Minnesota Department of Public Safety

Overview of the Financial Crimes and Fraud Section at the BCA





MINNESOTA COMMERCE FRAUD BUREAU



CFB OVERVIEW



Legislative Authority

- 2004 Established by statute within Dept. of Commerce to investigate offenses related to insurance fraud (70% of work required by statute)
- 2022 Legislature expanded authority & personnel and added investigation of financial crimes



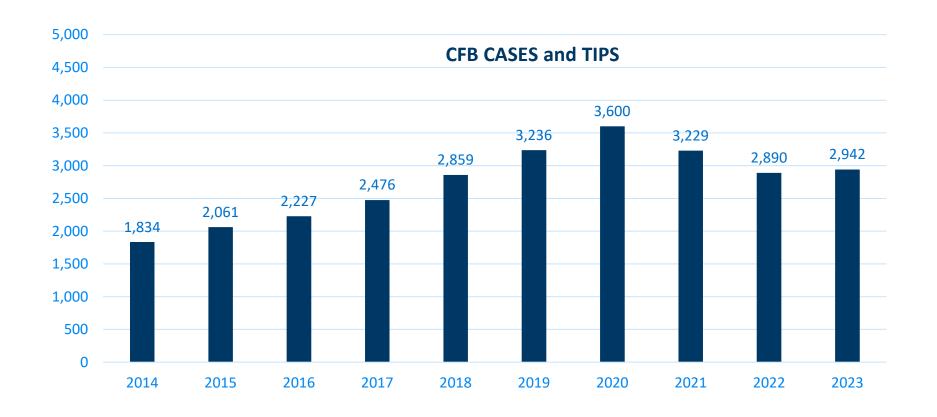


Current Staffing & Affiliations

- Current staffing is 21 Agents; 6 Analysts
- Task Force Officer Relationships with:
 - Homeland Security Investigations (HSI)
 - U.S. Postal Inspection Service
 - U.S. Secret Service
 - Drug Enforcement Agency (DEA)
 - Federal Bureau of Investigation (FBI)



CFB Cases and Tips Over Past 10 Years



2/12/2025



Types of CFB Investigations

- Insurance Fraud (70% of work)
- Cybercrime Scams such banking/business emails; lottery; romance; imposters; tech support
- Elder Financial Exploitation & Fraud
- Crypto Currency Crimes crypto kiosks and Bitcoin ATMs



Auto Theft Prevention Program

- 2009 CFB began managing Auto Theft Prevention Program
- Funded by \$.50 surcharge on auto insurance policies
- Responsible for statewide strategy to combat auto theft
- ■Distribute grants to state & local law enforcement agencies for auto theft prevention & investigations (issued ~ \$4.5 m. in FY24)

2/12/2025



Auto Theft Prevention Program

- Annually audit programs that have received funding
- Report annually to the legislature
- Maintain "Auto Theft Equipment Lending Library" for agencies to borrow such as camera systems, GPS trackers, diagnostic readers, bait equipment etc. (received \$522k one-time appropriation in FY23)

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MINNESOTA BUREAU OF CRIMINAL APPREHENSION

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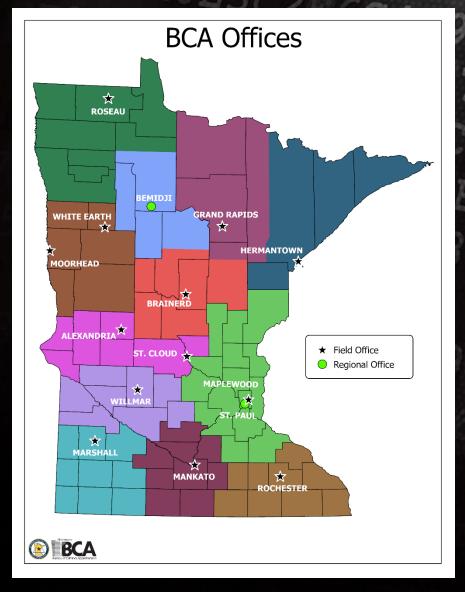
HISTORY

- Established in 1927
- Assist Minnesota peace officers in solving local crimes and apprehending criminals
- Division of Statistics added in 1935
- Forensic Science Lab added in 1947
- First lab had one scientist and occupied 350 sq. ft.



STATEWIDE COVERAGE

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- 13 field offices
- Bemidji Regional Office and Lab opened in 2001
- New Regional Office and Lab proposed in Governors Bonding Bill





MINNESOTA BUREAU OF CRIMINAL APPREHENSION

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Mission: The Bureau of Criminal Apprehension prevents, investigates and solves crimes in collaboration with our criminal justice partners.



BCA VISION AND VALUES

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Delivering exceptional law enforcement services for a safer Minnesota.

Integrity – Excellence – Ingenuity - Partnerships



ORGANIZATION

BCA Organizational Chart

Superintendent Drew Evans

Forensic Science Services MN Justice Information Services Investigative Services Professional Services Deputy Superintendent -Deputy Superintendent - MNJIS Deputy Superintendent - Investigations Deputy Superintendent - Professional Services Forensic Science Services Diane Bartell Scott Mueller Dana Gotz Cathy Knutson Quality Assurance and Forensic Systems St. Paul Regional Office Special Agent In Charge Jeff Hansen Bemidji Regional Office Special Agent In Charge Don Newhouse Business Shared Services Director (Vacant) Criminal Justice & BCA Advisory Group Financial Crimes Special Agent in Char Legal Director Megan Loyas ridence Intake Processing Legal Strategic Planning vidence Intake a rocessing – Bem POI Grants/Contracts Purchasing Toxicology Legislative Affairs Chemistry Crime Reporting Architecture Operations Cente Technical Services Narrotios Communications Chemistry - Bemidj



BCA CUSTOMERS

- More than 10,500 law enforcement officers
- More than 300 judges and 2,500 court staff
- More than 350 public defenders

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- 87 county attorneys and staff
- More than 4,400 state and local correctional and probation employees
- FBI and other state and federal criminal and non-criminal justice agencies
- Public



BCA INVESTIGATIVE SECTION

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- Predatory Crimes Section
- Force Investigations Unit
- Regional Offices St. Paul/Bemidji
 - Homicide Violent Crimes
 - Missing Persons
 - Special Investigations Unit
 - o Task Force Agents
- Criminal Information and Operations
- Financial Crimes
- Violent Crime Reduction Unit

1,345 investigations conducted in 2024

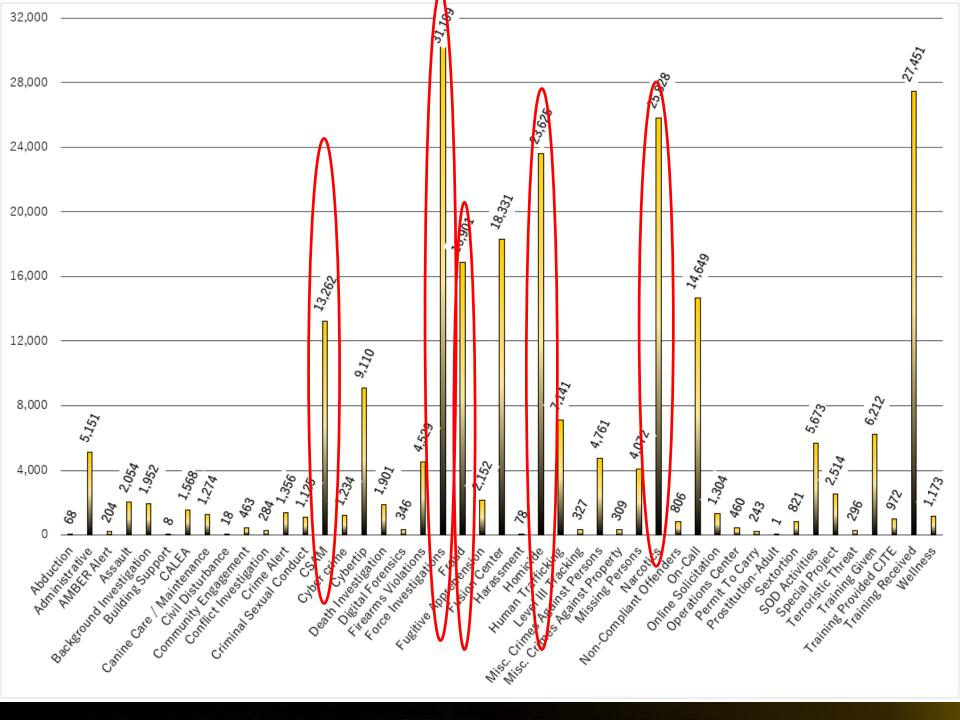


FINANCIAL CRIME INVESTIGATIONS

- Unemployment Insurance
- Social Security Disability Insurance
- Public Assistance
- Contracted State Agency Fraud
 - Dept. Human Services
 - Dept. Employee & Economic Development
 - MN Housing Finance Agency
- Other Financial Crimes such as identity theft, elder abuse, embezzlement, forgery, bank fraud, wire fraud, cryptocurrency, money laundering

2024 Cases Opened 183 1345 140 117 107 101 92 86 14 2 Robbery Theft Arson Harassment Digital Forensic Kidnapping Polygraph Examination Forgery / Fraud Grand Total Alcohol Investigation Conspiracy to Commit Murder Crime Against Government Criminal Damage to Property CyberTip Internal Investigations Murder for Hire Sensitive Investigation Sextortion Burglary Terroristic Threat Conflict of Interest Property Damage Missing Person Failure to Register Force Investigations Online Solicitation Assault Criminal Sexual Conduct Technical Service Human Trafficking Weapon violation Background Investigation Cellular Tracking Fugitive Apprehension Death Investigation Child Sexual Abuse Material Narcotics Fleeing Peace Officer in Motor...





FINANCIAL CRIME TIPS & CASES

- 158 tips in 2022; 164 cases in 2022
- -320 tips in 2023; 96 cases in 2023
- 746 tips in 2024; 106 cases in 2024



NEW FINANCIAL CRIMES & FRAUD SECTION

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ESTABLISHMENT OF NEW ERAUD SECTION

- Governor Walz issued Executive Order Jan 3, 2025 establishing new Financial Crimes & Fraud Section at BCA
- Combined the Commerce Fraud Bureau with the BCA Financial Crimes Unit
- Dept. of Admin. Reorganization Order effective Feb 7, 2025 transferring CFB staff and funding to BCA



WHY NEW COMBINED FRAUD SECTION IS NEEDED

- MN has experienced significant increase in fraud schemes related to government programs
- Not victimless crimes impact children & others in need
- Need a coordinated approach & focused resources to identify, disrupt & hold offenders accountable
- Will improve consistency, transparency & efficiencies

BCA OVERSIGHT

- BCA uniquely positioned to oversee new section with experience in complex cases and specialized law enforcement services statewide
- ~ 150 sworn agents across MN to help support financial crime & fraud work; plus ~ 50 criminal intelligence analysts
- BCA has broadest law enforcement authority in MN



BCA LAW ENFORCEMENT LEADERSHIP

- Focus on employees during the move to BCA
- BCA is working to gain CALEA Accreditation
- Strong wellness program
- Case assignments



FOCUS OF NEW COMBINED ERAUD SECTION

Combining the resources & expertise of BCA & CFB will enhance state's ability to prevent, investigate & prosecute the following:

- State Gov't Program Fraud Theft of Public Funds
- Insurance Fraud
- Financial Crimes
- Fraud Committed Against Individual Minnesotans
- Auto Theft Prevention



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