Legal Environment

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CLASS 11

Contract Fundamentals;
Criminal Law
Contract Fundamentals

• Ch. 3

Sources of Contract Law

• Common Law
• Statutory Law
  – Uniform Commercial Code (UCC)
  – Administrative Agency Regulations

Function of Contract Law

• Encourages competent parties to form contracts for lawful objectives
• Provide
  – Stability
  – Predictability
  – Certainty

Definition of a Contract

• A promise or a set of promises for the breach of which the law gives a remedy, or the performance of which the law in some way recognizes as a duty
• A legally binding agreement between two or more parties who agree to perform or to refrain from performing some act now or in the future

Objective Theory of Contracts

• A party’s intention to enter in to a legally binding agreement, or contract, is judged by outward, objective facts as interpreted by a reasonable person, rather than by the party’s own secret, subjective intentions.

Requirements of a Valid Contract

• Four Requirements
  1. Agreement
  2. Consideration
  3. Contractual Capacity
  4. Legality
Defenses

- A contract may be unenforceable if the following requirements are not met:
  - Genuineness of assent
  - Form

Contract Formation

- Bilateral or Unilateral
- Formal or Informal
- Express or Implied-in-Fact

Bilateral or Unilateral

- What the offeree must do to accept the offer and bind the offeror to a contract?

Bilateral Contracts

- If the offeree can accept simply by promising to perform, the contract is a bilateral contract
- Contract comes into existence the moment the promises are exchanged

Unilateral Contracts

- If the offer is phrased so that the offeree can accept the offer only by completing the contract performance, the contract is a unilateral contract.
- The time of contract formation is when the contract is performed.
- What if not performed?

Problem with Unilateral Contracts

- Promisor attempts to revoke the offer after the promisee has begun performance but before the act has been completed
- An offer to form a unilateral contract becomes irrevocable once performance has begun
Formal v. Informal Contracts

• Formal Contracts – require a special form or method of formation to be enforceable
• Informal Contracts – no special form is required

Morrow v. Hallmark Cards, Inc.

• Mary Kay Morrow was hired by Hallmark in 1982. At the start of 2002, while Morrow was working as an associate product manager, Hallmark adopted, effective January 5, 2002, a policy applicable to its employees called the “Hallmark Dispute Resolution Program” (“DRP” or “the program”). This policy provided that if an employee continued to work for Hallmark after the policy became effective, the employee would thereby be deemed to have agreed to submit to the company’s procedures for resolving claims against the company, which included binding arbitration in lieu of litigation. Morrow received a copy of the policy. Morrow continued working for Hallmark through and after the effective date of January 5, 2002.
• Fifteen months later, on April 8, 2003, Hallmark terminated Morrow’s employment.

Morrow v. Hallmark Cards, Inc.

• “Employment-at-will is not a legally enforceable employment relationship because it is terminable at the will of either party, on a moment-by-moment basis. See id. It is sometimes called a “unilateral contract” because there is an implied (if not expressed) promise that if the employee performs work as directed, the employer will pay.”

Express Contracts

• The terms of the agreement are fully and explicitly stated in words, oral, or written

Implied-in-Fact

• The conduct of the parties, rather than their words, creates, and defines the terms of the contract.

Requirements for Implied-in-Fact Contracts

1. The plaintiff furnished some service or property.
2. The plaintiff expected to be paid for that service or property, and that defendant knew or should have known that payment was expected.
3. The defendant had a chance to reject the services or property and did not.
Contract Performance

- **Executed Contract** – a contract that has been fully performed on both sides
- **Executory Contract** – a contract that has not been fully performed by the parties

Elements of a Valid Contract

1. An agreement consisting of an offer and an acceptance of that offer,
2. Supported by legally sufficient consideration
3. Made by parties who have the legal capacity to enter into the contract, and
4. Made for a legal purpose.

Voidable Contract

- A valid contract that can be avoided at the option of one of the parties.
- Typical cases
  - Minors
  - Insane persons
  - Intoxicated persons
  - Fraudulent conditions

Unenforceable Contracts

- Cannot be enforced because of certain legal defenses against it.
- Valid contract rendered unenforceable by some statute or law.

Void Contract

- No contract at all.

Quasi Contract

- Implied in law, not actual contracts
- Fictional contracts created by courts and imposed on parties in the interests of fairness and justice.
- Imposed to avoid the unjust enrichment of one party at the expense of another.
Plain Meaning Rule

- When a contract’s writing is clear and unequivocal, a court will enforce it according to its obvious terms.
- Terms – determined from the face of the instrument
- No extrinsic evidence if words are clear

Rules of Interpretation

- Interpret the language to give effect to the parties’ intent as expressed in their contract

Agreement Basics

- The parties must agree on the terms of the contract and manifest to each other their mutual assent to the same bargain.
- Offer and Acceptance

Offer

- A promise or commitment to do or refrain from doing some special thing in the future.

Elements of an Offer

1. The offeror must have a serious intention to become bound by the offer.
2. The terms of the offer must be reasonably certain, or definite, so that the parties and the court can ascertain the terms of the contract.
3. The offer must be communicated to the offeree.

Intent

- Objective intent not subjective intent
- Would a reasonable person realize that a serious offer was not made?
Expression of Opinion
• An expression of opinion is not an offer.
• Does not indicate an intention to enter into a binding agreement.

Statement of Future Intent
• A statement of intention to do something in the future is not an offer.

Preliminary Negotiations
• A request or invitation to negotiate is not an offer.

Agreements to Agree
• Modern view is that agreements to agree may be enforceable agreements if it is clear that the parties intended to be bound by the agreements.

Advertisements
• In general, not treated as offers to contract but as initiations to negotiate.
• Price list – invites the buyer to offer to buy at that price
• Courts have sometimes construed advertisements to be offers because the ads contained definite terms that invited acceptance.

Leonard v. Pepsi Co.
• Advertisement - 7,000,000 Pepsi Points for a AV-8 Harrier II jump jet
• Leonard sends in points and money to cover the difference
• Pepsi – does not provide jet
• Leonard – breach of contract and fraud
• Court
  – Advertisement featuring the jet did not constitute an offer.
  – No reasonable person could have believed that the company seriously intended to convey a jet worth roughly $23 million for under a million dollars.
Auctions

- Invitation asking bidders to submit offers.
- The offer is accepted when the auctioneer strikes the hammer.
- A bidder may revoke bid before the hammer falls.
- Auctioneer may reject all or some bids.

Auctions

- If the highest bidder withdraws before the hammer falls, none of the previous bids are reinstated.
- Without reserve – the goods cannot be withdrawn by the seller and must be sold to the highest bidder.
- With reserve – the seller may reserve the right to confirm or reject the same even after the hammer has fallen.

Definiteness of Terms

- An offer must have terms that are reasonably definite so that, if it is accepted and a contract formed, a court can determine if a breach of contract has occurred and can provide an appropriate remedy.

Must Include Terms

1. Identification of parties.
2. Identification of object or subject matter of the contract.
3. Consideration to be paid.
4. Time of payment, delivery, or performance.

Communication

- For an offer to be effective, it must be communicated to the offeree.

Termination

- An offer becomes a contract when accepted.
- The ability to accept may be terminated by action of the parties or by operation of law.
Termination by Action of Parties

- Revocation
- Rejection
- Counteroffer

Revocation

- Offeror’s act of withdrawing an offer
- Can be revoked so long as before the offeree accepts
- Can be express or implied
- Becomes effective when the offeree’s agent receives the revocation.

Irrevocable Offers

- Option Contract
- Detrimental Reliance and Promissory Estoppel

Option Contract

- Created when an offeror promises to hold an offer open for a specified period of time in return for a payment by the offeree

Detrimental Reliance and Promissory Estoppel

- When the offeree justifiably relies on an offer to her or his detriment, the court may hold that this detrimental reliance makes the offer irrevocable.
- Promissory estoppel means that the offeror is barred from revoking the offer because the offeree has already changed actions in reliance on the offer.

Detrimental Reliance and Partial Performance

- Many courts will not allow the offeror to revoke the offer after the offeree has performed some substantial part of his or her duties.
Rejection

• If the offeree rejects the offer, the offer is terminated.
• Inquiring about an offer does not constitute rejection.

Counteroffer

• A rejection of an original offer and the simultaneous making of a new offer.
• Mirror image rule – offeree’s acceptance must match offeror’s offer exactly.

Termination by Operation of Law

1. Lapse of Time
2. Destruction of the specific subject matter of the offer.
3. Death or incompetence of the offeror or offeree.
4. Supervening illegality of the proposed contract.

Lapse of Time

• Offer automatically terminates when the period of time specified in the offer has lapsed.
• No time specified – reasonable period of time.

Destruction of the Subject Matter

• An offer is automatically terminated if the specific subject matter of the offer is destroyed before the offer is accepted.

Death or Incompetence

• An offeree’s power of acceptance is terminated when the offeror or offeree dies or is deprived of legal capacity to enter into the propose contract.
Supervening Illegality
- A statute or court decision that makes an offer illegal automatically terminates the offer.

Acceptance
- Voluntary act that shows assent.
- Must be unequivocal and must be communicated to the offeror.

 Silence as Acceptance
- Silence cannot normally constitute an acceptance
- Duty to speak when
  - Accepting benefit of services
  - Prior dealings

Timeliness
- Acceptance in a bilateral contract is generally timely if made before the offer is terminated.

Mailbox Rule
- Acceptance takes effect at that time the offeree sends or delivers the communication
  - Postal mail ➔ when dispatched, not when received

Criminal Law
What is criminal law?

• Crime is a wrong against society proclaimed in a statute and punishable by a fine and/or imprisonment (or death)

Felonies

• Serious crimes punishable by death or by imprisonment in a federal or state penitentiary for one year or longer
• Four Degrees of Felony (from Model Penal Code)
  – Capital offenses—death penalty
  – First degree felonies—life in prison (max)
  – Second degree felonies—10 years (max)
  – Third degree felonies—5 years (max)

Misdemeanors and Petty Offenses

• Misdemeanor
  – any crime that is not a felony
  – Punishable by a fine of by incarceration for up to one year
• Petty Offenses
  – Subset of misdemeanors
  – Minor violations
  – Jail for a few days and/or fine

Criminal Liability

• Two elements for conviction of a crime
  1) The performance of a prohibited act, and
  2) A specified state of mind, or intent, on the part of the actor.
• Must be concurrence between the act and the intent

Criminal Act

• Act of commission – a person must do something in order to be accused of a crime
• Actus reus – guilty act, punished for harm to society

State of Mind

• Mens rea – wrongful mental state
• Criminally reckless – conscious disregard of a substantial and unjustifiable risk
• Criminal negligence – mental state in which the defendant deviates from the standard of care that a reasonable person would use under the same circumstances
Liability of the Corporate Entity

• Corporations are normally liable for the crimes committed by their agents and employees within the course and scope of their employment

Liability of Corporate Officers and Directors

• Personally liable for the crimes they commit, regardless of whether for private benefit or for corporate benefit
• May be held liable for the actions of employees under their supervision

Types of Crimes

• Violent crimes
• Property crimes
• Public order crime
• White-collar crime
• Organized crime

Violent Crime

• Crimes against persons
• Causes others to suffer harm or death
• Robbery – taking of money, personal property, or any other article of value from a person by means of fear or force

Property Crime

• Crimes in which the goal of the offender is some form of economic gain or the damage of property
• General categories
  – Burglary
  – Larceny
  – Arson
  – Receiving stolen goods
  – Forgery
  – Obtaining goods by false pretenses

Burglary

• Breaking and entering the dwelling (or building) of another (at night) with the intent to commit a felony
Larceny
- Stealing or theft
- Unlawful taking and carrying away of someone else's personal property with the intent to permanently deprive the owner of possession

Arson
- Willful and malicious burning of a building owned by another
- Destruction of any building, regardless of ownership, by fire or explosion

Receiving Stolen Goods
- The recipient knows or should known that the goods are stolen

Forgery
- Making or altering of any writing (including electronic records) in a way that changes the legal rights and liabilities of another

Obtaining Goods by False Pretenses
- Insufficient funds for check
- Using another's credit card without authorization
- Etc.

White Collar Crimes
- An illegal act or series of acts committed by an individual or business entity using some nonviolent means to obtain a personal or business advantage
**Embezzlement**
- A person entrusted with another person's property or funds fraudulently appropriates that property or those funds
- Typically by an employee

**Mail and Wire Fraud**
- It is a federal crime to use the mails to defraud the public
- Must involve
  1) Mailing or causing someone else to mail a writing for the purpose of executing a scheme to defraud, and
  2) Contemplating or organizing a scheme to defraud by false pretenses.

**Bribery**
- Offering to give something of value to a person in an attempt to influence that person, who is usually, but not always, a public official, to act in a way that serves a private interest
- Bribery of public officials
- Commercial bribery
- Bribery of foreign officials

**Bankruptcy Fraud**
- Includes a fraudulent transfer of assets to favored parties before or after petition for bankruptcy is filed
- Includes fraudulent concealment of property

**Example of Bankruptcy Fraud**
- "According to federal prosecutors, Dykstra sold sports memorabilia and items from his Ventura County mansion, including a $50,000 sink, that were frozen as part of the bankruptcy case. Typically, a person in bankruptcy can't touch assets that are part of the case so that they are available to repay creditors."

**Insider Trading**
- Prohibition against a person who possesses inside information and has a duty not to disclose it to outsiders from trading on that information
Theft of Trade Secrets

• Theft of trade secrets for commercial or economic purposes is a federal crime

Criminal Trade Secret Violation

18 U.S.C. §§ 1831-1839

§1831

(a) When a D intending or knowing that the offense will benefit any foreign government, foreign instrumentalty, or foreign agent, knowingly

(1) steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains a trade secret;

(2) without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, transmits, delivers, sends, mails, communicates, or conveys a trade secret;

(3) receives, buys, or possesses a trade secret, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;

(4) attemps to commit any offense described in any of paragraphs (1) through (3), or

(5) conspires with one or more other persons to commit any offense described in any of paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy.

• shall, except as provided in subsection (b), be fined not more than $500,000 or imprisoned not more than 15 years, or both.

(b) Organizations.—

Any organization that commits any offense described in subsection (a) shall be fined not more than $10,000,000.

§1832

(a) Whenever, with intent to convert a trade secret, that is related to or included in a product that is produced for or placed in interstate or foreign commerce, to the economic benefit of anyone other than the owner thereof, and intending or knowing that the offense will benefit any foreign government, foreign instrumentalty, or foreign agent, knowingly

(1) steals, or without authorization appropriates, takes, carries away, or conceals, or by fraud, artifice, or deception obtains such information;

(2) without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, transmits, delivers, sends, mails, communicates, or conveys such information;

(3) receives, buys, or possesses such information, knowing the same to have been stolen or appropriated, obtained, or converted without authorization;

(4) attempts to commit any offense described in paragraphs (1) through (3), or

(5) conspires with one or more other persons to commit any offense described in paragraphs (1) through (3), and one or more of such persons do any act to effect the object of the conspiracy.

• shall, except as provided in subsection (b), be fined under this title or imprisoned not more than 10 years, or both.

(b) Any organization that commits any offense described in subsection (a) shall be fined not more than $5,000,000.

§1839. Definitions

• As used in this chapter—

(1) the term "foreign instrumentalty" means any agency, bureau, ministry, component, firm, or entity that is substantially owned, controlled, sponsored, commanded, managed, or dominated by a foreign government;

(2) the term "foreign agent" means any officer, employee, proxy, servant, delegate, or representative of a foreign government;

(3) the term "trade secret" means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulae, designs, prototipes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing —

(A) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public; and

(B) the owner thereof has taken reasonable measures to keep such information secret;

(4) the term "owner", with respect to a trade secret, means the person or entity in whom or in which rightful legal or equitable title to, or license in, the trade secret is reposed.

Money Laundering

• Using a legitimate business to report income from illegal transactions

RICO

• Racketeer Influenced and Corrupt Organizations Act (RICO)

• Federal Crime to:

1) Use income obtained from racketeering activity to purchase any interest in an enterprise

2) Acquire or maintain an interest in an enterprise through racketeering activity,

3) Conduct or participate in the affairs of an enterprise through racketeering activity, or

4) Conspire to do any of the preceding activities.
Defenses
- Lacks mental state
- Actions justified given the circumstances
- Infancy
- Intoxication
- Insanity
- Mistake
- Consent
- Duress
- Justifiable use of force
- Necessity
- Entrapment
- Statute of Limitations

Infancy
- Any person that has not yet reached the age of majority

Intoxication
- Involuntary intoxication occurs when a person either is physically forced to ingest or inject an intoxicating substance or is unaware that such a substance contains drugs or alcohol
- Voluntary is rarely a defense except to possible negate a state of mind

Insanity
- A person is not responsible for criminal conduct if at the time of such conduct as a result of mental disease or defect he or she lacks substantial capacity either to appreciate the wrongfulness of his [or her] conduct or to conform his [or her] conduct the requirements of the law.

Mistake
- People who claim that they honestly did not know that they were breaking a law may have a valid defense if
  1) The law was not published or reasonable made known to the public, or
  2) The people relied on an official statement of the law that was erroneous.

Consent
- Consent is not a defense to most crimes.
- Consent may serve as a defense when it negates an element of the alleged criminal offense.
**Duress**

- Wrong threat of one person induces another person to perform an act that he or she would not otherwise have performed.
- Excuses a crime only when another’s unlawful threat of serious bodily injury or death reasonably causes the defendant to do a criminal act.

**Justifiable Use of Force**

- Self-defense
- Justified use of force – defense of one’s dwelling, the defense of other property, and the prevention of crime.
- People can use the amount of nondeadly force that seems necessary to protect themselves, their dwellings, or other property to prevent the commission of a crime.

**Necessity**

- Justifiable if the harm or evil sought to be avoided by such conduct is greater than that sought to be prevented by the law defining the offense charged.

**Entrapment**

- Prevent police officers or other government agents from enticing persons to commit crimes in order to later prosecute them for criminal acts
  - Police Officer – suggestion that a crime be committed + pressures or induces an individual to commit it

**Immunity**

- Self-incrimination guaranteed by 5th Amendment
- State can grant immunity from prosecution or agree to prosecute for a lesser offense in exchange for information
- Can no longer refuse on 5th amendment after immunity

**Constitutional Amendments**

- The 4th Amendment protection from unreasonable searches and seizures.
- The 4th Amendment requirement that no warrant for a search or an arrest be issued without probable cause.
- The 5th Amendment requirement that no one be deprived of ‘life, liberty, or property without due process of law.’
- The 5th Amendment prohibition against double jeopardy (trying someone twice for the same criminal offense).
The Exclusionary Rule
- All evidence obtained in violation of the constitutional rights spelled out in the 4th, 5th, and 6th amendments generally is not admissible at trial.
- Fruit of the poisonous tree
- Deter police from conducting warrantless searches

Exceptions to the Exclusionary Rule
- If illegally obtained evidence would have been discovered 'inevitably' and obtained by the police using lawful means, the evidence will be admissible at trial.
- Good faith exception
- If the police officer would used a technically incorrect search warrant form to obtain evidence was acting in good faith, the evidence will be admissible.

Miranda Rule
- If a person in custody is to be subjected to interrogation, he must first be informed in clear and unequivocal terms that he has the right to remain silent.

Exceptions to the Miranda Rule
- "Public Safety" exception – certain statements-such as statements concerning the location of a weapon-are admissible even if the defendant was not given Miranda warnings.
- Suspect must unequivocally and assertively request to exercise her or his right to counsel in order to stop police questioning

Criminal Process
- Arrest
- Indictment
- Trial

Arrest
- Before a warrant for arrest can be issued, there must be probably cause for believing that the individual in question has committed a crime
- Probable cause can be defined as a substantial likelihood that the person has committed or is about to commit crime
Indictment or Information

• Individuals must be formally charged with having committed specific crimes before they can be brought to trial
• If by a grand jury-indictment
• Grand jury – hear state’s evidence and to determine whether a reasonable basis exists

Trial

• Not guilty doesn’t equal innocent
• Higher burden of proof than for civil cases

Cybercrime

• Crimes that occur in cyberspace

Federal Criminal Code Related to Computer Intrusions
Federal Criminal Code Related to Computer Intrusions:
• 18 U.S.C. § 1029. Fraud and Related Activity in Connection with Access Devices
• 18 U.S.C. § 1030. Fraud and Related Activity in Connection with Computers
• 18 U.S.C. § 2510 et seq. Wire and Electronic Communications Interception and Interception of Oral Communications
• 18 U.S.C. § 2701 et seq. Stored Wire and Electronic Communications and Transactional Records Access
• 18 U.S.C. § 3121 et seq. Recording of Dialing, Routing, Addressing, and Signaling Information
http://www.cybercrime.gov/cclaws.html

Computer Fraud and Abuse Act (CFAA)

• Crimes under the CFAA:
  – Knowingly commit espionage by accessing information without authorization or exceeding authorized access;
  – Access other information without authorization or exceeding authorized access;
  – Access any nonpublic government computer;
  – Access any computer with an intent to commit fraud;
  – Knowingly or intentionally damage a computer;
  – Knowingly traffic in passwords;
  – Threaten to cause damage to a computer with the intent to extort money or other things of value

CFAA Penalties

• Obtaining National Security Information Section (a)(1) → 10 years
• Accessing a Computer and Obtaining Information Section (a)(2) → 1 or 5 years
• Trespassing in a Government Computer Section (a)(3) → 1 year
• Accessing a Computer to Defraud & Obtain Value Section (a)(4) → 5 years
• Intentionally Damaging by Knowing Transmission Section (a)(5)(A) → 1 or 10 years
CFAA Penalties

- Recklessly Damaging by Intentional Access
  Section (a)(5)(B) → 1 or 5 years
- Negligently Causing Damage & Loss by
  Intentional Access Section (a)(5)(C) → 1 year
- Trafficking in Passwords Section (a)(6) → 1 year
- Extortion Involving Computers Section (a)(7) → 5 years

Protected Computer

- Section 1030(e)(2) defines protected computer as:
  a computer—
  (A) exclusively for the use of a financial institution or the United States Government, or, in the case of a computer not exclusively for such use, used by or for a financial institution or the United States Government and the conduct constituting the offense affects that use by or for the financial institution or the Government; or
  (B) which is used in or affecting interstate or foreign commerce or communication . . . .

Insiders v. Outsiders

- Insiders – exceed authorized access
- Outsiders – without authorization

Exceeds Authorized Access

- “It is relatively easy to prove that a defendant had only limited authority to access a computer in cases where the defendant’s access was limited by restrictions that were memorialized in writing, such as terms of service, a computer access policy, a website notice, or an employment agreement or similar contract.”

Exceeds Authorized Access

- The term “exceeds authorized access” means “to access a computer with authorization and to use such access to obtain or alter information in the computer that the accessor is not entitled so to obtain or alter.”
- Without authorization is not defined…

Obtaining National Security Information

1030(a)(1) Summary (Felony)
1. Knowingly access computer without or in excess of authorization
2. obtain national security information
3. reason to believe the information could injure the U.S. or benefit a foreign nation
4. willful communication, delivery, transmission (or attempt) OR willful retention of the information
Accessing a Computer and Obtaining Information

**1030(a)(2) Summary (Misd.)**
1. Intentionally access a computer
2. without or in excess of authorization
3. obtain information
4. from financial records of financial institution or consumer reporting agency OR the U.S. government OR a protected computer

Accessing a Computer and Obtaining Information

**1030(a)(2) Summary (Felony)**
5. committed for commercial advantage or private financial gain OR committed in furtherance of any criminal or tortious act OR the value of the information obtained exceeds $5,000

Trespassing in a Government Computer

**1030(a)(3) Summary (Misd.)**
1. Intentionally access
2. without authorization
3. a nonpublic computer of the U.S. that was exclusively for the use of U.S. or was used by or for U.S.
4. affected U.S. use of computer

Accessing to Defraud and Obtain Value

**1030(a)(4) Summary (Felony)**
1. Knowingly access a protected computer without or in excess of authorization
2. with intent to defraud
3. access furthered the intended fraud
4. obtained anything of value, including use if value exceeded $5000

Damaging a Computer or Information

**Summary of (a)(5)(A)**
1. Knowingly cause transmission of a program, information, code, or command
2. intentionally cause damage to protected computer without authorization

Accessing a Computer and Obtaining Information

**Summary of (a)(5)(B)**
1. Intentionally access a protected computer without authorization
2. recklessly cause damage
Damaging a Computer or Information

Summary of (a)(5)(C)
1. Intentionally access a protected computer without authorization
2. cause damage
3. cause loss

Felony
3. resulting in loss of $5,000 during 1 year
   OR modifies medical care of a person OR
   causes physical injury OR
   threatens public health or safety OR damages systems
   used by or for government entity for
   administration of justice, national defense,
   or national security OR damages affect 10
   or more protected computers during 1 year

Trafficking in Passwords

1030(a)(6) Summary (Misd.)
1. Trafficking
2. in computer password or similar information
3. knowingly and with intent to defraud
4. trafficking affects interstate or foreign commerce OR computer used by or for U.S.

Threatening to Damage a Computer

1030(a)(7) Summary (Felony)
1. With intent to extort money or any other thing of value
2. transmits in interstate or foreign commerce a communication
3. containing a: threat to damage a protected computer OR threat to obtain or reveal confidential information without or in excess of authorization OR demand or request for money or value in relation to damage done in connection with the extortion.

Program Completed

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