Computer Crimes Essay, Research Paper

The computer has evolved a great deal since its creation over a third of a century ago. The uses of the computer now seem endless. Unfortunately some of those uses include computer crimes. This paper will explore some recent crimes that have occurred and the laws that apply to them.

The first such incident took place in Russia between June and October 1994. Six people were arrested in the scheme, in which $10 million was allegedly shifted from Citibank to accounts in Finland, Russia, Germany, the Netherlands, the United States, Israel, and Switzerland. Of the $10 million stolen, $400,000 has not been recovered. The clients who lost money have been reimbursed. The Citibank system allows customers to transfer their money to accounts at other banks. The hackers found a way to crack the system and made about 40 transfers of money totaling more than $10 million. The bank?s control system provided the tip to the fraudulent transactions. At least one of the hackers, who was arrested about a year ago while in San Francisco opening accounts to receive the money, is helping investigators. Another person arrested is a Russian computer expert who worked at a Russian software company. Vladimir Levin, head systems operator for AO Saturn, figured out how to get around Citibank?s security system and transfer money out of their accounts. Levin, of St. Petersburg, claims he should not be turned over to American authorities because there is no evidence that any computers in the United States were used in the scheme. The U. S. government says the funds were all routed through Citibank?s wire transfer department on Wall Street. The Justice Department wants to charge Levin with conspiracy and fraud. (Source: Delaware County Daily Times, 8/21/95)

If turned over to American authorities, Levin is subject to ordinary tort law governing fraud. The feeding of false information to a computer and then using the printouts to deceive the victim comes under tort law. The Electronic Funds Transfer Act could also be applicable in this situation. The EFTA makes it a crime to use any counterfeit, stolen, or fraudulently obtained card, code, or other device to obtain money or goods in excess of a specified amount through an electronic fund transfer system. The EFTA also makes it a crime to ship such devices of goods that were obtained in interstate commerce, or knowingly to receive goods that have been obtained by means of the fraudulent use of the transfer system. (Source: Text book)

The next two examples involve software piracy, or unauthorized use, copying or sale of computer programs. John Wolfe, an investigator for the Business Software Alliance last June recently uncovered a small business engaged in the unlawful installation of computer programs onto personal computers, and the sale of those computers. TES Computer, of Fairfax VA. was reported to the BSA by several consumers complaining about problems with preinstalled programs on their computers. TES offered very little help with the problems. Wolfe posed as an interested buyer at a local computer show that TES had a stand at. He noticed that TES was offering a standard desktop computer with 63 preinstalled programs worth up to $10,000 for a mere $1,395. Also the computer programs came with no manuals or extra disks, which is a sign that the programs were unregistered. Wolfe later bought a computer from them and examined it closely, gaining evidence against TES. When confronted by the BSA with a lawsuit, TES abruptly emptied its office. (Source: The Philadelphia Inquirer, 8/26/95)

The following example involves the popular new software program Windows 95. The long awaited program hit stores on Aug. 24 but it has been selling in street markets and shops in Europe and Asia for months. Robin Burton, European spokesman for the anti-piracy group Business Software Alliance said, ?We found thousands of copies of pre-release versions around?. Burton added that Windows 95 ?was on almost every CD-ROM we saw in Europe and the Far East.? Christine Santucci, a Microsoft spokeswoman in Redmond Wash., said the packages sell very cheap in Hong Kong. ?You?re basically buying about $20,000 worth of software for $40,? she said. (Source: Delaware County Daily Times, 8/23/95)

These two incidences involve theft of software. When a thief takes software, whether in the form of of a program written on paper or a program on a disk or tape, a situation arises that does not fit into the common law definition of larceny. This is because larceny at common law was confined to the taking of tangible property. However virtually every state has amended its definition of larceny or theft so that the stealing software is a crime. (Source: Textbook)

325