



Legislative Report

2023 Report on Minnesota Financial Crimes Task Force
Activities

February 1, 2024

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Table of Contents

Introduction.....	3
Background.....	3
MNFCTF structure.....	3
Federal partners.....	4
County and city partners	4
Operating budget	5
Minnesota Financial Crimes Task Force 2023 Activities ...	6
Training.....	6
Technical and investigative assistance	6
Digital Forensics	6
2023 goals and outcomes	7
2024 goals and outcomes sought	7
Recommendations to the legislature	7

Introduction

Minnesota Statute § 299A.681 requires the commissioner of the Minnesota Department of Public Safety (DPS) to prepare an annual report by February 1 for the public and the legislature on Minnesota Financial Crimes Task Force (MNFCTF) activity for the preceding calendar year.

The report is to include the following data:

- (1) A description of the task force's goals for the previous year and for the coming year.
- (2) A description of the outcomes the task force achieved or did not achieve during the preceding year and a description of the outcomes they will seek to achieve during the coming year.
- (3) Any legislative recommendations the advisory board or commissioner has including, where necessary, a description of the specific legislation needed to implement the recommendations.
- (4) A detailed accounting of how appropriated money, grants, and in-kind contributions were spent.
- (5) A detailed accounting of the grants awarded under this section.

The report shall be provided to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the task force.

This report contains information pertaining to MNFCTF activity occurring from Jan. 1 - Dec. 31, 2023.

Background

The Minnesota Legislature established the Minnesota Financial Crimes Task Force (MNFCTF) (Minn. Stat. §299A.681) in 2000 in response to growing concerns about financial crimes related to identity theft from retailers, banks and other businesses.

The statute authorized the MNFCTF to investigate identity theft and related financial crimes cross-jurisdictionally and statewide. Statute updates in 2009 changed the composition of the Oversight Council to an 18-member advisory board that reports to the commissioner of the Department of Public Safety. The purpose of the MNFCTF Advisory Board is to identify, develop and recommend protocols and procedures for the statewide investigation of financial crimes. The Advisory Board may also make recommendations regarding budgetary and funding issues facing the MNFCTF. Advisory Board recommendations are forwarded to the Commissioner of Public Safety for consideration.

MNFCTF structure

The Minnesota Bureau of Criminal Apprehension (BCA) has been providing investigative, forensic, analytical, and technical support to the task force since its inception. The BCA is a law enforcement agency with statewide jurisdiction. The BCA supports the MNFCTF with six BCA-funded positions (the BCA Financial Unit):

- One special agent in charge who serves as the task force commander
- One assistant special agent in charge
- Three agents
- Two analysts

Together, these personnel serve as the foundation for the task force.

In addition to the BCA Financial Unit, the MNFCTF consists of various federal, state, and local law enforcement agencies.

Federal partners

- United States Secret Service
- U.S. Postal Inspection Service
- Internal Revenue Service
- U.S. Department of Homeland Security
- U.S. Department of Commerce-Office of Inspector General

County and city partners

- Anoka Sheriff's Office
- Bayport Police Department
- Beltrami County Sheriff's Office
- Bemidji Police Department
- Bloomington Police Department
- Brooklyn Center Police Department
- Champlin Police Department
- Chisago County Sheriff's Office
- Dakota County Sheriff's Office
- Duluth Police Department
- Eagan Police Department
- Edina Police Department
- Forest Lake Police Department
- Fridley Police Department
- Leech Lakes Tribal Police Department
- Lino Lakes Police Department
- Mille Lacs County Sheriff's Office
- Minnesota State Patrol
- New Brighton Police Department
- New Hope Police Department
- Plymouth Police Department
- Ramsey County Sheriff's Office
- Red Lake Tribal Police Department (Pending)
- Robbinsdale Police Department
- Renville County Sheriff's Office
- Richfield Police Department
- Roseville Police Department
- Savage Police Department
- Scott County Sheriff's Office
- Shakopee Police Department
- Stearns County Sheriff's Office
- Stillwater Police Department
- St. Louis Park Police Department
- St. Paul Police Department
- Todd County Sheriff's Office
- Washington County Sheriff's Office
- Wright County Sheriff's Office

Each of these 41 agencies is committed to investigating financial crimes. Most do not have financial resources to fund dedicated financial crime investigators and so investigators assigned to the MNFCTF work financial crimes cases in addition to their regular workload at their agency.

Since its inception, the MNFCTF has worked to grow the number of affiliate agencies from approximately 15 to its current 41 and beyond. The task force encourages participation while providing assistance to Minnesota law enforcement agencies on financial crime-related issues, investigations and technical support.

A priority is placed on developing new affiliate agency relationships outside of the Twin Cities metro area. Currently, there are nine affiliate agencies from outside of the Twin Cities metro area. As part of the effort to grow this number, the MNFCTF in 2023 hosted multiple training courses in greater Minnesota communities including Hermantown, Mankato and Willmar.

Operating budget

The Minnesota Legislature allocated \$300,000 to the Minnesota Bureau of Criminal Apprehension (BCA) for fiscal years 2023 – 2024 to support the continued operation and development of the MNFCTF.

Prior to 2015, the majority of the legislative money was dedicated to pay local agencies with licensed officers assigned to the MNFCTF and to fund two full-time criminal intelligence analysts.

The MNFCTF transitioned to the current operating model in 2015 in response to funding constraints. The annual funding provided by the Minnesota Legislature is limited to reimbursing affiliate agencies for overtime, training, and travel expenses incurred by MFCTF affiliate officers and analysts working on task force-approved, large-scale, multi-jurisdictional financial crimes cases. The remaining MNFCTF funds are spent on training and equipment for state and local law enforcement officers in Minnesota and case-related expenses such as cellular telephones, computer software/hardware and office supplies.

Minnesota Financial Crimes Task Force 2023 Activities

The MNFCTF in 2023 strived to meet Minnesota's financial crimes investigative challenges and continued to provide training and prevention strategies for Minnesota residents and criminal justice agencies.

Training

The MNFCTF provided the following free training courses in 2023 for law enforcement attendees.

- Basic Financial Crimes Investigation
Two sessions (April 12 -13 and Nov. 11 - 12, 2023)
- Advanced Financial Crimes Investigation
(April 5 – 6, 2023)
- Annual Minnesota Financial Crimes Training Conference
(May 11 – 12, 2023)

In addition, the Minnesota Financial Crimes Task Force Criminal Investigation Conference has proven to be one of the BCA's most in-demand training events. The MNFCTF continued to plan for the 2024 conference in collaboration with the Minnesota Fraud Investigators Association.

Technical and investigative assistance

In addition to MNFCTF-sponsored training, BCA provides investigative and analytical assistance to law enforcement agencies statewide. In 2023, MNFCTF analysts provided CFIS bank statement translation support in five investigations for BCA and other agencies. Investigators conducted 247 FinCEN queries for the BCA and 50 law enforcement agencies throughout Minnesota.

Digital Forensics

The majority of financial crime investigations are associated with one or more digital storage devices (computer, cell phone, tablet, etc.). The BCA has been providing digital forensic analysis services for all law enforcement agencies at no cost. As the number of financial crime cases exploded, the demands on digital forensics analysis increased substantially.

The MNFCTF created a new concept to minimize the forensic backlog. The MNFCTF provides equipment, training, and funding assistance to help affiliate agencies acquire digital forensic capabilities. Each host agency is equipped with a forensic computer or cell phone analysis technology. Host agencies agree to assist neighboring MNFCTF affiliate agencies with retrieving data from seized digital storage device evidence. This model not only adds considerable forensic capacity to the MNFCTF mission but also promotes affiliate participation in the MNFCTF. Currently, 10 affiliate agencies have the capability to perform digital forensic analysis.

2023 goals and outcomes

The MNFCTF continues to work to increase our expertise, capabilities and capacity to investigate financial-related crimes throughout Minnesota. A priority is placed on providing training to law enforcement and the public by providing materials and information on investigative methods and online safety.

1. Continue to work with external partners and stakeholders to identify prevention opportunities and increase awareness of identity theft, specifically within the elderly population.

Outcome: The MNFCTF continued its partnerships with the Minnesota Elder Justice Center and the Minnesota Alliance on Crime to create training specific to the financial exploitation of vulnerable adults and identity theft.

2. Continue to train local law enforcement investigators, prosecutors, and criminal intelligence analysts on investigative and prosecutorial strategies for financial crimes cases.

Outcome: In 2023, the MNFCTF trained over 300 law enforcement officers, prosecutors and civil fraud investigators in Minnesota.

2024 goals and outcomes sought

1. Continue to recruit new local affiliate members to the MNFCTF and with an emphasis on Native American tribal affiliates. The outcome sought is to grow the task force beyond its current 41 affiliates, two of which are tribal agencies.
2. Expand our training capacity by adding more courses and provide up-to-date training to our law enforcement partners. The outcome sought is to exceed the 300 law enforcement officers trained in 2023.
3. Continue our outreach efforts in the greater Minnesota area. Small agencies outside of the Twin Cities metro area often have limited investigative resources or training budget. The MNFCTF will continue our effort to host free training classes or events in greater Minnesota.

Recommendations to the legislature

There were no legislative recommendations made in 2023.