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# MINNESOTA FINANCIAL CRIMES TASK FORCE



## 2007 LEGISLATIVE REPORT

As required by MN §299A.681 Financial Crimes Oversight Council and Task Force

## **BACKGROUND**

In 2000, the Minnesota State Legislature established the Minnesota Financial Crimes Task Force (MNFCTF) as a statewide law enforcement agency. The MNFCTF was established in response to retailers, bankers, other businesses and law enforcement to combat cross-jurisdictional financial crime activity. The MNFCTF, under MN State Statute §299A.681, was provided authority to investigate cross-municipal county boundaries in investigating organized criminals committing identity theft and financial crimes. The State statute also established an Oversight Council, of up to eighteen (18) members, to develop an overall strategy to ameliorate the harm caused to the public by these crimes. Members include representatives from: law enforcement agencies, Department of Public Safety, financial institutions, the retail industry, a senior citizens group, the Public Defender Office, Federal law enforcement and the County Attorney. The strategy of the MNFCTF includes the development of statewide protocols, procedures, and structures that best address these issues in a multi-jurisdictional manner.

## **LEGISLATION**

In fiscal years 2005 and 2007, the Minnesota State Legislature provided \$750,000 (per fiscal year) to support the development of this statewide task force strategy. These funds are appropriated from the Governor's general funds through the Department of Public Safety. The funds are to be used in the coordination of financial crime case investigations that are committed by organized criminal enterprises, especially when criminals are operating in multiple jurisdictions or where local agencies need assistance investigating complex financial crimes.

In order to receive this funding, the MNFCTF must receive \$250,000 in matching contributions. In 2007, the MNFCTF received over \$250,000 in in-kind and cash contributions. These contributions allow the task force to maintain basic infrastructure operations, in addition to: coordinating cases between the task force and other agencies, gathering intelligence from victims, developing cases that need to be aggregated for efficient investigation process, determining and monitoring investigator assignments, providing crime analysis, locating critical documentation for cases being investigated and other general office administrative duties.

To ensure continued support of the MNFCTF, the Department of Public Safety, in collaboration with the MNFCTF Oversight Council, provides funding grants through the Office of Justice Programs. This grant funding is available for state and local units of government to combat identity theft and financial crimes. Agencies participating on the MNFCTF are provided grants from this state funding, but are not fully reimbursed for the officers assigned to the MNFCTF. Currently there are ten investigators assigned to the MNFCTF.

Six of these investigators work cases within the Metro Minnesota area. These investigators include: two Minneapolis Police sergeants (one investigator is donated full-time at no cost to the MNFCTF), one St. Paul PD sergeant, one South Lake Minnetonka PD investigator, one Edina PD investigator, and one Sherburne County Sheriff's Office investigator.

In 2007, the Minnesota State Legislature provided a one-time supplemental funding of \$350,000 to assist the MNFCTF in expanding its operations to the Greater Minnesota regions. This was accomplished in early 2007. There are currently four investigators assigned to the Greater Minnesota regions. These investigators have coverage over Southern MN (Wright County Sheriff's Office investigator), Northern MN (two half-time Duluth PD investigators), Central MN (Mille Lacs Sheriff's Office investigator) and Western MN (Baxter PD investigator).

In addition to this funding grant, in 2007 the MNFCTF was also awarded a two-year Auto Theft grant from the State. This grant allows for an investigator to investigate auto-theft cases that involve financial crimes. These crimes generally involve criminals who have defrauded auto dealers, financial institutions and citizens through "fraudulent purchases or leasing or renting of vehicles". These types of auto theft crimes are a growing concern due to the growth of identity theft crimes and the new creative ways criminals are committing financial crimes to steal cars from private owners and businesses.

## **2007 ACCOMPLISHMENTS & CHALLENGES**

### **GREATER MN INVESTIGATOR**

In 2007, the MNFCTF expanded its investigative efforts to include Greater Minnesota. Under this expansion effort, four (4) additional investigators were added to the task force to cover the Northern, Southern, Central and Western regions of Minnesota.

### **NEW COMMANDER (MARCH 2007):**

In 2007, the MNFCTF Oversight Council was challenged with the selection of a new commander. The Oversight Council selected Lt. Chris Omodt from Hennepin County Sheriff's Office who started with the MNFCTF March 2007.

One of tasks first completed by the commander was to review the MNFCTF evidence procedures and revise and implement new procedures. This included auditing the property room, reorganizing it and writing new policies and procedures for the investigative staff to follow.

The commander also reviewed and developed new fiscal procedures, prepared an expense manual for the task force, created ongoing accounting reports, controlled the use of overtime, forecasted the budget plans and the establish case criteria for cases referred to the MNFCTF.

In the spring of 2007, a college internship program was implemented. Students from Brown College, University of Minnesota Duluth and Mankato State University have all successfully completed internships with the task force. From this program, the college interns have gained "hands-on" experience by assisting task force investigators prepare cases for prosecution.

During 2007, an IRS Agent was assigned to the MNFCTF at no cost to the task force. This IRS agent has teamed up with the MNFCTF to investigate cases initially developed by the task force.

The commander also invited the state auditor's office to review and make recommendations on the MNFCTF operations (the state auditors review will be finalized in February 2008).

In addition to this, the commander also worked with the MNFCTF Oversight Council to establish By-laws for the Oversight Council and to develop the support staff to conduct more analysis on financial crime trends and focus on identifying criminal groups for investigation by task force investigators.

#### **INVESTIGATION STAFF TURNOVER CHALLENGES:**

During 2007, the MNFCTF continued to play a significant role in fighting organized financial crimes and identity theft across the state of Minnesota. However, due to unforeseen events, half of the MNFCTF investigators assigned to the task force were either called back to their agencies or reassigned.

#### **2007 MNFCTF ACTIVITIES RESULTS:**

During 2007, the MNFCTF investigators charged 301 individuals in regards to 2,203 cases. This is an average of 7.32 cases per offender, which is consistent with the prior year average. This average continues to show the propensity of criminals to commit multiple criminal acts throughout multiple jurisdictions. Since these cases cross into multiple jurisdictions, 2,203 individual cases may not have been addressed by other law enforcement agencies, or addressed at all, if it were not for the continued efforts of the MNFCTF.

Also during 2007, the MNFCTF executed 199 search warrants and made 180 arrests. During these search warrants, narcotics were recovered 13 times, firearms 5 times and computers 46 times. The MNFCTF Forensics examiner examined 36 computers during 2007.

The MNFCTF continued partnerships with local, state and federal law enforcement agencies, along with its partnerships with the private sector, which has allowed the MNFCTF to maximize its limited resources to provide the most service possible.

The MNFCTF has worked on cases with more than 100 different law enforcement agencies throughout the course of the year. This work, along with the partnerships

formed through its work, has resulted in expanding the efforts of the MNFCTF in its continued battle against identity theft and organized financial crimes.

**TRAINING AND PREVENTION MEETINGS:**

On November 19, 2007, the MNFCTF, in collaboration with the Bureau of Criminal Apprehension (BCA), presented a one-day Mortgage Fraud training seminar. The training was directed at law enforcement investigators who are learning how to work real estate fraud cases. Over 130 individuals attended this training session and the seminar was given high marks by the attendees.

During 2007, the task force held 63 awareness and prevention meetings throughout the state. These awareness meetings were held throughout the state (Crookston, St. Cloud, Staples, Duluth, Albert Lea, Alexandria, Brainerd, Hastings, and multiple metro locations). These awareness sessions were provided to senior citizens, business groups, banks, credit unions, law enforcement associations to name a few. These meetings provided attendees with information on how to protect themselves, how criminals commit these crimes and what to do if they're a victim or are taking a police report.

## Calendar Year 2007 Statistics

<b>2007 STATS</b>	<b>Q1 (1/1/07 – 3/31/07)</b>	<b>Q2 (4/1/07 – 6/30/07)</b>	<b>Q3 (7/1/07 – 9/30/07)</b>	<b>Q4 (10/1/07 – 12/31/07)</b>	<b>2007 TOTALS</b>
Individuals Charged	89	56	79	77	301
Counts Charged	545	180	1,305	173	2,203
Search Warrants	48	82	20	49	199
Arrests	31	54	52	43	180
Federal Indictments	2	2	12	1	17
Recovered Vehicles	0	0	0	1	1
Recovered Narcotics	0	2	5	6	13
Recovered Firearms	0	4	0	1	5
Recovered Computers	7	38	0	1	46
Forensics Exams	8	18	5	5	36
Training/Prevention Meetings	25	10	14	14	63
Intelligence Meetings	6	14	11	20	51
Auto Theft Cases	0	11	0	1	12

<b>Charges By COUNTY</b>	<b>Q1 (1/1/07 – 3/31/07)</b>	<b>Q2 (4/1/07 – 6/30/07)</b>	<b>Q3 (7/1/07 – 9/30/07)</b>	<b>Q4 (10/1/07 – 12/31/07)</b>	<b>2007 TOTALS</b>
Hennepin	223	42	929	76	1,270
Ramsey	205	84	44	43	376
St. Louis	71	15	23	34	143
Anoka	7	18	0	3	28
Federal Court	23	2	30	14	69
Dakota	3	0	0	0	3
Rice	4	0	0	0	4
Scott	1	0	67	0	68
Chisago	8	0	0	0	8
Aitkin	0	19	0	0	19
Morrison	0	0	18	0	18
Sherburne	0	0	178	0	178
Wright	0	0	16	0	16
Carlton	0	0	0	3	3
<b>TOTALS</b>	<b>545</b>	<b>180</b>	<b>1,305</b>	<b>173</b>	<b>2,203</b>

## **TYPES OF MNFCTF CASES CHARGED:**

- Check Forgery
- Identity Theft
- Counterfeit Checks (Personal, Business & Government checks)
- Financial Transaction Card Fraud
- Mail Theft & Mail Fraud
- Loan & Credit Application Fraud
- Counterfeit Cigarette Tax Stamps
- Issue Dishonored Checks
- Real estate fraud
- Burglary
- Possession of Stolen Property
- Possession or Sale of Stolen or Counterfeit Checks
- Racketeering
- Receiving Stolen Property
- Theft by Checks
- Theft by False Representation
- Theft by Swindle
- Theft from Motor Vehicle

## **2008 GOALS:**

The MNFCTF Oversight Council has set the following goals for 2008:

1. Develop a long-term strategy for funding levels for investigators, which is appropriate based on limited funding availability. This will include working with the Chief's and Sheriff's Association, BCA and business community on accomplishing the mission of the task force with limited funding and resources.
2. Provide legislative solutions for the State Legislature to continue the MNFCTF efforts and to expand services into real estate fraud. The Oversight Council will provide support to the legislative representatives on solutions with impact and vision on the direction of identity theft, financial crimes, real estate fraud and organized retail crime programs.
3. Develop additional support from the business community to obtain grants and interest in supporting the mission of the MNFCTF. This will be worked on with Retailers Protection Association (RPA) and in support of Midwest Economic Crime Foundation (MECF) grants throughout the year.
4. Provide law enforcement agencies with training on financial crime investigations. This training will focus on preparing and investigating cross-jurisdictional cases, utilizing task force resources, creating partnerships with the private sector, prosecutor presentations and location data and evidence.
5. Finalize the new MOU agreements with all agencies participating on the task force. The Oversight Council will update the current MOU's and will resign MOU's with all participating agencies by July 1, 2008.
6. Enhance task force's technology and information sharing with other task forces and agencies. This will include cases being worked on that cross over into drug and gang activities through data sharing and on-going communication.
7. Continued professional development of staff through financial crimes training and communication with other agencies and businesses. As funding permits, investigators will be trained on current law enforcement techniques, understanding financial crimes and working towards sharing this knowledge with other law enforcement offices.
8. Develop the Auto-theft Program, under the Auto-Theft grant, and retain an investigator to work auto-theft cases and ensure the productive use of state funds.

**MINNESOTA FINANCIAL CRIMES TASK FORCE 2007 CASE**  
**SUMMARIES**

The following are selected summaries of task force investigations. These summaries are not meant to be a complete list of the task force's investigations during 2007. Rather these are only examples as to the types of investigations and types of illegal activities being investigated by the MNFCTF.

**QUARTER 1 (January 1, 2007 – March 31, 2007)**

On **January 8, 2007**, a search warrant was executed on the Edina residence of Richard Alan VanPatten (DOB 05/12/60). VanPatten had been receiving stolen mail and obtaining checks that were made payable to other individuals and businesses. VanPatten was opening checking accounts in the names of persons whose identities he had stolen and would then deposit stolen checks into these accounts then withdraw the money out of those accounts. VanPatten is a career offender who had only been out of prison a few months. There are more than 20 victims who were impacted by VanPatten's activities. VanPatten was arrested and charged on Identity Theft, Possession of Stolen Mail, Check Forgery and Theft by Swindle. He is currently held at the Hennepin County Jail awaiting trial. (MNFCTF 07-000076)

On **January 10, 2007**, Issa Sanad Beiruti was arrested at Mystic Lake Casino. The MNFCTF had previously arrested Beiruti for Identity Theft, but Beiruti had posted bail and was released from custody. Investigations indicate that Beiruti was again committing identity theft and was opening checking accounts in the names of his victims, then writing checks on the accounts that he had opened. Beiruti was known to have been active in at least nine different states. Beiruti was jailed and his vehicle was searched pursuant to a search warrant. Several more victims were identified as a result of the vehicle search and a search of an apartment in Owatonna, where he was living. This case was presented to the U. S. Attorney's office in Minneapolis and a Federal Grand Jury returned a 51-count indictment. Beiruti has a court appearance scheduled in April 2007 and remains in custody. (MNFCTF 07-000063)

On **February 9, 2007**, a search warrant was executed on the North Minneapolis residence of C.C. C.C. is another person who has been previously arrested by the MNFCTF. C.C.'s most recent case involved the passing of checks to purchase ATVs, furniture, trailers, motorcycles, snowmobiles and many other items. The checks were written throughout the metro area (plus as far south as Albert Lea and as far north as Onamia). Some of the checks C.C. passed were stolen and others were accounts C.C. had other individuals open with minimum deposits. Hundreds of businesses were affected by C.C.'s activities. Several other persons have also been identified as being involved with this group and this investigation is ongoing. The total amount of fraud committed by C.C. and his associates exceeds \$200,000.00. This case will be prepared and prosecuted federally. (MNFCTF 07-000209)

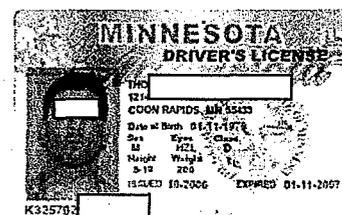
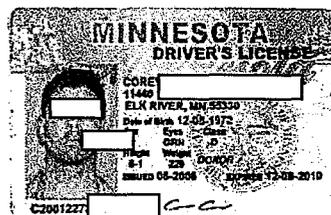
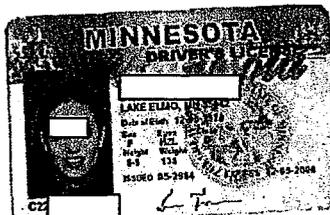
On **March 22, 2007**, a search warrant was executed on the Anoka residence of J.M. J.M. had written more than \$40,000.00 in checks on an account he opened at Village Bank with only a \$60.00 deposit. J.M. had purchased several snowmobiles, an automobile, a motorcycle, furniture and many other items with checks that he had written. Many of the checks were issued to citizens who were selling the items. J.M. told many of the victims he was a police officer in order to gain their trust and get them to accept his checks. J.M. moved out of his residence the night before the warrant was executed. Two more warrants were executed on a storage lot in Monticello. Three snowmobiles that were purchased by checks issued by J.M. were recovered at that location. J.M. was located on March 23, 2007 and was arrested and jailed at the Anoka County Jail. (MNFCTF 07-000284)

On **March 26, 2007**, W.D. and C.M. were arrested for Identity Theft by the Pine County Sheriff's Department. W.D. and C.M. were part of a group that were being investigated by the MNFCTF for stealing multiple victim's identities and creating counterfeit Minnesota Drivers Licenses. The suspects would then pass counterfeit checks and open credit accounts in the victim's names. A search warrant was executed on the vehicle driven by the suspects, along with a storage shed rented by W.D. Numerous victims have been identified and additional suspects were being developed. This case remains under investigation. (MNFCTF 07-000523)

### QUARTER 2 (April 1, 2007 – June 30, 2007)

On **April 16, 2007**, a search warrant was executed on a Coon Rapids motel room where Torey Joseph Forward and Gina Lauren Reisewitz were staying. Forward and Reisewitz were wanted for numerous cases of identity theft. Forward and Reisewitz were arrested by members of the Task Force and members of the Coon Rapids Police Department. Evidence of identity theft and counterfeit checks were found in the motel room, including a laptop computer. Numerous victims of identity theft were identified and a case was charged in Anoka County. (MNFCTF 07-000870)

### MNFCTF 07-000870 – Recovered Counterfeit DLs used in Identity Takeovers:



On **May 1, 2007**, C.M. and M.D. were arrested when C.M.'s vehicle was stopped. C.M. was wanted for mail theft and was found to be in possession of amphetamines at the time of the stop. M.D. admitted to involvement of cashing counterfeit checks. A search warrant was then executed on the Coon Rapids residence of C.M and A.O. A.O. was also wanted for passing counterfeit checks and identity theft. A.O. was in the residence at the

time of the execution of the search warrant. Numerous victims of identity theft were identified because of evidence located in the residence. A.O. admitted to being involved in the theft of more than 10,000 pieces of mail. This case is being prepared for Federal prosecution. (MNFCTF 07-000942)

On May 23, 2007, a search warrant was executed on the Minneapolis residence of L.B. L.B. was arrested by Minneapolis Police on 05/23/07 and was in possession of counterfeit checks and counterfeit MN driver's licenses at the time of her arrest. L.B. was questioned at the Hennepin County Adult Detention Facility and admitted to stealing the identity of numerous people and that she had committed more that \$100,000.00 in fraudulent credit card purchases. During the search of the residence evidence was recovered of identity theft and more than 55 victims have been identified. This case is still under investigation. (MNFCTF 07-001110)

On May 25, 2007, a search warrant was executed on the residence of Sabrina Walker in Minneapolis. Walker had been erroneously issued a check for \$2,596,315 by the DHS. During the search of the residence evidence was recovered to show the following: Walker and Lockhart used the funds to make various purchases including over \$5,500 in jewelry, over \$3,800 in purchases at Best Buy, and over \$2,000 in limousine services. In addition to these purchases Walker also purchased four motor vehicles totaling over \$100,000. Walker and Lockhart have both been charged in Hennepin County. (MNFCTF 07-001104 – AUTO THEFT CASE)

**MNFCTF 07-001104 – Recovered Items:**

VOID WITHOUT BACKGROUND	DEPARTMENT OF FINANCE STATE OF MINNESOTA 603 CEDAR STREET - STE 400 ST. PAUL, MINNESOTA 55155-1618		44063221
	PAY TO THE ORDER OF	WALKER SABRIHA	NUMBER DATE 44063221 03-29-07
	TO THE ORDER OF	4 [REDACTED] AVE N	NET AMOUNT
	TO THE ORDER OF	HPLS PIN 55438	\$2,596,315.00
	TO THE ORDER OF		Tom J. Hendon Governor of Minnesota
	TO THE ORDER OF		



On **May 27, 2007**, Katie Jo Hemsworth and Charles Paul Robison were arrested after the stolen vehicle they were driving was involved in a high-speed chase. It was later determined this vehicle had been stolen on April 12, 2007 from Trent's Auto in Elk River. During a search of the vehicle numerous victims were identified based on evidence recovered from the vehicle. Cases have been submitted to the Aitkin County Attorney's Office charging Hemsworth and Robison with felony identity theft and other charges. Hemsworth has since pled guilty and has been sent to prison. (MNFCTF 07-001210)

During **May 2007**, counterfeit checks from Maplewood Imports and other car dealerships have been cashed in Rogers and Lino Lakes. The main suspects in these cases have been identified as A.R., A.N., T.C. and P.M. The approximate loss in this case is \$90,000. This case is still under investigation. (MNFCTF 07-000954, 07-001166, 07-001167, 07-001168, 07-001169, 07-001207, 07-001273, 07-001378)

### **QUARTER 3 (July 1, 2007 – September 30, 2007)**

On **July 17, 2007**, Robert Allen Morton, DOB 02/02/1978, was arrested after he passed a counterfeit check at a Robbinsdale business. Morton was a known associate of Robert Michael Walker and was being followed with the hope he would lead officers to Walker. Morton stopped at a gas station in Robbinsdale and issued a counterfeit check and showed a drivers license of a Minnetonka man while doing so. He was arrested on the scene and booked into Hennepin County Jail. Charges were filed against Morton for Identity Theft, Theft by Swindle and Counterfeit Checks. (MNFCTF 07-001563)

On **July 18, 2007**, Robert Michael Walker, DOB 09/24/1964, was arrested in a Brooklyn Center motel room. Walker was suspected in more than 90 burglaries in the south and west metro. Walker was subsequently charged with several counts of burglary as a career criminal. (MNFCTF 07-001583)

On **August 2, 2007**, Polly Tasha Hobbs, DOB 8/02/1978, was charged with multiple charges including identity theft, mail theft and check forgery. During a search warrant of a stolen vehicle Hobbs was driving, multiple pieces of information were recovered on 24 different victims. This information included counterfeit checks, stolen DLs and stolen credit cards belonging to 24 different victims. (MNFCTF 07-001319)

On **August 3, 2007**, Shane Martin Kristianson, DOB 1/20/1978, Sarah Marie Westfall, DOB 09/08/1979, and Michael James Day, DOB 08/20/1979, were charged with check forgery and identity theft in Morrison County for passing 12 counterfeit checks with the same account number. The investigation into this group has been on going as the group has passed over \$24,000 worth of checks throughout Minnesota, Wisconsin and North Dakota. This case has been sent to the U.S. Attorney's Office for federal charging. A search warrant executed by the Ramsey Police Department in March 2007 recovered a computer. This computer has now become evidence in counterfeiting checks and identification against Westfall and Kristiansen for activities dating back to the late

summer of 2006. Westfall and Kristiansen remain in custody in Grays Harbor County Jail, WA while Day is in custody in St. Louis County Jail. (MNFCTF 07-000960)

On **August 3, 2007**, suspect J.B. was caught on surveillance using a homicide victim's credit card to make unauthorized ATM withdrawals. The homicide was reported on August 4, 2007. Approximate financial loss is estimated at \$2,400. Criminal charges are being filed. (MNFCTF 07-001841)

On **August 16, 2007**, Subrena Lee Hill, DOB 06/26/1962, was arrested by Minneapolis Police for attempting to cash Counterfeit US Postal Money Orders. Hill was a MTC bus driver. The MNFCTF followed up with MTC Police and assisted them in arresting three others and obtaining several UPS shipments of counterfeit US Postal Money Orders and Visa Travelers Checks. Hill was charged with check forgery. (MNFCTF 07-001786)

In **August and September 2007**, George Anthony Lathan, DOB 11/17/1964, Valencia Shanta Jenkins, DOB 5/20/1980, Valerie Sue Jenkins, DOB 10/16/1964 and Sharlondalynn Latreice Lathan, DOB 1/11/1983 were each charged with theft by swindle over \$2,500. This group passed over 850 checks on accounts they had opened in their names. This group was able to continue to pass checks on their accounts by altering the account numbers listed on the checks in such a way as to defeat Certegy's check scanning instruments, therefore allowing the checks to be accepted. (MNFCTF 06-003231, 07-001728, 07-001729, 07-001730)

On **September 7, 2007**, the MNFCTF assisted the Saint Cloud Police Department with a theft by swindle case where E.T. was found in possession of evidence indicating a large amount of stolen mail from northern Minnesota. This resulted in several counts of identity theft and fraudulent checks being written throughout central Minnesota with an estimated loss of over \$40,000. To date the case has involved the Prior Lake Police, Duluth Police, Roseville Police and Saint Cloud Police Departments. This case is being investigated by the MNFCTF and the United States Postal Inspection Service. Federal indictments are expected. (MNFCTF 07-001858)

On **September 13, 2007**, a search warrant was executed with regard to a case the MNFCTF received from Discover Card. This case involved two fraudulently ordered credit cards that were going to be delivered to addresses in Minneapolis and Woodbury. A controlled delivery was conducted in North Minneapolis and followed up by a search warrant at the address. The cards were recovered and the address was a vacant home. Two suspects were IDd and one arrested for providing false information to police. The other was IDd by Officers as a person who used another fraudulent ID to obtain a Discover credit card for \$4,000 and is being charged in that case. (MNFCTF 07-001903, 07-001904)

On **September 13, 2007**, six search warrants were executed with regards to a real estate fraud case involving, Shinon Joseph Lindberg, DOB 12/24/1961, Scott Richard Rosenlund, DOB 10/13/1950, and Celeste Marie Skaar, DOB 10/16/1962. This case is believed to involve more than 50 properties and more than \$50 million in fraudulent

loans to Lindberg, Rosenlund and more than 50 straw buyers they recruited. During the search warrant over 70 boxes of documents were recovered. Skaar, Rosenlund and Lindberg have all been charged with Racketeering and Theft by Swindle in Hennepin County. Additional investigation is on-going. (MNFCTF 07-001888)

During **September 2007**, a multi-jurisdiction felony case was presented to Sherburne County Attorney's Office for prosecution. Roger James Owens 6/4/74 issued approximately \$39,000 in closed account checks to retail stores in the metro and west metro. Criminal charges are being filed for Issuing Worthless Checks and Theft by Swindle. (MNFCTF 07-001424)

#### **QUARTER 4 (October 1, 2007 – December 31, 2007)**

On October 10, 2007, a search warrant was executed at a residence in Brooklyn Center. The resident, G.M.G., along with C.E.T., had written and deposited \$33,500 worth of closed account checks to C.E.T.'s Macy's credit card account. Both suspects then used the credit account to purchase merchandise from Macy's. Prior to the search warrant being executed, C.E.T. was arrested as she was exiting Brookdale Mall with approximately \$2,000 worth of merchandise purchased with her credit account. C.E.T. later returned an additional \$2,300 worth of merchandise to police. During the search warrant approximately \$22,000 worth of Macy's merchandise was recovered. Charges for felony theft by swindle have been submitted to the Hennepin County Attorney's Office for both C.E.T. and G.M.G. (MNFCTF 07-002043)

MNFCTF 07-002043: Photos from search warrant - Stolen/recovered Macy's items:



Clothing



Designer  
Purses



Clothing



Additional  
Items

On **October 15, 2007**, suspect Matthew Melvin Ostberg, DOB 6/20/62, was arrested after he attempted to pass a counterfeit American Express Traverlars Cheque. On November 1, 2007, Ostberg was charged with offering a forged check. While in custody, Ostberg first stated his name was T.V. and had a counterfeit Indiana DL with his photo on it. It was quickly determined this was a counterfeit DL. Ostberg was later determined to be part of a large counterfeit check group that had been using counterfeit DLs from other states to pass counterfeit checks. Ostberg has been identified as the "unknown white male" who had been continuing the fraud from this group. (MNFCTF 07-001493 & 08-000046)

On **October 15, 2007**, Darnishia Jean McEntee, DOB 4/13/87, and JonQuil Bernard Neal, DOB 4/2/82, were charged with theft by swindle. McEntee, a Target Store employee, had been passing cash from her register to her co-conspirators that were posing as Target customers. McEntee would take \$100, \$50 and \$20 bills received from actual customers and place them in the \$1 slot of her register till. She would then hand them over as \$1 bills to her co-conspirators. Neal was one of the co-conspirators. (MNFCTF 07-002082 & 08-000044)

On **October 19, 2007**, a search warrant was executed at the St. Paul residence of K.J., aka M.A.S. K.J has been positively identified as posing as fourteen (14) different bank customers conducting multiple fraudulent transactions on each customer's account. K.J. has also been positively identified as one of the individuals recruiting bank employees to steal the identity and account information of multiple bank customers. K.J. was the primary runner for a large counterfeit check group. K.J. was arrested during this search warrant. (MNFCTF 07-002597)

During **October 2007**, the MNFCTF investigated an identity theft/fraud scam that had occurred in central Minnesota. The victims had recently started an over-the-road (OTR) trucking business named O.S.T. O.S.T. entered into a verbal, unwritten, agreement the W.W.L. to transport freight using their truck and received a loan in return. The victims later learned that W.W.L. had let other trucks use their company name and DOT numbers, without permission, to haul freight across the country. Some of the freight hauled by these unknown trucks had been damaged and claims were starting to be filed against the victims. The suspects refused to cooperate and give statements. Reports and statements collected have been filed with the Mille Lacs County Attorney's Office and they are pending review for possible charges of Identity Theft and Fraud. (MNFCTF 07-002059)

During **October 2007 - December 2007**, the MNFCTF located three of the suspects involved in the cashing of counterfeit checks tied to a Wells Fargo Bank case. One suspect provided information of a possible check printer responsible for orchestrating this operation. Through further follow up investigations, the check printer has been identified as a suspect in a major real estate fraud case being investigated by the MNFCTF. The approximate dollar value reported with this case is \$122,828.26. This is an ongoing investigation. (MNFCTF 07-000954, 07-001166, 07-001167, 07-001168, 07-001169, 07-001207, 07-001273, 07-001312, 07-001313, 07-001378 – AUTO THEFT CASE)

On **November 5, 2007**, Stearns County agreed to charge suspect, A.M., who is currently in custody on other charges. The suspect fraudulently used Minnesota driver's licenses of two women from Central Minnesota, along with a paper driver's license application in the name of a fictitious person. Counterfeit checks were made up in these names, along with business names, and were passed from Duluth to the Twin Cities metro area. From August 11, 2007 through September 20, 2007, approximately 118 checks, totaling nearly \$16,000 were cashed. While working the above case, a male suspect was identified through video received from a Coborn's Store. This suspect was identified as R.O. who has a long history of cases with the Financial Crimes Task Force. (MNFCTF 07-001902 & 07-002142)

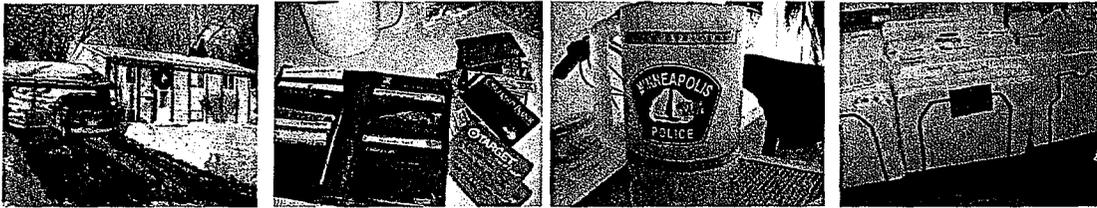
On **November 12, 2007**, the MNFCTF assisted the Edina Police Department with the arrest of 15 suspects who were employees of the Target Store in Edina, MN. The suspects were involved in the use of stolen credit cards, theft of merchandise, use of account closed checks and fraudulent discounts. This investigation continues. (MNFCTF 07-002495, 07-002496, 07-002497, 07-002498, 07-002499, 07-002500, 07-002501)

On **November 14, 2007**, the MNFCTF accepted a case from the Airport Police Department. This case involves the fraudulent renting of vehicles by a known fraudster, Q.F. This suspect, using fictitious names, has rented at least three vehicles. The vehicles were rented with credit card numbers from three different people from three different states. All three of the vehicles have since been recovered and Q.F. was recently arrested in Indiana driving another vehicle that had been rented from a rental agency at the Airport and never returned. Q.F. is being brought back to Minnesota because of a parole violation and formal charges will be filed at a later date. Two other suspects have been identified and as many as five additional vehicles have been fraudulently rented. This investigation continues. (MNFCTF 07-002484 - AUTO THEFT CASE)

On **November 15, 2007**, a search warrant was executed at a residence in Robbinsdale, MN. The resident of that address, B.H. was suspected of furnishing false documents for persons obtaining home loans. During the execution of the warrant, five computers were recovered and will be forensically examined. The recovered evidence indicates this was the location of a large-scale operation for identity theft and real estate fraud. B.H. is suspected of making counterfeit driver's licenses and Social Security cards. The numerous phones located within the residence are believed to have been used to provide false verification of employment to lenders. While at the residence, one mortgage company called to verify the employment of one individual. It was later learned that two of the computers seized were stolen in a burglary of a Maple Grove business. The other computer had been taken during a burglary in Edina, and yet another was taken during a burglary in Ramsey County. A second search warrant was executed at the B.H. residence on **November 28, 2007**. At that time B.H. was taken into custody and jailed in Hennepin County. B.H. has been charged with receiving stolen property. Additional charges are pending. (MNFCTF 07-002545)

On **November 17, 2007**, the MNFCTF assisted the Hennepin County Sheriff's Office with a forgery case in which the Minneapolis Police Officer's Federation had reported a forgery on a lease of credit card reader equipment. The Federation had suffered a loss of approximately \$1,500.00. Further investigation into this case led to the execution of two **search warrants** at a business and the owner's residence located in Shakopee, MN. To date, this investigation has led to the identification of numerous victims throughout the United States, including California, Louisiana, and Kentucky. The crimes consist of forgery and identity thefts of business owners with suffered losses estimated at over \$100,000. This investigation continues. (MNFCTF 07-002389)

**MNFCTF 07-002389 – Search Warrant location and recovered items**



On **November 29, 2007**, **five (5) suspects** were interviewed at the **same time and place**. All five suspects collectively confessed to writing and/or depositing over \$40,000 in account closed checks. A sixth suspect was later interviewed, where he also confessed to writing and/or depositing over \$10,000 worth of account closed checks. All six suspects used the money they had obtained from the account closed checks. Charges for felony theft by swindle have been submitted to the Ramsey County Attorney's Office for all six suspects. (MNFCTF 07-001891, 07-001892, 07-001893, 07-001894, 07-002488, 07-002489)

On **December 4, 2007**, a search warrant was executed on a North Minneapolis residence with the assistance of the Bloomington and Minnetonka Police Departments. The resident, T.S., is a real estate agent and was known to have been involved in fraudulent mortgages. During the execution of the warrant, numerous identity theft victims were identified. The evidence indicated that home mortgages and student loans were being obtained. Through the investigation, L.N. was also identified as a suspect in identity theft and real estate fraud cases. To date, more than 200 identity theft victims from at least 23 states have been identified. More than \$2.1 million in fraudulent student loan applications have been identified from just one student loan brokerage firm.

Evidence located at this residence linked B.H. and Q.F. from previously mentioned cases as being a part of a much larger group that includes T.S. and L.N. At this time fraudulent home mortgages, fraudulent car rentals, fraudulent student loans, fraudulent bank loans and fraudulent credit card accounts are being investigated. It is believed that there may be as many as **30 suspects** involved with this ring. This investigation is on going and is expected to take several months to complete. (MNFCTF 07-002723)

On **December 10, 2007**, career criminal Michael Allen Gerlach, DOB 5/16/59, was charged with check forgery and possession of a controlled substance. This charge

resulted from the October 2007 arrest of John Henry Kirchner, DOB 11/7/61, who was passing a number of counterfeit checks. Kirchner named Gerlach as the individual he received the counterfeit checks from and as having a counterfeit check operation in his home. On **October 18, 2007**, a search warrant was executed on the St. Paul residence of Gerlach. This resulted in the takedown of Gerlach's counterfeiting operation. (MNFCTF 08-000034)

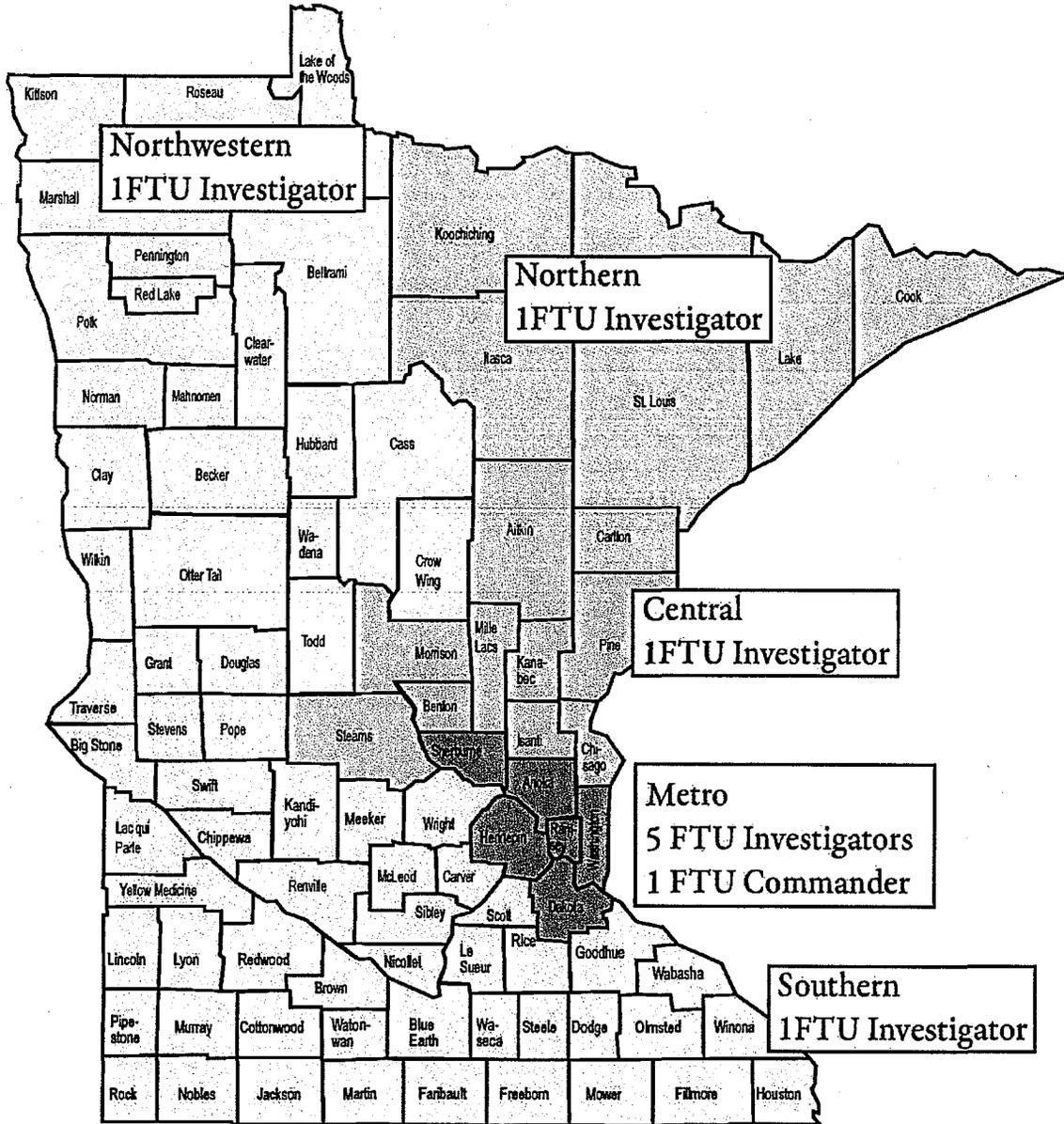
On **December 18, 2007**, career criminal Malcolm Abtonio Johnson, DOB 8/13/72, was charged with check fraud. Johnson had attempted to pass a counterfeit check drawn on the account of I.D.S. Inc. I.D.S. Inc had not issued this check and upon further research, I.D.S. Inc realized forty (40) payroll checks were missing from their check stock room. Johnson had been employed at I.D.S. Inc, but had only worked a partial shift and then quit his job. Since then checks from I.D.S. Inc have been presented without authorization. It is believed Johnson stole the checks when he was in the office filling out his employment paperwork as the storeroom where the check stock is located is just down the hall from where Johnson was. Johnson has a history of check forgery. (MNFCTF 07-002289)

On **December 27, 2007**, a search warrant was executed at a residence in Stewartville, MN. The resident, A.H. was suspected of using the identity of a California woman to purchase a home in North Minneapolis. Evidence recovered from this residence verified the identity theft that had taken place. A.H. admitted to obtaining the home mortgage and also admitted to opening two bank accounts and two credit accounts in the victim's name. This case is also related to the previously mentioned cases and is still under investigation. Charges will be filed in Hennepin County against this suspect. (MNFCTF 07-002723)

On **December 31, 2007**, Andrew Wayne Clarke, DOB 10/21/66 and Susan Korpi, DOB 4/8/60, were charged with conspiracy to commit check forgery and possession or sale of a counterfeit check. There had been several reports of thefts of purses and wallets in the Duluth and Cloquet area. In these cases the individuals would distract customers then steal their purses and wallets from their shopping cart. The suspects had been captured on surveillance videos committing these thefts. Clarke was detained at a supermarket in Duluth when he was recognized as one of the individuals from the surveillance videos. Korpi, along with two other female accomplices, were located outside in a waiting vehicle. Korpi gave consent to search her vehicle and belongings. Several stolen checks, stolen identification and 7.2 grams of methamphetamine were recovered. Two other accomplices were interviewed and both stated that Clarke had asked them to assist him in stealing from purses belonging to females at supermarkets. (MNFCTF 08-000022 & 08-000026)

**December 2007**, the MNFCTF presented a felony level case to the Hennepin County Attorney's Office for prosecution. The suspect, P.S., had deposited several worthless checks from his business account with M&I Bank, into his business account at Wells Fargo Bank. Wells Fargo suffered a financial loss of \$39,050.32. Criminal charges are being filed for Issuance of Worthless Checks. (MNFCTF 07-002354)

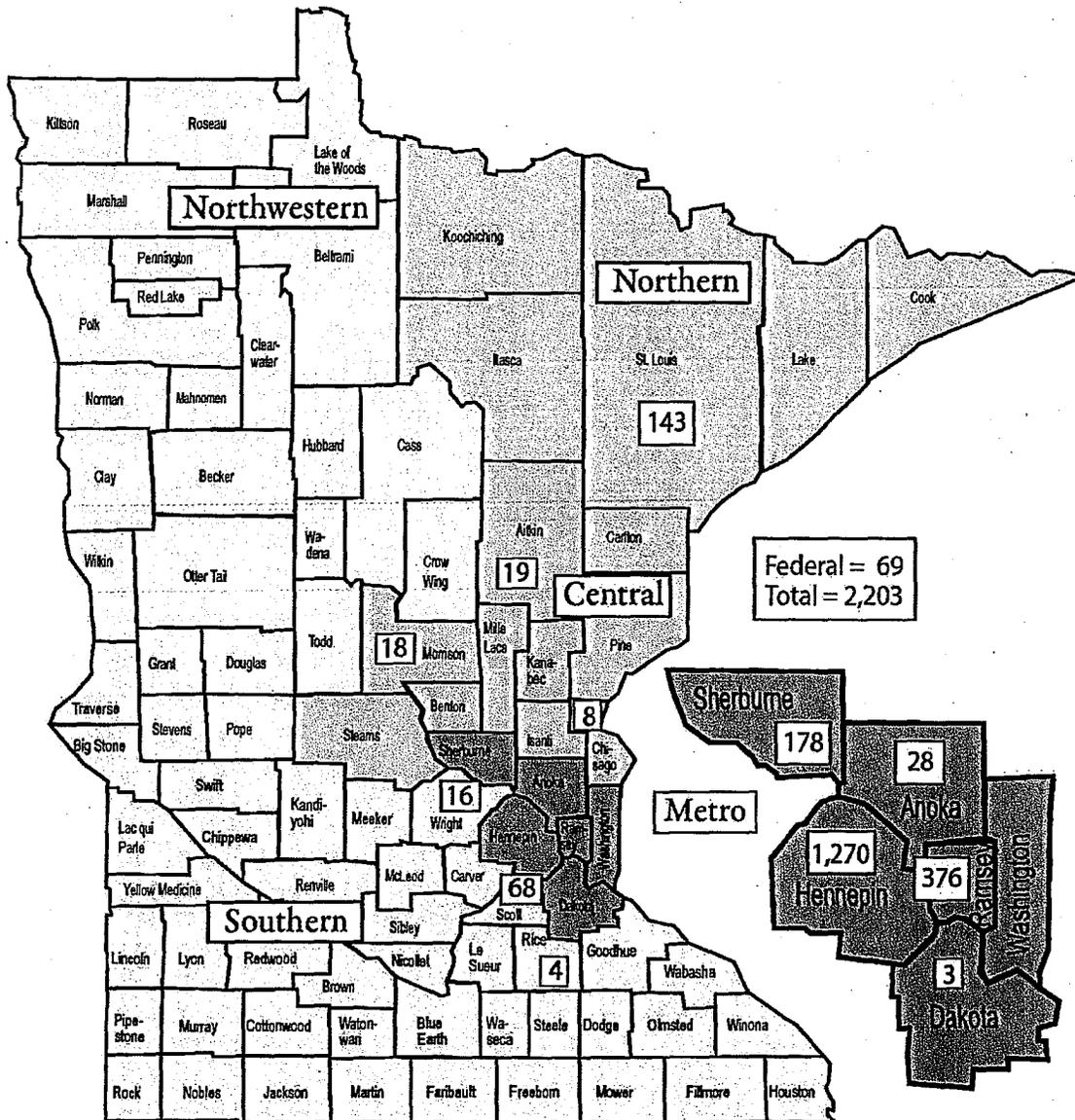
**2007 MINNESOTA FINANCIAL CRIMES TASK FORCES**  
 Department of Public Safety, Office of Justice Programs  
**Task Force Regions and Number of Investigators Assigned**



# 2007 MINNESOTA FINANCIAL CRIMES TASK FORCES

Department of Public Safety, Office of Justice Programs

## 2007 Number of Counts Charged by County



<b>Minnesota Financial Crimes Task Force Oversight Council Members</b>			
<b>DESIGNATOR</b>	<b>NAME</b>	<b>TITLE</b>	<b>AGENCY</b>
<b>Commissioner of Public Safety</b>	<b>Michael Campion</b>	Commissioner	MN Department of Public Safety
	<b>David Bjerga</b>	Designee: Commissioner	BCA
<b>Attorney General</b>	<b>Jeffery Bilcik</b>	Designee: Assistant Attorney General	MN Attorney General Office
<b>Chief of Police</b>	<b>Steven Kincaid</b>	Lieutenant	Minneapolis Police Department
	<b>Dale Barsness</b>	Designee for Mpls PD	Minneapolis Police Department
<b>Chief of Police</b>	<b>Mike Siitari</b>	Chief	Chief of Police Edina
<b>Sheriff</b>	<b>Gary Miller</b>	Sheriff	Wright County Sheriff's Office
<b>Sheriff</b>	<b>Bruce Anderson</b>	Sheriff	Sherburne County Sheriff's Office
<b>US Attorney</b>	<b>Frank Magill</b>	Acting US Attorney	US Attorney Office, District MN
	<b>David MacLaughlin</b>	Designee for US Attorney	US Attorney Office, District MN
<b>County Attorney</b>	<b>Robert Johnson</b>	Oversight Council Chair	Anoka County Attorney
<b>US Postal Inspection Services</b>	<b>Keith Hayden</b>	Team Leader	United States Postal Inspection Services
<b>Not-for-profit retail merchants industry</b>	<b>John McCullough</b>	Director	Retailers Protection Association
<b>Not-for-profit banking &amp; credit union industry</b>	<b>Fred Laing</b>	President	Upper Midwest Automated Clearing House (UMACHA)
<b>Not-for-profit association representing senior citizens</b>	<b>Keith Weigel</b>	President	AARP
	<b>Jim Howe</b>	Designee:AARP	AARP
<b>MNFCTF Commander</b>	<b>Lt. Chris Omodt</b>	Commander	MN Financial Crimes Task Force
<b>Board of Public Defense</b>	<b>Robert Ellingson</b>	Public Defender	MN Board of Public Defense
<b>Legislative</b>	<b>Kurt Zellers</b>	MN Representative	State
<b>Legislative</b>	<b>Mary Olson</b>	MN Senator	State
<b>Legislative</b>	<b>Satveer Chaudhary</b>	MN Senator	State
<b>PARTNERS:</b>			
	<b>Name</b>	<b>Title</b>	<b>Office/Dept</b>
	<b>Sue Perkins</b>	Grants Coordinator	MN Department of Public Safety - Office of Justice Programs
	<b>Ron Geier</b>	Fiscal Agent	Anoka County Attorney Office
	<b>Dana Smyser</b>	Citizen	Retired Minneapolis Police Lt.
	<b>Andria Brutsche</b>	Crime Analyst	MNFCTF / RPA

<b>Minnesota Financial Crimes Task Force</b>		
<b>Current Budget</b>		
<b>Fiscal Year Ending June 30, 2008</b>		
		<b>BUDGET FY 2008</b>
<b>REVENUE</b>		
State Infrastructure Grant		\$ 750,000
<b>Total Matching Contributions</b>		<b>\$ 289,394</b>
One-time Supplemental Grant Carry-over (FY 2007)		\$ 408,718
<b>TOTAL REVENUE</b>		<b>\$ 1,448,112</b>
<b>EXPENSE</b>		
<b>INFRASTRUCTURE BUDGET</b>		<b>\$ (218,218)</b>
<b>GRANTS TO PARTICIPATING AGENCIES</b>		
HCSO - Commander		\$ (118,984)
Metro - Edina		\$ (76,200)
Metro - So Lake Minnetonka		\$ (94,000)
Metro - St. Paul		\$ (85,006)
Metro - Minneapolis		\$ (76,200)
Metro - Minneapolis (Abbas, Contribution Per Dolan)		\$ -
Metro-Sherburne Co. Sheriff		\$ (76,200)
Greater MN - Northeast (Duluth)		\$ (81,000)
Greater MN-Northwest (Baxter)		\$ (76,200)
Greater MN - Central (Mille Lacs Co Sheriff)		\$ (76,200)
Greater MN - South Central (Wright Co Sheriff)		\$ (76,200)
<b>TOTAL GRANTS TO PARTICIPATING AGENCIES</b>		<b>\$ (836,190)</b>
<b>OTHER CONTRIBUTIONS TOWARDS EXPENSES</b>		<b>\$ (289,394)</b>
DPS Admin Cost (2.5% of Budget)		\$ (18,750)
<b>TOTAL EXPENSES</b>		<b>\$ (1,362,552)</b>
<b>NET INCOME (LOSS)</b>		<b>\$ 85,560</b>
<b>OTHER REVENUE</b>		
Forfeiture Account		\$ 14,803
US Attorney Contributed Funds		\$ 87,000
Auto Theft Grant		\$ 104,688
<b>TOTAL OTHER REVENUE</b>		<b>\$ 206,491</b>