



U.S. Department of Homeland Security
UNITED STATES SECRET SERVICE
WICHITA RESIDENT AGENCY

To: Senate Judiciary Committee
From: Greg Tiano
Senior Resident Agency
US Secret Service

Re: SB378

Date: March 7, 2018

Hon. Chairman Wilborn and Members of the Committee

The opportunity to serve this community is a great honor and I appreciate you allowing my testimony in support of SB378. I believe SB378 will provide protection and justice for victims and victim businesses in our community as well as provide prosecutorial and reporting uniformity within the state of Kansas.

My name is Greg Tiano. I am the Senior Resident Agent for the Wichita Office of the United States Secret Service, which reports to the Secret Service's Kansas City Field Office. The Wichita Resident Agency currently has two Special Agents that cover 70 counties in west, central and South East Kansas with the Kansas City Field Office covering the remaining 35 counties in the North Central and North East part of Kansas. Additionally, I am here today representing the Special Agent In Charge of the Kansas City Field Office, David Stutheit who has asked to me to convey his support of SB378.

I started my career in law enforcement over 22 years ago at the New Mexico State Police. I have been a Special Agent with the United States Secret Service for 20 years; eight of which have been assigned to the Wichita Resident Agency. The Secret Service was created in 1865 to combat counterfeit United States currency following the Civil War and to this day the Secret Service continues to investigate counterfeit currency and is the primary depository for all counterfeit currency seized.

Despite the advances in the security features of genuine currency, the advances and proliferation of reprographic technology including , but not limited to, home color printers and copiers has made counterfeiting currency easier and more readily achievable by the general public than it has previously been. In 2017, the Wichita Resident Agency received over \$203,000 in counterfeit currency from victim citizens, victim businesses and reporting banks within our community(s). This was a 303% increase in the amount of counterfeit currency received annually by the Wichita Resident Agency over the previous 5 years. This increase in counterfeit currency recovered by the Wichita Resident Agency means that there was a similar increase in counterfeit currency related losses incurred by the local business community and citizens of Kansas; as banks rarely accept loss from a deposit containing counterfeit currency; returning most losses to the victim business or citizen. Further, the Federal government never incurs a loss as no reimbursement for counterfeit currency is ever issued by the Federal government.

Despite the large increase in counterfeit currency seen by law enforcement, law enforcement has been successful in identifying suspects who possessed, passed or manufactured counterfeit currency with fraudulent intent. Though Federal statutes exist for charging these suspects, often times, due to a lack of Federal investigative resources in western and central Kansas and/or Federal prosecutorial resources these suspects are not Federally charged. In lieu of Federal prosecution, these cases are presented to a County District Attorney's Office for charging by a State, local or county law enforcement agency. In this scenario, because the current "counterfeiting statute (K.S.A. 21-5825)" fails to address counterfeit currency; but does encompass the counterfeiting of memorabilia and counterfeiting identification markings the District Attorney may decline the prosecution because of the lack of a clear Kansas

counterfeit currency. However, in cases where State prosecution is not declined the District Attorney has to charge the counterfeit currency related fraudulent activity utilizing one of the following statutes:

- K.S.A. 21-5823 (Forgery)
- K.S.A. 21-5824 (Making a False Information)
- K.S.A. 21-5801(2) (Theft (by deception))

At first glance this appears to be a reasonable solution, but based on multiple conversations with District Attorney's around KS, I have been advised that none of these statutes listed above were specifically designed for use in prosecuting counterfeit currency related crimes; and none of the statutes precisely fit. Further, due to the current lack of prosecutorial uniformity used to prosecute counterfeit currency crimes in Kansas, these crimes and subsequent convictions are often reported on criminal history documents incorrectly. This lends to investigative leads that are often overlooked or not follow up upon, which is an important point where historically the recidivism rate in counterfeit currency related crimes is high. For example a law enforcement investigator or prosecutor may not realize that a defendant in a counterfeit currency investigation or prosecution has a prior conviction for a counterfeit currency related crime because the previous charge and conviction was for "forgery" or "Making a False Information." Further, this lack of clarity may fail to trigger Federal prosecution on persons with otherwise appropriate criminal histories.

In closing, it was recently brought to my attention by a Wichita Police Department Detective that a suspect described counterfeiting to him as a "safe crime" to commit because of the lack of a clear State statute and limited federal resources lessening the likeliness of a prosecution if caught. Therefore, I believe that SB378 would be of great assistance to law enforcement, would provide prosecutorial and reporting uniformity, and would reduce the cost of judicial action by providing a clear and concise State statute for prosecution. Further, I believe SB378 will provide protection and justice for the victim citizens and businesses of the community.


I thank the Committee for this opportunity and I respectfully request this Committee consider SB378, and recommend this legislation for passage.

Respectfully submitted,



Greg Tiano
Senior Resident Agent
US Secret Service

Approved:



David Stutheit
Special Agent in Charge
Kansas City Field Office