a number of cases where people are given probation on a second felony conviction, including burglary.

Mr. Sader asked what the disposition would be of a man convicted of two counts of burglary. Mr. Ketzenberger stated that such a person might be convicted of both counts at the same time and not go to jail. Mr. Sader asked if the second count would be a second conviction. Mr. Ketzenberger did not know if the language of the bill would apply in that situation. Mr. Sader felt there should be a clarification since a man charged with perhaps 10 counts of burglary might never have been in a court of law before and possibly should be considered for probation. He then asked if there was an estimate on the fiscal impact on the prison system. Mr. Ketzenberger did not know if an accurate figure could be determined. Mrs. Ham stated she asked Warden Wolff about the impact and he had responded they would find a place for the offenders.

Mr. Ketzenberger commented that of the 23,016 burglaries committed, there were only about 18% solved. There were several personal experiences with burglary exchanged among the committee members at that point.

For clarification to the committee, Mr. Malone explained that a burglary is anyone who enters any structure with intent to commit grand or petty larceny or any other crime; robbery is taking from a person.

Michael de la Torre, Director of the Department of Law Enforcement Assistance, stated his department supports this bill from the standpoint that they administer the Governor's Crime Prevention Program. He commented that the 1981 Uniform Crime Report would be out shortly and he would supply the committee with a copy. He commented that burglaries are often combined with other more serious crimes and crime reports pick up only the most serious incident. Many times when a robbery, murder, etc. appears on the reports, it started out as a burglary.

Mr. de la Torre passed out a copy of "The Economic Impact of Crime" (EXHIBIT A) and commented that when a crime is prevented, not only is the suspect saved from getting into the system at a cost of \$8,000 a year for incarceration, \$5,000 a week to run a felony trial, but more importantly, a victim is saved from getting into the system. A victim may be partially compensated, but the fear and trauma is never alleviated.

AB 362: Increases penalties for issuing checks and other instruments without sufficient funds.

Pete Kelley, representing the Nevada Retail Association, stated the association supports AB 362. Mr. Kelley questioned the amendment on line 12 of the bill where the existing language says "in the state prison for not less than one year nor more than 10 years, or by a fine of not more than \$10,000" and the language has been changed to eliminate "or" and insert "and may be further punished". There were discussions on the interpretation of the changes in the language, with some feeling it did not change the intent, whereby an individual could be imprisoned or fined or both; and others feeling it meant that an individual could not just be fined, but must first be imprisoned.

Mr. Kelley stated that over the years, in conjunction with law enforcement people and merchant clinics, there was a need to tighten up on bad checks. He commented about previous legislation which had been quite good and passed out a pamphlet which resulted from that (EXHIBIT B).

Miss Foley pointed out that at line 21 on page 1, where gross misdemeanor is changed to felony, the corresponding language from line 12 had not been inserted.

Mrs. Ham asked about a person who accidentally overdrew funds. Chairman Stewart pointed out that in such a case, the individual is notified by the bank and can rectify the problem.

Mr. Kelley raised the question of amending the stop payment statute, NRS 205.380, in accordance with a request made to Chairman Stewart. Mr. Stewart explained that the request was to include in that statute reference to services performed or obtained. There was a motion made and seconded for a committee request to have such a bill drafted, with the motion carried unanimously.

Michael de la Torre of the Department of Law Enforcement Assistance passed out EXHIBIT C and stated that his department supports this bill once again from the aspect of crime prevention. It is their contention that by reducing criminal opportunity, you prevent crime, as well as educational awareness. He agreed with the confusion over the amendment at line 12 and pointed out that if prison time must be assessed before a fine, the prison time could be suspended and then a fine assessed.

Frank Daykin, Legislative Counsel, stated that the intent of AB 362 is to increase the penalty in each of the three subsections. In the first two, the penalty is currently imprisonment from 1 to 10 years, or a fine of \$10,000, or both. It would be changed by this bill to require prison time and then the fine may be added, as with the changes made to violent crimes statutes. In existing law, issuing a check for the payment of wages in excess of \$100 is a gross misdemeanor. AB 362 would increase it to a felony and provide imprisonment for 1 to 6 years or a fine of \$5,000, or both, which is more or less the standard for the lowest grade of felony. He stated that the requester of the bill asked with great precision for exactly those changes. Mr. Sader then commented that Dave Stankow had concurred in Mr. Daykin's comments and that an amendment had been requested returning the language to its original form.

Miss Foley stated that the requested amendment would entirely delete Section 3 and that for the payment of wages, "gross misdemeanor" would be changed to "felony".

Mrs. Cafferata moved AMEND AND DO PASS AB 362 in accordance with the requested amendment, seconded by Mr. Malone, and carried unanimously by the committee.

AB 52: Provides punishment for participation in a criminal syndicate.

Chairman Stewart stated that the sub-committee had compared this bill and SB 271 and had arrived at an amendment combining portions of the two bills. He added that the Clark and Washoe County District Attorneys needed time to review the proposed amendments yet.

Brian Hutchins, Deputy Attorney General, working in the criminal division and assigned as special prosecutor and legal counsel to the Department of Law Enforcement Assistance, stated he had been asked to redraft AB 52 and include some of the provisions of SB 271. EXHIBIT D is the product of that.

Mr. Hutchins stated that the provisions of the proposed redrafted bill come from AB 52, SB 271, and Federal Racketeering and Corrupt Organizations Statute (Title 18, US Code, Sec. 1961) and from some of the provisions of the Arizona RECO statute. It was his belief that this bill is very precise and cleans up a lot of the problems and a little more specific than the Federal statute.

Section 1 amends the present statutes concerning conspiracies to provide for punishment under the racketeering bill in certain conspiratorial areas. Mr. Hutchins suggested that in subsection 3, the language needs to be more precise to clarify that if a conspiracy falls under the racketeering offenses, it should be punished accordingly. He suggested inserting language at the

beginning of subsection 3 to read "Unless a conspiracy falls under subsection 2, . . .".

Sections 2 through 4 add to the theft crime statutes, with the intent being to punish the strong-arm type of loan sharking. Whenever a person makes a threat at the time credit is extended, it is punished as a felony. This will also be covered as a predicate offense for racketeering, further defined in Section 8.

Section 4 is a new section punishing for computer crimes. Mr. Hutchins suggested an addition to the second subsection including intent provisions.

Sections 5 through 8 are the "meat" of the bill which will punish for criminal syndicates and racketeering activities. The definitions are set forth first. The definition of "criminal syndicate" includes groups and enterprises engaging in racketeering. A criminal syndicate can retain its character even though the members do not know the identity of other members. "Enterprise" is defined as any type of group or legal entity. Natural persons are included in this.

Section 8.2(a) through (d) discuss involvement in a criminal syndicate. Subsections (e) through (g) discuss racketeering activities.

Section 8.1 lists the crimes which can be involved in racketeering activities. Referring to subsections (q), (r) and (aa), Mr. Hutchins asked if the committee really wants to put a minimum dollar amount on these types of crimes. The consideration is if it is necessary to show two or more crimes under this list before you can get into racketeering activities, that would apparently exclude several incidences of theft or receiving stolen property or obtaining possession of money for less than \$100. He further suggested adding another list of crimes including any felony or gross misdemeanor in violation of Section 197, crimes against the executive power.

Section 9.3 discusses forfeiture, with subsection (b) stating that no property is subject to forfeiture under this section by act or omission established by the owner thereof to have been committed or omitted without his knowledge or consent. In other words, this protects the innocent unknowing party in his property. There are even provisions included for attempting to make whole the victim by allowing him to get at forfeited property and have an action against the criminal actors.

Mr. Hutchins stated that this is a very difficult statute to prosecute under and the federal prosecutors indicated it is a good tool, but they use it only when they cannot prosecute another crime against the individual.

Mr. Hutchins suggested a change at Section 9.3(a), with the wording at the third line "it appears that the owner. . ." being changed to read "it is proved that the owner. . .". It was further suggested that at subsection (b) the language be changed to put the burden of proof back on the prosecutor or the complaining party. He suggested the language read "No property is subject to forfeiture under this section because of an act or omission unless it is established by the complaining party to have been committed or omitted without the knowledge or consent of the owner."

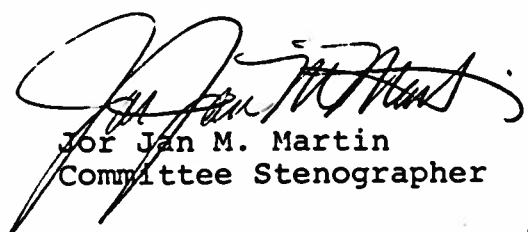
Returning to Section 8, Mr. Hutchins noted that the prison term is 5 to 20 years with a further punishment of a fine of \$25,000. He asked the committee to consider whether a ceiling of \$25,000 was stiff enough. Section 8.4 makes it clear that if a person is prosecuted in another jurisdiction, such as federal or another state, that will not prevent prosecution in Nevada. He added that it has been held not to be double jeopardy in recent case law.

Section 9 is the civil forfeiture provisions for proceeds and property from crime organization and does allow for the protection of innocent persons. This is derived from the federal statutes and the Nevada forfeiture statutes for controlled substances and from SB 271. Another suggested amendment appears at Section 9.5 where Mr. Hutchins suggested that the word "replevin" be changed to "claim and delivery" with the further language "but is in the custody" being changed to "but shall be held in the custody of".

Section 9.10 gives certain powers to the district courts and allows them to punish and to give certain orders in forfeiture proceedings. This comes from the federal statute and the Arizona statute. Mr. Hutchins noted that the bill does not provide for expedited actions as the federal statute does or as the controlled substance forfeiture provisions do, which is another consideration for the committee. He indicated it may clog the courts or not give them enough discretion if we say these should take priority. On the other hand, victims want to be put back to normal as soon as possible.

Due to the time, the Chairman stated the bill would be further discussed in another session and adjourned the meeting at 9:50 a.m.

Respectfully submitted,


Jor Jan M. Martin
Committee Stenographer

(Committee Minutes)

1195

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: April 3, 1981
 SUBJECT: SB 246: Permits either spouse to bring an
 action for separate maintenance.

MOTION:
 DO PASS XX AMEND _____ INDEFINITELY POSTPONE _____
 RECONSIDER _____
 MOVED BY: Sader SECONDED BY: Cafferata

AMENDMENT:

MOVED BY: _____ SECONDED BY: _____
 AMENDMENT:

MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>XX</u>	---	---	---	---	---
Foley	<u>XX</u>	---	---	---	---	---
Beyer	<u>XX</u>	---	---	---	---	---
Price	<u>XX</u>	---	---	---	---	---
Sader	<u>XX</u>	---	---	---	---	---
Stewart	<u>XX</u>	---	---	---	---	---
Chaney	<u>XX</u>	---	---	---	---	---
Malone	<u>XX</u>	---	---	---	---	---
Cafferata	<u>XX</u>	---	---	---	---	---
Ham	<u>XX</u>	---	---	---	---	---
Banner	<u>XX</u>	---	---	---	---	---
TALLY:	<u>11</u>	---	---	---	---	---

ORIGINAL MOTION: Passed XX Defeated _____ Withdrawn _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF April 3, 1981

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: April 3, 1981
 SUBJECT: SB 251: Revises provisions relating to parentage.

MOTION:
 DO PASS XX AMEND INDEFINITELY POSTPONE
 RECONSIDER
 MOVED BY: Malone SECONDED BY: Thompson

AMENDMENT:
 Page 2, lines 34 through 36: delete new language.

MOVED BY: Malone SECONDED BY: Ham
 AMENDMENT:

MOVED BY: SECONDED BY:

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Foley	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Beyer	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Price	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Sader	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Stewart	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Chaney	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Malone	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Cafferata	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Ham	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
Banner	<u>XX</u>	<u> </u>	<u>XX</u>	<u> </u>	<u> </u>	<u> </u>
TALLY:	<u>11</u>	<u> </u>	<u>11</u>	<u> </u>	<u> </u>	<u> </u>

ORIGINAL MOTION: Passed Defeated Withdrawn
 AMENDED & PASSED XX AMENDED & DEFEATED
 AMENDED & PASSED AMENDED & DEFEATED

ATTACHED TO MINUTES OF April 3, 1981

61st NEVADA LEGISLATURE
ASSEMBLY JUDICIARY COMMITTEE
LEGISLATION ACTION

DATE: April 3, 1981
 SUBJECT: AB 362: Increases penalties for issuing checks and other instruments without sufficient funds.

MOTION:
 DO PASS XX AMEND XX INDEFINITELY POSTPONE _____
 RECONSIDER _____
 MOVED BY: Cafferata SECONDED BY: Malone

AMENDMENT:
 Restore to original language.
 "Gross misdemeanor" be changed to "felony" for payment of wages.
 MOVED BY: _____ SECONDED BY: _____

AMENDMENT:
 MOVED BY: _____ SECONDED BY: _____

VOTE:	MOTION		AMEND		AMEND	
	YES	NO	YES	NO	YES	NO
Thompson	<u>XX</u>	—	—	—	—	—
Foley	<u>XX</u>	—	—	—	—	—
Beyer	<u>XX</u>	—	—	—	—	—
Price	<u>XX</u>	—	—	—	—	—
Sader	<u>XX</u>	—	—	—	—	—
Stewart	<u>XX</u>	—	—	—	—	—
Chaney	<u>XX</u>	—	—	—	—	—
Malone	<u>XX</u>	—	—	—	—	—
Cafferata	<u>XX</u>	—	—	—	—	—
Ham	<u>XX</u>	—	—	—	—	—
Banner	<u>XX</u>	—	—	—	—	—
TALLY:	<u>11</u>	—	—	—	—	—

ORIGINAL MOTION: Passed _____ Defeated _____ Withdrawn _____
 AMENDED & PASSED XX AMENDED & DEFEATED _____
 AMENDED & PASSED _____ AMENDED & DEFEATED _____

ATTACHED TO MINUTES OF April 3, 1981

even benign, evil. For Philadelphians, it was folk wisdom that Angelo Bruno and his friends were kindly and non-violent in their "business" methods. That impression was blown away with Mr. Bruno last March. His death is no accident and no exception. There is murder in every chapter here.

14. For years, Americans, and especially Pennsylvanians, accepted pollution of our land, air and water as inevitable—something inherent and unavoidable to "progress" and industry. We now know this is not so, and there is clear evidence of improving conditions. We believe this Pennsylvania Crime Commission report will have the same catalytic effect in our social lives. We do not have to tolerate that evil.

15. Taken singly, regionally or locally and over a brief time, the events recorded in this report would convey little because they lack the relationships which underlie them. This report, which covers activities over a wide time span and area, shows the similarities resulting from lifetimes of crime together. The organized crime "way of doing business," while it varies to adapt to current and local conditions, has common elements—be it Sacramento or Scranton, 1970 or 1980.

The omission of an activity, person or group in this report does not indicate their freedom from organized crime relationships. What we report here is based on a documentation, in good faith, of the most important examples. Neither we, nor the other investigative agencies who have been so helpful, can claim a uniform coverage of such activity.

The Economic Impact of Crime

Every crime has a victim. Sometimes, the victim is hurt or loses property. Sometimes, the person committing the crime is also the victim. But in all cases, there is a hidden, unseen victim not directly related to the crime.

This other victim is the public. Whenever a criminal makes money, through swindles and thievery, the public loses. The public also loses through increasing tax rates throughout the country.

Criminals cause higher tax rates in two ways. First, increases in crime must be met by increased costs for law enforcement to investigate, prosecute and incarcerate those committing crimes. Secondly, criminals evade taxes on some of their legal income by skimming profits and not reporting income and do not pay taxes on much of their illegal income.

Ultimately, the taxpayer pays for increased costs of fighting crime and compensating for unpaid taxes.

Four years ago, in 1976, gambling, narcotics and prostitution generated between \$62.7 and \$88.7 billion for United States criminals.¹

If we include the criminal income from bribery, arson, thievery and a host of others, that figure balloons to between \$121.2 and \$168.2 billion.² And, we have found, those estimates do not include the revenue from the massive crime-controlled pornography industry, which have been estimated at \$4 billion yearly.³

But that was four years ago. In 1980, we can only surmise that inflation has affected criminal profits. Even if criminal revenues have increased by only 5 percent yearly in the the four year span, criminals would be taking in between \$150 and \$200 billion in gross revenue in 1980.*

Illegal drugs, alone, is generating about \$50 billion a year in untaxed rev-

enues, according to a series of U.S. Senate hearings in December of 1979. "This makes this industry about the same size as General Motors . . ." said Senator Lawton Chiles of Florida.⁴

The total revenue that criminal activity generates, however, is not all profit. As with any business, criminals have their expenses. The Internal Revenue Service estimates, overall, that criminals' expenses amount to approximately 60 percent of their gross. On \$125 billion, then, the net profit would be \$50 billion. Using this estimating technique, profits may be as much as \$80 billion in 1980.

The IRS also estimates that many criminals report part of their illegal income on taxes—about 25 percent. Thus, of \$50 billion in net profits, \$37.5 billion is not reported on income tax forms. The tax loss on this \$37.5 billion, using IRS' formula, would be \$9.4 billion.⁷ Again, all these figures are based on 1976 data. By now, that tax loss figure may have grown to \$11.4 billion.⁸

To put this figure into perspective, one can look at the federal government's proposed budget for fiscal 1980, which was announced in early 1979. At that time, the federal deficit was scheduled to be \$29 billion.⁹ The billions lost from unreported illegal income could have balanced the federal budget if the money had been collected for only three years.

Table A, on page 5, shows the IRS figures for estimated sales, profits and unreported income for 1976. In looking at those figures, you can see that while gambling totals between \$45.2 billion and \$56.4 billion in sales, the net profits are only between \$9.55 billion and \$11.95 billion.

On the other hand, drug sales account for between \$20 billion and \$31.8 billion, but the net profits from these sales are between \$15.6 billion and \$22.8 billion. It can be seen, then, that although gambling deals in higher dollar figures at the gross revenue level, that illegal narcotics sales account for between \$6 and \$11 billion more in profits.

This was not the case in 1957. When the President's Task Force on Organized Crime made their report that year, organized crime's highest revenues were from gambling, loan sharking, narcotics and theft, in that order.¹⁰ Some people maintain that narcotics is the up and coming activity for organized crime figures because of its high profits.

*These figures are derived from taking the \$121.2 billion figure and adding \$4 billion for pornography (equalling a rounded-off \$125 billion) and applying a five percent per year increase. A similar method was used to adjust the \$168.2 million figure for inflation.

*One particularly imaginative marijuana dealer declared some of his illegal income under the heading "sale of agricultural products," according to an April 21, 1979 U.S. News and World Report article.

A DECADE REPORT ON ORGANIZED CRIME
1980
By: Penn. Crime Commission

Table A
Internal Revenue Service 1976 Estimates of
Income, Profits and Unreported Income*
for Selected Criminal Activities**
(in billions)

Activity	Sales	Net Profit	Unreported Income
Numbers Gambling	\$ 7.0 —\$ 9.0	\$ 2.8 —\$ 3.6	\$ 2.4 —\$ 3.1
Bookmaking	\$33.0 —\$41.0	\$ 4.95 —\$ 6.15	\$ 3.9 —\$ 4.9
Other gambling	\$ 5.2 —\$ 6.4	\$ 1.8 —\$ 2.2	\$ 1.6 —\$ 1.9
Gambling subtotal	\$45.2 —\$56.4	\$ 9.55 —\$11.95	\$ 7.9 —\$ 9.9
Heroin sales	\$10.4 —\$15.9	\$ 8.7 —\$10.7	\$ 6.1 —\$ 7.5
Cocaine sales	\$ 6.5 —\$12.1	\$ 6.2 —\$11.0	\$ 4.3 —\$ 7.7
Marijuana sales	\$ 3.1 —\$ 3.8	\$.7 —\$ 1.1	\$.5 —\$.8
Drug subtotal	\$20.0 —\$31.8	\$15.6 —\$22.8	\$10.9 —\$16.0
Prostitution	\$.175—\$.464	\$.140—\$.371	\$.070—\$.190
Totals	\$65.375—\$88.664	\$25.29 —\$35.12	\$18.87 —\$26.09

* All figures except totals are from "Estimates of Income Unreported on Individual Income Tax Returns," Department of the Treasury, Internal Revenue Service, Publication 1104(9-79), pp. 135 through 142.

** Activities such as loansharking, pornography production and distribution, extortion, white collar crime and labor racketeering are not included.

Table B, formulated by a U.S. Senate Permanent Investigations Subcommittee staffer, expands the IRS list to include 19 sources of illegal funds.¹¹ Despite the length, it still did not take into account money made from loan sharking, labor racketeering, kickbacks, etc.

(It is interesting to note that while the IRS table lists a much lower figure for gross narcotics revenue than the Senate chart, the opposite is true for the gambling figures.)

Table B
Major Crime Revenues*
(in billions)

Activity	Revenue Range
Narcotics	\$44.6—\$63.4
Consumer Fraud	\$21.0
Gambling	\$20.0—\$22.4
Shoplifting	\$6.2—\$8.0
Pilferage	\$4.0
Securities theft fraud	\$4.0
Commercial bribery	\$3.5—\$10.0
Bribery	\$3.0
Embezzlement	\$3.0
Government abuse	\$2.5—\$12.5
Burglary	\$2.5
Insurance fraud	\$2.0
Arson	\$1.2—\$2.0
Credit card and check fraud	\$1.1
Prostitution	\$1.1—\$1.6
Mail fraud	\$1.0
Illegal liquor sales	\$.358
Computer crimes	\$.1—\$.3
Bankruptcy fraud	\$.08
Totals	\$121.238—\$168.238

Table presented by Jack Key, staff investigator, Permanent Subcommittee on Investigations, U. S. Senate, December 14, 1979, as printed in the report from those hearings, dated December 7, 11, 12, 13 and 14, 1979, p. 372.

* Sources presented by Key ranged, in dates, from 1974 to 1979, so the cost cannot be attributed to any one year; however, most are from 1976 and before.

The IRS total is about half of the Senate total, probably because many more activities are included in the Senate figures. (Table C, which compares the totals of the three identical items in the two tables, shows a difference of less than \$1 billion between the two.)

Because of narcotics' high profits, many people are concerned about law enforcement's inability to prosecute drug dealers, because their tax returns do not reflect their illegal income. According to *U.S. News and World Report*, "Only a handful of IRS special agents are assigned to go after narcot-

and wish he were back in business today if he knew about the present legal restrictions and the policies and procedures of the IRS." 13

The narcotics trade may even be having an effect on the banking world. It was reported in early 1979 that the Federal Reserve Bank in Florida reported a cash currency surplus of more than \$3.2 billion, or 77 percent of the entire Federal Reserve currency surplus at that time. 14 Some people think this was caused by the heavy flow of drugs and money that occurs in Florida, since it is the principal entry point into the country for cocaine and marijuana. 15

It must be stated, however, that the figures for unreported income from illegal sources are dwarfed by the figures of unreported income from legal sources.

According to economist Peter Gutmann, what he calls the "subterranean economy" was estimated at \$200 billion in 1976. 16 Edgar L. Feige, another economist, estimated the unreported income for 1976 at \$369 billion. 17 Contributing to these billions in untaxed income are domestic workers who get paid in cash, people who sell things at flea markets and do not report their income, "moonlighting" workers and millions of others.

It may also be presumed that those who win at illegal numbers games would be included in this category, as well as the shopkeepers who "skim" profits off mostly-cash businesses.

It is impossible to know how much of these hundreds of billions of dollars which go unreported are criminals' income from their "legitimate business" ventures. It may be assumed, however, that they represent a substantial proportion of those people who do not report and do not pay taxes on their income.

As organized criminals enter the world of "legitimate" business—as they are documented to be doing in this book—we also face an additional hidden economic impact. If a shopkeeper has to pay "insurance" to a crime family, those costs are passed on to consumers. If organized criminals have obtained a monopoly—by whatever means—over a type of business or product, consumers pay the price. If they are corrupting government officials, consumers pay more tax dollars for less efficient government.

All of these factors add up and they must all be borne by the average citizens in the Commonwealth and in the rest of the country. Crime is a booming business, and, whether we realize it or not, it steals a lot of money from us all.

Table C
Two Views of Crime Revenues
Comparison of Figures in Tables A and B
(in billions)

Activity	IRS Estimate	U. S. Senate Estimate
Narcotics	\$20.0 — \$31.8	\$ 44.6 — \$ 63.4
Gambling	\$45.5 — \$56.4	\$ 20.0 — \$ 22.4
Prostitution	\$.175 — \$.464	\$ 1.1 — \$ 1.6
Total of Three	\$65.375 — \$88.664	\$ 65.7 — \$ 87.4
Totals of all activities from both charts	\$65.37 — \$88.664	\$121.238 — \$168.238

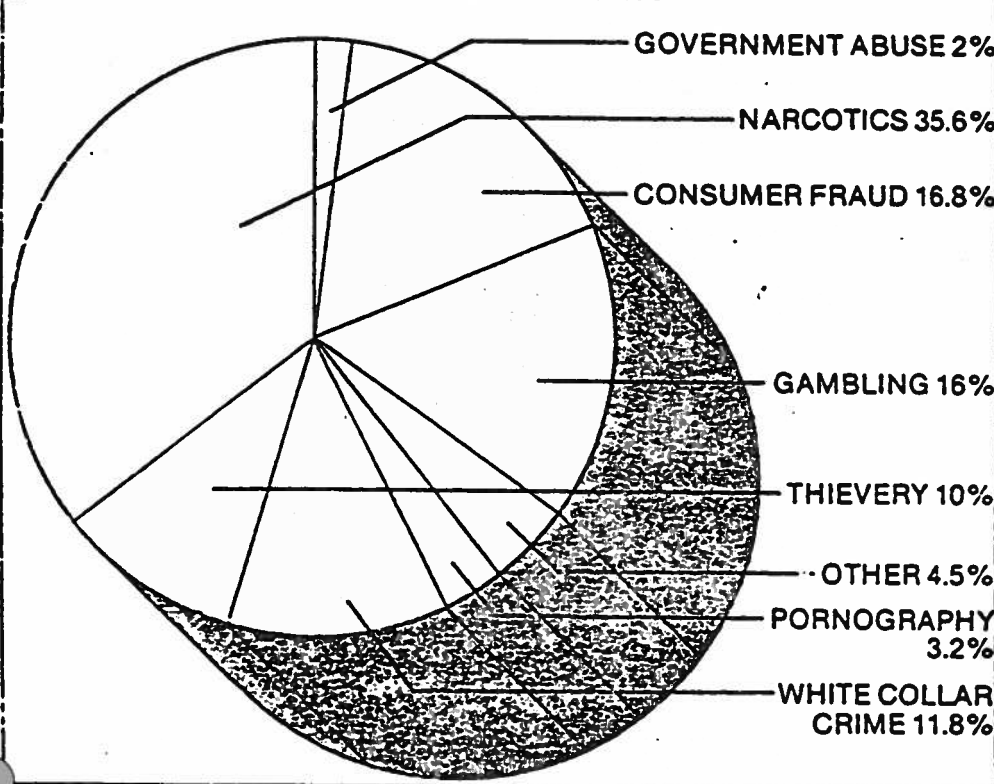
The pie chart shows the mix of revenue sources of criminal enterprises. It is based upon the previously used figure of \$125 billion as a total.

As one can see, narcotics gives the criminal world its greatest revenue, 35.63 percent. Consumer fraud and gambling rank a distant second and third.

ics traffickers and members of the Mafia—while most of the agency's 88,000 employees concentrate on squeezing the last nickel out of ordinary taxpayers." 12

Senator Sam Nunn of Georgia, who heads the Permanent Subcommittee on Investigations, is quoted as saying, "Al Capone would laugh in his grave

Crime's Gross Revenues in the United States



White collar crime includes securities theft, commercial bribery embezzlement, insurance fraud, credit card and check fraud, computer fraud, bankruptcy fraud, and mail fraud.

"Other" includes arson, bribery, illegal liquor sales and prostitution.

Thievery includes burglary, pilferage and shoplifting.

IT IS PRIMA FACIE EVIDENCE OF INTENT TO DEFRAUD WHEN:

- 1** Payment is stopped on a check written for property and
- 2** The property is the kind that can be returned in the same condition in which it was originally received and
- 3** The person who stopped payment fails to return the goods or fails to offer to return the goods in the original condition within 5 days after receiving notice from the payee that payment was stopped.
- 4** The notice that payment was stopped must be sent by certified mail, return receipt requested to the person who wrote the check at the address shown on the check.
- 5** Return of the notice because of non-delivery raises a rebuttable presumption of intent to defraud.

from
a report
nRa

NEVADA RETAIL ASSOCIATION
 P.O. BOX 722
 CARSON CITY, NEVADA 89701
 (702) 802-1043

Material in this pamphlet was prepared by the Nevada Retail Association in cooperation with the office of Attorney General Richard Bryan and Assemblyman Alan Glover (D-Carson City).

The Nevada Retail Association is one of 50 state organizations serving the retail industry. It is affiliated with the American Retail Federation in Washington, D.C.

It's against the law to stop payment on a check if...

Nevada's new law is unique

STATE OF NEVADA
LEGISLATIVE COUNCIL CHAMBER
LEGISLATIVE COUNCIL
CHAMBER
301 SOUTH STEWART STREET
CARSON CITY, NEVADA 89701



August 11, 1970

Assemblyman Alan Glover
830 B. First St.
Carson City, NV 89701

Dear Alan:

A review of the original version of A.R. 380 of the 1970 session and the research we did for the Nevada Judiciary Commission convinced what I told you about the bill. It is unique in that no other state has a law making a stop payment action under certain circumstances a crime.

There are provisions under federal law, however, which do make some stop payment actions a crime. In May of this year, three men were convicted in federal court in Reno for using the wire to defraud a nation. These people were giving checks to creditors and then calling their banks in California and stopping payment. That provision is 18 U.S.C. 1343.

The new Nevada law, however, goes beyond any state law in making certain stop payment actions acts of fraud.

Sincerely,

Andrew F. Grove
Research Director

ATG/jd

Assembly Bill No. 380, which provides a penalty against stopping payment on a check once issued, expands coverage of NRS 205.380 which deals with checks and obtaining money and property by false pretense. The bill was introduced during the 1970 session by Assemblyman Alan Glover (D-Carson City) and passed with strong assistance from the Nevada Retail Association.



— NOTICE —

STOPPING OF PAYMENT ON A CHECK

The stopping of payment on a check or other instrument given in payment for property which can be returned in the same condition in which it was originally received and the failure to return or offer to return the property in that condition within 5 days after receiving notice of nonpayment is punishable:

1. If the value of the property so fraudulently obtained was \$100 or more, by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than \$5,000, or by both fine and imprisonment.

2. If the value of the property so fraudulently obtained was less than \$100, by imprisonment in the county jail for not more than 6 months, or by a fine of not more than \$500, or by both fine and imprisonment. NRS 205.380.

These notices can be obtained by writing: State Printing Office, 301 South Stewart St., Carson City, Nevada 89701

Protect yourself against bad checks

NEVER CASH A CHECK

1. Which is postdated
2. Which is a two party check
3. Which is outside your sales area
4. Which has been altered
5. Which is drawn on a distant bank
6. Which is written in pencil
7. With a misspelled signature
8. With a rubber stamped company name or personal signature
9. If a customer high pressures you into cashing a check
10. Where the written amount is not the same as the figure amount
11. For a stranger that is over the amount of the purchase
12. Without proper identification

AND ALWAYS

1. Have the check signed in your presence
2. Require at least two pieces of good identification
3. Make a note of the type of identification used
4. On a low number check, verify the amount with the bank before accepting the check
5. Require the person accepting the check to affix his or her last initial and last name
6. Read the check carefully before accepting it
7. Require the home address and telephone number
8. Never cash a check for a stranger until positive identification has been made.

NEVADA

EXHIBIT C

BANK CHECK LAW

The issuance of a check or checks without funds or with intent to defraud is punishable by imprisonment in the county jail for not more than 6 months, or by a fine of not more than \$500, or by both such fine and imprisonment, and the issuance of such a check or checks for an amount of \$100 or more by a person who previously has been convicted three times of this or a similar offense is punishable by imprisonment in the state prison for not less than 1 year and more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment. (NRS Chapter 205.130)

CRIME
WATCH

GOVERNOR'S CRIME PREVENTION PROGRAM

Printing courtesy of

First National Bank of Nevada

Sam Ito Exchange Services, Inc.

Nevada Check & Credit Card Investigators Assn.

NEVADA

Handwritten signature

— NOTICE —

STOPPING OF PAYMENT ON A CHECK

The stopping of payment on a check or other instrument given in payment for property which can be returned in the same condition in which it was originally received and the failure to return or offer to return the property in that condition constitutes a crime under Nevada law if the property is valuable.

1. If the value of the property so fraudulently obtained was \$100 or more, by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment.

2. If the value of the property so fraudulently obtained was less than \$100, by imprisonment in the county jail for not more than 6 months, or by a fine of not more than \$500, or by both fine and imprisonment not exceeding \$25,000.

GOVERNOR'S CRIME PREVENTION PROGRAM

Printing courtesy of

First National Bank of Nevada

Sam Ito Exchange Services, Inc.

Nevada Check & Credit Card Investigators Assn.

NEVADA

A. B. 52

ASSEMBLY BILL NO. 52—COMMITTEE ON JUDICIARY

JANUARY 28, 1981

Referred to Committee on Judiciary

SUMMARY—Provides punishment for participation in a criminal syndicate. (DOR. 16-247)

FISCAL NOTE—Effect on Local Government No. Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to crimes and punishment; providing punishment for participation in a criminal syndicate; computer crimes and threats at time credit is extended; and, providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. NRS 199.480 is hereby amended to read as follows:
2 199.480: 1. [Whenever] *Except as provided in subsection 2, when*
3 *ever two or more persons conspire to commit murder, robbery, sexual*
4 *assault, kidnaping in the first or second degree, or arson in the first or*
5 *second degree, each person shall be punished by imprisonment in the*
6 *state prison for not less than 1 year nor more than 6 years, and may be*
7 *further punished by a fine of not more than \$5,000.*

2. If the conspiracy is an act subjecting the person or persons conspiring to liability for participation in a criminal syndicate or to liability under subsection 2 (h) of section 8 of this act, the person or persons so conspiring are subject to the penalties provided in section 8 of this act.

3. Whenever two or more persons conspire:
(a) To commit any crime other than those set forth in subsections 1 and 2 and no punishment is otherwise prescribed by law;

14 (b) Falsely and maliciously to procure another to be arrested or pro-
15 ceeded against for a crime;

16 (c) Falsely to institute or maintain any action or proceeding;
17 (d) To cheat or defraud another out of any property by unlawful or
18 fraudulent means;

19 (e) To prevent another from exercising any lawful trade or calling, or
20 from doing any other lawful act, by force, threats or intimidation, or by
21 interfering or threatening to interfere with any tools, implements or
22 property belonging to or used by another, or with the use or employ-
23 ment thereof;

24 (f) To commit any act injurious to the public health, public morals,

(1)

trade or commerce, or for the perversion or corruption of public justice or the due administration of the law; or

(g) To accomplish any criminal or unlawful purpose, or to accomplish a purpose, not in itself criminal or unlawful, by criminal or unlawful means,

each person is guilty of a gross misdemeanor.

SEC. 2. Chapter 205 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

SECTION 3. Every person who extends credit to another person and who, at the time the credit is extended, caused the debtor to have a reasonable apprehension that a delay in making repayment could result in the use of violence or other criminal means to:

- (a) Harm physically the debtor or any other person;
- (b) Damage the reputation of the debtor or any other person; or

(c) Damage any property belonging to or in the custody of the debtor. shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment.

SEC. 4. 1. As used in this section:

(a) "Computer" means an internally programmed, automatic device that performs functions including, but not limited to, logic, arithmetic, storage of data; retrieval of data, communication and control.

(b) "Computer network" means an interconnection of two or more computer systems.

(c) "Computer system" means a set of equipment, devices or programs, connected or unconnected, related to a computer and to each other.

2. Every person who:

(a) Intentionally and without authorization alters, damages, destroys, communicates with, stores data in or retrieves data from a computer, computer network, computer system or any data or program contained in a computer, computer network or computer system, shall be punished by imprisonment in the state prison for a term of not less than 1 year nor more than 6 years, and may be further punished by a fine of not more than \$5,000.

(b) Alters, damages, destroys, communicates with, stores data in or retrieves data from a computer, computer network or computer system without authorization, and with the intent to devise or execute any scheme to defraud or deceive another person or to control property or services which he is not entitled to control, by means of fraudulent representations made through a computer to another person, shall be punished by imprisonment in the state prison for any term not less than 1 year nor more than 10 years, and may be further punished by a fine of not more than \$10,000.

2

SECTION 5. Chapter 207 of NRS is hereby amended by adding thereto the provisions set forth as sections 6, 7, 8, 9, and 10 of this act.

SECTION 6. As used ⁱⁿ sections 6, 7, 8, 9, and 10, inclusive of this act, unless the context otherwise requires:

SECTION 7. 1. "Criminal syndicate" means any combination of persons or enterprises, so structured that the organization will continue its operation even if individual members enter or leave the organization, which engages in or has the purpose of engaging in racketeering activities.

2. "Enterprise" includes any ~~entity or person~~ sole proprietorship, partnership, corporation, trust, estate, union chartered under the laws of this state, or other legal entity, or any unchartered union, association, or group of persons associated in fact although not a legal entity, and the term includes illicit as well as licit enterprises and governmental, as well as other, entities.

3. "Racketeering activities" means the commission of, attempt to commit or conspiracy to commit at least two crimes set forth in section 8 which have the same or similar intents, results, accomplices, victims, or methods of commission or are otherwise interrelated by distinguishing characteristics and are not isolated incidents, provided at least one of the incidents occurred after the effective date of this act and that the last of the incidents occurred within 5 years after a prior commission of an incident. This definition shall also include the commission of criminal acts related to the affairs of an enterprise although not related to each other.

4. "Unlawful debt" means any money or other thing of value constituting principal or interest of a debt that is legally unenforceable in this state in whole or in part because the debt was incurred or contracted in violation of section 3 of this act.

SECTION 8. 1. For the purposes of this act, those crimes which may be involved in racketeering activities as defined in section 7 of this act include any of the following:

- (a) Murder;
- (b) Manslaughter;
- (c) Mayhem;
- (d) Kidnapping;
- (e) Sexual Assault
- (f) Statutory sexual seduction;
- (g) Robbery;
- (h) Assault or battery with intent to commit a crime in violation of NRS 200.400;
- (i) Assault with a deadly weapon in violation of NRS 200.471;
- (j) Battery in violation of NRS 200.481;
- (k) Arson;
- (l) Burglary;
- (m) Forgery;
- (n) Grand Larceny;
- (o) Taking property from another in violation of NRS 205.270;
- (p) Receiving or transferring stolen vehicles in violation of NRS 205.273;
- (q) Receiving, possessing, or withholding stolen goods valued at \$100 or more; in violation of NRS 205.275;
- (r) Embezzlement of money or property valued at \$100 or more;
- (s) Extortion;
- (t) Extortionate extensions of credit in violation of section 3 of this act;
- (u) Computer fraud in violation of section 4 of this act;
- (v) Bribery or asking or receiving a bribe in violation of chapter 197 or chapter 199 of NRS;
- (w) Manufacture, distribution, prescription or dispensing of controlled substances in violation of NRS 453.232;
- (x) Controlled substances offenses in violation of NRS 453.316 to NRS 453.338 inclusive, or in violation of NRS 453.375 to NRS 453.381, inclusive;
- (y) Possession, manufacture or disposition of explosive or incendiary device in violation of NRS 202.260;
- (z) Manufacture or importation of dangerous weapons in violation of NRS 202.350;
- (aa) Obtaining possession of money or property valued at \$100 or more by means of false pretenses or representations in violation of NRS 205.380 or NRS 205.395;
- (bb) Perjury or subornation of perjury;
- (cc) Offering false evidence in violation of NRS 199.210;
- (dd) Resisting, delaying or obstructing a public officer in violation of NRS 199.280;
- (ee) Gaming crimes in violation of NRS 465.070 to NRS 465.090, inclusive.

2. It shall be unlawful for any person:

- (a) Intentionally to organize, manage, direct, supervise or finance a criminal syndicate;
- (b) Knowingly to incite or induce others to engage in violence or intimidation to promote or further the criminal objectives of the criminal syndicate;
- (c) To furnish advice, assistance or direction in the conduct, financing or management of the affairs of the criminal syndicate with the intent to promote or further the criminal objectives of the syndicate;
- (d) Intentionally to promote or further the criminal objectives of a criminal syndicate by inducing the commission of an act or the omission of an act by a public officer or employee which violates his official duty;
- (e) Who has with criminal intent received any proceeds derived, directly or indirectly, from racketeering activity or through the collection of an unlawful debt, to use or invest, whether directly or indirectly, any part of the proceeds, or the proceeds derived from the investment or use thereof, in the acquisition of any title to or any right, interest or equity in real property or in the establishment or operation of any enterprise;
- (f) Through racketeering activity or through the collection of an unlawful debt, to acquire or maintain, directly or indirectly, any interest in or control of any enterprise dealing in real property;
- (g) Who is employed by or associated with any enterprise, to conduct or participate, directly or indirectly, in the conduct of the enterprise through racketeering activity or the collection of an unlawful debt, or to conduct or participate, directly or indirectly, in the conduct of racketeering activity or the collection of an unlawful debt through the enterprise;
- (h) To conspire or to attempt to violate any of the provisions of subsections (a), (b), (c), (d), (e), (f) or (g) of this section.

3. Any person who violates subsection 2 of this section shall be punished by imprisonment in the state prison for not less than 5 years nor more than 20 years, and may be further punished by a fine of not more than \$25,000; and

4. Notwithstanding the provisions of NRS 453.346, a conviction or acquittal under federal law or the law of another state, for an act to which a person may be subjected to criminal liability under this section, is no bar to a prosecution in this state.

SECTION 9. 1. All property, real or personal, including money, used in the course of, intended for use in the course of, derived from or gained through, conduct in violation of a provision of section 8 of this act or any interest a person has acquired or maintained in violation of section 8 of this act, and any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over any enterprise which a person has established, operated, controlled, conducted, or participated in the conduct of, in violation of section 8 of this act, is subject to civil forfeiture to the state or subject to use in the satisfaction of a claim by an injured person as described in subsection 7 of this section. The state shall dispose of all forfeited property, sale, by retaining it for official use or by other lawful disposition as soon as commercially feasible.

2. The proceeds from the sale of any property under this section shall be used for the satisfaction of a claim by an injured person as described in subsection 7 of this act and for payment of all proper expenses of any proceedings for forfeiture and sale, including expenses of a seizure, maintenance of custody, advertising and court costs. Any balance remaining shall be deposited in a state general fund.

3. (a) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of the provisions of section 8 of this act;

(b) No property is subject to forfeiture under this section by act or omission established by the owner thereof to have been committed or omitted without his knowledge or consent;

(c) A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if he neither had knowledge of nor consented to the act or omission. If the property is forfeited, the appropriate law enforcement agency may pay off the existing balance and retain the property for official use.

(d) No person, except one who holds a community property interest, whose name or interest appears on a certificate of registration or on a document of title, who is injured in his business or property by reason of violation of section 8 of this act, or who can otherwise prove an ownership interest in the affected property, is a proper party to any forfeiture proceeding pursuant to this section.

4. Property subject to forfeiture under this section may be seized by a law enforcement agency upon court process. Seizure without process may be made if the seizure is incident to a lawful arrest or search or an inspection under an administrative inspection warrant.

5. In the event of a seizure under subsection 4, a forfeiture proceeding must be instituted promptly. Property taken or detained under this section is not subject to replevin, but is in the custody of the law enforcement agency making the seizure, subject only to the order of the court. When property is seized under this section, pending forfeiture and final disposition, the law enforcement agency may:

- (a) Place the property under seal;
- (b) Remove the property to a place designated by the court; or
- (c) Require another agency, authorized by law, to take custody of the property and remove it to an appropriate location.

6. The attorney general or the district attorney may institute civil proceedings under this section. In any action brought under this section, the district court shall proceed as soon as practicable to the hearing and determination. Pending final determination, the district court may at any time enter such injunctions, prohibitions or restraining orders, or take such actions, including the acceptance of satisfactory performance bonds, as the court may deem proper.

7. Any person injured in his business or property by reason of a violation of section 8 of this act, and who himself has not violated the provisions of section 8 of this act, has a cause of action for the actual damages sustained, against the person or persons or enterprise causing said injury. An injured person may also recover attorney's fees in the trial and appellate courts and costs of investigation and litigation reasonably incurred. The defendant or any injured person in the action may demand a trial by jury in any civil action brought pursuant to this section. Any injured person may recover the damages, attorney's fees and costs described above through a claim against property or proceeds subject to civil forfeiture under subsection 1 of this section and this claim is superior to any claim the state may have to the property or proceeds when the claim of the injured person is asserted prior to a final decree in which the state is granted forfeiture of the property or proceeds.

8. A final judgment or decree rendered in favor of the state in any criminal proceeding under sections 2 to 8, inclusive, of this act shall preclude the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding.

9. A criminal action or proceeding under sections 2 to 8, inclusive, of this act may be commenced at any time within 5 years after the conduct in violation of a provision of sections 2 to 8, inclusive, of this act, occurs. A civil action or proceeding under this section may be commenced at any time within 5 years after the conduct in violation of section 8 of this act occurs or after the plaintiff sustains injury as described in subsection 7 of this section, whichever occurs last. If a criminal prosecution or civil action or other proceeding is brought to punish, prevent, or restrain any violation of the provisions of sections 2 to 8, inclusive of this act, the running of the period of limitations prescribed by this section, with respect to any cause of action arising under subsection 7 of this section, which is based in whole or in part upon any matter complained of in the prosecution or proceeding, is suspended during the pendency of the prosecution or proceeding and for 2 years following termination of the prosecution or proceeding.

10. Civil remedies provided pursuant to sections 2 to 10, inclusive of this act are cumulative and not mutually exclusive and are in addition to any other remedies provided by law.

11. Any civil action or proceeding under this section against any person may be instituted in the district court of this state for the county in which such person resides or has committed any act subjecting him to criminal liability under section 8 ^{or 9} of this act. ^{or civil}

SECTION 10. 1. During the pendency of any criminal case charging an offense in violation of section 8 of this act, the district court may, prior to a determination of civil liability under section 9, enter such orders or take such actions, including the acceptance of satisfactory performance bonds, as the court deems proper, in connection with any property or other interest subject to forfeiture, civil liability or other restraints under this act. The court may issue process ordering the seizure of property for which there is probable cause to believe is subject to forfeiture under section 9 of this act.

2. A district court may, following a determination of civil liability under section 9, enter such orders, including but not limited to:

(a) Requiring a person found guilty in a criminal proceeding brought under section 8 to divest himself of any interest, direct or indirect, in any enterprise or property determined by the court or trier of fact to have been gained through a violation of section 8 of this act;

(b) Forfeiting the property of the defendant to the state or injured person in accordance with section 9 of this act;

(c) Requiring the payment by defendant of all costs and expenses of a civil proceeding instituted by the state or an injured person under section 9 of this act.

(6)

Sec. 11

NRS 453.401 is hereby amended to read as follows:

453.401: 1. Except as provided in [subsection 3.] subsections 3 and 4, if two or more persons conspire to commit any offense which is a felony under the Uniform Controlled Substances Act or conspire to defraud the State of Nevada or an agency of the state in connection with its enforcement of the Uniform Controlled Substances Act, and one of the conspirators does an act in furtherance of the conspiracy, each conspirator shall:

(a) For a first offense, be punished by imprisonment in the state prison for not less than 1 year nor more than 6 years and may be further punished by a fine of not more than \$5,000.

(b) For a second offense, or if, in the case of a first conviction of violating this subsection, such a conspirator has previously been convicted of a felony under the Uniform Controlled Substances Act or of an offense under the laws of the United States or of any state, territory or district which if committed in this state, would amount to a felony under the Uniform Controlled Substances Act, he shall be punished by imprisonment in the state prison for not less than 1 year nor more than 10 years and may be further punished by a fine of not more than \$10,000.

(c) For a third or subsequent offense, or if such a conspirator has previously been convicted two or more times of a felony under the Uniform Controlled Substances Act or of an offense under the laws of the United States or any state, territory or district which if committed in this state, would amount to a felony under the Uniform Controlled Substances Act, he shall be punished by imprisonment in the state prison for not less than 5 years nor more than 20 years and may be further punished by a fine of not more than \$20,000 for each offense.

2. Except as provided in subsection 3, if two or more persons conspire to commit an offense in violation of the Uniform Controlled Substances Act and the offense does not constitute a felony, and one of the conspirators does an act in furtherance of the conspiracy, each conspirator shall be punished by imprisonment, or by imprisonment and fine, for not more than the maximum punishment provided for the offense which they conspired to commit.

3. If two or more persons conspire to possess marijuana unlawfully, except for the purpose of sale, and one of the conspirators does an act in furtherance of the conspiracy, each conspirator is guilty of a gross misdemeanor.

4. If the conspiracy is part of the operation of a criminal syndicate and members of the criminal syndicate engage in activities which violate paragraph (a) or (b) of subsection 1, the persons so conspiring must be punished in accordance with the penalties provided in section 8 of this act.

5. The court shall not grant probation to or suspend the sentence of any person convicted of violating this section and punishable pursuant to paragraph (b) or (c) of subsection 1.

Sec. 12

NRS 179.460 is hereby amended to read as follows:

179.460: 1. The attorney general or the district attorney of any county may apply to a supreme court justice or to a district judge in the county where the interception is to take place for an order authorizing the interception of wire or oral communications, and [such] the judge may, in accordance with NRS 179.470 to 179.515, inclusive, grant an order authorizing the interception of wire or oral communications by investigative or law enforcement officers having responsibility for the investigation of the offense as to which the application is made; when [such] the interception may provide evidence of the commission of murder, kidnaping, robbery, extortion, bribery, destruction of public property by explosives, or the commission of any offense which is made a felony by the provisions of chapter 453 [or 454 of NRS.] 454 or 455 sections 2 through 4, inclusive, of this act.

2. A good faith reliance by a public utility on a court order [shall constitute] constitutes a complete defense to any civil or criminal action brought against the public utility on account of any interception made pursuant to the order.

0
2 to 8