

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**SENATE BILL 1048**

Short Title: Computer Hacking.

(Public)

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Sponsors: Senators Garrou; Allran, Carter, Cunningham, Dalton, Dannelly, Foxx, Gulley, Hagan, Metcalf, Odom, Plyler, Reeves, Robinson, Soles, Swindell, Thomas, Weinstein, and Wellons.

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Referred to: Judiciary II.

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April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN THE LAWS REGARDING COMPUTER-RELATED CRIME AND IDENTITY FRAUD, CREATE THE CRIMINAL OFFENSE OF LARCENY OF INTELLECTUAL PROPERTY, AND PROVIDE THAT A MINOR WHO IS A FIRST-TIME OFFENDER CHARGED WITH CERTAIN OFFENSES IS ELIGIBLE FOR DEFERRED PROSECUTION.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 14-454 reads as rewritten:

**"§ 14-454. Accessing computers.**

(a) It is unlawful to willfully, directly or indirectly, access or cause to be accessed any computer, computer program, computer system, computer network, or any part thereof, for the purpose of:

- (1) Devising or executing any scheme or artifice to defraud, unless the object of the scheme or artifice is to obtain educational testing material, a false educational testing score, or a false academic or vocational grade, or
- (2) Obtaining property or services other than educational testing material, a false educational testing score, or a false academic or vocational grade for a person, by means of false or fraudulent pretenses, representations or promises.

A violation of this subsection is ~~a~~ punishable as follows:

- (1) The offense is a Class F felony if the fraudulent scheme or artifice results in damage of more than five hundred dollars (\$500.00), or if the property or services obtained are worth more than five hundred dollars (\$500.00).

1           (2) The offense is a Class G felony if the fraudulent scheme or artifice  
2           results in damage of more than one thousand dollars (\$1,000), or if the  
3           property or services obtained are worth more than one thousand dollars  
4           (\$1,000).

5           (3) Any other violation of this subsection is a Class ~~A1~~ misdemeanor.

6       (b) Any person who willfully and without authorization, directly or indirectly,  
7 accesses or causes to be accessed any computer, computer program, computer system,  
8 or computer network for any purpose other than those set forth in subsection (a) above,  
9 is guilty of a Class ~~A1~~ misdemeanor.

10       (c) For the purpose of this section, the phrase "access or cause to be accessed"  
11 includes introducing, directly or indirectly, a computer program (including a  
12 self-replicating or a self-propagating computer program) into a computer, computer  
13 program, computer system, or computer network."

14           **SECTION 2.** G.S. 14-455(a) reads as rewritten:

15       "(a) It is unlawful to willfully and without authorization alter, damage, or destroy  
16 a computer, computer program, computer system, computer network, or any part  
17 thereof. A violation of this subsection is ~~a-punishable~~ as follows:

18           (1) The offense is a Class F felony if the fraudulent scheme or artifice  
19           results in damage of more than five hundred dollars (\$500.00), or if the  
20           property or services obtained are worth more than five hundred dollars  
21           (\$500.00).

22           (2) The offense is a Class G felony if the damage caused by the alteration,  
23           damage, or destruction is more than one thousand dollars (\$1,000).

24           (3) Any other violation of this subsection is a Class ~~A1~~ misdemeanor."

25           **SECTION 3.** Article 16 of Chapter 14 of the General Statutes is amended by  
26 adding a new section to read:

27       "**§ 14-75.2. Larceny of commercial intellectual property .**

28       (a) The following definitions apply in this section:

29           (1) Intellectual property. — Patentable materials, copyrighted materials,  
30           trademarks, software, and trade secrets, whether or not formal  
31           protection is sought.

32           (2) North Carolina business. — Any sole proprietorship, partnership, or  
33           corporation doing business in North Carolina.

34       (b) A person who willfully and knowingly, directly or indirectly, accesses or  
35       causes to be accessed any computer, computer program, computer system, computer  
36       network, or any part thereof, that is owned, leased, or used in the course of business by  
37       a North Carolina business without permission of the business is guilty of a Class H  
38       felony, unless the act is covered under some other provision of law providing greater  
39       punishment.

40       (c) A person who takes intellectual property that is owned, leased, or used in the  
41       course of business without permission of the business is guilty of a Class H felony,  
42       unless the act is covered under some other provision of law providing greater  
43       punishment.

1       (d) A person who commits a violation of subsection (b) or (c) of this section with  
2 the intent of using the intellectual property in an unlawful manner or for an unlawful  
3 purpose is guilty of a Class G felony, unless the act is covered under some other  
4 provision of law providing greater punishment."

5               **SECTION 4.** G.S. 14-113.22(a) reads as rewritten:

6       (a) A violation of G.S. 14-113.20 is punishable as a Class ~~H~~G felony, except if  
7 the victim suffers arrest, detention, or conviction as a proximate result of the offense,  
8 then the violation is punishable as a Class ~~G~~F felony."

9               **SECTION 5.** Article 11 of Chapter 14 of the General Statutes is amended by  
10 adding a new section to read:

11 **"§ 143B-475.2. Deferred prosecution for minors who are first-time offenders and**  
12 **who commit certain criminal offenses.**

13 Notwithstanding any other provision of law, a minor who has no prior offenses and  
14 who commits an offense under G.S. 14-454, 14-455, 14-459, or G.S. 113-20 is eligible  
15 for a deferred prosecution program as described in G.S. 143B-475.1."

16               **SECTION 6.** This act becomes effective December 1, 2001, and applies to  
17 offenses committed on or after that date.