

# Minnesota Department of Public Safety Bureau of Criminal Apprehension

## BCA Financial Crimes & Fraud Section Overview

Commissioner of Public Safety Bob Jacobson  
BCA Superintendent Drew Evans



# New BCA Financial Crimes & Fraud Section (FCFS)

## Executive Order 25-01 (January 2025)

- To combat fraud problem by identifying, disrupting and holding those accountable who prey on state's most vulnerable
- Commerce Fraud Bureau (CFB) transferred to BCA to centralize resources & expertise
- Goal to improve consistency, transparency & efficiency of fraud investigations

## Codified in Minn. Stat. 299C.061 (2025)



# Efficiencies Gained by Centralized Fraud Investigations

- Digital evidence processed by separate BCA section
- Other BCA resources redirected to Financial Crimes & Fraud Section (FCFS) as needed for targeted investigations
- Standardized processes for evidence collection & storage
- Digital infrastructure to process large case files & other evidence
- Standardized training and more comprehensive, specialized training
- Centralized administrative support (purchasing, payroll, contracts etc.)
- Common hardware & software tools for case management & data sharing

# Types of Fraud Cases

## Focus on four primary categories:

- Fraud involving state-funded or administered programs or services
- Insurance fraud
- Wage theft
- Financial crimes related to identity theft

**Note:** FCFS also assists local law enforcement agencies & communities with grants for automobile theft prevention

# Financial Crime & Fraud Section Structure

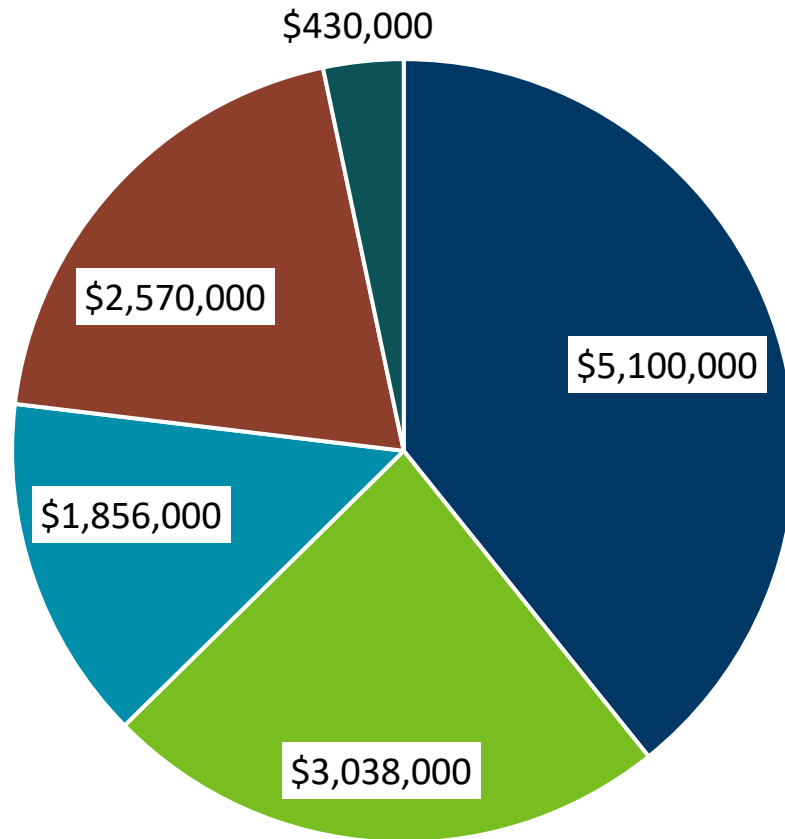
## 46 FTEs

- 1 special agent in charge  
(also serves as commander of Minnesota Financial Crimes Task Force)
- 4 assistant special agents in charge
- 32 special agents
- 7 criminal intelligence analysts
- 2 senior investigators

**Provide technical, investigative, forensic & analytical support to agencies statewide**



# Financial Crimes & Fraud Section Funding



- Insurance Assessment (Revenue)
- BCA State Funding (General)
- Other State Agencies (State and Federal)
- Auto Theft Prevention Grants (Revenue)
- Auto Theft Prevention Admin (Revenue)
- Total: \$13 million per year/46 FTES

# Investigative Requests

## Cases referred through four primary sources:

- The public
- Insurance companies
- Law enforcement agencies
- Other government regulatory entities

**Each complaint reviewed to determine if sufficient basis for FCFS to initiate a criminal investigation**

# 2025 FCFS Case Overview

## 2,889 case referrals:

- Initiated 259 investigations (consisting of 538 allegations) with the majority of these ongoing
- Referred 39 cases to state & federal prosecutors (33 accepted)
- Resulted in 14 plea agreements (some from prior year investigations)
- Charges filed with an economic impact of more than \$33 million
- Financial crimes related to identity theft

# Suspected Fraud & Financial Crimes 2025

## Five largest areas of suspected fraud & financial crimes in 2025:

1. State program fraud
2. Theft by swindle, false representation & related crimes
3. Social Security disability fraud
4. Cryptocurrency-related fraud
5. Identify theft



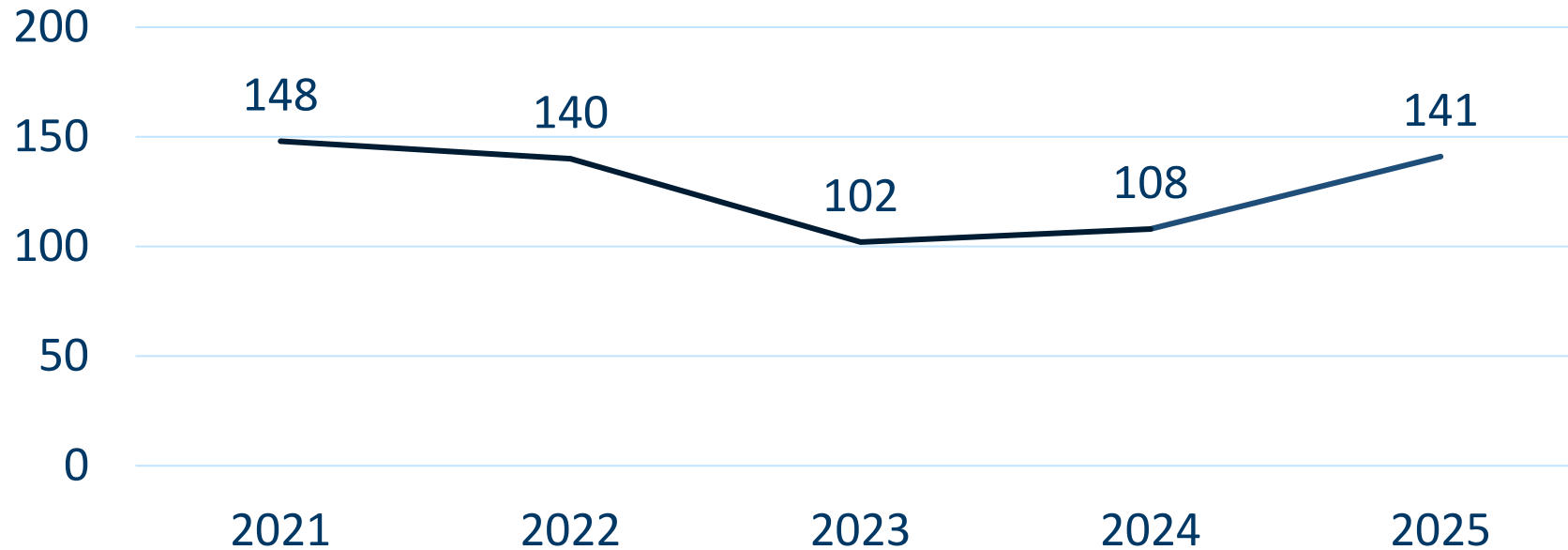
# Financial Crime Case Referrals 2021-2025

Financial crime type	2021	2022	2023	2024	2025
Childcare fraud	4	3	6	1	2
Disability	24	21	24	19	24
Forgery/Fraud	10	25	25	21	26
Identity theft	12	11	1	2	2
Theft	5	10	11	6	21
Theft by swindle	7	11	5	14	17
State program fraud	N/A	N/A	N/A	N/A	246
Unemployment fraud	55	15	6	14	2

# Financial Crimes & Fraud Case Referrals 5-year Trend

## Five-year Trend: Financial Crimes and Fraud

Excluding insurance fraud



# State Program Fraud Referrals 2025

## 246 complaints related to state programs:

- Theft of public funds
- Fraud against programs funded or administered by state government
- Fraud committed against individual Minnesotans
- Does not include federally-funded programs such as Medicaid

**46 cases referred to other agencies; 165 reviewed & closed due to insufficient evidence; 35 under active investigation by FCFS**

# State Agency Fraud Reporting 2025

**As of January 2026, state agencies required to report suspected fraud involving state programs with losses more than \$10,000 to BCA**

- 10 agencies reported 652 total incidents
- Total loss reported for 25 incidents was \$4.22 million
- Total loss not reported or labeled “unknown” for remaining incidents
- Agencies took administrative action in 645 incidents and remedial action (termination from program or suspension/withholding of payments) in 649
- Not all incidents reported to BCA FCFS

# Suspected Insurance Fraud 2025

## Five largest areas of suspected insurance fraud in 2025:

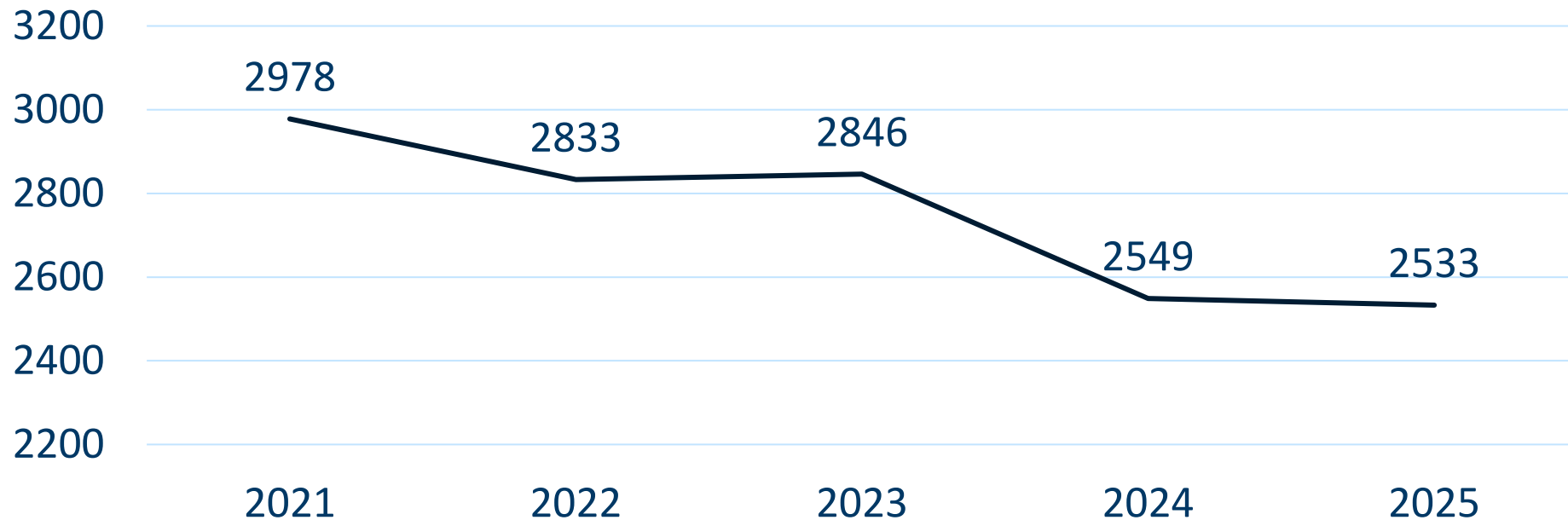
1. Automobile insurance
2. Homeowner's insurance
3. Healthcare insurance
4. Device protection
5. Life insurance

# Insurance Crime Case Referrals 2021-2025

Insurance referral type	2021	2022	2023	2024	2025
Agent and broker	53	73	51	81	27
Automobile	1,731	1,782	1,628	1,346	1,416
Commercial	64	74	83	68	65
Device	23	51	85	127	149
Disability	16	12	36	37	35
Health care	300	116	153	205	220
Homeowner's	341	415	326	339	304
Life insurance	72	66	94	103	120
Mortgage	18	26	58	39	3
Workers' compensation	122	137	152	145	102
Other insurance fraud	197	45	82	26	78
Assist other agency	41	36	98	33	14

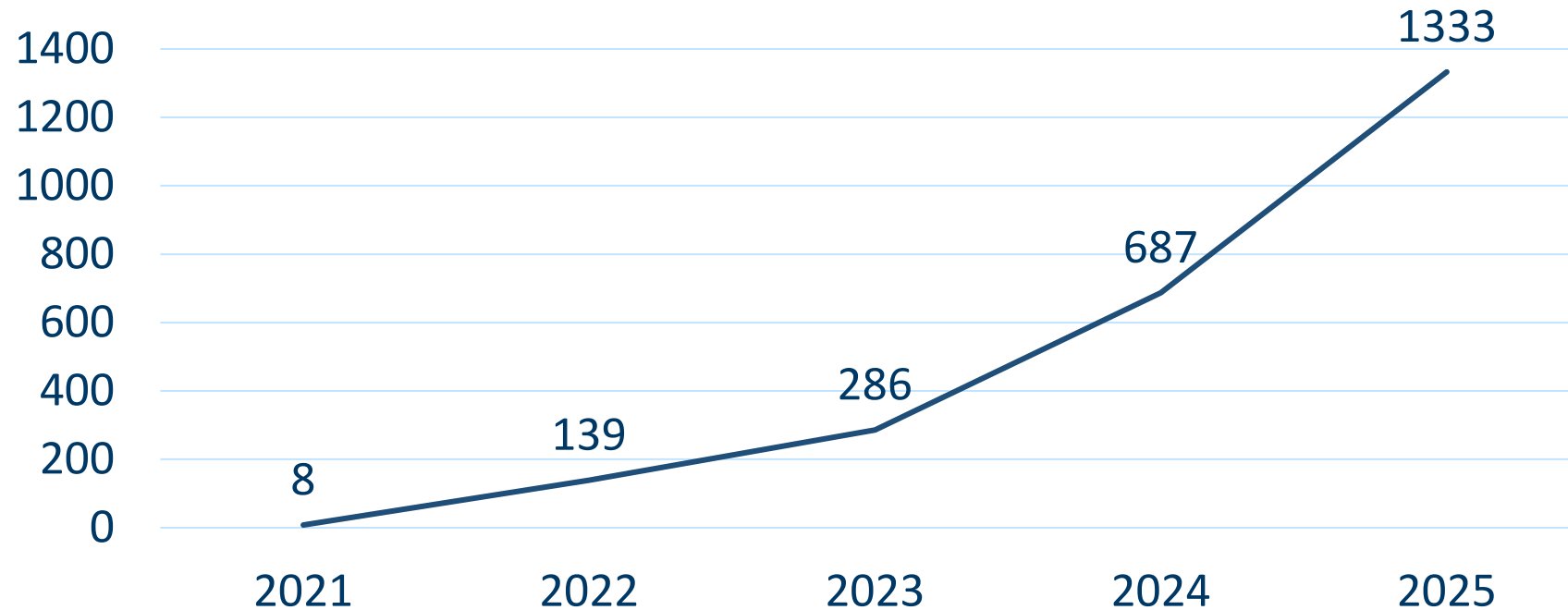
# Insurance Crimes Case Referrals 5-year Trend

## Five-year Trend: Insurance Fraud Referrals



# Leads & Requests for Investigative Assistance 2021-2025

## Case Tips and Tasks



# Major Case Highlights 2025

- February: Individual pleaded guilty to money laundering & federal wire fraud charges for submitting over 40 fraudulent grant, loan & contract applications to two non-profits resulting in loss of over \$6 million.
- June: Individual charged with identity theft, theft by swindle & insurance fraud for selling 127 Progressive car insurance policies over Facebook for \$155,000.
- December: Defendant charged with multiple fraud-related felonies including false insurance claim for 2024 fire that destroyed historic Lutsen Resort Lodge.

# Minnesota Department of Public Safety

## Bureau of Criminal Apprehension



Questions?