

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



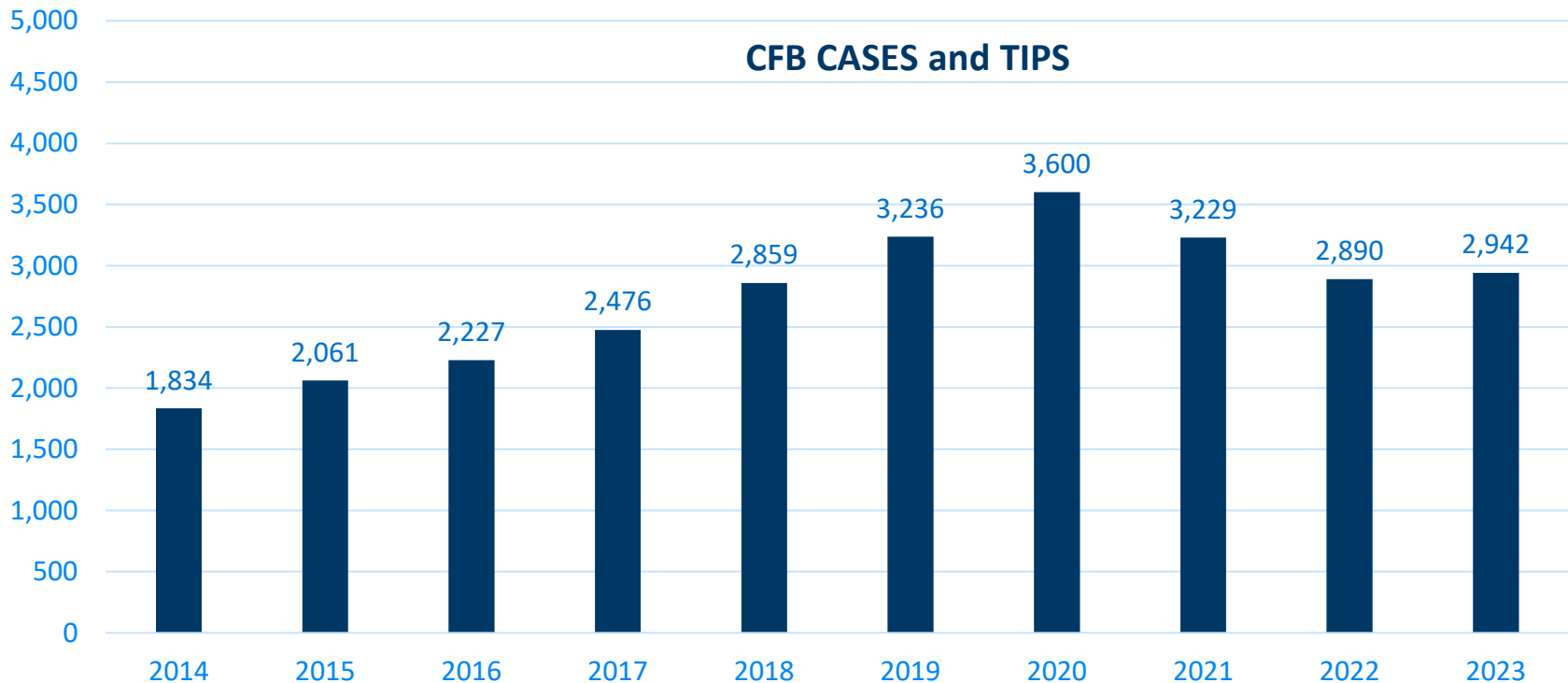


Current Staffing & Affiliations

- 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





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)



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)

MINNESOTA BUREAU OF CRIMINAL APPREHENSION



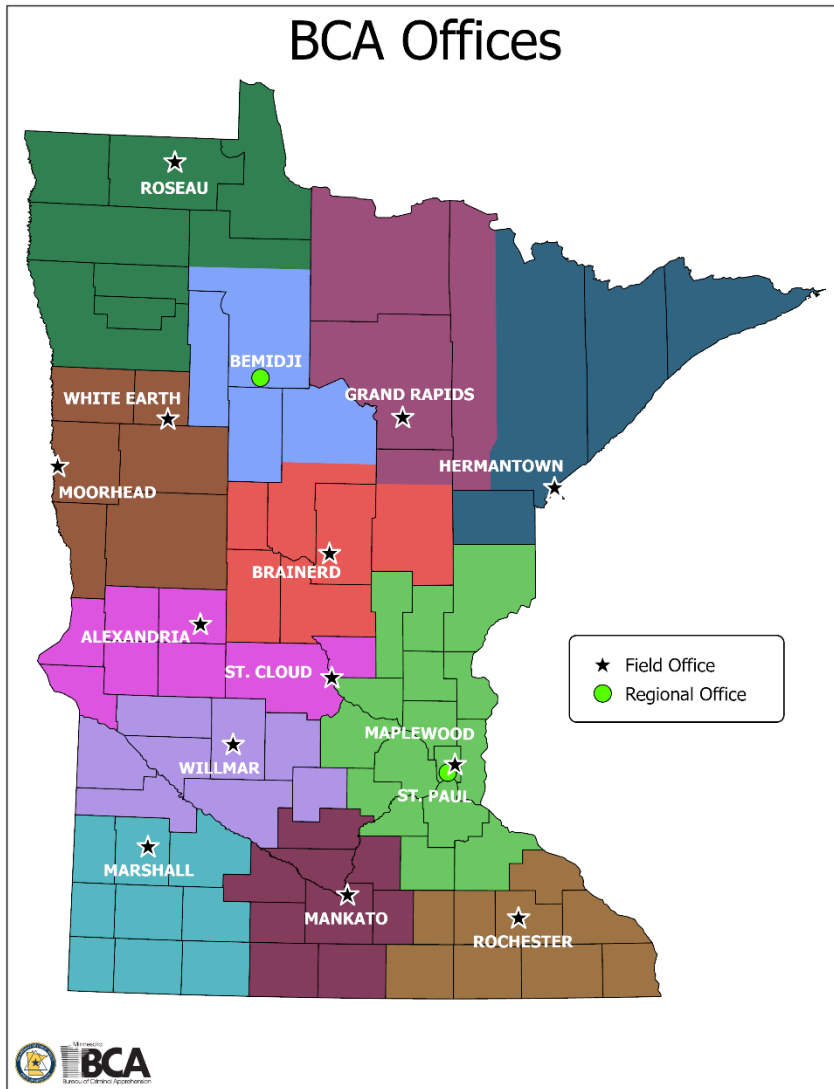
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HISTORY

- 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



- 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

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



BCA VISION AND VALUES

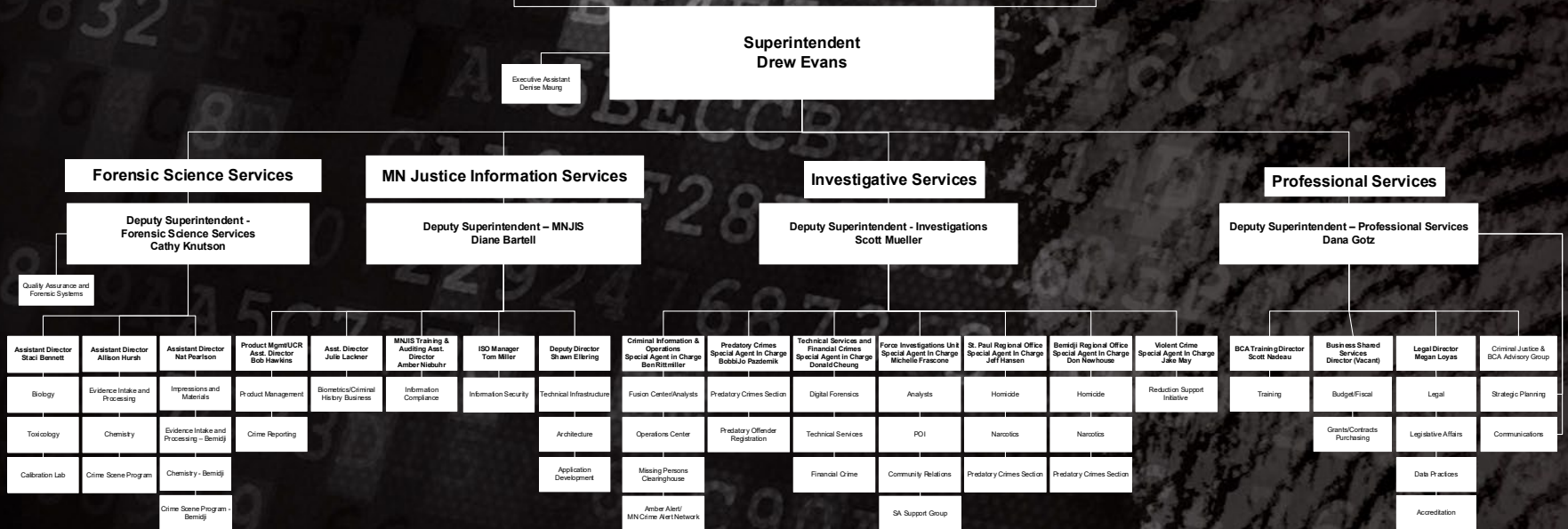
**Delivering exceptional law enforcement services
for a safer Minnesota.**

Integrity – Excellence – Ingenuity – Partnerships



ORGANIZATION

BCA Organizational Chart



BCA CUSTOMERS

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

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

1,345 investigations conducted in 2024

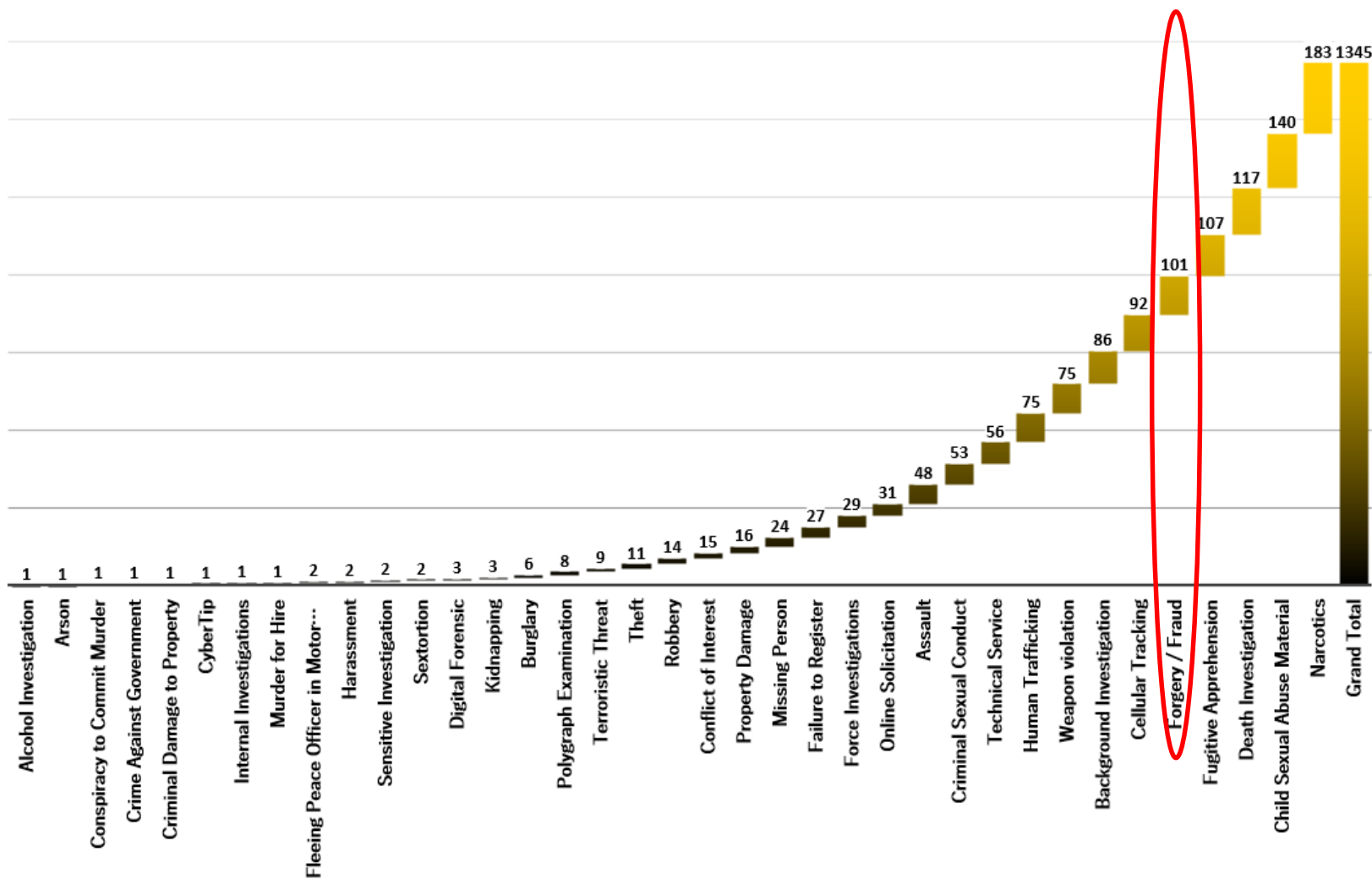


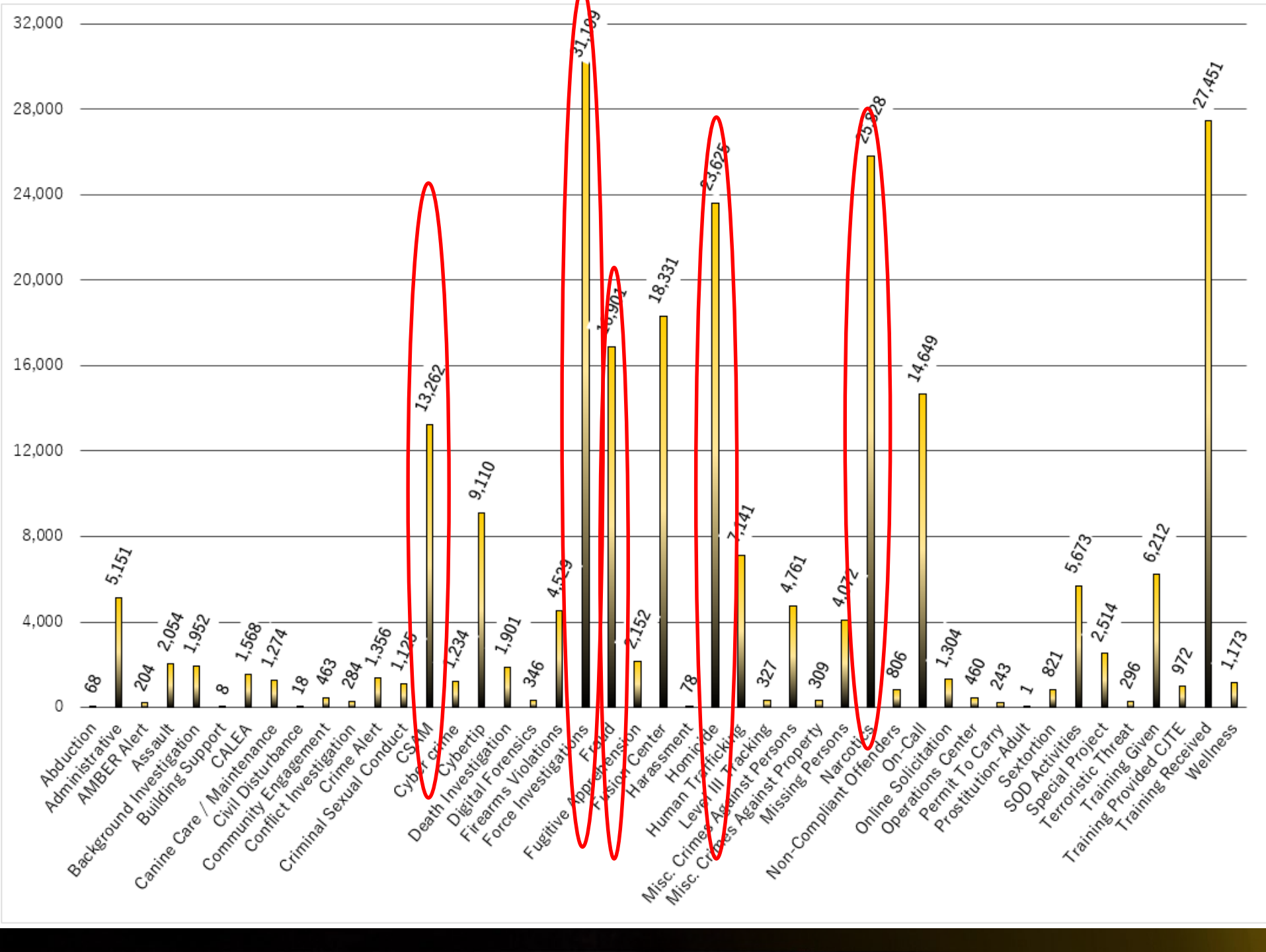
FINANCIAL CRIME INVESTIGATIONS

- 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





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 FRAUD 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 FRAUD 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



QUESTIONS



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