

Bi-Annual Report to the
Colorado House and Senate
Judiciary Committees



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit

Reporting July 2012 through September 30, 2014



COLORADO
Bureau of Investigation
Department of Public Safety

Identity Theft & Fraud Unit
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Honorable Members of the House and
Senate Judiciary Committees
Room 029 State Capitol Building
Denver, Colorado 80203

February 20, 2015

This is the Colorado Bureau of Investigation's, Colorado Fraud Investigators (CFI) Unit report to the House and Senate Judiciary Committees pursuant to 24-33.5-1703(8) C.R.S.

The attached report will encompass the CFI Unit and Identity Theft Governing Board's activity from October 2012 through September of 2014. Our last report to the House and Senate Judiciary Committees was made in August, 2013 and covered the period April, 2009 through September of 2012.

Although this report reflects upon many areas of activity within the CFI Unit, the most significant areas include: two pieces of legislation that took effect in July, 2014 that allowed for one criminal investigator devoted to Business Identity Theft and two criminal investigators to combat Cyber Crime in Colorado. The victim advocate for identity theft victims and a 24hr Identity Theft Hotline continued with grant and Unit funding. The Mortgage Fraud Grant, a Federal Grant which ended in September of 2014, was successful with results contained in the attached report.

If you have questions, suggestions or comments, please feel free to contact me at (303) 239-4202.


Ronald C. Sloan, Director
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Criminal Justice Section

March 3, 2015

House and Senate Judiciary Committees
State Capitol Building
Room 029
Denver, Colorado 80203

RE: Colorado Fraud Investigators Unit Bi-Annual Report

Dear Honorable Members of the Judiciary Committees:

Please accept this Colorado Fraud Investigators Unit bi-annual report, which is submitted pursuant to § 24-33.5-1703(8) C.R.S.

The Colorado Fraud Investigators Unit was enacted during the 2006 session of the Colorado General Assembly in response to the growing problem of identity theft and financial fraud. The Colorado Fraud Investigators Unit operates pursuant to statute, which was enacted to assist law enforcement with prevention, investigation and prosecution regarding economic crimes.

This report summarizes the Colorado Fraud Investigators Unit's composition and productivity from July 2012 through September 2014. Please feel free to contact me if you have any questions or concerns. I may be reached at 720.508.6716 or janet.drake@state.co.us.

Sincerely,

FOR THE ATTORNEY GENERAL

Janet Stansberry Drake
Senior Assistant Attorney General
Colorado Fraud Investigators Unit Chair

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Board Reports

February 2013—November 2014

Training / Outreach Materials

Training Curriculums

Educational Publications

The Colorado Identity Theft and Financial Fraud Deterrence Act

History of the Unit

As reported within the Unit's 2010 Sunset Review, prior to the enactment of the Colorado Identity Theft and Financial Fraud Deterrence Act (Act) in 2006, Colorado had no centralized investigatory body dedicated to the investigation and prosecution of identity theft crimes. House Bill 06-1347 (HB 1347) created the Colorado Fraud Investigators Unit (CFI Unit) and the Colorado Identity Theft and Financial Fraud Board (the Board), both of which are housed in the Colorado Bureau of Investigation (CBI).

Testimony offered at the time of HB 1347 characterized identity theft as the "crime of this era," and suggested that Colorado's banks alone lost between \$100 million and \$150 million each year to identity theft and related fraud.

The idea behind the Act and the CFI Unit was to create a centralized resource to which local law enforcement and prosecutors could turn for assistance, consultations and guidance in investigating and prosecuting such crimes. The Unit was specifically intended to support, not supplant, the efforts of these agencies.

House Bill 1347, as enacted (with the support of the banking community, prosecutors, law enforcement and consumer groups), created the Unit and the Board. The bill directed the Board to approve a plan for the Unit, and directed the Unit to prepare regular status reports to the Board and the Colorado Senate and House of Representatives Judiciary Committees. Additionally, the Act required the Unit to:

- Provide education to law enforcement, financial institutions and the public;
- Provide technical assistance to law enforcement and prosecutors; and
- Gather intelligence for dissemination to law enforcement and the banking communities.

To fund the program (a cash funded program), fees would be imposed on those who suffered the greatest financial loss from identity theft. These same entities (primarily lenders and money transmitters) stood to gain the most from a reduction in identity theft and the resultant financial fraud.

More specifically, surcharges were placed on:

- Uniform Commercial Code filings made with the Secretary of State (primarily made by secured lenders such as credit unions and banks);
- Uniform Consumer Credit Code-supervised lenders regulated by the Colorado Attorney General (Attorney General), such as payday lenders, pawn shops and others; and
- Money transmitters regulated by the Department of Regulatory Agency's (DORA's) Division of Banking, such as Western Union, PayPal and American Express.

FUNDING

The Colorado Fraud Investigators Unit (CFI Unit) is cash funded and receives no money from General Funds. More specifically revenues are collected from surcharges and fees from the following:

- A \$3 surcharge on each Uniform Commercial Code (UCC) filing made with the Colorado Secretary of State (primarily made by secured lenders such as credit unions and banks). ***This fee changed to \$4 on July 1, 2014 after legislation moved \$1 from the collected UCC filing fee by the Colorado Secretary of State to the CFI until June 30, 2017 when it reverts back to \$3.***
- A \$100 surcharge on each supervised lender license regulated by the Colorado Attorney General (Attorney General), such as payday lenders, pawn shops and others;
- A \$500 surcharge on each money transmitter license regulated by the Department of Regulatory Agency's (DORA) Division of Banking, such as Western Union, PayPal and American Express;
- Gifts and Donations.

Since the program's inception the CFI Unit has experienced a 41.8% decline in revenue from FY07 (\$619,774) through FY12 (\$360,591). Only in FY13 and FY14 have revenues begun to rebound (FY13 \$365,770 and FY14 \$412,690) . The program's revenues are closely tied to the overall economy, which experienced a corresponding decline and now it has improved.

The CFI Unit responded to these changes by obtaining federal grants and reducing CFI program staff. The CFI Unit was originally appropriated for 7.0 Full Time Employees (FTE) that would be funded through the methods and revenues mentioned above. However, due to the decline in revenues, the Unit is able to staff only 3.0 FTE for FY11, FY12, FY13 and FY14, which is less than half of the appropriated FTE.

The CFI Unit received grants for a Victim Assistance Program (1.0 FTE) and to address Mortgage Fraud (4.0 FTE). Between FY10 and FY14 the program received \$2,026,761 in Federal grant funds. Grant funding does not represent a stable funding stream. The victim assistance grant ended in February of 2014 and the mortgage fraud grant ended in September of 2014. There are no additional Federal funds available for mortgage fraud and this source has ended and the 4.0 FTE have been assigned to other units. Mortgage Fraud made up 84% of Federal grant revenues received by the unit.

Program Revenue									
Revenue Source	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	Total
Gifts & Donations	\$25,000	\$0	\$0	\$0	\$50	\$100	\$400	\$1,466	\$27,016
Interest	\$7,980	\$14,161	\$9,749	\$5,990	\$2,555	\$987	\$1,678	\$2,167	\$45,267
Dept. of Law	\$290,400	\$169,600	\$121,900	\$105,800	\$79,992	\$84,800	\$80,400	\$80,800	\$1,013,692
Dept. of Regulatory Agencies	\$16,500	\$22,500	\$21,500	\$27,750	\$28,819	\$27,500	\$500	\$34,500	\$179,569
Secretary of State	\$279,894	\$308,894	\$268,896	\$242,361	\$234,944	\$247,204	\$282,792	\$293,757	\$2,158,742
Total	\$619,774	\$515,155	\$422,045	\$381,901	\$346,360	\$360,591	\$365,770	\$412,690	\$3,424,286

Program Revenue - GRANTS								
Grant Source	Award	FY 09-10	FY 10-11	FY 11-12	FY 12-13	*FY 13-14	Total	FTE
ID Theft Victims Grant 1	\$97,204	\$24,576	\$68,683	\$3,945			\$97,204	1.0
Mortgage Fraud Grant	\$1,700,050		\$138,113	\$450,193	\$548,602	\$563,592	\$1,700,050	4.0
ID Theft Victims Grant 2	\$87,484		\$0	\$47,517	\$39,967		\$87,484	1.0
Maryland ID Theft Grant	\$50,000		\$0	\$14,339	\$35,661		\$50,000	0.0
ID Theft 2013 Victims Grant	\$66,926				\$41,161	\$25,765	\$66,926	1.0
ID Theft 2014 Victims Grant	\$25,097					\$25,097	\$25,097	0.5
Total	\$2,026,761	\$24,576	\$206,796	\$515,994	\$665,391	\$614,454	\$2,026,761	

*Includes Mortgage Fraud Grant information that ended in September of 2014 (FY-15)

Program Expenditures			
Fiscal Year	Expenditures	Appropriated FTE	Actual FTE
FY 06-07	\$265,124	7.0	5.0
FY 07-08	\$450,841	7.0	5.0
FY 08-09	\$525,515	7.0	4.8
FY 09-10	\$499,075	7.0	5.0
FY 10-11	\$442,595	7.0	3.0
FY 11-12	\$346,624	7.0	3.0
FY12-13	\$351,675	7.0	2.9
FY13-14	\$332,506	7.0	2.5

CFI UNIT STAFFING

The CFI Unit originally appropriated for 7.0 Full Time Employees (FTE). However, due to the reduction in the funding stream (monies derived from the three funding sources), the **CFI Unit is able to sustain approximately 3.0 FTE**. The other FTEs in the Unit have been through victim advocacy and mortgage fraud grants.

The FTE and personnel assigned to the ID Theft Funded positions as of October 1, 2014:

1.0 FTE - Agent-in-Charge
1.0 FTE - Agent / Criminal Investigator (hired due to \$1 fee increase Business ID Theft)
1.0 FTE - Crime Analyst as of Sept 2014
Total FTE 3

Grant Funded Positions:

Victim Advocate

1.0 FTE - Victim Advocate

Victim Advocate Grant ended in February 2014, and was renewed with a VALE Grant in January, 2015. From February through December 2014, this FTE expense was moved into the ID Theft Revenue (fund balance made up for this salary as did salary savings due to the analyst resigning in October of 2013).

Mortgage Fraud Grant ended September 31, 2014 (Funds Expended)

The mortgage fraud FTEs include both full and partially funded positions funded by the grant. The FTEs that have been funded through this grant are:

Partial FTE—Agent / Criminal Investigator (December 2010 through September 2014)
Transferred to the Gaming Unit September 2014 - Grant Ended;
1.0 FTE—Crime Analyst —transferred out of Mortgage Fraud January 2014;
1.0 FTE—Crime Analyst—transferred to ID Theft Unit, vacant analyst position,
September 2014 / end of grant;
1.0 FTE—Agent / Criminal Investigator—resigned April 2013, and
Partial FTE—Agent In Charge—Percentage of salary ended as of September 2014.

GOVERNING BOARD

The Identity Theft Governing Board consists of 10 members whose positions are mandated by the statute, or are appointed by the Governor's office.

The three Statutory positions and current Board members are:

- **The Executive Director of the Department of Public Safety (or designee)**
Currently: The Honorable Stan Hilkey
- **Attorney General (or designee)**
Currently: The Honorable Cynthia Coffman, Colorado Attorney General
Designee: Janet Drake, Senior Assistant Attorney General - Serving as Chair of the Board
- **Executive Director of the Colorado District Attorneys' Council (or designee)**
Designee: Jess Redman, Assistant District Attorney 17th Judicial District

The seven members appointed by the Governor and current Board members are:

- **A representative of a police department**
Currently: Chief Jack Cauley, Castle Rock Police Department
- **A representative of a sheriff's department**
Currently: Sheriff Anthony Spurlock, Douglas County Sheriff's Office
- **Three representatives of the depository institutions**, at least two of whom shall be from a state or national bank
Currently: Keith Lobis, Regional President, Wells Fargo
Currently: Laura Romero, Senior Vice President Support Services, 1st Bank
Currently: Jenifer Waller, Senior Vice President, Colorado Bankers Association
- **A representative of a payment processor**
Currently: Michael Stefanich, Senior Business Leader, Global Information Security Visa Inc.
- **A representative of consumer or victim advocacy group (added in 2010 after the Sunset Review)**
Currently: Beau Ballinger, Senior Program Specialist, AARP Foundation Elder Watch

GOVERNING BOARD MEETINGS

The Identity Theft Governing Board convenes approximately every three months. The CFI Unit compiles a report representative of that period's significant activity for these meetings. Since the last Report to the House and Senate Judiciary Committee that reported on Board meetings held between June, 2009 and November, 2012, the CFI Unit and Governing Board have met eight times. These meetings were held on the following dates and their corresponding Board Reports are attached to this document:

CY – 2013

- February 13, 2013
- May 15, 2013
- August 14, 2013
- November 13, 2013

CY – 2014

- February 19, 2014
- May 28, 2014
- August 20, 2014
- November 12, 2014

The Board Reports include various topics as it relates to the endeavors of the CFI Unit including:

- Current revenues and budgeting items of the CFI Unit
- Status of grants
- Review of the significant identity theft investigations, arrests and indictments
- The training, presentations and community outreach conducted by the CFI Unit
- Victim Advocacy report on the number of victims assisted and 24hr ID Theft Hotline activity
- Other relevant topics that concerns identity theft and fraud such as new trends or schemes

LEGISLATIVE EFFORTS

The areas that the Unit has been involved with legislation surrounds what is known as business Identity Theft. In 2009 the CFI Unit began working in collaboration with the Colorado Secretary of State's Office with issues involving the theft of Colorado businesses by thieves. These thieves were working inside and outside of Colorado and would access the Colorado Secretary of State's via their website where they would then fraudulently alter business registrations records and change:

- Name of registered agent
- Addresses and physical location of the business
- Incorporate in other states
- File fictitious / inflated information with Dun & Bradstreet (corporate credit rating)

These changes allowed the ID thief to utilize the corporate credit history of the business in order to apply for various lines of credit while posing as the hijacked business. In other cases, the ID thieves would sell the business to an unsuspecting third party.

Business identity theft costs businesses thousands of dollars, destroys their corporate credit rating, and in extreme cases causes a business owner to lose the business. The Unit has become a National authority on the investigation and mitigation of Business Identity Theft. The Unit has assisted various corporations with education, awareness and training. Examples include Dun & Bradstreet, Dell, Home Depot, Sprint, Verizon, Pay Pal and local Chambers of Commerce.

In 2010 the Unit assisted with and testified in front of the Colorado Legislature as it related to the Colorado Secretary of State's Office wanting to incorporate extra security measures to businesses on file with their office. These security measures included password protection and email notification attached to registered business accounts. This legislation was successful and greatly assists Colorado businesses owners with the security of their corporate name. As this is a voluntary process, many businesses continue to be victimized. It is in this area, when businesses are hijacked, or criminal investigation and victim advocacy for the victim business excels.

Due to the CFI Unit's continued work within the Business Identity Theft area and in 2014, House Bill 14 1057 was brought forward by the Colorado Secretary of State and passed. It allowed the Colorado Secretary of State to transfer \$1 (of their portion of the UCC Filing Fee) to CBI. This changed the portion the CFI Unit would receive from \$3 to \$4 on every UCC Filing Fee. The increase of this \$1 is estimated to increase the CFI Fund Balance by \$98,500 per year and expires in July of 2016. With this increase the Unit has since hired an FTE to work specifically with Business Identity Theft.

TYPES OF IDENTITY THEFT & TRENDS

The CFI Unit are leaders in identity theft and fraud awareness, education, investigation, intelligence and victim assistance. We strive to be at the cutting edge of new trends in identity theft and fraud with areas of focus which includes: Business, Medical, Criminal, Financial, Tax, and Foster Youth identity theft.

Brief description of the different types of identity theft is as follows:

- Financial:** Obtaining or using credit with a victim's ID
- Business:** The theft of a business entity or name in order to acquire credit or commit other crimes in that business's or in the name of that business.
- Medical:** The theft of a person's social security number, insurance information or other personal identifying information (PII) to obtain medical care, prescription medications, or perpetrate fraudulent billings.
- Criminal:** The use of a victim's ID when arrested or given a traffic ticket
- Tax:** The use of a victim's ID to file fraudulent tax returns usually for the purpose of gaining a fraudulent tax refund
- Foster Youth:** Any form of ID theft in which the victim is a youth in out of home placement to include foster care and kinship care
- According to the FTC, 50% of all youth in foster care will be victims of Identity Theft.

Trends in Tax and Foster Youth identity theft are detailed further in the coming pages.



Trends in ID Theft

Tax Related Identity Theft

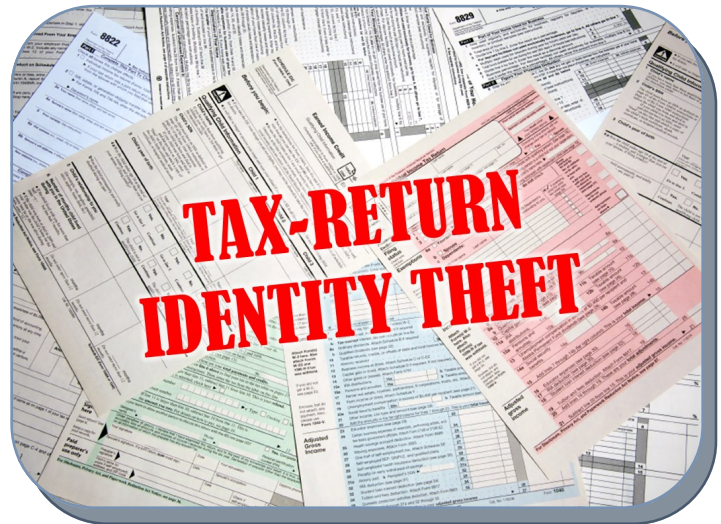
The Colorado Bureau of Investigation's CFI Unit has identified Tax Related Identity Theft as one of the most pervasive and challenging forms of identity theft impacting Colorado citizens.

Tax related ID theft occurs when an ID thief uses the personal identifying information, most often the social security number, of a victim or one of the victim's dependents to file fraudulent tax returns. The ID thief creates fraudulent W-2 forms and files a return that will yield a large refund. These refunds are most often direct deposited into an account in a state other than the state in which the victim resides. According to both the IRS Criminal Investigations Unit and the CFI Unit, one ID thief or one ID theft crime ring, will often file hundreds of fraudulent returns and direct the refunds to the same bank account.

The victim discovers the ID theft when he or she files a tax return. The IRS shows that a return has already been filed under the victim's social security number or that a return was filed under one of the social security numbers of a dependent. Because of this, the victim's tax return is rejected. The victim is left to determine what happened and how to respond.

The CFI Unit has worked with the IRS to design a response plan that will assist the victims of tax related ID theft in filing the correct paperwork with the IRS to initiate a federal investigation and segregate the victim's true tax returns from the fraudulently filed returns. Through this process, the victim is able to properly file tax returns, pay taxes owed without accruing penalties, and to receive any tax refund the victim is owed. Unfortunately, the victim will need to file tax returns differently for several years. CBI advocates assist the victims in understanding this process and in successfully filing both federal and state tax returns.

Local Colorado law enforcement agencies have a role to play in assisting victims that requires collaboration with the IRS. The CFI Unit has provided educational opportunities for law enforcement agencies across Colorado so that they will understand their role. Forms must be filed with the IRS to allow the IRS to communicate with local law enforcement about the victim's tax returns. Additional paperwork must be filed to track refunds and other IRS activities. CBI plays a pivotal role in ensuring law enforcement, victims and the IRS work together in a manner that honors the victim and brings resolution to the issues as quickly as possible.



Trends in ID Theft

Foster Youth Identity Theft

In 2011, a new Colorado State law went into effect regarding the identity theft of youth in foster care. This legislation was designed to ensure Colorado law was consistent with federal laws pertaining to the transition of youth from foster care into adulthood. The law requires the Department of Human Services to provide credit checks for youth to determine if financial identity theft has taken place. The goal is to give the youth time to work with a caseworker and system of support to correct any damages caused by the ID theft before the youth ages out of the system. This will allow the youth to begin life as an adult with a clean credit history and knowledge of how the financial and credit systems work.

In designing a response and action plan, the Colorado Department of Human Services came to CBI's CFI Unit for help. Working as a team, the Unit designed a plan to educate county Departments of Human Services throughout the state about how to read a credit report, how to dispute inaccuracies, how to recognize signs of identity theft, and how to work with youth in foster care to take the steps to report the crime and correct the problems created by the crime.

The CFI Unit provided training for a number of county Departments of Human Services and the Division of Youth Corrections across the state. The Unit provided follow up assistance when a caseworker identifies a victim of ID theft to ensure the crime is reported and issues corrected. The Unit has designed a series of sample letters and helpful hints handouts to make it easier for caseworkers and the youth to follow up.

While this addresses financial ID theft, the CFI Unit understands that financial ID theft is often an indicator of other forms of ID theft. When appropriate, we assist the youth with a complete background workup that will determine if other forms of ID theft are indicated. If found, the Unit works with the youth to address each of those areas.

In many cases, the suspect in an ID theft perpetrated against a youth in foster care is a biological family member or one of their associates. It can be very painful for a youth to discover that a biological parent, for example, is perpetrating the crimes. For many youth, it feels like a continuation of the abusive relationship and adds to the sense of betrayal. CBI has works closely with caseworkers and local law enforcement in these cases to provide the most victim sensitive support and assistance possible. That may mean correcting the damage without pressing charges against the suspect. In other cases, it might involve pressing additional charges against the suspect.

Crimes against youth in foster care can be especially difficult to address, and the youth often feel as if they are the target of repeated victimizations that may never end. By working together as a team with Departments of Human Services and other agencies, CBI is able to facilitate a response that honors the youth and shows the youth care, support and respect.



SUMMARY OF ACTIVITY AND CASE HIGHLIGHTS

The CFI Unit has had numerous criminal investigative successes throughout the reporting period October 2012 through September 2014. Successful conclusions centered on mortgage fraud and business identity theft investigations. Accomplishments of the CFI Units will be described in the next pages.

The tables below reflect:

- **Arrests**
Persons arrested due to the work of the unit including physical arrests, warrants prepared for arrest and or indictments due to the work of the unit.
- **Victims**
Victims counted as part of CFI's criminal filings and estimated dollar loss.
- **Victim Advocacy**
Victim Advocate and the 24hr Hotlines contact victims.
- **Outreach & Media**
Training, Presentations and Community Outreach provided as well as Media interviews and awareness on aspects of identity and fraud.

Arrests FY 2011 – 2014					
Performance Measure	FY 11	FY 12	FY 13	*FY 14	Total
Arrests	25	5	3	19	53

*FY – 14 includes YTD, into FY-15, Arrests numbers relative to the Mortgage Fraud Grant which ended in September, 2014.

Victims – Related to Criminal Case Filings FY 2011 through 2014					
Performance Measure	FY 10-11	FY 11-12	FY 12-13	*FY 13-14	Total
Victims	274	460	82	30	846
Estimated Dollar Loss	\$650,000	\$1,483,500	\$4,331,000	\$6,022,000	\$12,486,500

*FY – 14 includes YTD, into FY-15, Dollar Loss relative to the Mortgage Fraud Grant which ended in September, 2014.

Victim Advocacy / 24hr Hotline FY 2011 - 2014			
FY	Victims/ Advocate	Victims/ Hotline	Total Victims
11	1402	171	1573
12	1419	308	1727
13	1092	264	1356
14	1231	267	1498
Totals	5144	1010	6154

Outreach & Media FY 2011 - 2014		
FY	Outreach & Training	Media
11	60	8
12	77	3
13	86	3
14	85	6
Totals	310	20

COLORADO BUREAU OF INVESTIGATION
COLORADO STANDING AGAINST MORTGAGE FRAUD PROJECT

AWARD NUMBER: 2010-DG-BX-0026



CBI's Mortgage Fraud Team—2010 to 2014 from left to right: Investigative Specialists -Peggy Pingel and Beverly Walz. Criminal Investigators Elizabeth Scott and Kevin Highland and Agent In Charge Ralph Gagliardi.

Accomplishments

This Grant ended in and as of September 30, 2014 with all funds expended and no option to renew or reapply.

Performance Period Jan 2011 - June 2011

Thompson - Steven Thompson a developer/promoter of real estate, sold property lots where victims put money down for the properties of which Thompson did not own. More than \$750,000 in victim losses incurred because of this scheme. The 18th DA Office has charged Thompson with F3 Theft who subsequently pled guilty.

Performance Period Jan 2012 - June 2012

Business Cents - One individual arrested (Carla Vaughn) and charged with two counts of forgery by the Denver DA. She pled guilty to both counts.

Two other individuals (Wilson and Aguilera) were indicted with 30 counts including Colorado Organized Crime Control Act (COCCA) for mortgage fraud. Wilson, a mortgage broker, with the assistance of Vaughn, a tax preparer who produced false wage information, and Aguilera who translated for Wilson's renters; conspired to commit fraud. These conspirators obtained the personal identifying information of Wilson's renters and used that information to create the appearance that these renters were to purchase homes from Wilson. This was done without the tenants' knowledge or permission with Wilson receiving the profit from the alleged sale of the home. On April 4, 2014, William Wilson pled guilty to the COCCA count.

Performance Period Jan 2013 - June 2013

Little House - Two individuals were charged and arrested on 39 counts of Forgery and Theft associated with mortgages where the suspect was approved to purchase three homes he was not qualified to purchase. He subsequently sold one of the homes to his uncle, who could not legally purchase the property, at a substantial profit. All of the homes were foreclosed, while White as a mortgage broker received commissions to which she was not entitled. Ponce received the profit from the sale of the house to his uncle. Both plead guilty in June 2014 in Arapahoe County.

Mortgage Fraud Accomplishments Continued

Performance Period July 2013 - Dec 2013

Short Sale Fraud - Nine individuals were indicted with 67 counts including COCCA for short sale (foreclosure) fraud. The CFI Unit was lead this investigation. Investigating agents noted the group's 72 transactions cost distressed homeowners, lenders and subsequent buyers over \$1 million in illegal profits and another \$400,000 in unjust real estate commissions. All nine individuals have been arrested and seven have since pled guilty.

This complex investigation revealed an organization and a pattern of manipulating homeowners who were facing foreclosure, obtaining control of those properties through legal documents, creating and submitting forged and fraudulent documents relating to the properties' value to lenders. The groups use of family members or business associates to serve as "straw buyers" who were fraudulently represented to the banks as arms-length purchasers and who also had the financial resources to legitimately purchase real estate. At the same time, a member of the enterprise would list the property in order to sell it to an innocent third party buyer, usually for a significantly higher price than the bank had agreed to for the short sale.

Performance Period Jan 2014 - September 2014

Worldwide Mortgage Fraud - Six family members were indicted with 37 counts including COCCA for mortgage fraud on September 18, 2014. The group's 12 indicted transactions and loan fraud to purchase the Worldwide headquarters involved \$4.6 million in fraudulent loans and almost \$650,000 in illegal profits and commissions.

The scheme was to hire a "straw buyer" to purchase homes in the Denver-metro area. Worldwide would finance the straw buyer's down payment and thus allow the straw buyer to obtain multiple mortgage loans. The family would profit from taking out fraudulently-acquired loans and realtor commissions for this first transactions. Worldwide now in control of the property would solicit other unsophisticated individuals to purchase multiple properties, at a significant increase from the initial purchase. Worldwide would handle the mortgage and the real estate aspects of this second transaction and would fail to disclose that second home buyer had multiple properties to the funding lender. Again, Worldwide would generate profits from the taking out of fraudulent loans and realtor commissions, as well as the difference between the first purchase price and second sale price. However, the buyers were ultimately left with mortgages they could not afford to pay and a tarnished credit history. Lenders suffered losses as a result of foreclosures to these properties.

CASE HIGHLIGHTS

Business Identity Theft

The CFI Unit investigated a business identity theft that culminated in State Grand Jury Indictment on May 23, 2013, that alleged two Florida suspects violated various Colorado Laws by hijacking over 30 Colorado Businesses and then obtaining credit in the name of several of these businesses. They acquired over \$500,000 in this scheme and were subsequently charged and arrested on May 28, 2013.

During this investigation, the CFI Unit executed numerous court orders for bank accounts and internet service records. In February 2013 the CFI Unit traveled to Florida to assist in the execution of a search warrant on the suspects' residence as well as gather other items of evidence and conduct interviews. The case resolved in April 2014 with dispositions being reached with the two suspects.

Tax Preparer

The CBI investigated a complaint from a victim who had visited a tax preparer and based on the information provided by the preparer the victim wrote checks to the preparer for the victim's Federal and State tax return. The tax preparer kept those funds and prepared a different tax return thus stealing his client's identity and obtained additional funds filing tax returns in the victim's name. There was a total of seventeen separate victims including the tax preparer's (suspect's) ex-wife. Losses totaled more than \$143,000.

The CFI Unit worked with the Colorado Department of Revenue and the Denver DA's office on this investigation. The suspect, just prior to indictment, reached an agreement with the Denver Prosecution team and pled guilty to a class 3 felony theft and was arrested on December 13, 2012. The plea agreement called for restitution to the victims.

VICTIM ASSISTANCE PROGRAM

The Victim Assistance Program was established within the CFI Unit in 2010. The program is designed to provide comprehensive victim assistance services to victims of ID theft and fraud in Colorado. The goal is to provide victims of these crimes with access to a victim advocate for support and guidance through the system, and ensure that these victims are treated with dignity, fairness and respect.

The CBI Victim Assistance Program established the first and only Colorado 24-Hour Identity Theft and Fraud Hotline to respond to victim needs. This hotline remains one of only a handful of ID theft dedicated hotlines nationwide, and serves as a model for other agencies. Trained victim advocates are available 24 hours per day, 7 days per week, including holidays and weekends to provide support, guidance and assistance. Advocates are able to address victim needs in a number of different languages and have access to needed resources to meet the needs of callers who are deaf or hard of hearing. The hotline, has responded to more than **1,000 victims** of ID theft and fraud since its creation in 2010.

CBI's Victim Advocate provides quality response to victims, and has served **over 6,000 victims** since the project inception. Victims contacting CBI are provided with immediate assistance in addressing critical issues caused by the ID theft including: the termination of medical and disability services, refusal to provide medical services, utilities shut off, refusal of government services like drivers licenses, denied entry into military, college or employment, inclusion on TSA no fly lists, and even arrests on outstanding warrants. All of these, as well as many other issues, may be a direct effect of identity theft.

Once the most vital needs are addressed, CBI's victim advocate will assist with reporting the crime to law enforcement, credit reporting agencies, other government agencies and businesses, and to the Federal Trade Commission. Our victim advocate assists the victims in creating a detailed follow up plan of action and assists in the long term resolution of the damage caused by the ID theft. The victim advocate also assists in putting practices into place to reduce the risk of re-victimization.

ID theft and fraud often occur in consort with other crimes like domestic violence, family violence, elder abuse, human trafficking, homicide, sexual assault, child abuse, and property crimes (burglary, auto break-ins, etc.). ID theft and fraud may also cause serious financial hardship, even homelessness. The CBI victim advocate must be aware of the resources and support systems available to help victims receive the assistance needed to be safe and to begin recover and healing.

Responding to victims of ID theft and fraud may require only a couple of hours of a victim advocates time, but often the process is much more complicated and may take weeks, months, even years to resolve.

VICTIM ASSISTANCE PROGRAM

The Victim Advocate has created a number of ID theft and fraud related materials and training tools for crime victims and for professionals. These include information on repairing the damages caused by ID theft/fraud, preventing crime and working with local, state and federal agencies.

The work of the CBI Victim Advocate has received national recognition. In April, 2014, the CBI Victim Advocate received the National Crime Victim Service Award granted by the U.S. Department of Justice. This prestigious award is presented by the U.S. Attorney General and the U. S. Department of Justice to honor a unique few Advocates whose work to provide services to crime victims is determined to be exceptional.



National Criminal Victim Service Award presentation to Hazel Heckers, April 2014. Pictured from left to right, Joye Frost, Director Office for Victims of Crime, Karol Mason, Assistant US Attorney General, Hazel Heckers, CBI Victim Advocate, Tony West, Associate US Attorney General.



VICTIM ASSISTANCE PROGRAM

Professional training and community outreach are vital aspects of the work performed by the CFI Unit. Methods and tactics used by criminals who perpetrate ID theft and fraud are constantly changing and evolving. State and Federal laws regarding ID theft and fraud and necessary investigative techniques change as rapidly. As the experts in ID theft, fraud and victim response for these crimes, the Identity Theft and Fraud Investigations Unit is turned to by other agencies throughout the state and nation for guidance, direction and education about the ever-changing landscape of ID theft and fraud response.

As the experts, the CFI Unit designs and implements training for professionals to encourage quality response to victims of and facilitate thorough investigations. The Unit also offers educational opportunities for the general public and reduce the risk of victimization. In FY13 and FY14, the CBI ID Theft and Fraud Unit provided **150 community education and professional training sessions**.

Professional Training:

The CFI Unit has created a number of trainings for professionals. These include law enforcement, victim advocates, medical professionals, educators, business owners, financial planners, certified senior advisors, student loan professionals, bursars, investigators, foster parents, caseworkers and more. All of CBI's law enforcement professional training sessions are approved by POST, and several have also been approved by the Colorado Bar Association for continuing legal education credits.



In the past two years, CBI has made an effort to reach out to two unique professional groups who have frequent involvement with victims of identity theft and fraud: Departments of Human Services Foster Care and Adult Protection Units and Certified Senior Advisors. Specialized training curricula were developed and trainings took place across the state.

CBI provided in-depth training for Departments of Human Services so that caseworkers, supervisors and financial benefits staff understood the importance of addressing issues of ID theft and fraud perpetrated against youth in foster care, at-risk adults and people receiving public benefits.

The CBI ID Theft and Fraud Unit worked closely with the Society of Certified Senior Advisors to create a series of webinar and in person training opportunities for their membership. In addition, the Unit assisted in updating the mandatory training curriculum and certification testing to include issues of ID theft and fraud, especially as they relate to older adults.

COMMUNITY OUTREACH AND PROFESSIONAL TRAINING

Community Outreach:

Community education is vital in the fight against ID theft and fraud. The CFI Unit has designed a number of community education programs for specific audiences such as high school youth, older adults, small business owners, faith communities, staff of local businesses, college students and parents. The Unit has also designed seasonal presentations that include: New Years' Resolutions, Valentine's Day Romance Scam Awareness, Spring Cleaning Tips, Summer Scams, Travel Tips to Prevent ID Theft, Scary Halloween ID Theft Tales, Back to School Tips to Prevent ID Theft, Sports Season Scams, How to Have a Cool Yule, Bah-Hum-Bug Proof Your Holidays and more. The goal of the community education programs is to arm people with the skills and knowledge to reduce their risk of victimization and to act quickly if victimization does occur.

The CFI Unit established a relationship with Xcel Energy to provide community outreach programs for their staff in Colorado. We have traveled the state to speak with line workers, support staff, safety monitors, gate keepers, and managers about ID theft and fraud. Xcel has been incredibly responsive and posts articles and tips about ID theft and fraud prevention in employee publications and on bulletin boards in all of their office locations. This effort has reached hundreds of Colorado residents who work in one of the most visible and vital industries in the state. Xcel has plans to continue the relationship with CBI in the future, and to determine how our educational materials could be distributed to the customers of Xcel Energy.



Every year, the CBI participates in a number of community fairs and events. These include the Jefferson County District Attorney's Office Annual Safety Fair, the Elbert County Fraud Awareness Day, the 18th Judicial District Fraud and ID Theft Prevention Fair and the Colorado Springs Gazette's Healthy Aging Event. Staff participate in speaking engagements and host tables at these events. We enjoy getting to meet so many in the community and hear about ways that individuals have been impacted by ID theft and fraud as well as ways they have found to prevent becoming a victim. We especially love it when we are approached by someone who tells us that they attended one of our community education presentations and because of the information they learned at that event, they were able to avoid becoming a victim.

COMMUNITY OUTREACH AND PROFESSIONAL TRAINING

Community Outreach:

The media plays a role in getting the word out about ID theft and fraud. The CFI Unit has been interviewed multiple times on local news shows regarding issues of ID theft and fraud. We have enjoyed being interviewed several times on Colorado Public Radio. Agent In Charge, Ralph Gagliardi was featured in a New York Times article as well as on a CNBC News Show and a Canadian TV News Show similar to the USA's 60 Minutes.

Shred Event:

The ID Theft and Fraud Unit hosted a community Shred-a-Thon in two Colorado communities in April 2014. Simultaneous events were held in Lakewood at the CBI offices and in Grand Junction at two Alpine Bank locations. This was an excellent opportunity for CBI to engage the community in safely disposing of papers that might contain



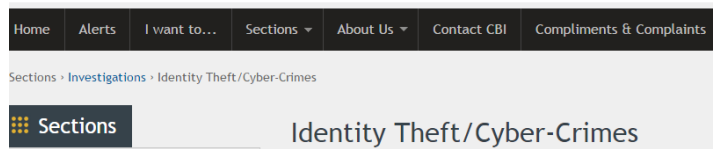
personal identifying information that could be used by an ID thief. The CFI Unit scheduled the events to coincide with the DEA Prescription Drug Take Back Day so participating citizens could also be encouraged to clean out medicine bottles that might contain information that could be used to perpetrate medical ID theft. During this event CBI collected 21.5 tons of paper and 156 pounds of medications.

CBI Webpage:

The Colorado Bureau of Investigation updated its webpage in 2014. The webpage now includes an extended page regarding ID theft and fraud. The CFI Unit re-worked the site to ensure that it is user friendly and provides resources for crime victims and community members. The page includes links to some critical information about ID theft and fraud prevention and response as well as a FAQ page that responds to some of questions we are asked most often about ID theft and fraud.



COLORADO
Bureau of Investigation
Department of Public Safety



<https://www.colorado.gov/pacific/cbi/identity-theftfraud-and-cyber-crimes>

COMMUNITY OUTREACH AND PROFESSIONAL TRAINING



Facebook:

The CFI Unit has created a Facebook page as a means of communicating information about ID theft and fraud to the community. Facebook allows us to post fraud alerts and other information that is important for the community to see quickly to avoid falling victim to scams or ID theft attempts. We are also able to post Tips to avoid ID theft and fraud, information on current trends and eye catching photos that illustrate the issues. Facebook is a great place to share information about responding to ID theft, especially when ID theft occurs through data breaches.

One of the best things about Facebook is that the community is able to communicate directly with CBI in a safe and open forum. This allows for others to learn from the questions or concerns voiced by someone on the page. The social media forum also allows people to share our posts with others. This is a great way to spread the word about a currently occurring scam or ID theft attempt or some great prevention tips.

<https://www.facebook.com/CBI.IDTheft>

COMMUNITY OUTREACH AND PROFESIONAL TRAINING

Outreach Committees:

The CFI Unit members participate in a number of professional committees and attend various professional group meetings to maintain connections with our professional community, share information and support state and national efforts to combat ID theft and fraud. The Unit participates in the following:

- Colorado Secretary of State Business ID Theft Working Group
- National Identity Theft Victim Advocacy Network
- National Medical Identity Theft Coalition
- Community Resource Forum
- Better Business Bureau Fraud Working Group
- Colorado Electronic Crimes Task Force (Secret Service Working Group)
- Colorado Coalition for Elder Rights and Adult Protection
- Fraternal Order of Police
- Colorado State Investigators Association
- Colorado Homicide Investigators Association
- International Association of Certified Fraud Investigators (IAFCI)
- Colorado Association of Certified Fraud Examiners (COCFE)
- Securities Fraud Working Group
- Mortgage Fraud Working Group
- Society of Senior Advisors Certification Council

Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
February 13, 2013

AGENDA

Identity Theft and Financial Fraud Board

February 13, 2013

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
- Scott Storey Appreciation
 - New CDAC Board Appointment
 - Elect a Board Chair
- Budget
 - Financials
 - Grants
- Operational Report
 - Case Highlight
 - Victim Advocacy & Upcoming Training
- Updates on Additional Unit Funding
 - Secretary of State – Legislation
 - DRCOG Grant Application
- Colorado ID Theft & Fraud Statistics
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
November 14, 2012

In Attendance:

Board Chairman Hon. Scott Storey, District Attorney, First Judicial District
Janet Drake, Prosecutor, Colorado Attorney General's Office
John Webster, Chief Financial Officer, Bank of Broadmoor, Colorado Springs
Mark Beckner, Chief, Boulder Police Department
Laura Rogers, Senior Vice President Support Services 1st Bank
Larry Kuntz, Sheriff, Washington County Sheriff's Office
Michael Stefanich, Senior Business Leader, VISA, Inc.
Steve Johnson, Assistant Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Jeff Schierkolk, Agent, CBI
Hazel Heckers, Victim Advocate, CBI

Absent:

Katie Carrol, Excused
Keith Lobis, Excused

The meeting was called to order at 1:35 pm, by Chairman Storey. Chairman Storey asked for approval of the August 8, 2012 minutes. Motion to approve the minutes was made by Ms. Drake, Mr. Stefanich, seconded. Minutes were approved with the no corrections.

Chairman Storey facilitated introductions.

Budget:

Agent Hyland reviewed the budget emphasizing that revenues are up in this quarter. Reasons for increase are that revenues are up in general and there have been more timely payments made by the Colorado Secretary of State. Agent Hyland pointed out that historically revenues "spike" in December and January, and that we should see that reflected in the next budget report. Additionally overall our expense for the first quarter are lower than FY12 first quarter. Agent Hyland explained that rent is always high in July due to the end of the fiscal year in June. July reflects both June and July costs.

Next the three grant budgets were reviewed. All of the grants have received time extensions and are within budget and the victims grants should be expended by the end of these grant periods. Additional grant detail was provided. Hazel responded to a question about the new Victims

Grant Beginning December 1, 2012 will be approximately \$67,000 which is \$20,000 less than we are currently receiving. This is a result of cuts DCJ received that are being passed through to the sub grantees.

Ms. Drake made a motion to approve the budget, Chief Beckner seconded. Budget was approved with no changes.

Grants:

AIC Gagliardi reviewed status of Mortgage Fraud Grant and 2 Victim Assistance Grants. At previous meetings, Board had suggested pursuit of an AARP Grant. AIC Gagliardi explained that CFI had gathered information on the AARP funding options and did not qualify. Available AARP funding for Colorado is currently granted to the local AARP Chapter and the Attorney General's Office for a joint project called Elder Watch.

Mr. Stefanich and Chairman Storey both asked for information on potential grant funding for the future. AIC Gagliardi and Victim Advocate Heckers explained options for grants:

- Denver Regional Council of Governments
- VOCA/VAWA Grant options
- DCJ/JAG New Funding Grants

Chairman Storey suggested looking into funding through State VALE Board and considering local VALE Boards if appropriate.

CFI Operational Report:

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Agent Hyland provided an overview of the "Business Cents" mortgage fraud case. This case resulted in two indictments for William Wilson and Diana Aguilera, each charged with violating the Colorado Organized Crime Control Act. This case is being prosecuted in Denver District Court, and is the result of collaboration between CBI, the Denver District Attorney, US Office of Housing and Urban Development Office of the Inspector General and the FBI.

AIC Gagliardi provided a review of the Unit's current cases, including a number of business ID Theft cases. Agent Schierkolk provided information regarding a case he is working in which the victims' email accounts were hacked and used to make requests to financial institutions for the transfer of funds.

Victim Advocate Heckers provided an update on the victim assistance program and outreach/training events of the past quarter. A total of 490 individuals received training/community education and an additional 6,000 attended the Jefferson County Safety Day Fair in which CBI participated. Heckers also reviewed the changes to the Hotline Program. The contract with the Denver Center for Crime Victims was not renewed. The new contract is with the Elbert County Sheriff's Office Victim Assistance Program.

AIC Gagliardi provided an overview of CFI's work with the Colorado Secretary of State's Office regarding business ID theft. AIC Gagliardi presented a fact sheet that includes detailed graphs to demonstrate the problem of business ID theft in Colorado and CBI's response. AIC Gagliardi explained how CFI received funding from the Secretary of State's Office. Chairman Storey reported that there have been some very positive meetings with the Secretary of State regarding additional funding options; however legislation is needed to allow those dollars to be allocated to CFI. Assistant Director Johnson indicated that the best time to meet again regarding these issues would in January of 2013 after the newly elected legislators took office.

Mr. Stefanich suggested that a factsheet similar to the business ID theft factsheet regarding Individual ID Theft would be helpful.

Discussion:

Group discussed trends including:

- Check Photo Deposit (deposit check via phone app then return to bank and request re-issue due to a "problem" with check)
- Gift and Pre-paid Cards used to hide ID theft activities and to move monies around in ways nearly impossible for law enforcement to track
- RFID Chips and readers still a concern for consumers
- Skimmers still an issue. New generation are smaller and harder to identify
- "How To" websites for skimming

Training:

Janet Drake provided training for the Board on the Colorado State Statutes that are used most frequently in the prosecution of Identity Theft. Ms. Drake's training included State Statutes and recent Colorado Case Law, discussing the challenges that prosecutors face.

New Business:

Chairman Storey explained that due to term limits, his tenure as District Attorney in the First Judicial District will end this year. He does not know if the Colorado District Attorneys' Council (CDAC) will ask him to remain as their representative to the CFI Board or if a new representative will be assigned. Chairman Storey suggested that CFI attend a CDAC meeting to discuss the importance of our work and raise awareness. If CDAC does not request that Chairman Storey remain as representative on Board, a new chair will need to be elected at the next meeting.

Assistant Director Johnson expressed his appreciation of Chairman Storey's service and asked that he attend the next meeting regardless of CDAC's decision so that the Board could provide a more formal offer of appreciation.

Next Meeting:

Wednesday, February 13, 2013 at 1:30
710 Kipling St,
3rd Floor Conference Room

Meeting Adjourned

Financial Report

Colorado Department of Public Safety Colorado Bureau of Investigation

ID Theft / Fraud Unit
Ending Dec 2012

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	138,744	129,199	126,933	121,236	116,009	107,128	93,965	93,965	93,965	93,965	93,965	93,965	138,744
Revenue	22,404	26,888	23,398	24,141	20,642	23,338	-	-	-	-	-	-	140,811
Expenditures													
Salaries and Benefits	22,177	22,177	22,177	22,177	22,177	27,208	-	-	-	-	-	-	138,093
Operating Expenses	7,538	4,760	4,700	4,973	5,128	6,547	-	-	-	-	-	-	33,646
Travel Expenses	16	-	-	-	-	-	-	-	-	-	-	-	16
Indirect Cost	2,218	2,218	2,218	2,218	2,218	2,746	-	-	-	-	-	-	13,835
Total Expenditures	31,949	29,155	29,095	29,368	29,523	36,501	-	-	-	-	-	-	185,590
Revenues Over Expenditures	(9,545)	(2,267)	(5,697)	(5,227)	(8,881)	(13,163)	-	-	-	-	-	-	(44,779)
Ending Fund Balance	129,199	126,933	121,236	116,009	107,128	93,965	93,965	93,965	93,965	93,965	93,965	93,965	93,965

Comparison Dec FY2012 and 2013

Budget to Actual	Budget	Actual	%		2012	2013	Difference	% Change
Revenues	360,000	140,811	0.39	Beginning Fund Balance	124,777	138,744		
Expenditures				Revenue	134,145	140,811	6,666	5%
Salaries and Benefits	258,636	138,093	0.53	Expenditures				
Operating Expenses	70,000	33,646	0.48	Salaries and Benefits	146,874	138,093	(8,781)	-6%
Travel Expenses	1,000	16	0.02	Operating Expenses	30,572	33,646	3,074	10%
Indirect cost	26,124	13,835	0.53	Travel Expenses	462	16	(446)	-97%
Total Expenditures	355,760	185,590	0.52	Indirect Cost	14,581	13,835	(746)	-5%
				Total Expenditures	192,489	185,590	(6,899)	-4%
				Revenues Over Expenditures	(58,344)	(44,779)		
				Remaining year	72,311			
				Ending Fund Balance	138,744	93,965		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending December 2012**

ID Theft Victims Grant 2

Awarded	\$	87,484
Pers Servc	\$	(60,913)
Travel	\$	(7,865)
Operating		(1,206)
Prof Services		(17,500)
Remaining		-

Mortgage Fraud Grant

Awarded	\$	1,700,500
Pers Servc	\$	(615,153)
Travel	\$	(1,355)
Operating	\$	(27,983)
Vehicles	\$	(10,951)
Police Supp	\$	(2,470)
Indirect	\$	(224,592)
Remaining		817,996

Extended to Sep 30, 2013

MD ID Theft Grant

Awarded	\$	50,000
Pers Servc	\$	(14,123)
Travel	\$	(1,713)
Equipment	\$	(2,714)
Operating	\$	(12,363)
Other	\$	(3,676)
Remaining		15,411

ID Theft Victims Grant 2013

Awarded	\$	66,926
Pers Servc	\$	-
Hotline	\$	-
Remaining		66,926

CASE HIGHLIGHT

Identity Theft

Case Name: 1040 – Update with Arrests and Conviction

Andrey Nikolaevich Kolesnikov 12CR10287

This Colorado Bureau of Investigation case was completed with the assistance of the Denver District Attorney's Office and the Colorado Department of Revenue by use of a Denver Grand Jury.

Just prior to indictment, Suspect Kolesnikov through his attorney reached an agreement with the Denver Prosecution team and pled guilty to a class 3 felony theft. He was arrested on December 13, 2012. The plea agreement for Kolesnikov placed him on a 6 year economic crime probation, and included an order to pay restitution of \$143,371.58.

Case synopsis involved suspect Kolesnikov preparing tax returns and in the course of his business he:

- (1) Prepare one return for his client(s), usually showing a small balance due or a small refund. In the case where amounts were owed to the Internal Revenue Service (IRS), Kolesnikov would deposit these funds into a business bank account that he had established called, Innovative Renewals Syndicate, which he conveniently abbreviated as "IRS". For money owed to the State of Colorado he would instruct his clients make those checks out to ASD / Colo. Dept. of Revenue. Kolesnikov had established a bank account with the name of Andrey Studio Designs (ASD).
- (2) Kolesnikov would file a separate return with the IRS and Colorado Department of Revenue, unbeknownst to the client. He would show a large refund, which in turn be routed to his (Kolesnikov's) bank account.
- (3) Kolesnikov also took tax deposits from his clients and did not pay taxes due; instead he would spend the money without the clients' authorization or knowledge.
- (4) Some of Kolesnikov's clients provided Kolesnikov with checks they had signed but left the payee and mount blank, and/or would provide him with electronic access to generate electronic checks. Kolesnikov took these client checks and or the access to the electronic checks and would forge checks for additional sums of money that totaled \$11,246.

This CBI investigation was able to identify fourteen victims, however because the IRS does not share taxpayer information with law enforcement unless they are involved in the case, there were numerous other tax refund deposits into Kolesnikov's account where the victims are unknown. (The investigation did attempt to work with IRS but failed to meet "Loss amounts" required by IRS).

Some of Kolesnikov's Identity Theft victims (clients) have experienced problems with the IRS to include garnishments and repayments plans.

VICTIM ADVOCACY

Direct Services:

In the past quarter (October-December, 2012), CBI served **293** victims. Our 24 hour hotline received **63** new ID theft related calls (October – December, 2012), and **35** calls from previous callers and those seeking only information and referral. Criminal ID Theft and Financial ID Theft were the most frequently reported identity theft crimes during this period. Scams involving check cashing/money wiring and “Granny Scams” were the fraud related crimes most often reported. We experienced an increase in the number of older adults calling for assistance.

The City of Delta contacted CBI in Grand Junction following a data breach. The Human Resources Department experienced a break-in and employee files were compromised. The City wanted to report the potential ID Theft and to be pro-active in assisting employees in preventing ID Theft. Agent John Zamora assisted the city in contacting the Victim Assistance Program for help in preparing letters and crime prevention tip sheets for employees, understanding fraud alerts and credit freezes and in responding to victims and potential victims. Several Delta Police Department Officers reported “Granny Scam” attempts following the data breach with calls being made to their “emergency contact”.

24hr ID Theft Hotline

CBI is pleased with the response to calls by the Elbert County Sheriff’s Office Victim Assistance Unit. The new hotline team has provided quality responses and complete and timely paperwork. Victims report the staff is knowledgeable and supportive.

Training/Outreach Events

Completed October-December, 2012:

Victim Advocacy Program conducted 23 trainings / conferences relative to ID Theft and Fraud. Groups included were both from the private and public sectors. Presentations were made at a number of conferences including the Colorado Financial Aid Advisors Annual Conference, The Colorado Association of Foster Parents Conference and the COVA Conference. In addition, several county departments of human services were trained. The ID Theft Unit also provided training for the Delta Police Academy. From October through December, 1036 individuals attended training/presentations.

January / February Training:

- 1/23: Colorado State Patrol Academy - Completed
- 1/25-26: Jump Start Fiscal Fitness - Completed
- 2/4: Identity Theft Assistance Center/Office for Victims of Crime Forum
- 2/5-7: Financial Wellness Conference
- 2/7: Division Criminal Justice
- 2/22: Foster/Kinship Care “Boot Camp”

Grants:

On December 31, 2012, we completed 2 grants. The **JAG Grant**, which is the main funding source for the Victim Assistance Project ended a grant cycle. CBI has received continuation of funding with this JAG Grant from January 1-September 30, 2013 (\$66,262).

The Maryland Crime Victims Resource Center Grant also ended December 31. This was a one year grant, and does not have an option for continuation funding. This grant helped form the Identity Theft Advocacy Network of Colorado. CBI has created a “Best Practices” document entitled, ***Law Enforcement Guide for Response to Identity Theft***. This Guide will serve as a model for Law Enforcement training, and will be utilized by the National Identity Theft Network as a Best Practices option across the nation.

The CFI Unit has applied for funding through the Denver Regional Council of Governments (DRCOG). This grant would be to provide targeted services for older adults in the Denver Metro Region including: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Gilpin and Jefferson Counties. The targeted services would include: crime prevention, community education and outreach regarding issues of identity theft, fraud, mortgage fraud (reverse mortgage fraud) and ID theft and fraud as it relates to elder abuse. This application is for \$200,000 per year and is a two year grant. If awarded this grant would run from July 1, 2013 through June 30, 2015. We should receive notification in June, 2013 as to the award.



COLORADO
Consumer Sentinel Network Complaint Figures
January 1 - December 31, 2011

Total Number of Identity Theft, Fraud and Other Consumer Complaints = 33,010

Fraud and Other Complaints Count from Colorado Consumers = 28,854

Top 10 Fraud and Other Complaint Categories Reported by Colorado Consumers

Rank	Top Categories	Complaints	Percentage ¹
1	Debt Collection	3,210	11%
2	Internet Services	1,966	7%
3	Shop-at-Home and Catalog Sales	1,928	7%
4	Impostor Scams	1,881	7%
5	Banks and Lenders	1,705	6%
6	Auto Related Complaints	1,456	5%
7	Prizes, Sweepstakes and Lotteries	1,327	5%
8	Telephone and Mobile Services	1,176	4%
9	Advance-Fee Loans and Credit Protection/Repair	1,021	4%
10	Credit Cards	931	3%

¹Percentages are based on the total number of CSN fraud and other complaints from Colorado consumers (28,854).

Identity Theft Complaints Count from Colorado Victims = 4,156

Identity Theft Types Reported by Colorado Victims

Rank	Identity Theft Type	Complaints	Percentage ¹
1	Employment-Related Fraud	749	18%
2	Government Documents or Benefits Fraud	661	16%
3	Credit Card Fraud	549	13%
4	Phone or Utilities Fraud	492	12%
5	Bank Fraud	338	8%
6	Loan Fraud	94	2%
	Other	1,038	25%
	Attempted Identity Theft	331	8%

¹Percentages are based on the 4,156 victims reporting from Colorado. Note that CSN identity theft complaints may be coded under multiple theft types.



COLORADO
Consumer Sentinel Network Complaint Figures
January 1 - December 31, 2010

Total Number of Identity Theft, Fraud and Other Consumer Complaints = 24,973

Fraud and Other Complaints Count from Colorado Consumers = 21,012

Top 10 Fraud and Other Complaint Categories Reported by Colorado Consumers

Rank	Top Categories	Complaints	Percentage ¹
1	Debt Collection	2,357	11%
2	Impostor Scams	1,846	9%
3	Internet Services	1,705	8%
4	Shop-at-Home and Catalog Sales	1,031	5%
5	Internet Auction	1,017	5%
6	Foreign Money Offers and Counterfeit Check Scams	950	5%
7	Prizes, Sweepstakes and Lotteries	936	4%
8	Telephone and Mobile Services	810	4%
9	Television and Electronic Media	791	4%
10	Credit Cards	779	4%

¹Percentages are based on the total number of CSN fraud and other complaints from Colorado consumers (21,012).

Identity Theft Complaints Count from Colorado Victims = 3,961

Identity Theft Types Reported by Colorado Victims

Rank	Identity Theft Type	Complaints	Percentage ¹
1	Employment-Related Fraud	786	20%
2	Government Documents or Benefits Fraud	584	15%
3	Phone or Utilities Fraud	547	14%
4	Credit Card Fraud	512	13%
5	Bank Fraud ²	358	9%
6	Loan Fraud	142	4%
	Other	914	23%
	Attempted Identity Theft	277	7%

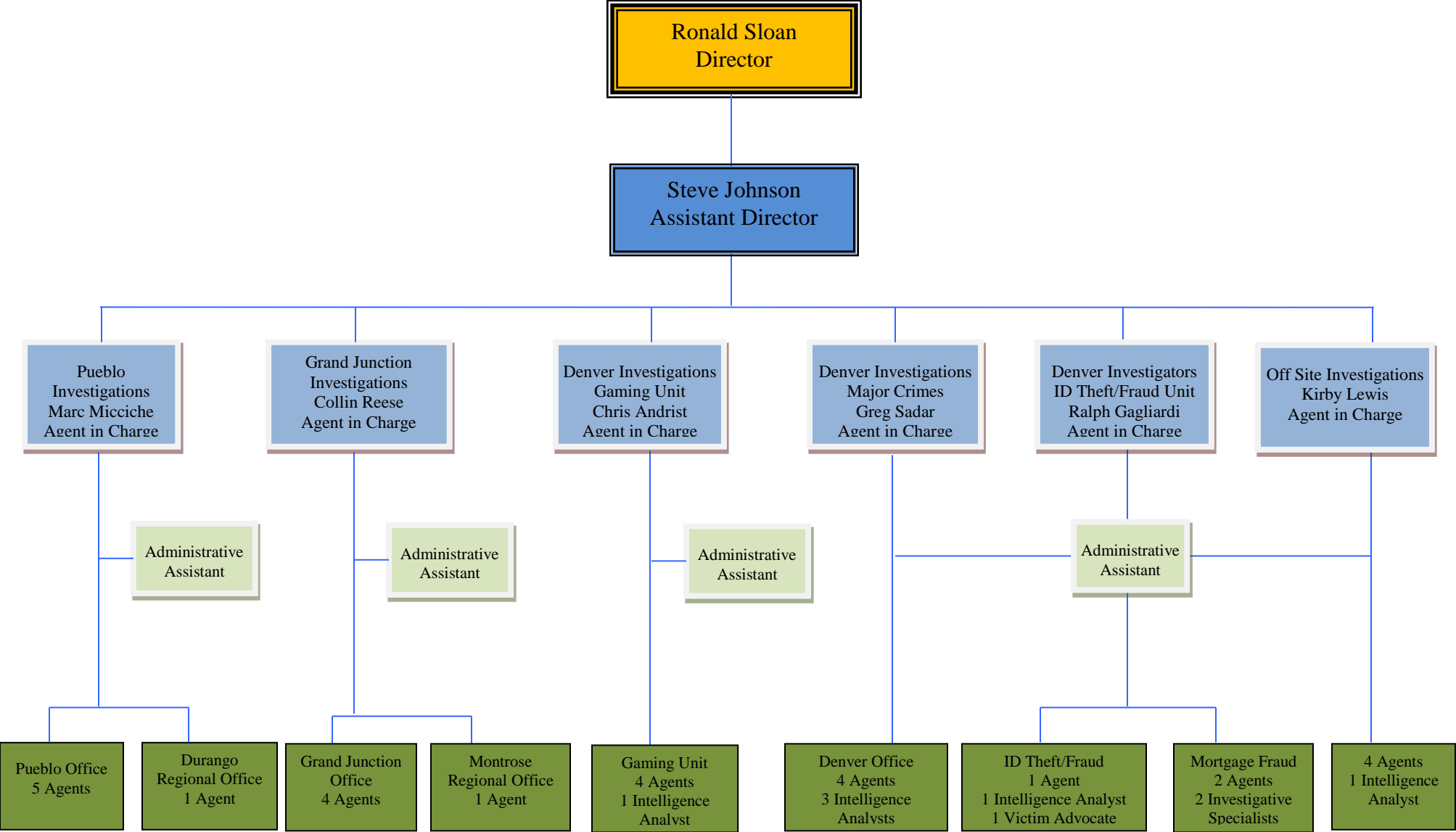
¹Percentages are based on the 3,961 victims reporting from Colorado. Note that CSN identity theft complaints may be coded under multiple theft types.

²Includes fraud involving checking and savings accounts and electronic fund transfers.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
James Davis	Executive Director of Colorado Department of Public Safety	(303) 239-4400	James.Davis@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
<i>Statutorily Required</i>			
John Suthers	Colorado Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG on Occasion)</i>	(720) 508-6716	janet.drake@state.co.us
<i>Statutorily Required</i>			
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>1st Term Exp 6-30-14</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>1st Term Exp 6-30-14</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Mark Beckner	Rep of Police department	(303) 441-3310	Becknerm@bouldercolorado.gov
<i>1st Term Exp 6-30-14</i>	<i>Chief of Police - Boulder Police Department</i>		
Katie Carrol	Rep of Consumers / Victims advocates	(719) 636-5076 ext115	katiec@bbbsc.org
<i>1st Term Exp 6-30-14</i>	<i>BBB Director of Media Relations and Communications</i>		
Laura Rogers	Rep of Depository institutions	(303) 235-1357	Laura.Rogers@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
John Webster	Rep of Depository institutions	(719) 633-2695	jwebster@bankatbroadmoor.com
<i>1st Term Exp 6-30-15</i>	<i>Chief Financial Officer The Bank at Broadmoor</i>		
Larry Kuntz	Rep of Sheriff's department	(970) 345-6865	lkuntz@co.washington.co.us

COLORADO BUREAU OF INVESTIGATION
INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
May 15, 2013

AGENDA

Identity Theft and Financial Fraud Board

May 15, 2013

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
- Scott Storey Appreciation
- Budget
 - Financials
 - Grants
- Operational Report
 - Personnel Changes
 - Unit Highlight
 - Victim Advocacy & Upcoming Training
- Training on EMV Chips & Related Issues
- Update on Additional Unit Funding
 - Secretary of State - Legislation
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
February 13, 2013

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
John Webster, Chief Financial Officer, Bank of Broadmoor, Colorado Springs
Mark Beckner, Chief, Boulder Police Department
Laura Rogers, Senior Vice President Support Services 1st Bank
Larry Kuntz, Sheriff, Washington County Sheriff's Office
Michael Stefanich, Senior Business Leader, VISA, Inc.
Katie Carrol, Director Media Relations, Better Business Bureau of Southern Colorado
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Hazel Heckers, Victim Advocate, CBI

Absent:

Jess Redmond, Excused
Keith Lobis, Excused

The meeting was called to order at 1:30 pm, by Janet Drake. Ms. Drake asked for approval of the November, 2012 minutes. Motion to approve the minutes was made by Chief Beckner, Sheriff Kuntz, seconded. Minutes were approved with the no corrections.

Ms. Drake facilitated introductions. Sheriff Kuntz indicated that he is a representative of the County Sheriffs of Colorado rather than a representative of the Sheriff's Department. This will be corrected in the roster by the next meeting.

Budget:

Agent Hyland reviewed the budget emphasizing that revenues are up and expenses down in this quarter compared to the same time period in 2012. Agent Hyland explained that while the budget looks like we are running at a deficit now, the income will increase with the seasonal "bump" in revenues, and explained our revenue sources.

Agent Hyland explained "indirect costs" and that grant contributions to those vary with the grant. For most grants, a 10% indirect cost is assessed, however for revenues generated by federal grants, the indirect cost assessment is 34%.

Current and recently completed grant expenses were discussed. AIC Gagliardi pointed out that some of the Maryland Grant funds were not used as expenses for training materials and give

away items could not be approved within the grant timeline. Mr. Stefanich offered to assist the ID Theft Unit by purchasing the training items up to the dollar amount “lost” from the Maryland Grant. He requested a detailed list be provided at the next meeting.

AIC Gagliardi reviewed the pending grants and potential incomes they will generate. AIC Gagliardi also discussed pending legislation that would increase the dollar amount the CFI receives from fees assessed by the Secretary of State. There would be no increase to businesses. Currently, the Secretary of State receives \$5 for every fee assessed and the CFI receives \$3. If approved, CFI would receive the \$5 and the Secretary of State would receive \$3. The Secretary of State’s Office has made this recommendation as they value the contribution made by CFI to addressing Business ID Theft. This bill, which has bi-partisan support, would add an additional approximate \$165,000/year to the CFI budget.

Mr. Webster made a motion to approve the budget. Ms. Carrol seconded. Budget was approved with no changes.

CFI Operational Report:

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Agent Hyland provided an overview of the Andrey Nikolaevich Kolesnikov case, a tax fraud and ID Theft case. Just prior to indictment, Kolesnikov, through his attorney reached an agreement with the Denver Prosecution team and pled guilty to a class 3 felony theft. He was arrested on December 13, 2012. The plea agreement for Kolesnikov placed him on 6 year economic crime probation, and included an order to pay restitution of \$143,371.58.

AIC Gagliardi provided a review of the Unit’s current cases, including a new twist on business ID Theft. In this case, the suspect registered himself as owning the trade name for an existing business, and used this paperwork to open accounts and seek lines of credit. Details of both cases are included in the February 13, 2013 Board Report.

Victim Advocate Heckers provided an update on the victim assistance program and outreach/training events of the past quarter. Ms. Heckers explained that due to several large data breaches of Colorado agencies, the ID Theft Unit has created some guidelines for businesses experiencing breaches and some tip sheets for the victims. Ms. Drake requested a brief presentation on these materials at the next meeting.

AIC Gagliardi provided an overview of ID Theft and Fraud statistics provided by the Federal Trade Commission and the Sentinel Report. He discussed the reasons for Colorado rankings and the impact of the statistics for seeking funding for the program.

New Business:

Scott Storey was unable to run for re-election as the 1st JD District Attorney due to term limits. Therefore, he requested that the Colorado District Attorneys' Council appoint a replacement representative to serve on the CFI Board. Jess Redmond, ADA with the 17th JD was appointed. Mr. Redmond was unable to attend the meeting due to a prior commitment.

Mr. Storey has served as Chair of the Board, so the Board needs to elect a new Chair. Several members asked Janet Drake to consider the position. Ms. Drake accepted the nomination. Ms. Carrol made a motion to elect Ms. Drake as the new Chair of the CFI Board. Sheriff Kuntz seconded. Ms. Drake was elected as the new Board Chair with a unanimous vote.

AIC Gagliardi explained that the plan had been to honor Scott Storey for his years of service with a plaque. Unfortunately, Mr. Storey was unable to attend the meeting. Ms. Drake expressed a desire to try and arrange for Mr. Storey to attend the next meeting so that he could be honored by the entire group. She will coordinate with AIC Gagliardi.

Mr. Stefanich explained the new EMV chips that are installed in newer credit cards. As these chips are a new technology for most of the Board members, he offered to provide a brief training on the security features and use of the EMV chips at the next Board meeting.

Mr. Stefanich also offered a resource for the Board and CFI investigators, The Microsoft Digital Crime Lab. The Crime Lab has worked with government agencies and prosecutors to enhance a case before trial by assisting with forensics, tracing spoofed IP addresses and the like. The Crime Lab currently works with financial institutions. As the founder is a former federal prosecutor, he is in a unique position to understand the needs of law enforcement and the criminal justice system. Mr. Stefanich will assist with introductions or contact information as requested.

Next Meeting:

Wednesday, May 15, 2013 at 1:30
710 Kipling St,
3rd Floor Conference Room

Meeting Adjourned

Financial Report

Colorado Department of Public Safety

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending March 2013

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	138,744	129,199	126,933	121,236	116,009	107,128	93,965	113,290	147,118	143,238	143,238	143,238	138,744
Revenue	22,404	26,888	23,398	24,141	20,642	23,338	48,906	67,343	27,161	-	-	-	284,221
Expenditures													
Salaries and Benefits	22,177	22,177	22,177	22,177	22,177	27,208	22,096	22,096	23,952	-	-	-	206,237
Operating Expenses	7,538	4,760	4,700	4,973	5,128	6,547	5,300	4,527	4,694	-	-	-	48,167
Travel Expenses	16	-	-	-	-	-	-	4,683	-	-	-	-	4,699
Indirect Cost	2,218	2,218	2,218	2,218	2,218	2,746	2,184	2,210	2,395	-	-	-	20,624
Total Expenditures	31,949	29,155	29,095	29,368	29,523	36,501	29,580	33,516	31,041	-	-	-	279,727
Revenues Over Expenditures	(9,545)	(2,267)	(5,697)	(5,227)	(8,881)	(13,163)	19,326	33,827	(3,880)	-	-	-	4,494
Ending Fund Balance	129,199	126,933	121,236	116,009	107,128	93,965	113,290	147,118	143,238	143,238	143,238	143,238	143,238

Comparison March FY2012 and 2013

Budget to Actual	Budget	Actual	%		2012	2013	Difference	% Change
Revenues	360,000	284,221	0.79	Beginning Fund Balance	124,777	138,744		
Expenditures				Revenue	285,936	284,221	(1,715)	-1%
Salaries and Benefits	258,636	206,237	0.80	Expenditures				
Operating Expenses	70,000	48,167	0.69	Salaries and Benefits	206,819	206,237	(582)	0%
Travel Expenses	1,000	4,699	4.70	Operating Expenses	44,352	48,167	3,815	9%
Indirect cost	26,124	20,624	0.79	Travel Expenses	592	4,699	4,107	694%
Total Expenditures	355,760	279,727	0.79	Indirect Cost	20,635	20,624	(11)	0%
				Total Expenditures	272,398	279,727	7,329	3%
				Revenues Over Expenditures	13,538	4,494		
				Remaining year	429			
				Ending Fund Balance	138,744	143,238		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending March 2013**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(746,820)	
Travel	\$	(1,355)	
Operating	\$	(32,727)	
Vehicles	\$	(13,745)	
Police Supp	\$	(2,470)	
Indirect	\$	(264,989)	
Remaining		638,393	Extended to Sep 30, 2013

ID Theft Victims Grant 2013

Awarded	\$	66,926
Pers Servc	\$	(22,190)
Hotline	\$	(4,285)
Remaining		40,450

UNIT HIGHLIGHT

Department Human Services Training:

To ensure compliance with Federal laws regarding Identity Theft and youth in foster care, the Colorado legislature passed a Senate Bill in 2011 regarding early detection of ID Theft among minors in the foster system. In accordance with Colorado Revised State Statutes 19-7-101,102,103; beginning August 1, 2012 the Department of Human Services is mandated to provide youth in foster care age 16-18 with an annual credit report and information regarding Identity Theft, including options to report and repair. DHS is charged with the responsibility to provide referrals and resources and to work with GAL's to assist youth in understanding ID Theft and available options.

DHS established a task force that included consultations with CBI, to work on a plan to meet the requirements of the new legislation and to develop department policies regarding ID Theft and minors in foster/kinship care. The policies developed by this task force included a requirement that case workers and supervisors working with minors in foster/kinship care receive training so that they would understand Identity Theft and its ramifications for victims. The training would also include details regarding how to report ID Theft to Law Enforcement and how to repair ID Theft damage. DHS asked CBI to provide these trainings for the State Department of Human Services and for each of the county departments in Colorado.

CBI's ID Theft Unit designed a supervisor training which was provided throughout the state in 2012. CBI also assisted DHS in establishing relationships with the credit reporting bureaus to facilitate obtaining credit reports. DHS has negotiated a contract with each of the 3 credit reporting bureaus to provide online credit reports for minors in their care. Colorado is one of the first states to establish such a relationship, serving as a model for other states. DHS policies include obtaining credit reports for youth in foster care beginning at age 15 (statute requires at age 16), and allows for checking for ID Theft at younger ages if any indicators exist.

In 2013, the State DHS asked CBI to design a detailed, 3-4 hour training to be provided for case workers and GAL's throughout the state. The ID Theft Unit designed a training that is specific to the needs of minors in foster/kinship care and the systems that support them. Training agenda includes an understanding of different types of ID Theft, how to read a credit report and define indicators of ID Theft, how to report and the steps taken to repair the damage.

CBI began providing these trainings in April with 4 Metro-area training events. We continue the training in May with 2 trainings scheduled in rural communities in North East and Southern Colorado, and with a video conference that will reach a number of smaller rural and mountain counties throughout the state. In June, CBI will provide training on the Western Slope and in the Glenwood Springs/Aspen areas. Additional training events will be planned for later in 2013 to ensure all counties have been offered the option of this training.

VICTIM ADVOCACY

Direct Services:

In the past quarter (January – March, 2013), CBI served **234** victims. Our 24 hour hotline received **86** new ID theft related calls (Jan-March, 2013), and **25** calls from previous callers and those seeking only information and referral. Criminal ID Theft and Financial Id Theft remain the most frequently reported crimes. We have seen a slight increase in the reporting of Child ID Theft. The most common fraud reported during the first quarter of this year is the loan scam. Callers claim a loan is owed and that if not paid immediately, the victim will be arrested. Lottery scams and Medicare updates scams are also frequently reported.

24hr ID Theft Hotline

The 24 hour ID Theft & Fraud Hotline continues to take calls 7 days per week, including holidays. There was an increase in calls in February and March, with many calls regarding IRS fraudulent filings, romance scams and job seekers discovering Criminal ID theft.

Training/Outreach Events

Completed January – March, 2013:

Victim Advocacy Program conducted 15 trainings / conferences relative to ID Theft and Fraud. Groups included were both from the private and public sectors. Presentations included community education programs and law enforcement training.

CBI has received a request from the Colorado Department of Human Services to provide in-depth training for case workers, GAL's and CASA's (Court Appointed Special Advocates) regarding ID Theft and the new Colorado laws requiring Human Services to pull credit reports for youth in foster care. Trainings are scheduled throughout the state from April through June. Once the initial training has been completed, counties not receiving training will be scheduled for additional training to be completed by December 2013.

April-June Scheduled Training:

Fountain and Surrounding Area Law Enforcement Training (April 3 & 24)

DHS Training (April 16, 23 May 7, 21, 23 June 4, 5)

Heritage High School Financial Literacy (April 11)

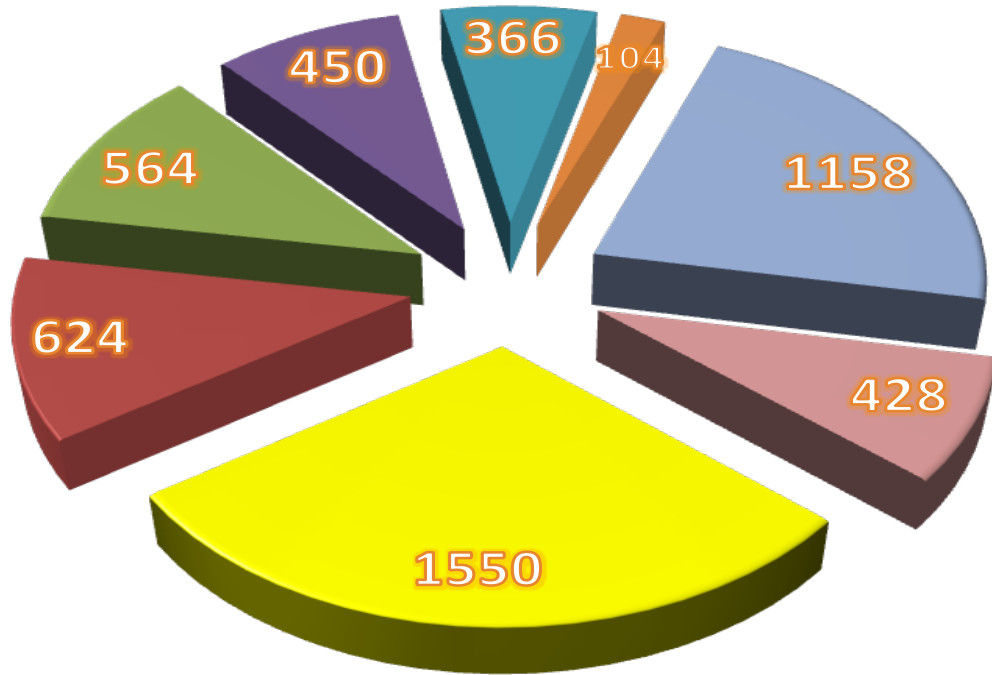
Riverwalk Coffee for Seniors (April 12)

Colorado Association of Administrators of Student Loans and Accounts Receivables (April 18, 19)

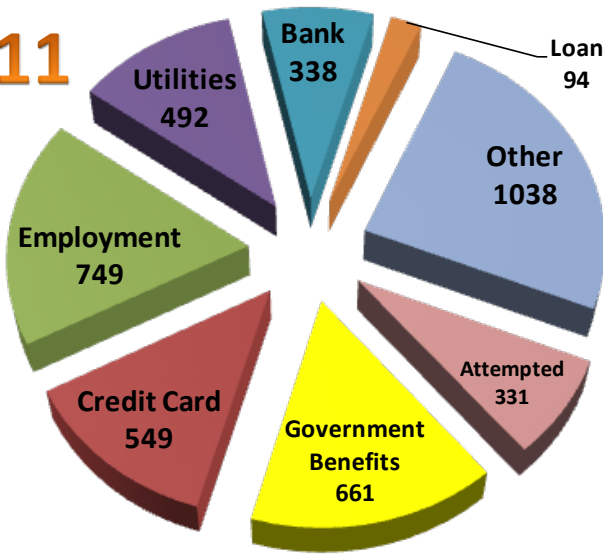
Elizabeth/Kiowa Chamber of Commerce Luncheon (June 20)

ID Theft Complaints: Colorado 2012

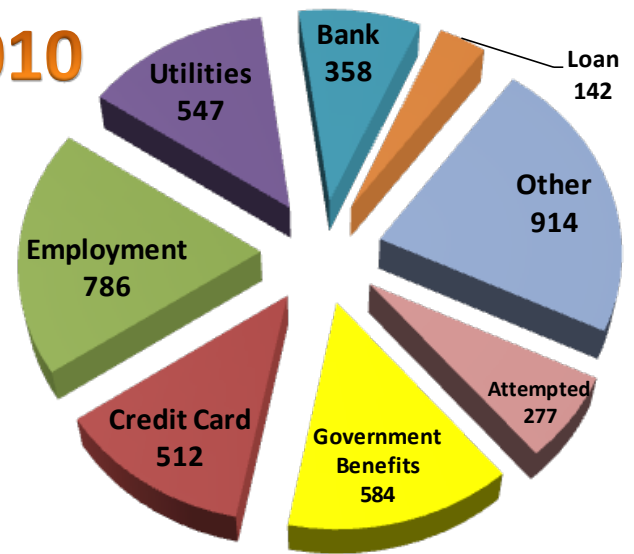
■ Gov Documents / Benefits
 ■ Credit Card
 ■ Employment
 ■ Phone/Utilities
 ■ Bank
 ■ Loan
 ■ Other
 ■ Attempted



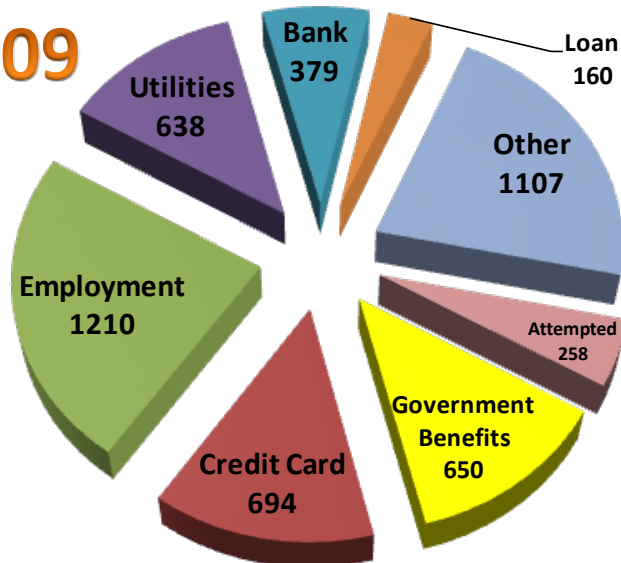
2011



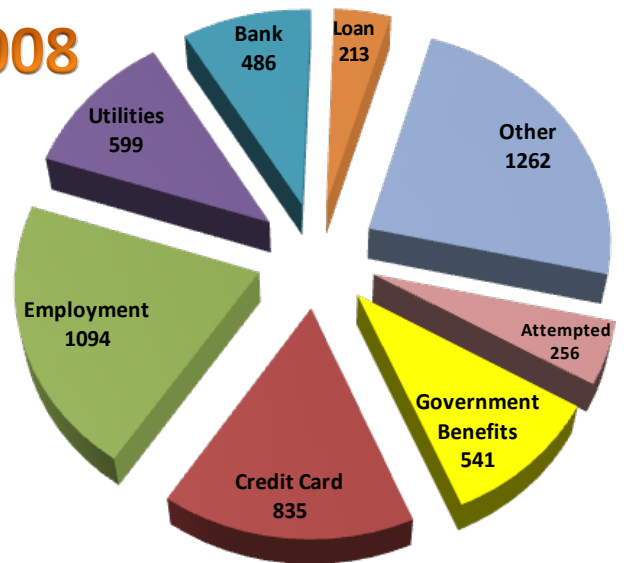
2010



2009



2008



Consumer Sentinel Network State Complaint Rates

January 1 – December 31, 2012

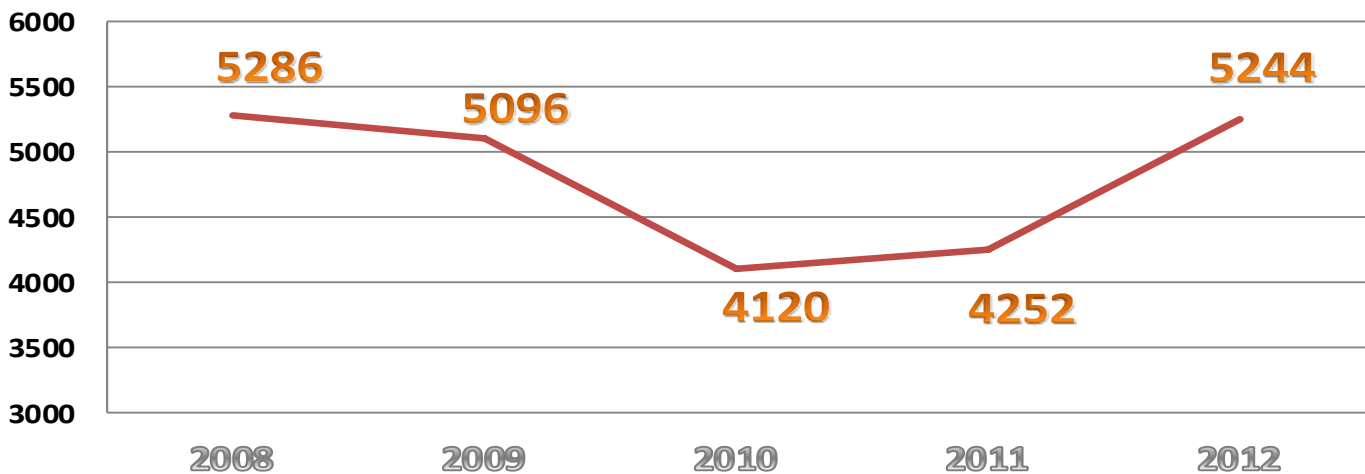
Fraud & Other Complaints

Rank	Consumer State	Complaints Per 100,000	
		Population ¹	Complaints
1	Florida	693.5	133,973
2	Georgia	590.2	58,543
3	Maryland	564.2	33,199
4	Delaware	563.2	5,165
5	Nevada	559.9	15,446
6	Colorado	545.2	28,285
7	Virginia	517.4	42,355
8	Arizona	510.2	33,434
9	Michigan	500.9	49,501
10	New Hampshire	499.7	6,600
11	California	492.3	187,270
12	Washington	488.9	33,720
13	New Jersey	480.2	42,565
14	Oregon	471.8	18,399
15	Texas	458.6	119,510
16	Massachusetts	443.4	29,469
17	Connecticut	443.0	15,906
18	Pennsylvania	441.9	56,397
19	Tennessee	435.1	28,091
20	Ohio	434.2	50,128

Identity Theft Complaints

Rank	Victim State	Complaints Per 100,000	
		Population ¹	Complaints
1	Florida	361.3	69,795
2	Georgia	193.9	19,232
3	California	122.7	46,658
4	Michigan	122.2	12,075
5	New York	110.1	21,538
6	Nevada	109.9	3,032
7	Texas	108.6	28,299
8	Arizona	107.3	7,032
9	Maryland	105.0	6,178
10	Alabama	104.9	5,060
11	Illinois	100.9	12,993
12	Mississippi	100.2	2,990
13	Delaware	98.4	902
14	New Jersey	95.1	8,430
15	Colorado	93.8	4,864
16	Rhode Island	91.7	963
17	South Carolina	90.6	4,282
18	New Mexico	89.1	1,858
19	Pennsylvania	88.7	11,324
20	Tennessee	88.1	5,690

Number of ID Theft Complaints: Colorado 2008 - 2012



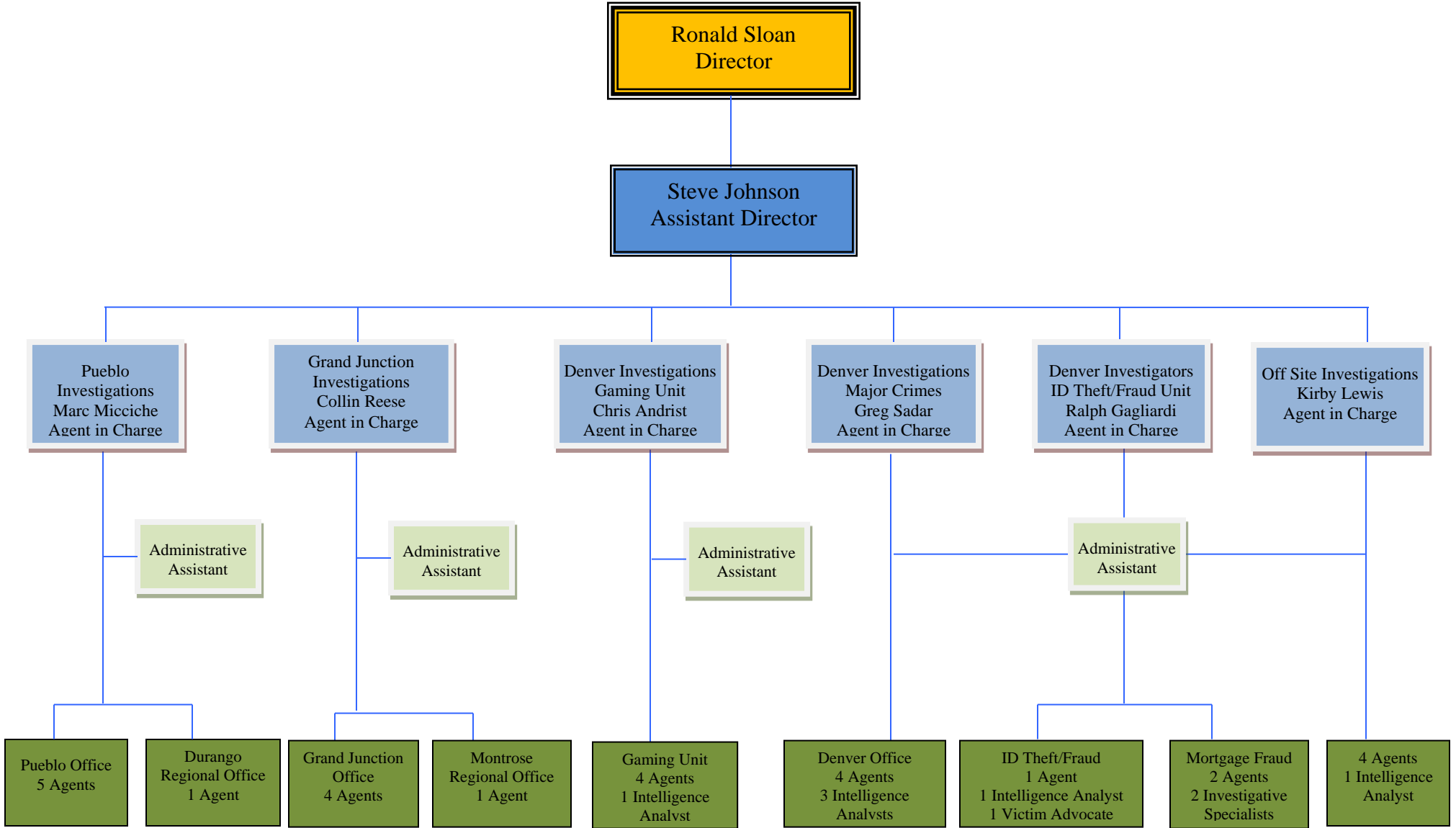
National Ranking: Colorado		
Year	Fraud	Identity Theft
2008	1	10
2009	2	9
2010	1	11
2011	1	11
2012	6	15

BOARD ROSTER

<i>Statutorily Required</i>			
James Davis	Executive Director of Colorado Department of Public Safety	(303) 239-4400	James.Davis@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Colorado Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG on Occasion)</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>1st Term Exp 6-30-14</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>1st Term Exp 6-30-14</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Mark Beckner	Rep of Police department	(303) 441-3310	Becknerm@bouldercolorado.gov
<i>1st Term Exp 6-30-14</i>	<i>Chief of Police - Boulder Police Department</i>		
Katie Carrol	Rep of Consumers / Victims advocates	(719) 636-5076 ext115	katiec@bbbsc.org
<i>1st Term Exp 6-30-14</i>	<i>BBB Director of Media Relations and Communications</i>		
Laura Rogers	Rep of Depository institutions	(303) 235-1357	Laura.Rogers@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
John Webster	Rep of Depository institutions	(719) 633-2695	jwebster@bankatbroadmoor.com
<i>1st Term Exp 6-30-15</i>	<i>Chief Financial Officer The Bank at Broadmoor</i>		
Larry Kuntz	County Sheriffs of Colorado	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
August 14, 2013

AGENDA

Identity Theft and Financial Fraud Board

August 14, 2013

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
- Budget
 - Financials
 - Grants
- Operational Report
 - Unit / Case Highlight(s)
 - Victim Advocacy Report
 - 2013 JeffCo Safety Fair – August 24, 2013
- 2012 House and Senate Judiciary Report
- Update on Additional Unit Funding
 - Secretary of State – Legislation
- Open Board Position
 - Resignation of John Webster, May 2013
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
May 15, 2013

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office –Board Chair
Jess Redman, Assistant DA, 17th Judicial District
Keith Lobis, Regional President, Wells Fargo Bank
John Webster, Chief Financial Officer, Bank of Broadmoor, Colorado Springs
Mark Beckner, Chief, Boulder Police Department
Laura Rogers, Senior Vice President Support Services 1st Bank
Michael Stefanich, Senior Business Leader, VISA, Inc.
Katie Carrol, Director of PR and Broadcasting, Better Business Bureau of Southern Colorado
Steve Johnson, Assistant Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Jeff Schierkolk, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Skip Jenkins, Analyst, CBI
Peggy Pingel, Analyst, CBI

Absent:

Larry Kuntz, Sheriff Washington County - Excused

The meeting was called to order at 1:40 pm, by Board Chair, Janet Drake. Ms. Drake facilitated introductions. Ms. Drake asked for approval of the February, 2013 minutes. Motion to approve the minutes was made by Katie Carrol, John Webster seconded. Minutes were approved with the no corrections.

Former Board Chair, Scott Storey was recognized for his service to this Taskforce and his work on behalf of the citizens of the State of Colorado in the area of Identity Theft. AD Steve Johnson expressed the appreciation of the Unit and presented a plaque. Additional comments were made by AIC Ralph Gagliardi, Ms. Drake and Michael Dougherty, Assistant DA, 1st Judicial District.

Budget:

Agent Hyland reviewed the budget, emphasizing that revenues are ahead of expenses and only slightly down compared to the same time period in 2012. Agent Hyland explained that while the income from UCC filings is up, the revenue from money remitter licenses is down this year.

Agent Hyland pointed out a larger than usual travel expense in the month of February. This was due to a trip to Florida by ID Theft Agents, to execute search warrants and conduct interviews in

connection with several open cases. Total revenues through March 2013 were \$284,221 and expenditures through March of \$279,727 showing revenues over expenditures of \$4,494 and an ending fund balance of \$143,238.

The detailed list of training materials requested by Mr. Stefanich at the last meeting is being compiled and should be finalized soon.

The legislation proposed and discussed at the last ID Theft Board meeting involved the potential for increased revenue for the CFI Unit. This was not able to be presented in the last legislative session. The sponsor (of the legislation) has agreed to introduce the bill in the next session. Ms. Drake suggested that this sponsor be approached during the summer about also carrying the legislative fixes necessary to the Identity Theft Statute and that the support of the Colorado District Attorneys' Council should be solicited.

Ms. Drake asked about time limitations on the Mortgage Fraud Grant and the ID Theft Victims Grant. Victim Advocate Heckers replied that the end of the ID Theft Grant is September 30, 2013 and we must use the remaining funds by that date or lose them. Agent Hyland reported that the Mortgage Fraud Grant was extended to September 30, 2013 and the next extension application can be submitted July 1, 2013.

CFI Operational Report:

AIC Gagliardi reported the resignation of Agent Elizabeth Scott as she is moving out of state with her husband who is pursuing a law degree in Illinois.

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Victim Advocate Heckers reported on the Department of Human Services (DHS) Trainings currently scheduled. The Department of Human Services is mandated to provide youth in foster care ages 16-18 with an annual credit report and information regarding Identity Theft, including options to report and repair. In 2013, the State DHS asked CBI to design a detailed, 3-4 hour training to be provided for case workers and GALs throughout the state. CBI began providing these trainings in April. For further details, please see the Unit Highlight in the Board Report.

Victim Advocate Heckers provided an update on the victim assistance program and outreach/training events of the past quarter. Ms. Heckers explained that due to several large data breaches of Colorado agencies, the ID Theft Unit has created some guidelines for businesses experiencing breaches and some tip sheets for the victims. These were distributed to Board members.

AIC Gagliardi provided an overview of ID Theft and Fraud statistics provided by the Federal Trade Commission and the Sentinel Report. He discussed the reasons for Colorado rankings and the impact of the statistics for seeking funding for the program.

Training on EMV Chips and Related Issues:

Michael Stefanich of Visa presented information and a handout to the Board members on EMV chips in credit and debit cards and additional security features of the cards.

New Business:

John Webster announces his retirement from Bank at Broadmoor. Ms. Drake stated that the statute requires a member of a financial institution to fill this position on the Board. Due to this resignation, Ms. Drake will be taking recommendations for a replacement for Mr. Webster. Any recommendations are forwarded to the Governor's Office for action and approval.

Next Meeting:

Wednesday, August 14, 2013 at 1:30
710 Kipling St,
3rd Floor Conference Room

Meeting Adjourned

Financial Report

Colorado Department of Public Safety

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending June 2013

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	143,751	134,206	131,940	126,243	121,016	112,135	128,472	150,297	184,125	180,245	177,134	182,352	143,751
Revenue	22,404	26,888	23,398	24,141	20,642	52,838	51,406	67,343	27,161	25,806	27,511	28,733	398,271
Expenditures													
Salaries and Benefits	22,177	22,177	22,177	22,177	22,177	27,208	22,096	22,096	23,952	22,019	16,319	16,269	260,844
Operating Expenses	7,538	4,760	4,700	4,973	5,128	6,547	5,300	4,527	4,694	4,696	4,342	2,842	60,047
Travel Expenses	16	-	-	-	-	-	-	4,683	-	-	-	-	4,699
Indirect Cost	2,218	2,218	2,218	2,218	2,218	2,746	2,184	2,210	2,395	2,202	1,632	1,627	26,085
Total Expenditures	31,949	29,155	29,095	29,368	29,523	36,501	29,580	33,516	31,041	28,917	22,293	20,738	351,675
Revenues Over Expenditures	(9,545)	(2,267)	(5,697)	(5,227)	(8,881)	16,337	21,826	33,827	(3,880)	(3,111)	5,218	7,995	46,596
Ending Fund Balance	134,206	131,940	126,243	121,016	112,135	128,472	150,297	184,125	180,245	177,134	182,352	180,347	180,347

Comparison June FY2012 and 2013

Budget to Actual	Budget	Actual	%		2012	2013	Difference	% Change
Revenues	360,000	398,271	111	Beginning Fund Balance	129,784	143,751		
Expenditures				Revenue	360,591	398,271	37,680	10%
Salaries and Benefits	258,636	260,844	101	Expenditures				
Operating Expenses	70,000	60,047	86	Salaries and Benefits	263,526	260,844	(2,682)	-1%
Travel Expenses	1,000	4,699	470	Operating Expenses	56,102	60,047	3,945	7%
Indirect cost	26,124	26,085	100	Travel Expenses	633	4,699	4,066	642%
Total Expenditures	355,760	351,675	99	Indirect Cost	26,363	26,085	(278)	-1%
				Total Expenditures	346,624	351,675	5,051	1%
				Revenues Over Expenditures	13,967	46,596		
				Remaining year				
				Ending Fund Balance	143,751	180,347		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending June 2013**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(795,344)	
Travel	\$	(1,355)	
Operating	\$	(36,695)	
Vehicles	\$	(15,025)	
Police Supp	\$	(2,470)	
Indirect	\$	(286,018)	
Remaining		563,592	Grant end date Sept 30, 2013. Additional extension requested to Sept 30,2014

ID Theft Victims Grant 2013

Awarded	\$	66,926	
Pers Servc	\$	(32,930)	
Travel	\$	(10)	
Operating	\$	(371)	
Hotline	\$	(7,850)	
Remaining		25,765	Scheduled to end Feb 28, 2014

UNIT / CASE HIGHLIGHT

Military Romance Scam – Guilty Plea and Sentencing:

KAREN VASSEUR, one of two defendants in a military romance scheme, has pleaded guilty to COCCA. She was given a **12 year sentence to DOC** (she has two prior felonies) on **July 27, 2013**. The second defendant, TRACY VASSEUR, is also expected to plead guilty and sentenced on August 26, 2013. These pleas stem from a **June 14, 2012 State Grand Jury Indictment** presented by the Colorado Attorney General's Office. This Indictment encompassed **374 victims** from **38 States** and **40 other countries** who would wire money (**over \$1.1million**) to the Vasseur's in or near their home in Brighton, Colorado. The Vasseur's would pick up the money, keep a percentage and wire the remaining funds to their Nigerian counterparts. In Colorado the Vasseur's used at least **68 different money remitter locations** in **19 Colorado cities**. The Vasseur's also opened up **20 personal or business bank accounts** at **11 separate Colorado banks** to assist in their scheme.

Child ID Theft Victims with Cancer:

The CFI Unit has responded to two different cases in which the victims of ID theft are children with cancer. The first case is a teen with an inoperable form of cancer. He is on Disability and receives Medicaid. Wages were reported in both Colorado and Wyoming under Jessie's social security number, causing his benefits to be cancelled. Without Medicaid, the teen would no longer be able to receive life sustaining medical care. Working as a team, our Unit was able to report fraudulent wages, have them removed from Department of Labor records, and ensure that Jessie's benefits were reinstated.

The second case surrounded a 12 year old boy who has been battling cancer most of his life. He along with his family have been documenting this journey on line with Facebook and other social media where they hope to inspire others. Investigation by the CFI Unit revealed that a woman / suspect in Kentucky is alleged to have stolen photos and written passages from the online media posted the victim and his family. The suspect proceeded to blog about challenges as if she were now the victim and or the victim's mother. It appears at this point the suspect perpetrated this identity take over to gain sympathy and attention. The fraudulent websites have since been shut down and or deleted.

Update on Business Identity Theft:

The CFI Unit and the Colorado Attorney General's Office secured a **State of Colorado Grand Jury Indictment on May 23, 2013** that alleges Florida suspects JOHN PARKS and DARYL HONOWITZ violated various Colorado laws. This scheme compromised at least 30 Colorado corporations with suspect PARKS in conjunction with HONOWITZ obtained credit fraudulently with the hijacked businesses. Several other Colorado persons were victimized in that their personal or business identifying information was also used to further assist in this scheme. Suspects PARKS and HONOWITZ were **arrested at their respective Florida residences on May 28, 2013**. The case is proceeding through the Denver Court system.

VICTIM ADVOCACY

Direct Services:

During the past quarter (April – June, 2013) the ID Theft Unit served **325 victims** of ID theft and fraud. In July, an additional **80 victims** received services. The number of victims served by this program **January through July is 639**. The 24 hour hotline served **69 new victims** for the period of April through July.

The majority of victims calling the 24 hour hotline contact the hotline regarding financial ID theft, criminal ID theft and scams. A significant number of victims calling our Victim Assistance Program contact us with concerns about criminal identity theft and fraud perpetrated against older adults. CBI has also seen an increase in the number of calls from Human Services case workers and case managers with Division of Youth Corrections regarding the ID theft from minors in out of home placement (foster care or incarceration).

Vital Statistics Compromised Death Records:

The CFI Unit received notice from the Colorado Health Department that a number of death records that were to be delivered to the Department of Vital Statistics were accidentally delivered to another state office and lost. They estimated between **91 and 98 records were lost**. A letter was sent to next of kin advising of the breach and requesting they call the CFI Unit for support and assistance in protecting themselves from ID theft.

CBI's victim advocate responded to calls from a number of family members and attorneys serving as executors of the deceased's estates. CFI Unit assisted 92 surviving family members with a full range of prevention services and reviews of data that might help identify ID theft. Two cases of ID theft were discovered although this was not related to the lost records.

Training and Outreach:

The following professional training and community education events have been provided from April through early August, 2013.

- Basic & Advanced Southern Colorado Police (Fountain, Monument, Castle Rock, Manitou Springs) X2
- DHS Training
 - 4 in Denver Metro Area
 - Ft. Morgan
 - Pueblo County
 - Southern Colorado
 - Grand Junction/Glenwood Springs
 - Weld County
 - El Paso County
- McLain High School Graduating Seniors
- Heritage High School Financial Literacy (2 presentations)
- Riverwalk Coffee for Seniors
- Colorado Association of Administrators of Student Loans and Accounts Receivables Conference (2 presentations)
- Elizabeth/Kiowa Chamber of Commerce
- Good Samaritan/ Windsor Senior Center
- Better Business Bureau of Southern Colorado Social Media Event
- National Identity Theft Victim Advocacy Network Webinar (ID Theft Resources)
- National Identity Theft Victim Advocacy Network Webinar (Disaster Related ID Theft and Fraud)
- Denver Indian Center Tribal Elders Meeting
- Victim Assistance in Law Enforcement Quarterly Meeting/Western Slope
- Elbert County Senior Scam Prevention Event (as part of County Fair)
- Federal Trade Commission Teleconference-Special Needs of American Indian Population Re. ID Theft and Fraud
- Low Vision Support Group (Northern Colorado)
- Elbert County Sheriff's Office New Hire Training

Upcoming Training and Outreach Events:

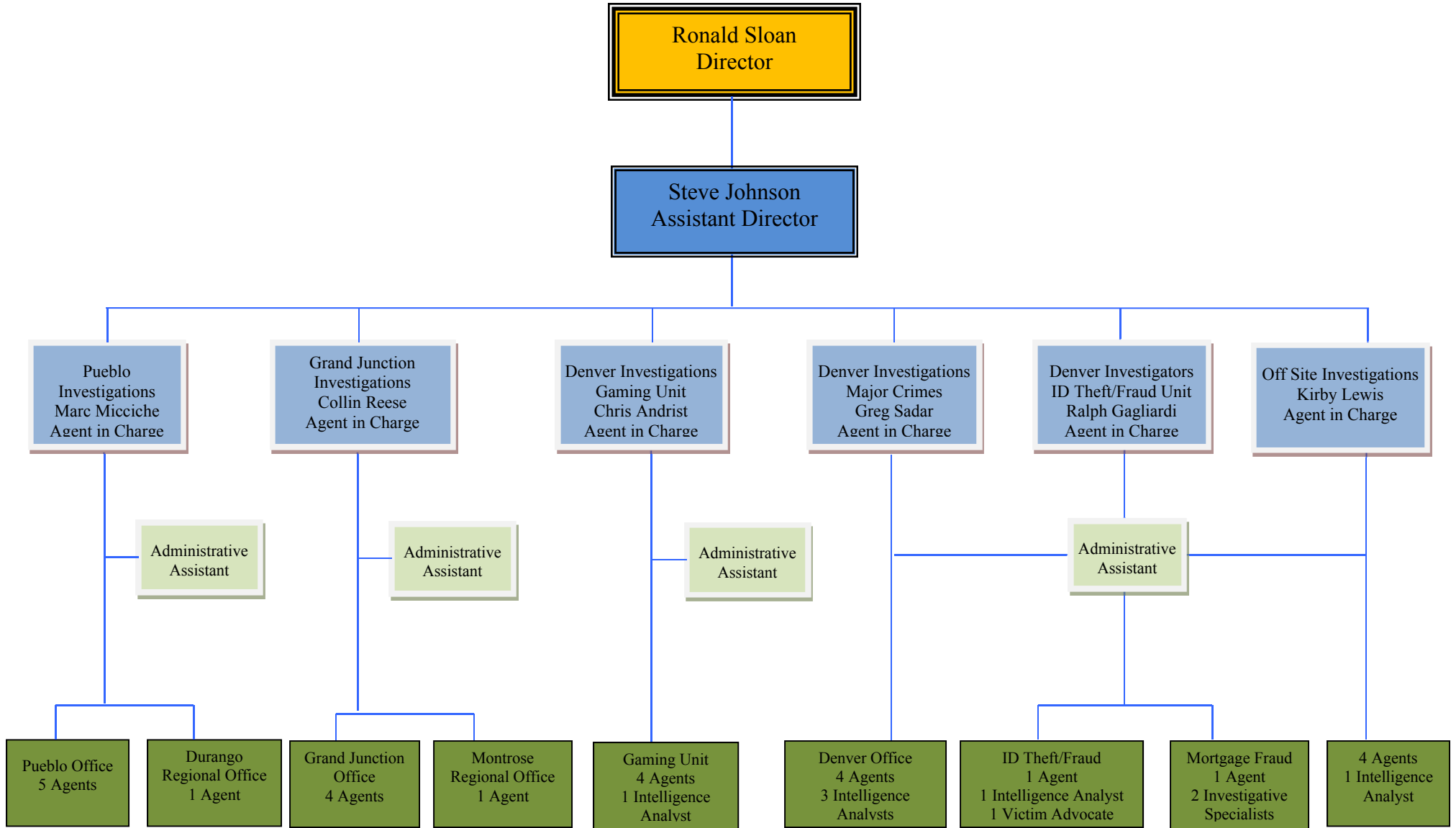
- Colorado Springs Executives and Small Business Owners Association
- Jefferson County Community Safety Day
- Low Vision Support Group (Metro Area)
- 18th Judicial District Fraud Prevention Day for Seniors
- Argosy University
- Costner & Associates Financial Planners Client Meeting
- Kinship Care Conference/Northern Colorado

BOARD ROSTER

<i>Statutorily Required</i>			
James Davis	Executive Director of Colorado Department of Public Safety	(303) 239-4400	James.Davis@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Coloardo Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG on Occasion)</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>1st Term Exp 6-30-14</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>1st Term Exp 6-30-14</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Mark Beckner	Rep of Police department	(303) 441-3310	Becknerm@bouldercolorado.gov
<i>1st Term Exp 6-30-14</i>	<i>Chief of Police - Boulder Police Department</i>		
Katie Carrol	Rep of Consumers / Victims advocates	(719) 636-5076 ext115	katiec@bbbsc.org
<i>1st Term Exp 6-30-14</i>	<i>BBB Director of PR and Broadcasting</i>		
Laura Rogers	Rep of Depository institutions	(303) 235-1357	Laura.Rogers@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
VACANT	Rep of Depository institutions		
<i>1st Term Exp 6-30-15</i>	<i>VACANT - John Webster Resignation May 16, 2013</i>		
Larry Kuntz	County Sheriffs of Colorado	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
November 13, 2013

AGENDA

Identity Theft and Financial Fraud Board

November 13, 2013

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
- Budget
 - Financials
 - Grants
- Operational Report
 - Unit Staffing
 - Unit / Case Highlight(s)
 - Victim Advocacy Report
- Update on Additional Unit Funding
 - Secretary of State – Legislation
- Open Board Position(s)
 - Resignation of Katie Carrol, October 2013
 - Proposed Position Applications Pending
- New Business
- Set Next Meeting
- Adjournment

Minutes

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St. Lakewood CO 80215
August 14, 2013

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Mark Beckner, Chief, Boulder Police Department
Laura (Rogers) Keasling, Senior Vice President, Support Services, 1st Bank
Larry Kuntz, Sheriff, Washington County Colorado
Ron Sloan, Director, Colorado Bureau of Investigation (CBI)
Steve Johnson, Assistant Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Skip Jenkins, Analyst, CBI

Absent:

Michael Stefanich, Senior Business Leader, VISA, Inc.
Katie Carrol, Director of PR and Broadcasting, Better Business Bureau of Southern Colorado
Keith Lobis, Regional President, Wells Fargo Bank

Meeting Called to Order

The meeting was called to order by Janet Drake. Ms. Drake made a motion to approve the previous board meeting minutes which was seconded by Chief Mark Beckner, and no objections were made. Introductions were made by all in attendance. Laura Keasling, previously Laura Rogers of 1st Bank, was congratulated on her recent marriage.

Budget:

The CFI Unit Budget was presented by CBI Agent Kevin Hyland. The previous budget (through March 2013) reflects total revenues of \$284,221, expenditures of \$279,727 and an ending balance of \$148,245. The current budget (through June 2013) reflects total revenues of \$398,271, expenditures of \$351,675, and an ending balance of \$190,347.

Agent Hyland also discussed the Mortgage Fraud Grant (Current Balance: \$563,592) and the ID Theft Victims Assistance Grant (Current Balance: \$25,765). There was some concern expressed by the Board as to when the grants would expire and what that would mean to the Unit and its services to the public. Additional questions were asked by Janet Drake concerning the victim advocate position and if it would be interrupted or lost with the expiration of the grants.

CFI Operational Report:

CFI Unit AIC Ralph Gagliardi presented the operational report with highlights from two current cases.

Case Highlight 1:

Business ID Theft Case – PARKS & HONOWITZ

There was a Grand Jury Indictment of suspects PARKS & HONOWITZ on 5/23/2013. Parks has been extradited and is currently in custody in Colorado. Honowitz was arrested but released on bond in Florida.

Case Highlight 2:

Military/Nigerian Internet Romance Scam - VASSEUR

There was a guilty plea and sentencing on 7/27/2013 for the mother/daughter fraud team of Tracy and Karen Vasseur. The two were found guilty of a Nigerian based military romance scam. Tracy Vasseur received a 15 year sentence and Karen Vasseur received 12 years. <http://www.9news.com/rss/story.aspx?storyid=352619>

Case Highlight 3:

Child ID Theft – Children with Cancer

There has been a disturbing trend of identity theft and fraud that has affected children with cancer. One child lost Medicaid Benefits due to “employment”, and the second had information stolen from his website and reposted as another “child”. CBI was able to identify and correct the fraudulent wages and advocate for benefits and services to be reinstated. The pirated information of the second child was located, and the fraudulent website was taken down. No parties were defrauded of any money, and the offending party was located and contacted by law enforcement.

Victim Advocacy:

Victim Advocate Hazel Heckers reported on statistics and advocacy. There were a total of **405** victims served by the Victim Assistance Program, and **69** victims served through the hotline. There was a marked increase in victim reports from Human Services & the Department of Youth Corrections due to changes in policy and legislative mandates. Legislation requires that children will be checked for and assisted with any possible identity theft while in out of home placement in the state of Colorado. CBI has conducted extensive training for DHS and DYC throughout Colorado.

Vital Stats compromised Death Records, 90+ records lost,

The Colorado Department of Vital Records acknowledged to 93 families that death records for their loved ones had been lost. The records contained all information needed to commit identity theft and fraud. Vital records also listed the CBI Victim advocate as the contact person for families concerned about ID theft. The Victim Advocate assisted 92 families that had death certificates of loved one lost by the Department of Vital Records. Of these, 2 ID theft cases found, but are not believed to be caused by lost records.

Training: The Victim Advocate, with the assistance of other Unit personnel conducted over thirty trainings to different law enforcement and private groups. At this time, there are over 15 planned for the upcoming quarter.

Additional Presentations:

Safety Fair

There will be a Public Safety Fair on 8/24/13, at the Jefferson County Fairgrounds from 8:30 to 1:00. This event is free to the public with a variety of vendors and presentations. A Fraud Summit and Fair will be held in Elbert County on 9/9/13 at the Elbert County Fairgrounds. The CBI plans to staff tables for these events to provide information on types of fraud and what to do in cases of identity theft.

Other:

Bi-Annual Report to Colorado Legislature and Judiciary Committees

AIC Ralph Gagliardi reported on documentation submitted by the CFI Unit to the Colorado Legislature which included a summary of action by the CFI Unit from April 2009 to September 2012. A copy was circulated at the Board meeting and all members in attendance were given a copy of the report.

New Business:

- 1) Janet Drake inquired about the vacant Board Positions and the process to fill the vacancies left by the resignations of John Webster from Bank at Broadmoor, and pending resignation of Katie Carrol from the Better Business Bureau. Neither is currently in a position that allows them to serve on the board.
- 2) Ralph Gagliardi brought up information on new legislative issues. Specifically, a proposal by the Colorado Secretary of State to change the fee structure that would increase funding to the Unit.
- 3) Jess Redman made the Board aware of changes within the ID Theft Statute, particularly, the inclusion of “knowingly” in definition. He explained what this change could mean, and Colorado Supreme Court support for the change.
- 4) Ron Sloan explained the new legislative issues and how this has changed CBI process regarding misidentification and assisting victims.
- 5) Janet Drake made a request to Laura Keasling for a presentation by a bank representative in regards to fraud and identity theft.

Next Meeting:

The next Board meeting has been scheduled for **1:30 PM on Wednesday 11/13/2013**, and will be held at 710 Kipling Street, in the 3rd floor conference room

Meeting Adjourned

The motion to adjourn the meeting was made at 2:35pm by Janet Drake and seconded by AD Steve Johnson.

Colorado Department of Public Safety

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending Sept 2013

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	190,347	189,358	190,144	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221	190,347
Revenue	24,194	27,097	25,944	-	-	-	-	-	-	-	-	-	77,235
Expenditures													
Salaries and Benefits	17,585	20,157	37,715	-	-	-	-	-	-	-	-	-	75,457
Operating Expenses	6,385	4,763	5,481	-	-	-	-	-	-	-	-	-	16,629
Travel Expenses	-	-	69	-	-	-	-	-	-	-	-	-	69
Indirect Cost	1,213	1,391	2,602	-	-	-	-	-	-	-	-	-	5,206
Total Expenditures	25,183	26,311	45,867	-	-	-	-	-	-	-	-	-	97,361
Revenues Over Expenditures	(989)	786	(19,923)	-	-	-	-	-	-	-	-	-	(20,126)
Ending Fund Balance	189,358	190,144	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221	170,221

Comparison Sept FY2013 and 2014

Budget to Actual	Budget	Actual	%		2013	2014	Difference	% Change
Revenues	360,000	77,235	0.21	Beginning Fund Balance	143,751	190,347		
Expenditures				Revenue	72,690	77,235	4,545	6%
Salaries and Benefits	258,636	75,457	0.29	Expenditures				
Operating Expenses	70,000	16,629	0.24	Salaries and Benefits	66,531	75,457	8,926	13%
Travel Expenses	1,000	69	0.07	Operating Expenses	16,998	16,629	(369)	-2%
Indirect cost	26,124	5,206	0.20	Travel Expenses	16	69	53	331%
Total Expenditures	355,760	97,361	0.27	Indirect Cost	6,653	5,206	(1,447)	-22%
				Total Expenditures	90,198	97,361	7,163	8%
				Revenues Over Expenditures	(17,508)	(20,126)		
				Remaining year				
				Ending Fund Balance	126,243	170,221		

**ID Theft / Fraud Unit
Grant Report
Ending Sept 2013**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(925,956)	
Travel	\$	(1,370)	
Operating	\$	(39,696)	
Vehicles	\$	(19,525)	
Police Supp	\$	(2,470)	
Indirect	\$	(337,054)	
Remaining		374,429	Grant end date Sept 30, 2014.

ID Theft Victims Grant 2013

Awarded	\$	92,023	
Pers Servc	\$	(55,828)	
Travel	\$	(10)	
Operating	\$	(1,916)	
Hotline	\$	(11,600)	
Remaining		22,669	Scheduled to end Feb 28, 2014

UNIT / CASE HIGHLIGHT

Mortgage Fraud Indictment

On Thursday November 7, 2013 the Colorado Statewide Grand Jury **indicted 9 suspects** with **67 criminal counts in an organized crime ring** involved in a complex mortgage fraud “short sale” scheme. This scheme involved **70 properties valued at a conservative \$8 million dollars** in Adams, Arapahoe, and Denver counties, and occurred from January 1, 2008 through October 31, 2013.

Several agencies cooperated in this investigation, including the Colorado Attorney General, the Colorado Bureau of Investigation, the U.S. Department of Housing and Urban Development, Office of the Inspector General, the Federal Housing and Finance Authority, and the Department of Regulatory Agencies; Division of Real Estate. This case will be tried in Adams County, and prosecuted by the Colorado Attorney General and the District Attorney’s Office in the 17th Judicial District.

Details of this scheme involved members of **Criminal Enterprise** collaborating with one or more of the others as principals and/or complicitors to use their status as professionals in the real estate industry. This was all done to profit from multiple real estate transactions through short sales. This generated approximately **\$250,000** in profits.

The fraud for profit scheme used two real estate transactions that were occurring simultaneously and were respectively known as the A-B and B-C transactions. The basic premise of the A-B component of the fraudulent scheme first focused on the Enterprise identifying distressed homeowners who were in a pre-foreclosure status. Once a property was zeroed in on by members of the Enterprise, the goal was to obtain control and ownership over the property through a series of deceptive tactics. They would then utilize various fraudulent documents designed to assist the Enterprise in making the offer and final sale price to be as low as possible.

The Enterprise often used a related family member or a business associate with a different last name as straw purchasers who were fraudulently represented to the lender as being pre-qualified to buy homes. In the case of the related family member, the investigation showed that this family member was not financially capable of buying a home. The Enterprise’s repeated use of the same family member and business associate is evidence that these real estate transactions were not legitimate. The group then worked to convey the property from the distressed homeowner to the Trust. This was done unbeknownst to the lender and without the authorization of the lender.

Once these actions occur, the B-C part of transaction ensues with the Enterprise using its control over the Trust to list the property on the Multiple Listing Service (MLS), with a goal of selling the property for a higher price to an unknowing, third party purchaser. Another key component of the scheme is the timing of the A-B and B-C closings; often occurred in close proximity to each other. This was done so the funds obtained from one sale were available to be used to pay off the short sale lender in exchange for the lien being released. For this critical timing to occur the Enterprise relied on the complicit actions of a compliant closing agent at a title company.

The difference between the sales price of the B-C sale and the A-B short sale was a key part of the financial profit that the Enterprise’s fraudulent acts permitted. Additionally, the Enterprise’s fraud for profit scheme also thrived by the members being unjustly enriched after acquiring extra fees and commissions resulting from the illicit scheme.

VICTIM ADVOCACY

Direct Services:

During the past quarter (July-September, 2013) the ID Theft Unit served **192 victims** of ID theft and fraud. In October, an additional **103 victims** received services. The number of victims served by this program **January through October is 934**. The 24 hour hotline served **61 new victims** for the period of July through October.

The majority of victims calling the 24 hour hotline pertained to financial ID theft and criminal ID theft. The Victim Assistance Program has seen an increase in reports of ID theft against a minors, with **30 minors** who are victims being served July through October. The Victim Assistance Program continues to receive reports regarding **elderly victims** representing approximately **30-33%** of all calls.

Training and Outreach:

The following professional training and community education events have been provided from July through early November, 2013.

- Disaster Related ID Theft & Fraud Response Webinar
- Denver Indian Center Tribal Elders
- Kiowa Senior Luncheon
- Low Vision Support Group Northern Colorado
- Low Vision Support Group Southern Colorado
- Jefferson County Safety Day
- Senior Fraud Summit 18th Judicial District
- Argosy University
- Costner Financial Planners Client Meeting
- Society of Certified Senior Advisors Webinar
- El Paso County Department of Human Services
- Weld County Department of Human Services
- Elbert County Sheriff's Office
- Federal Trade Commission Staff Webinar
- Horizon High School
- State Kinship Care Conference

Upcoming Training and Outreach Events:

- Colorado State Foster Parent Association Fall Conference
- University Park Methodist Church
- 1st Judicial District Probation Victim Advocates
- University of Colorado Staff and Faculty Denver Campus
- University of Colorado Staff and Faculty Anschutz Campus and Medical School
- Larimer and Weld County Sheriff's Office Victim Advocates
- Parker Chamber of Commerce
- Consistent Values Financial Planners Clients

Fairs & Events: CBI participated in two large events this past quarter: the Jefferson County Safety Fair and the 18th Judicial District Fraud Summit. CBI hosted tables at the events and provided materials for more than 5,100 participants. The Jefferson County Safety Day was held in August at the Jefferson County Fairgrounds and was sponsored by the 1st Judicial District's District Attorney's Office. A huge crowd of over 5,000 attended. Three CBI staff (Ralph, Jeff and Hazel) staffed our tables with the support of John Raney from HUD. The 18th Judicial District Fraud Summit was sponsored by the Elbert County Sheriff's Office and the 18th Judicial District's District Attorney's Office, and was held at the Elbert County Fairgrounds. CBI hosted a table that was staffed by three staff members (Ralph, Peggy and Hazel). In addition, Ralph provided a presentation about CBI and the services offered by our ID Theft and Fraud Unit and 24 Hour Hotline. We would like to offer a special thanks to Laura Keasling and Keith Lobis who provided us with wonderful door prizes for the Elbert County event.

Blog: The ID Theft and Fraud Unit has been invited to serve as a guest blogger by the Colorado Department of Homeland Security Office of Emergency Preparedness READY Colorado Program. We have provided weekly guest blogs that introduce our services and hotline, warn of current scams, offer ID Theft prevention tips and provide seasonal tips on staying safe from ID thieves and scams.

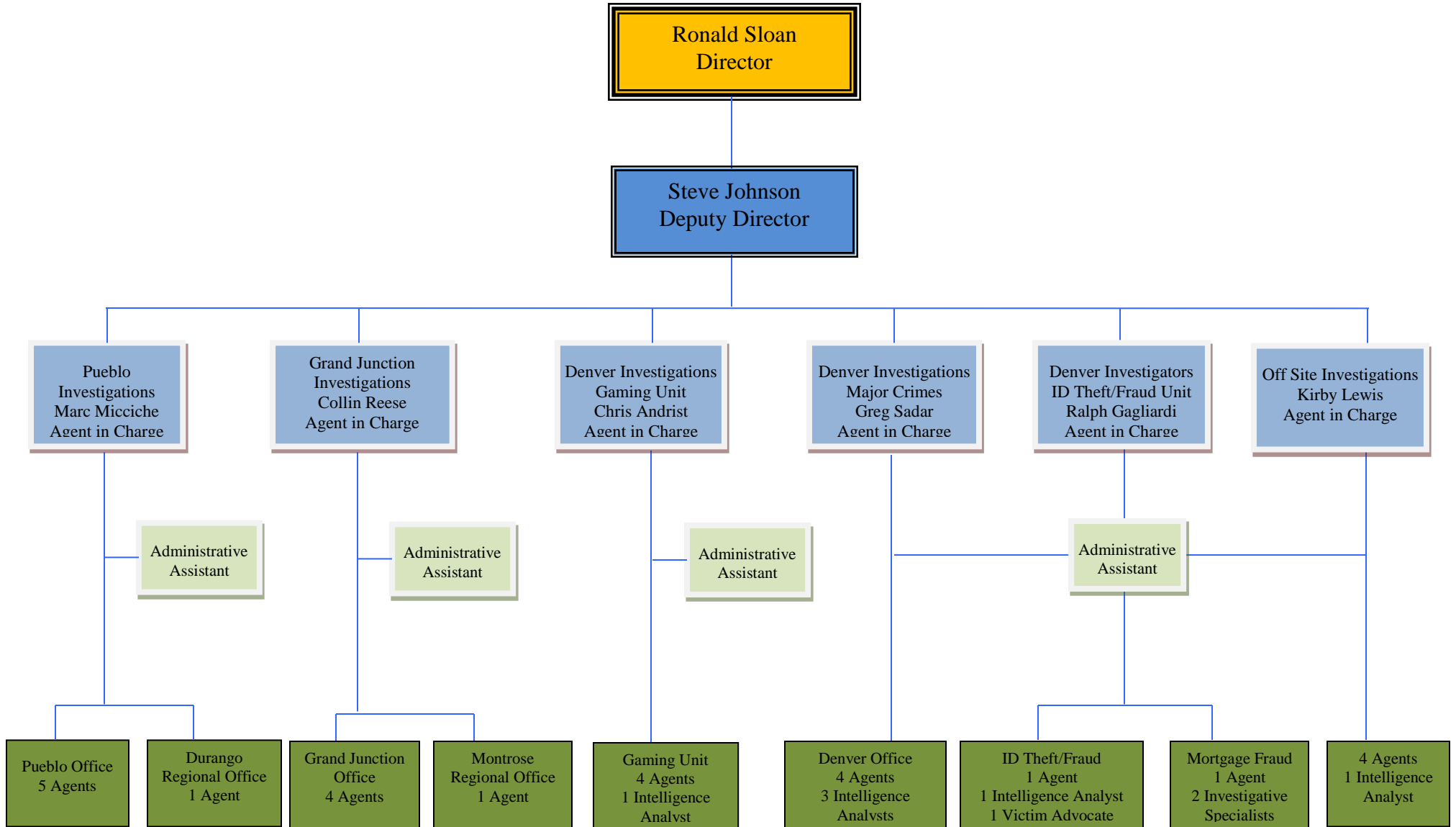
Spoofed Numbers: The ID Theft Unit has received a number of calls regarding spoofed phone numbers being used during phishing scams. The scam artists use an online program to "spoof" the number that shows up on their caller ID. They then contact potential victims, appearing to be a legitimate business. Spoofed numbers we have seen recently belong to an attorney's office in Palo Alto California, a Denver area Locksmith and an elderly couple in Golden Colorado. Angry callers who realize they may have been scammed into providing personal or financial information call the hijacked number, disrupting the legitimate business and creating fear. The elderly couple in Golden reported that callers had become abusive and threatening. CBI provided resources and options for the victim of the hijacked numbers, posted media alerts about the scams, assisted victims in calling local law enforcement, and offered support to law enforcement agencies involved in the follow up.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
James Davis	Executive Director of Colorado Department of Public Safety	(303) 239-4400	James.Davis@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Coloardo Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG on Occasion)</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>1st Term Exp 6-30-14</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>1st Term Exp 6-30-14</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Mark Beckner	Rep of Police department	(303) 441-3310	Becknerm@bouldercolorado.gov
<i>1st Term Exp 6-30-14</i>	<i>Chief of Police - Boulder Police Department</i>		
Open (Katie Carrol)	Rep of Consumers / Victims advocates		
<i>1st Term Exp 6-30-14</i>			
Laura Keasling	Rep of Depository institutions	(303) 239-5066	Laura.Keasling@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
Open (John Webster)	Rep of Depository institutions		
<i>1st Term Exp 6-30-15</i>			
Larry Kuntz	Rep of Sheriff's department	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
February 19, 2014

AGENDA

Identity Theft and Financial Fraud Board

February 19, 2014

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
 - Welcome New Board Members
 - Beau Ballinger
 - Jenifer Waller
- Budget
 - Financials
 - Grants
- Board Resignation & End of Term
 - Laura Keasling – Resigned, January 2014
 - Board Member Terms Ending June 2014
- Operational Report
 - Unit / Case Highlight(s)
 - Victim Advocacy Report
- Update on Additional Unit Funding
 - Secretary of State – Legislation for Fee Increase
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
November 13, 2013

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Mark Beckner, Chief, Boulder Police Department
Larry Kuntz, Sheriff, Washington County Colorado
Michael Stefanich, Senior Business Leader, VISA, Inc.
Ron Sloan, Director, Colorado Bureau of Investigation (CBI)
Steve Johnson, Deputy Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Jeff Schierkolk, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI
Beau Ballinger, Senior Program Specialist, AARP Foundation

Absent:

Laura (Rogers) Keasling, Senior Vice President, Support Services, 1st Bank
Keith Lobis, Regional President, Wells Fargo Bank

Meeting Called to Order:

The meeting was called to order at 1:35 pm, by Agent in Charge (AIC) Ralph Gagliardi. AIC Gagliardi facilitated introductions. Beau Ballinger introduced himself and described his position at the AARP Foundation. Mr. Ballinger has applied for the Board position recently vacated by Katie Carroll.

Ms. Drake asked for approval of the August, 2013 minutes. Motion to approve the minutes was made by Chief Beckner, Sheriff Kuntz seconded. Minutes were approved with the no corrections.

Budget:

Agent Kevin Hyland reviewed the budget for first quarter of the fiscal year which began July 1, 2013. Revenues reflected they were stable in a narrow range of \$24,000 to \$26,000 per month.

Agent Hyland pointed out an increase in September in the Salaries and Benefits Expenditures. According to the accounting staff, the additional amounts are a catch up for expenses that were not shown in July and August. Agent Hyland will research this further to obtain information on the specific charges which were added.

Total revenues through September 2013 were \$77,235 and expenditures through September of \$97,361 leaving a deficit of \$20,126 and an ending fund balance of \$170,221.

Janet Drake asked for a breakdown of salaries and adjustments and which are ongoing expenses and which will be one-time expenses.

Agent Hyland also discussed the Mortgage Fraud Grant (Current Balance: \$374,429 and expiration date of September 30, 2014) and the ID Theft Victims Assistance Grant (Current Balance \$22,669 and expiration date of February 28, 2014). It is anticipated that these funds will be used in full by the expiration of the grants.

CFI Operational Report:

AIC Gagliardi reported the resignation of Analyst Skip Jenkins who accepted a new position with Department of Corrections.

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Mortgage Fraud Case – Monty Hall:

On Thursday, November 7, 2013 the Colorado Statewide Grand Jury indicted 9 suspects with 67 criminal counts in an organized crime ring involved in a complex mortgage fraud “short sale” scheme. This scheme involved 70 properties valued at a conservative \$8 million dollars in Adams, Arapahoe, and Denver counties, and occurred from January 1, 2008 through October 31, 2013.

Victim Advocacy:

Victim Advocate Hazel Heckers reported on statics and advocacy. There were a total of 192 victims served in the third quarter and an additional 103 victims served in October. The total victims served by this program January through October 2013 is 934.

The Victim Advocate, with the assistance of other Unit Personnel, conducted sixteen trainings to different law enforcement and private groups. At this time, there are eight planned for the upcoming quarter. CBI participated in two large events this past quarter: the Jefferson County Safety Fair and the 18th Judicial District Fraud Summit.

The ID Theft Hotline is also getting calls from law enforcement agencies as a resource for officers during off hours. In addition, we will be providing a weekly guest blog for the Colorado Department of Homeland Security Office of Emergency Preparedness READY Colorado Program.

Update on Additional Unit Funding:

AIC Gagliardi updated the status of the legislation to change the funding option for the ID Theft Unit. Secretary of State Office will be putting this legislation forward again in the upcoming session. We provided additional data at the end of October to support their efforts.

Open Board Positions:

Applications have been submitted to the Governor's Office for the two vacancies on the Board.

New Business:

ADA Jess Redman gave a presentation covering the charges and offenses related to Identity Theft and Mortgage Fraud. He discussed the statutes available to prosecutors and the issues in documenting these cases and presenting them in an understandable format for a jury.

Next Meeting:

Wednesday, February 19, 2014 at 1:30

710 Kipling St,

3rd Floor Conference Room

Meeting Adjourned:

The motion to adjourn the meeting was made at 2:55 pm by Michael Stefanich and seconded by Sheriff Kuntz.

Colorado Department of Public Safety

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending Dec 2013

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	190,347	189,358	190,144	170,221	172,192	175,189	167,088	167,088	167,088	167,088	167,088	167,088	190,347
Revenue	24,194	27,097	25,944	26,804	21,965	25,194	-	-	-	-	-	-	151,198
Expenditures													
Salaries and Benefits	17,585	20,157	37,715	14,891	13,234	26,693	-	-	-	-	-	-	130,275
Operating Expenses	6,385	4,763	5,481	8,914	5,075	4,918	-	-	-	-	-	-	35,536
Travel Expenses	-	-	69	-	-	-	-	-	-	-	-	-	69
Indirect Cost	1,213	1,391	2,602	1,028	659	1,684	-	-	-	-	-	-	8,577
Total Expenditures	25,183	26,311	45,867	24,833	18,968	33,295	-	-	-	-	-	-	174,457
Revenues Over Expenditures	(989)	786	(19,923)	1,971	2,997	(8,101)	-	-	-	-	-	-	(23,259)
Ending Fund Balance	189,358	190,144	170,221	172,192	175,189	167,088	167,088	167,088	167,088	167,088	167,088	167,088	167,088

Comparison Dec FY2013 and 2014

Budget to Actual	Budget	Actual	%		2013	2014	Difference	% Change
Revenues	360,000	151,198	0.42	Beginning Fund Balance	143,751	190,347		
Expenditures				Revenue	140,811	151,198	10,387	7%
Salaries and Benefits	258,636	130,275	0.50	Expenditures				
Operating Expenses	70,000	35,536	0.51	Salaries and Benefits	138,093	130,275	(7,818)	-6%
Travel Expenses	1,000	69	0.07	Operating Expenses	33,646	35,536	1,890	6%
Indirect cost	26,124	8,577	0.33	Travel Expenses	16	69	53	331%
Total Expenditures	355,760	174,457	0.49	Indirect Cost	13,835	8,577	(5,258)	-38%
				Total Expenditures	185,590	174,457	(11,133)	-6%
				Revenues Over Expenditures	(44,779)	(23,259)		
				Remaining year	91,375			
				Ending Fund Balance	190,347	167,088		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending Dec 2013**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(991,745)	
Travel	\$	(1,370)	
Operating	\$	(30,497)	
Vehicles	\$	(18,484)	
Police Supp	\$	(9,572)	
Indirect	\$	(378,543)	
Remaining		270,289	Grant end date Sept 30, 2014.

ID Theft Victims Grant 2013

Awarded	\$	66,926	
Pers Servc	\$	(52,150)	
Travel	\$	(10)	
Operating	\$	(1,916)	
Hotline	\$	(12,850)	
Remaining		0	

ID Theft Victims Grant V

Awarded	\$	25,097	
Pers Servc	\$	(5,866)	
Operating	\$	-	
Hotline	\$	(2,500)	
Remaining		16,731	Scheduled to end Feb 28, 2014

UNIT / CASE HIGHLIGHT

New criminal investigations include:

Colorado Department of Labor and Employment (CDLE) – ID Theft and Fraud Investigation. A \$55k loss from CDLE and State of Colorado Department of Revenue. Over 100 Victims of identity theft in Colorado. These victims have had their personal identifying information used to collect Tax refunds and employment benefits.

State of Colorado Counterfeit Check(s) – These counterfeit checks, in excess of \$100,000 in total, have been cashed at banks in Colorado, California and Ohio. Wells Fargo (in Colorado Springs), US Bank (Pueblo), Colorado Bank and Trust (Pueblo) via Bank of America and Huntington National Bank (Ohio). A suspect in Colorado has been identified and an arrest warrant is being prepared. In general person(s) abroad, most likely in Nigeria, are creating counterfeit State of Colorado checks and sending them to recruited (middleman) members in the USA. In our case, the Colorado suspect, the middleman, is alleged to be assisting the larger group by cashing checks and recruit others to cash them when banks catch on to her scheme. This suspect then sends a portion of these funds on to Nigeria.

VICTIM ADVOCACY

Direct Services:

During the past quarter (October-December, 2013) the ID Theft Unit served **277 victims** of ID theft and fraud. In January, an additional **65 victims** received services. The number of victims served by this program **January through December, 2013 is 1,035**. The 24 hour hotline served **229 new victims** in 2013.

A number of callers to both the Hotline and Victim Advocate have been from victims of recent data breaches. The State of Colorado, Target Corporation and Niemen Marcus all experienced data breaches around the end of 2013. The ID Theft Unit's Victim Assistance Program provided information, support and resources for individual victims, community groups and State of Colorado work sites regarding data breaches, crime prevention tips and ID theft early detection.

Training and Outreach:

The following professional training and community education events have been provided from October, 2013 through January, 2014.

- Horizon High School
- State Kinship Care Conference
- Colorado State Foster Parent Association Fall Conference
- University Park Methodist Church
- Ball Corporation Staff
- 1st Judicial District Probation Victim Advocates
- 1st Judicial District Victim Assistance Programs Task Force
- Edward Jones Women's Investment Club Meeting
- University of Colorado Staff and Faculty Denver Campus
- Larimer and Weld County Sheriff's Office Victim Advocates
- How To Advocate for ID Theft Victims Webinar with FINRA
- Consistent Values Financial Planners Clients
- Jump Start Financial Fitness Conference (3 sessions)
- Parker Chamber of Commerce (Jeff)
- Jefferson County Citizens Academy Alumni (Ralph)
- New York Times Article (Ralph)

Upcoming Training and Outreach Events:

- Alpha Delta Kappa Alumni Meeting
- Windsor Gardens
- Low Vision Group Boulder
- Low Vision Group Denver
- Low Vision Group Metro West
- Comprehensive Financial Services Clients
- El Paso County Department of Human Services Foster Care Workers

Blog/Social Media: The ID Theft and Fraud Unit continues to provide weekly blogs for READY COLORADO. The blog provides an opportunity to discuss current scams and ID theft issues in an educational environment. READY COLORADO also posts articles and media alerts regarding scams and ID theft on their website and on their Face Book page. The ID Theft Unit shared blog postings with NITVAN (National ID Theft Victims Advocacy Network) for distribution throughout the US. We have also shared blogs, tip sheets, articles and Power Point training with a number of Law Enforcement agencies in Colorado, throughout the US and in Canada.

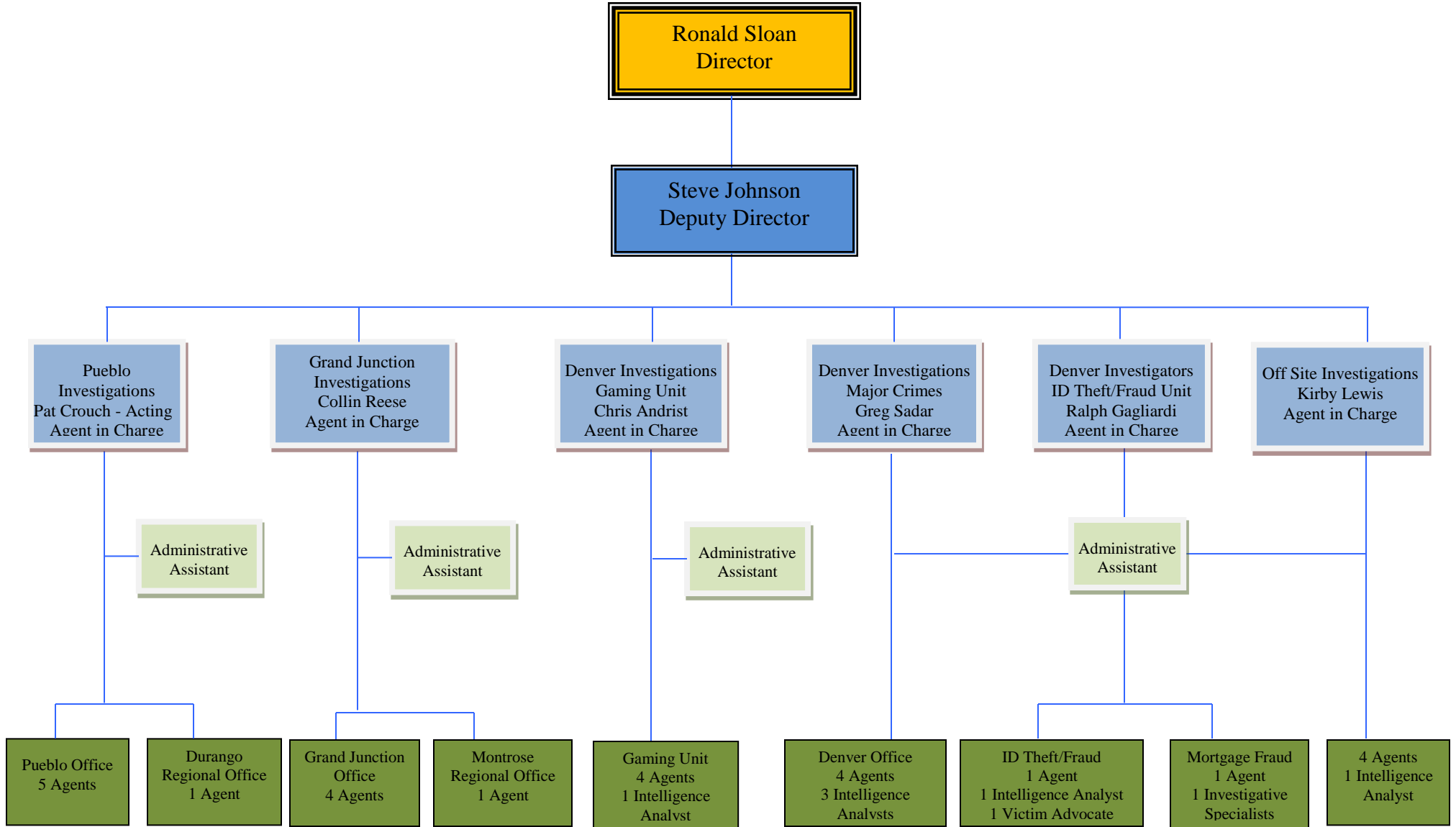
Shred-a-thon: CBI's ID Theft Unit will be hosting our first Shred-a-thon **April 26, 2014**. The ID Theft Unit staff has been busy planning the event and coordinating with all of the agencies involved. We are honored to announce that Wells Fargo will be our event sponsor. Keith Lobis and his amazing Administrative Assistant, Laurie Wells have helped us seek out two prime locations for our event; one in the Metro area and one in Grand Junction. We have coordinated with the DEA to coincide our event with the DEA Prescription Drug Take Back Day. We are looking forward to a great event, so please save the date and join us.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
James Davis	Executive Director of Colorado Department of Public Safety	(303) 239-4400	James.Davis@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Colorado Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG) Board Chair</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository Institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>1st Term Exp 6-30-14</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>1st Term Exp 6-30-14</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Mark Beckner	Rep of Police Department	(303) 441-3310	Becknerm@bouldercolorado.gov
<i>1st Term Exp 6-30-14</i>	<i>Chief of Police - Boulder Police Department</i>		
Beau Ballinger	Rep of Consumers / Victims advocates	(720) 947-5305	bballinger@aarp.org
<i>1st Term Exp 6-30-14</i>	<i>Senior Program Specialist - AARP Foundation ElderWatch</i>		
OPEN (Laura Keasling)	Rep of Depository Institutions	(303) 239-5066	Laura.Keasling@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Larry Kuntz	Rep of Sheriff's Department	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
May 28, 2014

AGENDA

Identity Theft and Financial Fraud Board

May 28, 2014

1:30

CBI

710 Kipling St, 3rd Floor
Lakewood, CO 80215



- Call to Order
- Approval of Meeting Minutes
- Introductions
 - Welcome New Board Members
 - Laura Romero – Senior VP, 1stBank
 - Jack Cauley – Chief, Castle Rock PD
- Budget
 - Financials
 - Grants
- Board Terms Extended (2nd Terms)
 - Ketih Lobis, Michael Stefanich, and Beau Ballinger – through June, 2017
- Operational Report
 - Business Cents – Sentencing
 - CDLE – Search Warrant
 - Shred Event
 - Victim Advocacy Report
- Update on Additional Unit Funding
 - Secretary of State – Legislation Passed
 - Cyber Security – Legislation Passed
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
February 19, 2014

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Mark Beckner, Chief, Boulder Police Department
Larry Kuntz, Sheriff, Washington County Colorado
Michael Stefanich, Senior Business Leader, VISA, Inc.
Beau Ballinger, Senior Program Specialist, AARP Foundation
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Jeff Schierkolk, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Attending via phone:

Jenifer Waller, Senior Vice President, Colorado Bankers Association

Absent:

Keith Lobis, Regional President, Wells Fargo Bank

Meeting Called to Order:

The meeting was called to order at 1:35 pm, by Chair Janet Drake. Ms. Drake facilitated introductions. Chief Beckner announced that this is his last meeting because he is retiring in April. Sheriff Kuntz announced that he will be retiring at the end of this calendar year.

Ms. Drake asked for approval of the November, 2013 minutes. Motion to approve the minutes was made by Chief Beckner, ADA Redman seconded. Minutes were approved with the no corrections.

Budget:

Agent Kevin Hyland reviewed the budget for the second quarter of the fiscal year which began July 1, 2013. Agent Hyland reported the salaries were corrected from the last report. Total revenues through December 2013 were \$151,198 and expenditures through December of \$174,457 leaving a deficit of \$23,259 and an ending fund balance of \$167,088.

Janet Drake asked about the delay from the Secretary of State and Agent Hyland reported this has been cleared up. Agent Hyland noted that revenues usually increase in the 3rd quarter. Current revenues are ahead of this time last year.

Agent Hyland also discussed the Mortgage Fraud Grant (Current Balance: \$270,289 and expiration date of September 30, 2014) and the ID Theft Victims Assistance Grant (Current Balance \$16,731 and expiration date of February 28, 2014). It is anticipated that these funds will be used in full by the expiration of the grants.

Hazel is working on applications for VOCA Funding and State VALE grants. They invited us to apply so we are hopeful of an approval. If awarded, this grant would run Jan 2015 through December 2016 at which time we can reapply.

Open Board Positions:

Michael Stefanich and Beau Ballinger agreed to another term if the Governor agrees. Laura Romero has submitted an application for Laura Keasling's position. Chief Beckner and Sheriff Kuntz were asked to submit names of potential candidates they would recommend.

CFI Operational Report:

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Colorado Department of Labor and Employment (CDLE) – ID Theft and Fraud Investigation. A \$55k loss from CDLE and State of Colorado Department of Revenue. Over 100 Victims of identity theft in Colorado. These victims have had their personal identifying information used to collect Tax refunds and employment benefits.

State of Colorado Counterfeit Check(s) – These counterfeit checks, in excess of \$100,000 in total, have been cashed at banks in Colorado, California and Ohio. Wells Fargo (in Colorado Springs), US Bank (Pueblo), Colorado Bank and Trust (Pueblo) via Bank of America and Huntington National Bank (Ohio). A suspect in Colorado has been identified and an arrest warrant is being prepared. In general person(s) abroad, most likely in Nigeria, are creating counterfeit State of Colorado checks and sending them to recruited (middleman) members in the USA. In our case, the Colorado suspect, the middleman, is alleged to be assisting the larger group by cashing checks and recruit others to cash them when banks catch on to her scheme. This suspect then sends a portion of these funds on to Nigeria.

Victim Advocacy:

Victim Advocate Hazel Heckers reported on statics and advocacy. During the past quarter (October-December, 2013) the ID Theft Unit served **277 victims** of ID theft and fraud. In January, an additional **65 victims** received services. The number of victims served by this program **January through December, 2013 is 1,035**. The 24 hour hotline served **229 new victims** in 2013.

A number of callers to both the Hotline and Victim Advocate have been from victims of recent data breaches. The State of Colorado, Target Corporation and Niemen Marcus all experienced data breaches around the end of 2013. The ID Theft Unit's Victim Assistance Program provided information, support and resources for individual victims, community groups and State of Colorado work sites regarding data breaches, crime prevention tips and ID theft early detection.

Update on Additional Unit Funding:

AIC Gagliardi updated the status of the legislation to change the funding option for the ID Theft Unit. Three hearings have already occurred and the bill has passed to the House Appropriations Committee. If passed, this additional funding would allow an additional investigator in the ID Theft Unit.

New Business:

None

Next Meeting:

Wednesday, **May 28, 2014 at 1:30**

710 Kipling St,

3rd Floor Conference Room

Meeting Adjourned:

The meeting was adjourned at 3:00pm.

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending April 2014

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	190,347	189,358	190,144	170,221	172,192	175,189	167,088	249,100	268,052	266,451	263,654	263,654	190,347
Revenue	24,194	27,097	25,944	26,804	21,965	25,194	107,218	41,804	21,521	24,712	-	-	346,453
Expenditures													
Salaries and Benefits	17,585	20,157	37,715	14,891	13,234	26,693	18,131	16,368	16,886	20,868	-	-	202,528
Operating Expenses	6,385	4,763	5,481	8,914	5,075	4,918	5,935	5,302	5,016	5,201	-	-	56,990
Travel Expenses	-	-	69	-	-	-	-	82	122	-	-	-	273
Indirect Cost	1,213	1,391	2,602	1,028	659	1,684	1,140	1,100	1,098	1,440	-	-	13,355
Total Expenditures	25,183	26,311	45,867	24,833	18,968	33,295	25,206	22,852	23,122	27,509	-	-	273,146
Revenues Over Expenditures	(989)	786	(19,923)	1,971	2,997	(8,101)	82,012	18,952	(1,601)	(2,797)	-	-	73,307
Ending Fund Balance	189,358	190,144	170,221	172,192	175,189	167,088	249,100	268,052	266,451	263,654	263,654	263,654	263,654

Comparison April FY2013 and 2014

Budget to Actual	Budget	Actual	%		2013	2014	Difference	% Change
Revenues	360,000	346,453	0.96	Beginning Fund Balance	143,751	190,347		
Expenditures				Revenue	342,027	346,453	4,426	1%
Salaries and Benefits	258,636	202,528	0.78	Expenditures				
Operating Expenses	70,000	56,990	0.81	Salaries and Benefits	228,256	202,528	(25,728)	-11%
Travel Expenses	1,000	273	0.27	Operating Expenses	52,863	56,990	4,127	8%
Indirect cost	26,124	13,355	0.51	Travel Expenses	4,699	273	(4,426)	-94%
Total Expenditures	355,760	273,146	0.77	Indirect Cost	22,826	13,355	(9,471)	-41%
				Total Expenditures	308,644	273,146	(35,498)	-12%
				Revenues Over Expenditures	33,383	73,307		
				Remaining year	13,213			
				Ending Fund Balance	190,347	263,654		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending April 2014**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(1,085,356)	
Travel	\$	(1,370)	
Operating	\$	(32,338)	
Vehicles	\$	(18,484)	
Police Supp	\$	(9,572)	
Indirect	\$	<u>(417,739)</u>	
Remaining		135,641	Grant end date Sept 30, 2014.

ID Theft Victims Grant V

Awarded		\$25,097	
Pers Servc		(20,097.00)	
Operating	\$-		
Hotline		<u>(5,000.00)</u>	
Remaining		0	Ended as of Feb 28, 2014

UNIT / CASE HIGHLIGHT

Business Cents Update – Mortgage Fraud Investigation: The Business Cents case involved William “Bill” Wilson, a mortgage broker, with the assistance of Carla Vaughn, a tax preparer that produced false wage information, and Aguilera who translated for Wilson’s renters; conspired to commit fraud. These conspirators obtained the personal identifying of Wilson’s renters and used that information create the appearance that these renters were to purchase homes from Wilson. This was done without the tenant’s knowledge or permission with Wilson receiving the profit from the alleged sale of the home.

Wilson and Aguilera were indicted with 30 counts including Organized Crime (COCCA) for mortgage fraud on November 7, 2012 by the Denver District Attorney. Carla Vaughn was charged with two counts of forgery. Vaughn pled guilty to both counts.

On April 4, 2014 William Wilson plead guilty to the COCCA count and was sentenced to 10 years Department of Corrections.

Colorado Department of Labor and Employment (CDLE) – ID Theft and Fraud Investigation: A \$55K + loss from the Colorado Department of Labor and Employment (CDLE) and \$77K attempt with State of Colorado Department of Revenue/Tax (DOR). The ID Theft Unit and investigating partners executed a search warrant on the suspects’ residence in Denver on March 13, 2014. This resulted in numerous documents and indicia of personal identifying information (PII) being seized. It also revealed other various schemes by which the suspect organization committed ID Theft to include insider work to get at PII.

Shred-a-thon: The ID Theft Unit’s first Shred Event and Drug Take Back Day was a huge success! On April 26, the Unit hosted Shred Events in 3 Colorado locations. In the Metro area, our event co-sponsor was Re/Max, and the event was held here at the Denver CBI location. We hosted 2 locations in Grand Junction with our co-sponsor Alpine Bank. Those events were held at 2 Alpine Bank locations; in downtown Grand Junction and at the Mesa Mall.

The event was planned to coincide with the DEA’s Drug Take Back Day. Many people are confused about how to safely dispose of unwanted medications, and concerned about the personal information that is housed on the medicine containers.

A special thank you to all of our Board Members who helped us get the word out about the event!

Both Shred-It, our Denver-Metro shredding company and Colorado Documents Security, our Grand Junction company, recycle the paper after shredding. Here is what we were able to do with our first event:

- ✚ Collected over **21 tons of paper** to shred!
- ✚ Saved an estimated 358 trees!
- ✚ Saved approx. 148,000 gallons of water!
- ✚ Saved an estimated 86,510 kilowatts of energy!
- ✚ Saved about 64 cubic yards of landfill space!
- ✚ Took in **156 lbs.** of unwanted medications for disposal!
- ✚ Collected a total of 400 lbs. of canned goods for the food banks!
- ✚ Collected just over \$566 in cash donations!
- ✚ Reduced the risk of Identity Theft for many, many Coloradans!

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of January 1 through April 30, 2014, the ID Theft Unit provided services for **336 victims** of ID theft and fraud. The 24 hour hotline served **108 new victims** during this same time.

Callers to our Victim Assistance Program are victims of all forms of ID theft and fraud; however the most frequent callers so far this year have been those with concerns about criminal ID theft and those who are calling on behalf of a minor who is a victim of ID theft. The most common scams reported remain attempts to get the victim to wire money, purchase pre-paid cards (such as Green Dot), or to provide an electronic funds transfer. We have seen an increase in the number of callers regarding the Microsoft scam, which entails a call or email allegedly from Microsoft advising the victim that Microsoft has detected malware on their computer. The caller then gains remote access to the victim's computer and scours files for personal identifying information and financial records. Victims who have allowed the scam artists access report that they go directly to files labeled "IRS", "Medical" and "Bank or Credit Card". Victims also report that after the remote connection was terminated, they found spyware or viruses on their computer.

In March and April of every year, CBI sees an increase in the number of callers reporting fraudulent IRS tax returns or Tax ID Theft. We have created a protocol to assist victims of this crime in collaboration with the IRS, and provide victims with steps to take and resources to assist.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from January through April 2014.

- Jump Start Financial Fitness Conference (3 presentations)
- Consistent Values Financial Planner Client Meeting
- Parker Area Chamber of Commerce
- Alpha Delta Kappa Alumni
- Windsor Gardens (2 presentations)
- Smoky Hills Town Hall Meeting
- Boulder Low Vision Group
- Council for the Blind Group
- Comprehensive Financial Services

- Colorado Pond of the International Order of the Blue Goose
- Firestone Police Department (2 four hour trainings)
- Low Vision Group Metro West
- Low Vision Group Longmont
- Low Vision Group Louisville
- El Paso County Department of Human Services Foster Care Workers
- Arvada West High School
- Xcel Energy Line Workers and Admin Staff
- Legacy High School
- UBS Financial Services Clients
- Certified Senior Advisors Champions
- Heritage High School
- McLain High School
- CU Boulder Money Smart Week
- Colorado Association of Administrators of Student Loans and Accounts Receivable Annual Regional Conference
- Colorado Foster Parent Association Executive Team
- Sertoma Club
- NPR Interview

Events in May and Upcoming Training Events:

- 18th Judicial District Fraud Summit
- Colorado Foster Parent Summer Conference
- Longmont Rotary Club
- Office for Victims of Crime Web Forum on ID Theft Coalitions
- Colorado State Patrol Academy
- Edward Jones Financial Planner Clients
- Vejrostek Tax and Financial Services Clients
- Cindy Frazier CPA Annual Client Meeting

Blog/Social Media: The ID Theft and Fraud Unit continues to provide weekly blogs for READY COLORADO and for NITVAN (National Identity Theft Victims Advocacy Network). The blog provides an opportunity to discuss current scams and ID theft issues in an educational environment. Blogs are often posted on these agencies' websites and Face Book pages.

Face Book and Twitter: The ID Theft Unit is in the process of establishing our own Facebook page and Twitter feed. We have started to use a new email address for interaction with the community. Our amazing intern, Jasmin, is assisting with the creation of our Facebook page that will allow our Unit to interact with the community, posting fraud alerts, articles, our blog and other important information about ID theft and Fraud in Colorado. Our Twitter feed will serve to alert the community about current scams, data breaches and new tricks the ID thieves employ, as well as provide up to the minute crime prevention tips. The names of our media outlets will look like:

- ✓ Visit us on Face Book: Colorado Bureau of Investigation ID Theft.
- ✓ Follow us on Twitter: @ CBI_StopIDTheft.
- ✓ Email us: CBI.StopIDTheft@state.co.us

Welcome Jasmin Dolamic: The ID Theft Unit has a new intern who is assisting us with our social media campaign and is learning about victim assistance. Jasmin's background includes:

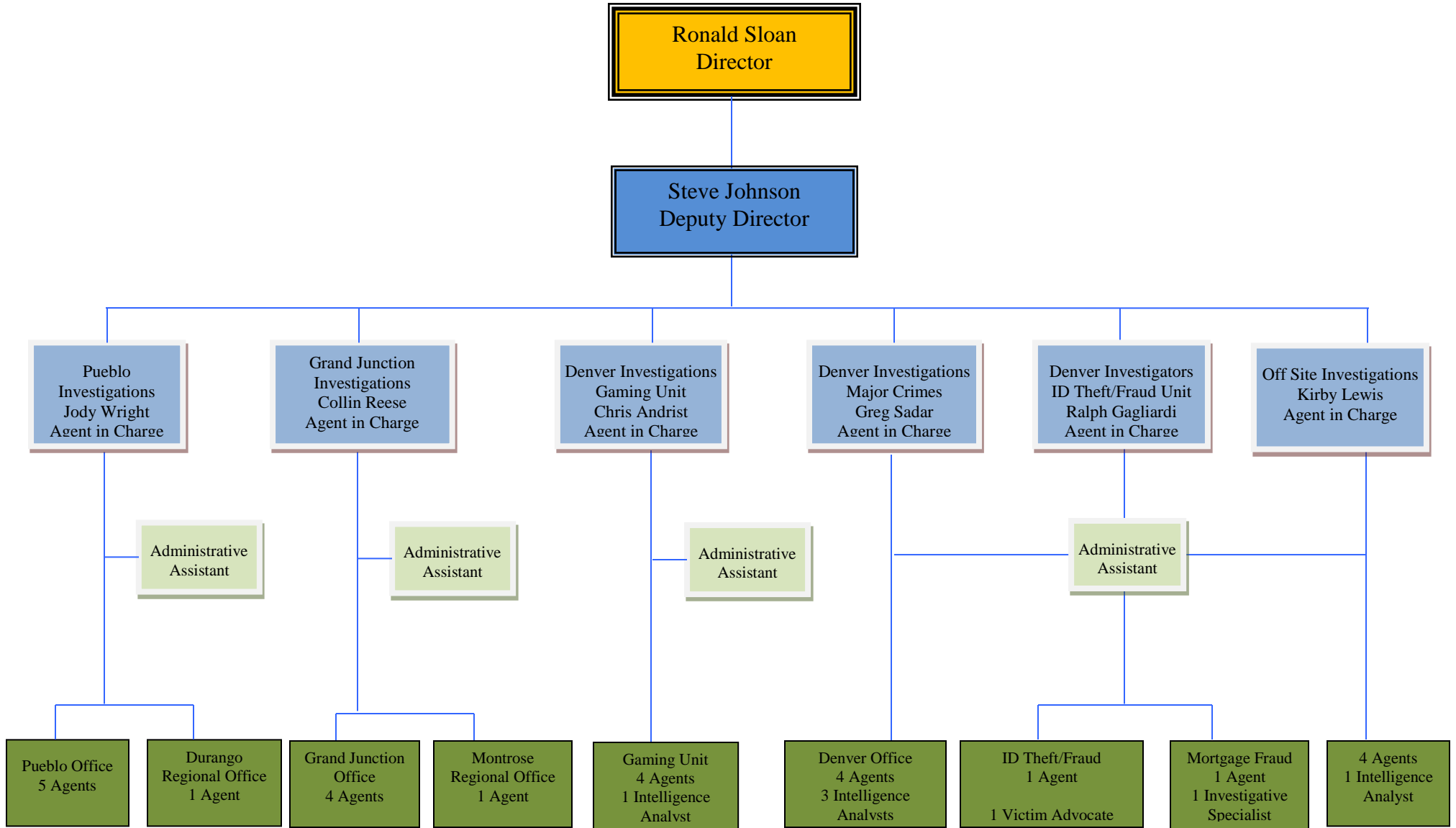
- Was born in Tesanj, a small town I Bosnia and Herzegovina.
- Has lived in Colorado for four years with his wife.
- In addition to volunteering for CBI, he is employed by the Salvation Army as a Program Assistant.
- Previous internship with the Independence Institute working for David Kopel, where he assisted with researching published works related to the 2nd Amendment.
- Graduated from CU Denver in 2013 with a bachelor's degree in criminal justice.
- Volunteer - Red Cross and youth club president in Bosnia.
- Volunteer - soccer coach in Broomfield.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Vacant	Executive Director of Colorado Department of Public Safety	(303) 239-4400	
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Colorado Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG) Board Chair</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository Institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>2nd Term Exp 6-30-17</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Jack Cauley	Rep of Police Department	(303) 663-6126	Jcauley@crgov.com
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Beau Ballinger	Rep of Consumers / Victims advocates	(720) 947-5305	bballinger@aarp.org
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Laura Romero	Rep of Depository Institutions	(303) 235-1420	Laura.Romero@efirstbank.com
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Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
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Larry Kuntz	Rep of Sheriff's Department	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
August 20, 2014

AGENDA

Identity Theft and Financial Fraud Board

August 20, 2014

1:30

CBI

12265 W Bayaud, 3rd Floor
Lakewood, CO 80228



- Call to Order
- Introductions
- Approval of Meeting Minutes
- Budget
 - Financials
 - Grants
- Operational Report
 - Victim Advocacy Report
- Update on New FTE's
 - Business ID Theft
 - Cyber-Security
- Board Discussion re Information Sharing
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
710 Kipling St.
Lakewood CO 80215
May 28, 2014

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Jack Cauley, Chief, Castle Rock Police Department
Michael Stefanich, Senior Business Leader, VISA, Inc.
Beau Ballinger, Senior Program Specialist, AARP Foundation
Keith Lobis, Regional President, Wells Fargo Bank
Jenifer Waller, Senior Vice President, Colorado Bankers Association
Laura Romero, Senior Vice President, 1st Bank
Steve Johnson, Deputy Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Jasmin Dolamic, Intern, CBI
Peggy Pingel, Analyst, CBI

Absent:

Larry Kuntz, Sheriff, Washington County Colorado

Meeting Called to Order:

The meeting was called to order at 1:33 pm, by Chair Janet Drake. Ms. Drake facilitated introductions. Members Ballinger, Stefanich and Lobis have been approved for another term. Welcome to Laura Romero and Chief Cauley as new members.

Ms. Drake asked for approval of the February, 2014 minutes. Motion to approve the minutes was made by Mike Stefanich, Beau Ballinger seconded. Minutes were approved with no corrections.

Budget:

Agent Kevin Hyland reviewed the budget for the third quarter of the fiscal year which began April 1, 2014. Total revenues through April 2014 were \$346,453 and expenditures through April of \$273,146 leaving a balance of revenues over expenditures of \$73,307 and an ending fund balance of \$263,654.

Agent Hyland also discussed the Mortgage Fraud Grant (Current Balance: \$135,641 and expiration date of September 30, 2014) and the ID Theft Victims Assistance Grant (Current Balance \$.00. It expired February 28, 2014). It is anticipated that the funds in the Mortgage Fraud Grant will be used in full by the expiration of the grant.

Hazel is working on applications for VOCA Funding and State VALE grants. They invited us to apply so we are hopeful of an approval. If awarded, this grant would run Jan 2015 through December 2016 at which time we can reapply. In the meantime Hazel's salary is included in the ID Theft/Fraud Unit salary numbers.

Open Board Positions:

Michael Stefanich, Keith Lobis and Beau Ballinger agreed to another term and the Governor has approved. Laura Romero and Chief Cauley have also been approved. AIC Gagliardi read the resignation letter from Chief Beckner. Deputy Director Johnson requested that Chief Beckner be invited to the next meeting and acknowledged for his service. The Board agreed and Ms. Drake will coordinate with Chief Beckner.

CFI Operational Report:

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Business Cents Update – Mortgage Fraud Investigation: The Business Cents case involved William “Bill” Wilson, a mortgage broker, with the assistance of Carla Vaughn, a tax preparer that produced false wage information, and Aguilera who translated for Wilson's renters; conspired to commit fraud. These conspirators obtained the personal identifying of Wilson's renters and used that information create the appearance that these renters were to purchase homes from Wilson. This was done without the tenant's knowledge or permission with Wilson receiving the profit from the alleged sale of the home.

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Victim Advocacy:

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Update on Additional Unit Funding:

AIC Gagliardi updated the results of this legislative session. The bill for additional funding for the ID Theft Unit passed and was signed by the Governor. These funds will begin in July 2014. The hiring process has begun for an additional investigator for this unit. The current plan is for this investigator to work primarily on business identity theft. In separate legislation, two cyber-security investigator positions were granted to CBI. Details for these two positions will be passed along.

New Business:

Ms. Drake passed out a copy of the enabling statute and pointed out Section 5 which states, “Board members shall routinely interact and communicate with local authorities and constituent groups to increase awareness of the board and the unit and to further its purposes and those of law enforcement and prosecutors.” Ms. Drake will be adding an item to the agenda for the next meeting to discuss options to share information within and outside of the Board.

Next Meeting:

Wednesday, **August 20, 2014 at 1:30**
12265 W Bayaud Ave, Denver, CO 80228
Bayaud Training Room

Meeting Adjourned:

The meeting was adjourned at 2:40pm.

Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Ending June 2014

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	190,347	189,358	190,144	170,221	172,192	175,189	167,088	249,100	268,052	266,451	263,654	261,716	190,347
Revenue	24,194	27,097	25,944	26,804	21,965	25,194	107,218	41,804	21,521	24,712	29,356	36,881	412,690
Expenditures													
Salaries and Benefits	17,585	20,157	37,715	14,891	13,234	26,693	18,131	16,368	16,886	20,868	23,368	22,118	248,014
Operating Expenses	6,385	4,763	5,481	8,914	5,075	4,918	5,935	5,302	5,016	5,201	6,486	4,508	67,984
Travel Expenses	-	-	69	-	-	-	-	82	122	-	-	-	273
Indirect Cost	1,213	1,391	2,602	1,028	659	1,684	1,140	1,100	1,098	1,440	1,440	1,440	16,235
Total Expenditures	25,183	26,311	45,867	24,833	18,968	33,295	25,206	22,852	23,122	27,509	31,294	28,066	332,506
Revenues Over Expenditures	(989)	786	(19,923)	1,971	2,997	(8,101)	82,012	18,952	(1,601)	(2,797)	(1,938)	8,815	80,184
Ending Fund Balance	189,358	190,144	170,221	172,192	175,189	167,088	249,100	268,052	266,451	263,654	261,716	270,531	270,531

Comparison FY2013 and FY2014

Budget to Actual	Budget	Actual	%		2013	2014	Difference	% Change
Revenues	360,000	412,690	1.15	Beginning Fund Balance	143,751	190,347		
Expenditures				Revenue	398,271	412,690	14,419	4%
Salaries and Benefits	258,636	248,014	0.96	Expenditures				
Operating Expenses	70,000	67,984	0.97	Salaries and Benefits	260,844	248,014	(12,830)	-5%
Travel Expenses	1,000	273	0.27	Operating Expenses	60,047	67,984	7,937	13%
Indirect cost	26,124	16,235	0.62	Travel Expenses	4,699	273	(4,426)	-94%
Total Expenditures	355,760	332,506	0.93	Indirect Cost	26,085	16,235	(9,850)	-38%
				Total Expenditures	351,675	332,506	(19,169)	-5%
				Revenues Over Expenditures	46,596	80,184		
				Remaining year	-			
				Ending Fund Balance	190,347	270,531		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending June 2014**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(1,135,882)	
Travel	\$	(1,370)	
Operating	\$	(32,630)	
Vehicles	\$	(18,484)	
Police Supp	\$	(9,572)	
Indirect	\$	(439,080)	
Remaining		63,482	Grant end date Sept 30, 2014.

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Colorado Department of Labor and Employment (CDLE) – ID Theft, Tax and Unemployment Fraud Investigation.

- 177 Victims of Fraudulent Colorado Tax Returns
Colorado lost (paid out) \$8900 with \$87,000 more attempted (Fed paid out \$1.2m)
- 9 Victims of Unemployment Insurance Fraud
Colorado Labor and Employment paid out \$61,000 in fraudulent UI claims
- 23 victims of ID Theft - Credit cards and other services

Awaiting Federal Tax Documents per AG Instruction

World Wide Mortgage Fraud Investigation

- \$2.3m loan fraud to secure World Wide Office space in Denver
- Fake Colorado Driver's License x2 then on to fake Notary's in those names
- Numerous instances of residential mortgage loan fraud – misstatements of income and property owned. World Wide made profit from real-estate, mortgage commissions and subsequent flips of straw buyer controlled properties. 12 properties World Wide profited excess of \$730k

VICTIM ADVOCACY

Direct Services:

For the period of May 1 through July 31, 2014, the ID Theft Unit provided services for **193 victims** of ID theft and fraud. The 24 hour hotline served **68 new victims** during this same time. The ID Theft Unit is working on a case discussed in previous meetings as the CDLE case. In addition to the victims listed above; there are **216** potential adult victims and **17** potential minor victims in this case.

We have seen a large number of criminal ID Theft cases during this past quarter. Cases involving the ID thief using the victim's personal identifying information when arrested or given a ticket are time consuming and often challenging cases. CBI staff work with multiple jurisdictions, other states and numerous agencies to clear the victim's criminal or driving history of the crimes, to vacate warrants. Within CBI, there are several units that become involved in the process of clearing the victim's name, including Identification, PSU and often Insta-Check.

We have also received several calls regarding what we refer to as the "Scam after the scam". In this case, the victim becomes involved in one of the many scams that steal their money. The most common is a Craigslist scam in which the scam artist poses as a buyer and sends a check to purchase an item. The "buyer" encourages cashing the check so that the excess may be used to ship the item. The seller/victim cashes the check and ships the item, only to find that the check was fraudulent. The scam artist then offers the victim a way to get their money back. All the victim has to do is work for the scam artist. The victim is to pick up wired funds, keep a portion of the funds, and then wire the remaining amount to a site outside the US. The victim has now become the middleman or mule for the criminal enterprise.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from May through August 10, 2014.

- 18th Judicial District Fraud Summit
- Colorado Foster Parent Summer Conference
- Longmont Rotary Club
- Office for Victims of Crime Web Forum on ID Theft Coalitions
- Colorado State Patrol Academy
- Vejrostek Tax and Financial Services Clients
- Cindy Frazier CPA Annual Client Meeting
- Low Vision and Blind Group Longmont
- Society of Certified Senior Advisors National Conference
- Xcel Energy (X6)
- CBI New Employee Orientation

Upcoming Training:

- Department of Human Services State Administrative Review Division
- Jefferson County Safety Day Fair
- ARC of Aurora
- Nob Hill Civic Association
- University of Colorado Medical School
- Swedish Hospital

Blog/Social Media: The ID Theft and Fraud Unit continues to provide regular blogs for READY COLORADO and for NITVAN (National Identity Theft Victims Advocacy Network). The blog provides an opportunity to discuss current scams and ID theft issues in an educational environment. Blogs are often posted on these agencies' websites and Face Book pages.

Face Book: The ID Theft Unit has launched our new Facebook page!

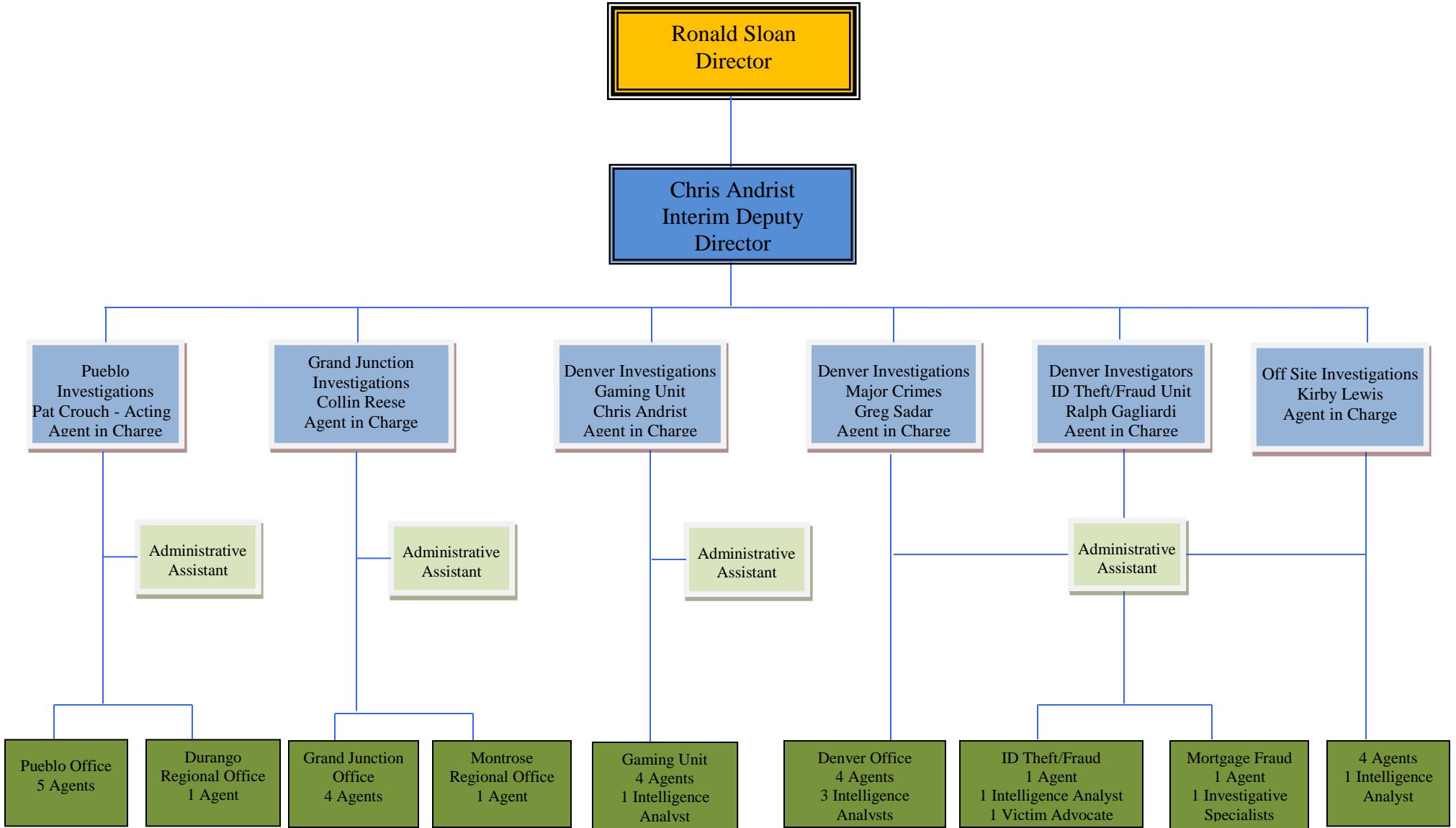
- ✓ Visit us on Face Book: Colorado Bureau of Investigation ID Theft
- ✓ <https://www.facebook.com/pages/Colorado-Bureau-of-Investigation-ID-Theft/1446820798892043?ref=hl>

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director - Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
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Janet Drake	<i>Senior Asst AG (Designee of AG) Board Chair</i>	(720) 508-6716	janet.drake@state.co.us
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COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART



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Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
November 12, 2014

AGENDA

Identity Theft and Financial Fraud Board

November 12, 2014

1:30

Wells Fargo

Bear Valley Office Building
2nd Floor, Suite 200
5353 W Dartmouth Ave
Denver, CO 80227



- Call to Order
- Introductions
- Approval of Meeting Minutes
- Presentation to past / outgoing Board Members
 - Chief Mark Beckner
 - Sheriff Larry Kuntz
- Budget
 - Financials
 - Grants
- Operational Report
 - Victim Advocacy Report
- Update on New FTE's
 - Business ID Theft
 - Cyber-Security
- New Business
 - 24hr ID Theft Hotline Discussion
 - Sunset Review
- Presentation by Board – Wells Fargo
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
12265 W Bayaud, 3rd Floor
Lakewood, CO 80228
August 20, 2014

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Jack Cauley, Chief, Castle Rock Police Department
Larry Kuntz, Sheriff, Washington County Colorado
Michael Stefanich, Senior Business Leader, VISA, Inc.
Beau Ballinger, Senior Program Specialist, AARP Foundation
Keith Lobis, Regional President, Wells Fargo Bank
Jenifer Waller, Senior Vice President, Colorado Bankers Association
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Absent:

Laura Romero, Senior Vice President, 1st Bank

Meeting Called to Order:

The meeting was called to order at 1:39 pm, by Chair Janet Drake. Ms. Drake facilitated introductions. Ms. Drake asked for approval of the May, 2014 minutes. Motion to approve the minutes was made by Mike Stefanich, Chief Cauley seconded. Minutes were approved with no corrections.

Budget:

Agent Kevin Hyland reviewed the budget for the close of the fiscal year which began July 1, 2013 and ended June 30, 2014. Total revenues for 2014 were \$412,690 and expenditures were \$332,506 leaving a balance of revenues over expenditures of \$80,184 and an ending fund balance of \$270,531. The increased revenues are a result of the better business environment and more commercial lending by banks.

Agent Hyland also discussed the Mortgage Fraud Grant (Current Balance: \$63,482 as of June 2014 and expiration date of September 30, 2014). It is anticipated that the funds in the Mortgage Fraud Grant will be used in full by the end of August.

Hazel has submitted applications for VOCA Funding and State VALE grants. They invited us to apply so we are hopeful of an approval. A decision should be made in October. If awarded, this grant would run Jan 2015 through December 2016 at which time we can reapply. In the meantime Hazel's salary is included in the ID Theft/Fraud Unit salary numbers.

CFI Operational Report:

As requested, one case will be highlighted at each Board Meeting with staff available to answer questions or discuss other case work.

Colorado Department of Labor and Employment (CDLE) – ID Theft, Tax and Unemployment Fraud Investigation.

- 177 Victims of Fraudulent Colorado Tax Returns
Colorado lost (paid out) \$8900 with \$87,000 more attempted (Fed paid out \$1.2m)
- 9 Victims of Unemployment Insurance Fraud
Colorado Labor and Employment paid out \$61,000 in fraudulent UI claims
- 23 victims of ID Theft - Credit cards and other services
- Awaiting Federal Tax Documents per AG Instruction

World Wide Mortgage Fraud Investigation

- \$2.3m loan fraud to secure World Wide Office space in Denver
- Fake Colorado Driver's License x2 then on to fake Notary's in those names
- Numerous instances of residential mortgage loan fraud – misstatements of income and property owned. World Wide made profit from real-estate, mortgage commissions and subsequent flips of straw buyer controlled properties. In 12 properties World Wide profited excess of \$730k.

Victim Advocacy:

For the period of May 1 through July 31, 2014, the ID Theft Unit provided services for **193 victims** of ID theft and fraud. The 24 hour hotline served **68 new victims** during this same time. The ID Theft Unit is working on a case discussed in previous meetings as the CDLE case. In addition to the victims listed above; there are **216** potential adult victims and **17** potential minor victims in this case.

We have seen a large number of criminal ID Theft cases during this past quarter. Cases involving the ID thief using the victim's personal identifying information when arrested or given a ticket are time consuming and often challenging cases. CBI staff work with multiple jurisdictions, other states and numerous agencies to clear the victim's criminal or driving history of the crimes, to vacate warrants. Within CBI, there are several units that become involved in the process of clearing the victim's name, including Identification, PSU and often Insta-Check.

We have also received several calls regarding what we refer to as the "Scam after the scam". In this case, the victim becomes involved in one of the many scams that steal their money. The most common is a Craigslist scam in which the scam artist poses as a buyer and sends a check to purchase an item. The "buyer" encourages cashing the check so that the excess may be used to ship the item. The seller/victim cashes the check and ships the item, only to find that the check was fraudulent. The scam artist then offers the victim a way to get their money back. All the victim has to do is work for the scam artist. The victim is to pick up wired funds, keep a portion of the funds, and then wire the remaining amount to a site outside the US. The victim has now become the middleman or mule for the criminal enterprise.

Update on New FTEs:

AIC Gagliardi updated the hiring status of new Investigators recently authorized by legislation. The position added as a result of the additional money from the Secretary of State office has been offered and the candidate has completed her background check. Hopefully she will be able to start on September 1. She will be working primarily on Business ID Theft.

The two positions added by general funds by Cyber Crimes Investigators have been posted and closed. AIC Gagliardi will now review the applications and set up interviews and testing. It has yet to be determined how these investigators will interact with Federal Agencies and other State staff. AIC Gagliardi will be attending a conference in Salt Lake City regarding Cyber Crime next month.

Information Sharing and Board Member Contributions:

Ms. Drake asked for discussion on the idea of information sharing and Board Member contributions. Chief Cauley said he liked the idea of coordinating information and events between members such as National Night Out where he would like to share ID Theft Prevention information. Mr. Redman said he had events where they could coordinate and share information as well such as their Citizens Academy, Safety Fair, Shred-A-Thon and they are just starting an ID Theft Prevention Outreach Program. He also stated that he appreciated the presentations done by board members in the past. Mr. Stefanich said he is a member of a national working group looking at how to identify your customers and would be willing to share that information.

Ms. Drake asked Keith Lobis to do a presentation at the next meeting and Michael Stefanich to confirm at the next meeting if he would be the next presenter.

New Business:

Ms. Drake asked if CBI was aware of pending legislation for the next session. AIC Gagliardi stated that at the moment a request for general funding of Hazel's Victim Advocate position was moving forward but had additional steps to pass through before it would make it to the legislature and that he was not aware of anything further for this upcoming session.

Ms. Drake will follow up with Chief Beckner to see if he is available for the next meeting so that his service to the Board can be acknowledged. Sheriff Kuntz will be retiring at the end of 2014 so the next meeting will be his last. He is polling the County Sheriff's Association for good candidates for his replacement.

Face Book: The ID Theft Unit has launched our new Facebook page! Visit us on Face Book: Colorado Bureau of Investigation ID Theft <http://www.facebook.com/CBI.IDTheft>

Next Meeting:

Wednesday, November 12, 2014 at 1:30
Wells Fargo Bank – Bear Valley Branch
5353 W Dartmouth Ave, Denver, CO 80227

Meeting Adjourned:

The meeting was adjourned at 2:35pm.



COLORADO
Bureau of Investigation
Department of Public Safety

Administration
690 Kipling Street, Suite 3000
Lakewood, CO 80215

Colorado Fraud Investigators Unit
Identity Theft and Financial Fraud Board

November 6, 2014

On July 1, 2014 the State of Colorado implemented a new accounting system called the Colorado Operations Resource Engine (CORE). The system's reporting functionality is not producing complete and accurate expense, payroll, and revenue reports. Additionally, the state agencies that remit monthly revenue to the CBI ID Theft Unit are having difficulty reconciling revenue data. When the agencies are satisfied the reports are complete and accurate, they will begin working with CBI to transfer the revenue on a more regular schedule as was done prior to the implementation of CORE.

Given the system reporting difficulty, the CBI is unable at this time to provide financial reporting data to the Board. When the aforementioned system issues are resolved, the CBI will forward the necessary financial reports to the Board.

Sincerely,

Colorado Bureau of Investigation



Colorado Department of Public Safety

Colorado Bureau of Investigation

ID Theft / Fraud Unit

Ending October 2014

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures													
Salaries and Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Fund Balance	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531	271,531

Comparison FY2014 and FY2015 through Oct

Budget to Actual	Budget	Actual	%		2014	2015	Difference	% Change
Revenues	360,000	-	-	Beginning Fund Balance	190,347	271,531		
Expenditures				Revenue	104,039	-	(104,039)	-100%
Salaries and Benefits	258,636	-	-	Expenditures				
Operating Expenses	70,000	-	-	Salaries and Benefits	90,348	-	(90,348)	-100%
Travel Expenses	1,000	-	-	Operating Expenses	25,543	-	(25,543)	-100%
Indirect cost	26,124	-	-	Travel Expenses	69	-	(69)	-100%
Total Expenditures	355,760	-	-	Indirect Cost	6,234	-	(6,234)	-100%
				Total Expenditures	122,194	-	(122,194)	-100%
				Revenues Over Expenditures	(18,155)	-		
				Remaining year	99,339			
				Ending Fund Balance	271,531	271,531		

**Colorado Department of Public Safety
Colorado Bureau of Investigation
ID Theft / Fraud Unit
Grant Report
Ending Oct 2014**

Mortgage Fraud Grant

Awarded	\$	1,700,500	
Pers Servc	\$	(1,180,787)	
Travel	\$	(1,370)	
Operating	\$	(32,776)	
Vehicles	\$	(18,484)	
Police Supp	\$	(9,572)	
Indirect	\$	<u>(457,511)</u>	
Remaining			(0) Grant end date Sept 30, 2014.

NOTE these are estimated amounts

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Colorado Department of Labor and Employment (CDLE)

Awaiting Federal Tax Documents per AG Instruction - Victims of Fraudulent State Tax Returns (177+). Colorado Labor and Employment paid out \$61,000 in fraudulent UI claims – 9 victims. ID Theft - 23 Victims Credit cards and other services.

Business ID Theft

70 Colorado Businesses Compromised – January 2013 through October 2014 – and ongoing. Credit extended by Cellular phone companies - \$206,000+ Additional layers of scheme being investigated.

World Wide Mortgage Fraud Investigation - INDICTMENT – September 18, 2014

Six family members were indicted with **37 counts including Organized Crime for mortgage fraud**. The fraud was accomplished via a family-owned businesses, Worldwide Realty, Inc. Worldwide Mortgage, Inc. Worldwide Property Management, LLC, and Ideavision Marketing Corporation. The CBI lead this investigation into the group's 12 indicted transactions and loan fraud which lead to the purchase of the Worldwide headquarters, involved \$4.6 million in fraudulent loans, and almost \$650,000 in illegal profits and commissions. All six individuals have been arrested.

The scheme was to hire a “straw buyer” to purchase homes in the Denver-metro area. Worldwide would finance the straw buyer’s down payment and thus allow the straw buyer to obtain multiple mortgage loans. The family would profit from taking out fraudulently-acquired loans and realtor commissions for these first transactions. Worldwide now in control of the property would solicit other unsophisticated individuals to purchase multiple properties, at a significant increase from the initial purchase. Worldwide would handle the mortgage and the real estate aspects of this second transaction and would fail to disclose to the funding lender, that second home buyer had multiple properties. Again, Worldwide would generate profits from the taking out of fraudulent loans and realtor commissions, as well as the difference between the first purchase price and second sale price. However, the buyers were ultimately left with mortgages they could not afford to pay and a tarnished credit history. Lenders suffered losses as a result of foreclosures to these properties.

The investigation was coordinated through the State’s Attorney General’s Office, with assistance by the FBI, The United States Small Business Administration and the Federal Housing Finance Agency (FHFA).

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of August 1 through October 31, 2014, the ID Theft Unit provided services for **231 victims** of ID theft and fraud. The 24 hour hotline served **81 new victims** during this same time. The most frequently reported scam/fraud has been the IRS scam in which someone claiming to be from the IRS calls and threatens arrest if funds are not immediately forwarded by wire or through a Green Dot Card. While all forms of ID theft continue to be reported, there has been an increase in the number of callers concerned about the potential of being victimized through a data breach. We continue to see a large number of victims of criminal ID theft as well as SSN for work concerns. We have worked several cases in which the Social Security Administration (SSA) has cut benefits or threatened to cut benefits, including Disability, Medicaid, Housing and Food Stamps because the ID thief is incarcerated in another state. In several of these cases, we have worked with the SSA repeatedly as month after month; they continue to stop benefits based on the actions of the same ID thief.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from August through October, 2014.

- Society of Certified Senior Advisors National Conference
- Xcel Energy (X6)
- CBI New Employee Orientation
- Department of Human Services State Administrative Review Division
- Jefferson County Safety Day Fair
- ARC of Aurora
- Nob Hill Civic Association
- Ridgeview Hills South Neighborhood Association
- University of Colorado Medical School
- Anschutz Medical School
- Swedish Hospital H2U Group
- Edward Jones Women's Small Business Owners Group
- Advanced ID Theft Recovery Webinar hosted by FINRA and the National Center for Crime Victims
- Sherman & Howard Staff
- Society of Design Administrators Colorado Chapter Annual Meeting
- Moose Lodge Longmont
- Colorado Springs Gazette Successful Aging Expo

Upcoming Training:

- Colorado Springs Friends of the Library
- Webinar on Holiday ID Theft Prevention Tips
- Horizon High School Financial Wellness Week
- Pomona High School Financial Wellness Week
- University of Colorado Boulder Bursar's Office Staff
- Barker Rinker Seacat Architecture

Media Appearances:

- Longmont Cable Channel 8
- Colorado Public Radio

Society for Certified Senior Advisors (SCSA):

The SCSA sponsored a 2 day event for experts in the field of Elder abuse and exploitation. During this event, experts from across Colorado and the nation gathered to assist the SCSA in creating an outline for a training course and text book regarding the issues of Elder Abuse, Exploitation and ID Theft/Fraud. This course will undergo an extensive certification process and then become a part of the National Training for SCSA. Former ID Theft Unit Board member, Scott Storey and CBI's Victim Advocate, Hazel Heckers were invited to serve on this panel of experts.

Hazel also assisted in editing a chapter of the SCSA Continuing Education Guide on Financial Abuse and Exploitation of Older Adults, and will record a webinar to accompany the chapter in November.

Facebook: The ID Theft Unit has launched our new Facebook page! Please remember to "Like" us, and comment on our posts.

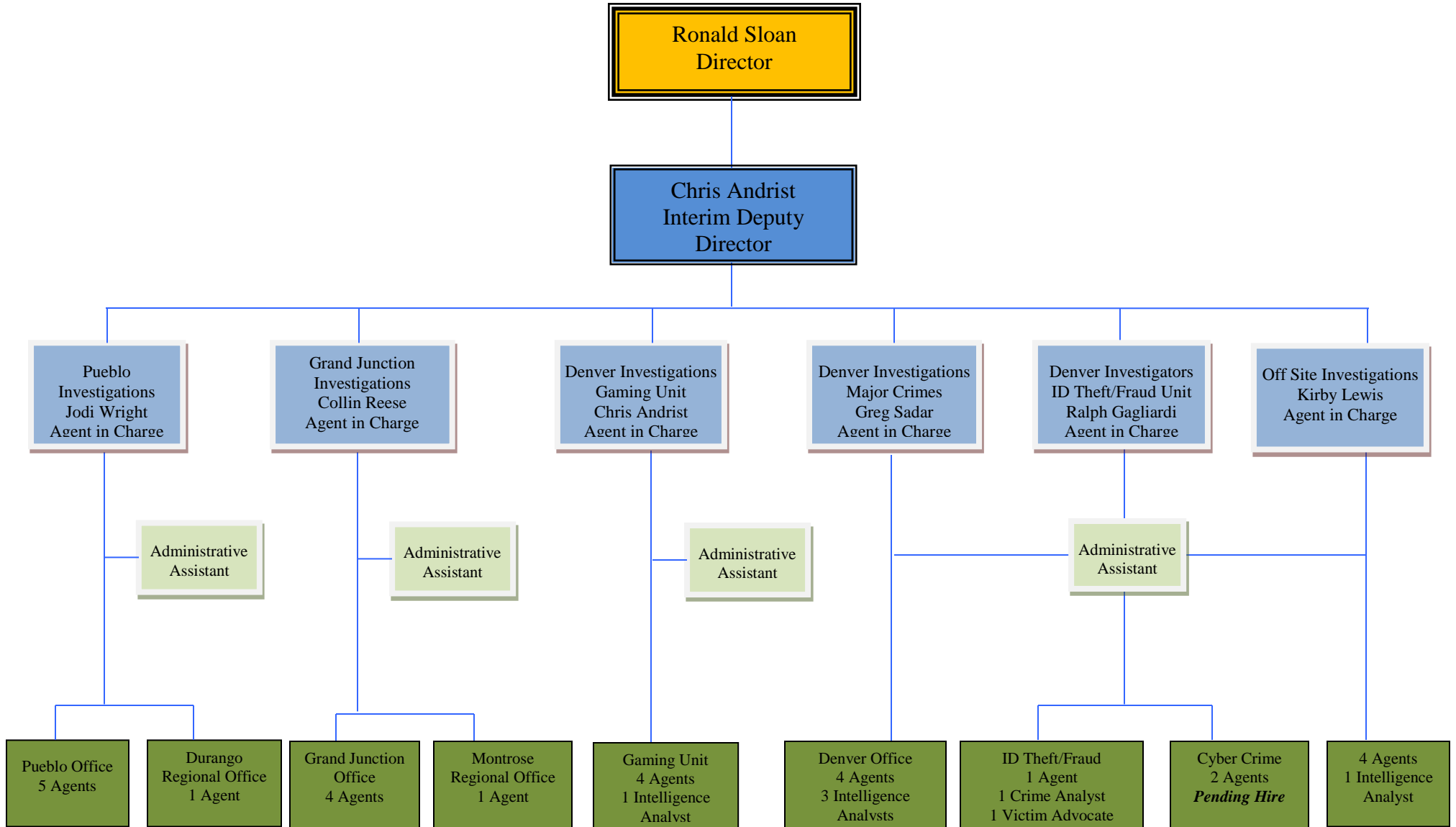
- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ We have had some media coverage of our Facebook page as well:
 - <http://www.thecherrycreeknews.com/colorado-bureau-investigation-uses-social-media-combat-identity-theft/>
 - <http://gazette.com/blog-cbi-uses-social-media-to-spread-the-word-about-scams/article/1539060>
 - <http://www.identitytheftmanifesto.com/colorado-bureau-of-investigation-uses-social-media-to-combat-identity-theft/>
- ✓ Thank you to Board Members who have contributed articles and links for us to post. Please continue to send us information to post.
- ✓ Help spread the word. Please provide a link to our FB page on your website.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director - Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
KathySasak	<i>Deputy Director CDPS (Designee of EX Dir on Occasion)</i>	(303) 239-4400	kathy.Sasak@state.co.us
John Suthers	Colorado Attorney General	(720) 508-6554	john.suthers@state.co.us
Janet Drake	<i>Senior Asst AG (Designee of AG) Board Chair</i>	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC)	(303) 659-7720	jredman@da17.state.co.us
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository Institutions	(303) 863-6041	Keith.a.lobis@wellsfargo.com
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
<i>2nd Term Exp 6-30-17</i>	<i>Sr. Business Leader, Global Info Security Visa Inc</i>		
Jack Cauley	Rep of Police Department	(303) 663-6126	Jcauley@crgov.com
<i>1st Term Exp 6-30-17</i>	<i>Chief of Police - Castle Rock Police Department</i>		
Beau Ballinger	Rep of Consumers / Victims advocates	(720) 947-5305	bballinger@aarp.org
<i>1st Term Exp 6-30-17</i>	<i>Senior Program Specialist - AARP Foundation ElderWatch</i>		
Laura Romero	Rep of Depository Institutions	(303) 235-1420	Laura.Romero@efirstbank.com
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President Support Services 1st Bank</i>		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>1st Term Exp 6-30-15</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Larry Kuntz	Rep of Sheriff's Department	(970) 345-6865	lkuntz@co.washington.co.us
<i>1st Term Exp 6-30-15</i>	<i>Sheriff - Washington County</i>		

COLORADO BUREAU OF INVESTIGATION

INVESTIGATION'S ORGANIZATIONAL CHART





The 12 Scams of Christmas

1. Mobile Apps Scams
2. IRS Scams
3. Charity Scams
4. Pet Sales Scams
5. Shipping Scams
6. E-Card Scams
7. Travel Scams
8. Online Purchase Scams
9. Lottery Scams
10. Gift Card Scams
11. Romance Scams
12. Holiday ID Theft

For more information about these
scams or to request a crime prevention
presentation for your community, please
contact

The Colorado Bureau of Investigation
ID Theft, Fraud & Cyber Crimes Unit
303-239-4649

CBI.StopIDTheft@state.co.us



2015 NEW YEAR'S RESOLUTIONS

To Reduce Risk of Identity Theft & Fraud

Provided by Colorado Bureau of Investigation

Identity Theft, Fraud & Cyber Crimes Investigations Unit

1. I will order a FREE copy of my credit report from www.annualcreditreport.com.
2. I will schedule a meeting with someone at my bank or credit union and ask them to review my credit report with me to make sure I understand it.
3. If there are any errors, I will act immediately to report them and correct my credit report.
4. I will use credit cards or bank issued pre-paid credit cards instead of debit cards for online shopping and other purchases to reduce my risk of being a victim of a data breach or other ID theft.
5. I will make sure my Smartphone and Tablet have the best security systems in place that I can afford. And, I will keep the security system up to date.
6. I will password protect my Smartphone and Tablet.
7. I will stop clicking on ads I see online to get coupons or read about the great deal. Instead, I will go to the vendor's website and check out the deals there.
8. I will create a charitable giving plan and check each and every charity through one of the online charity navigation sites. I will get a list of those sites from a reliable source, like the Better Business Bureau or the Colorado Bureau of Investigation.
9. I will set up secret passwords and security questions with all of my family members to use as proof that I am actually speaking to the family member. That way, if someone calls or emails claiming to be my family and needing money, I will have a way to immediately verify the person is really my loved one.





10. I will obtain Mobile Apps ONLY from the App Store associated with my phone or from a trusted vendor's website. I will never download an App from an email or text message or ad that shows up on a social media site.
11. I will hang up on anyone calling saying they are with the IRS, my credit card company or a utility company and asking me for information. I will then call the agency they referenced and see if someone really did call me or if it was just a scam.
12. I will check my bank accounts and credit card accounts several times each month and make sure all of the transactions are accurate.
13. I will not share too much information about myself on social media or on a dating website.
14. I will never send money to someone I do not know who asks me to wire funds or go out and purchase Green Dot Cards.
15. I will visit the Colorado Bureau of Investigation ID Theft Facebook page every week and learn about new scams and tips to stay safe from ID theft. And, I will share a link to their Facebook page with all of my friends, my family and my colleagues. I want everyone I know to be safe from scams and ID theft.

Contact the Colorado Bureau of Investigation for more information and additional tips, or to set up a crime prevention presentation in your community.

Call us at 303-239-4649



<https://www.facebook.com/CBI.IDTheft>

Credit Reports

**Colorado
Bureau of
Investigation
Identity Theft
&
Fraud Unit**

**24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)**

**VICTIM
ADVOCATE
303-239-4649**



Checking your credit reports annually is a great way to detect Financial Identity Theft. Early detection is important and will allow you to report and repair the damage quickly. By following a few simple steps, you will be able to obtain your credit report FREE of charge.

- Go online to www.annualcreditreport.com This is a safe and secure website that is recommended by the Federal Trade Commission
- You may also call Annual Credit Report at **1-877-322-8228**
- You will be asked several questions to verify that you are a live person making the request
- You will need to provide your social security number and your full legal name
- You will have the option of obtaining a credit report from each of the three credit reporting bureaus
- You may choose to retrieve a report from one, two or all three of the credit reporting bureaus
- A credit report is available to you free of charge one time every 12 months
- Make sure that you print your report as you will not be able to return to it once you have left the credit reporting bureau's site

Credit Reports

**Colorado
Bureau of
Investigation
Identity Theft
&
Fraud Unit**

**24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)**

**VICTIM
ADVOCATE
303-239-4649**



- If you stagger your reports, obtaining a report from a different credit reporting bureau every 4 months, you will be able to monitor your credit throughout the year at no cost
- Once you have your credit report, review it carefully. Make sure everything on the credit report is accurate
- If you find a simple error, contact the credit reporting bureau and report the error to them. Simple errors might include a misspelling of an employer's name or a street name
- If you find serious inaccuracies, it is a sign of Identity Theft. This would include names associated with your credit that you do not know, accounts that show on your report that you did not open, employers you have not had or frequent credit inquiries that you did not initiate
- Suspected Identity Theft should be immediately reported to your local law enforcement agency and to the credit reporting bureau
- Once you have reported, call the Colorado Bureau of Investigation Identity Theft & Fraud Victim Assistance Program. Our staff will assist you with the steps that need to be taken to correct and protect your credit history and help you determine the extent of the Identity Theft
- Ask about Fraud Alerts and Credit Freezes to protect you from further Identity theft

Credit Reports

Contacts and Resources

**Colorado
Bureau of
Investigation
Identity Theft
&
Fraud Unit**

**24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)**

**VICTIM
ADVOCATE
303-239-4649**



Credit Reporting Bureaus:

Equifax

www.equifax.com

PO Box 740241

Atlanta GA 30374-0241

1-888-766-0008

Experian

www.experian.com

PO Box 9532

Allen TX 75013

1-888-397-3742

TransUnion

www.transunion.com

PO Box 6790

Fullerton CA 92834-6790

1-800-680-7289

Credit Reports

Contacts and Resources

**Colorado
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Identity Theft
&
Fraud Unit**

**24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)**

**VICTIM
ADVOCATE
303-239-4649**

Annual Credit Report Request
www.annualcreditreport.com

PO Box 105283

Atlanta GA 30348-5283

1-877-322-8228

1-877-730-4104 (TTY/TDD)

Colorado Bureau of Investigation

Identity Theft & Fraud Unit

Victim Assistance Program

303-239-4649

24 Hour Identity Theft & Fraud Hotline

1-855-443-3489 (Toll Free)



Credit Reports

**Colorado
Bureau of
Investigation
Identity Theft
&
Fraud Unit**

**24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)**

**VICTIM
ADVOCATE
303-239-4649**

We hope that these ideas are helpful to you.

Please remember that you are not alone.

The Colorado Bureau of Investigation has a

Victim Assistance Program and a

24 Hour Identity Theft & Fraud Hotline.

Both are available to support you and offer guidance.

Colorado Bureau of Investigation

Victim Assistance Program

303-239-4649

24 Hour Identity Theft and Fraud Hotline

1-855-443-3489 (toll free)





STAY COOL THIS YULE

Tips to Avoid the Top Holiday Scams!

Stay Cyber Safe this season and avoid these top scams!

Mobile Scams: Avoid links sent in a text message that offer to update and install apps

Naughty Not Nice: Malicious apps could steal your information and your ID. Go to official app stores to download and purchase safe apps

Travel Scams: Websites that offer too good to be true airfare and hotel deals might be spoofed or fake websites. Check it out before you click

E-cards from the ID Thief: Check out the sender before you open that e-card or e-invite. Make sure you know the sender so you don't open an infected card

Click here for a deal: Beware of hot deals on gadgets. Check out the price with a retailer and make sure that coupon showing up in a text or email is legit before you click on it

Gift Cards: Only buy gift cards from official retailers, not from 3rd party websites or unreliable auction sites

Holiday Smishing: Beware of text messages or emails asking you to verify your account information, provide a password or give personal information

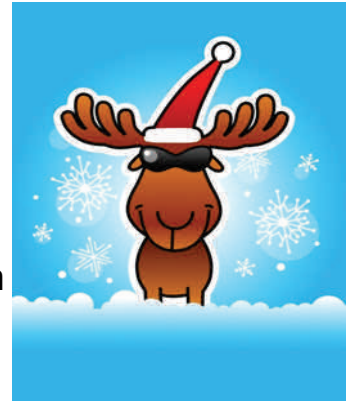
Shipping Notifications: Careful when clicking on links in shipping notification emails or text messages. Whenever possible, go directly to the site to verify shipping details, and never give out your personal or financial information to a company unless you have verified it





STAY COOL THIS YULE

Holiday Charitable Giving: Be wary of charities that ask you for donations over the phone, by email or by texting a donation. Consider giving locally where you can see your donation at work. Check out a charity before giving on one of these websites: www.give.org or www.charitynavigator.org



Spoofed Website: Check the web address to make sure you are on the right site. If it looks different than usual, you may be on a spoofed or fake site. Look for the “https” or the locked padlock in the address line, go to sites directly not from a link, and stick with trusted and well known sites

Watch Your Card: Consider using a pre-paid bank issued credit card for online purchases. These will not contain personal identifiers and will not lead to ID theft if compromised

Wi-Fi Wonderland: Use the Wi-Fi service provided by your smart phone carrier, not the public Wi-Fi , especially when doing financial transactions or sending personal information

Holiday Love At First Sight: Watch out for scam artists who would steal your heart and your money on dating websites, and never send money to someone you just met online.

Call the Colorado Bureau of Investigation Identity Theft and Fraud Investigations Unit for more information and holiday tips
303-239-4649

**If you have been a victim, please call our
24 Hour Identity Theft & Fraud Hotline**

1-855-443-3489 (toll free)



Credit Freeze

Colorado
Bureau of
Investigation
Identity Theft
& Fraud
Unit

24 HOUR
IDENTITY THEFT
& FRAUD
HOTLINE
1-855-443-3489
(TOLL FREE)

VICTIM
ADVOCATE
303-239-4649



How To Place a Freeze on Your Credit

Placing a freeze on your credit is a simple way to minimize the risk of Identity Theft. There are many positive things about placing a freeze, but there are also some draw backs. Consider the following then check out the “How To Place a Freeze” information attached, provided by the Colorado Bar Association.

- ◆ A credit freeze effects only new attempts to open credit. It will not impact your existing credit accounts. You will still be able to use your existing credit. An ID thief who has your credit card information will also be able to use your existing credit—even with a freeze in place
- ◆ If you are job hunting or looking for a loan, an apartment or a mortgage, a credit freeze could cause problems for you
- ◆ Not all creditors contact the Credit Reporting Agencies before issuing credit. Hospitals, car lots, Rent-to-Own businesses, and many local retailers offer credit without checking your credit report. A freeze will not stop someone from obtaining credit from one of these sources in your name
- ◆ Credit freezes do stop a lot of fraudulent activity and prevent many new accounts from being open in your name, and are a good tool if you have been an ID theft victim

Credit Freeze

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- ◆ Credit reporting agencies offer many options associated with a credit freeze; including some options to immediately notify you if someone attempts to open credit in your name , creating a password to access your credit, and protection from new credit accounts and pre-approved credit card solicitations
- ◆ The decision to place a credit freeze requires some thought. It is helpful to discuss it with your financial advisor or banker or with a victim advocate
- ◆ **Remember!** You do not have to go through this process alone. Victim Advocates are available to support you and help you navigate the many agencies involved

LEARN more about reporting and staying safe from scams
and responding to ID Theft by contacting the

Colorado Bureau of Investigation Victim Advocate

303-239-4649

hazel.heckers@state.co.us

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SECURITY FREEZE INFORMATION

Any consumer in Colorado may place a security freeze on his or her credit report by requesting it in writing by certified mail to the consumer reporting agency. The consumer reporting agency is not allowed to charge a fee for placing a security freeze the first time, but a later request may cost \$10. However, for each temporary lifting for a period of time or for permanent removal there is a \$10 fee. There is a \$12 fee for lifting the security freeze on a specific party. A security freeze prohibits, with certain specific exceptions, the consumer reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer. The freeze goes into effect five (5) business days from receipt of the consumer's letter by the consumer reporting agency.

To obtain more detailed information on how to place a security freeze on your credit reports, see below.

HOW TO "FREEZE" YOUR CREDIT FILES

A security freeze means that the contents of or derived from a credit file cannot be shared with potential creditors. This can help prevent new account identity theft. Most businesses will not open credit accounts without first checking a consumer's credit history. If your credit files are frozen, even someone who has your name and Social Security number probably would not be able to obtain credit in your name.

How do I place a security freeze?

To place a freeze, you must write to each of the three consumer reporting agencies. (The first security freeze is free, but a subsequent freeze request will cost you \$10.)

Write to all three addresses below and include the information that follows:

Equifax Security Freeze

P.O. Box 105788
Atlanta, GA 30348

Experian Security Freeze

P.O. Box 9554
Allen, TX 75013

Trans Union Security Freeze

P.O. Box 2000
Chester, PA 19022-2000

For each, you must:

- Send a letter by certified mail;
- Provide your full name (including middle initial as well as Jr., Sr., II, III, etc.,) address, Social Security number, and date of birth;
- If you have moved in the past 5 years, supply the addresses where you have lived over the prior 5 years.
- Provide proof of current address such as a current utility bill or phone bill
- Send a photocopy of a government issued identification card (state driver's license or ID

card, military identification, etc.)

- If this is not your first freeze, provide payment by check, money order or credit card (Visa, Master Card, American Express or Discover only.)

How long does it take for a security freeze to go into effect?

After five (5) business days from receiving your letter, the consumer reporting agencies listed above will place a freeze providing credit reports to potential creditors.

After ten (10) business days from receiving your letter to place a freeze on your account, the consumer reporting agencies will send you a confirmation letter containing a unique PIN (personal identification number) or password. Keep this PIN or password in a safe place because you will use it to identify yourself to the Consumer Credit Agencies.

Can I open new credit accounts if my files are frozen?

Yes. You can have a security freeze lifted, either for a temporary period of time, or for a specific creditor. There is a \$10 charge for temporarily or permanently lifting the security freeze or a \$12 charge for allowing a specific creditor to access your credit report. The steps to do so are as follows:

- Contact the consumer reporting agencies above.
- The manner by which you contact them is determined by them, but it may be by way of telephone, fax or over the Internet.
- You must provide proper identification;
- You must provide your unique PIN or password;
- And, if you are requesting to open your credit to a third party or for a specific period of time, you must provide to whom or during what time period your credit report will be accessible.

How long does it take for a security freeze to be lifted?

Consumer reporting agencies must lift a freeze no later than three (3) business days from receiving your request.

What will a new creditor who requests my file see if it is frozen?

A creditor will see a message or a code indicating the file is frozen.

Can a new creditor get my credit score if my file is frozen?

No. A creditor who requests your file from one of the three consumer reporting agencies will only get a message or a code indicating that the file is frozen.

Can I order my own credit report if my file is frozen?

Yes.

Can anyone see my credit file if it is frozen?

When you have a security freeze on your credit file, certain entities still have access to it. Your report can still be released to your existing creditors or to collection agencies acting on their own

behalf. They can use it to review or collect on your account. Other creditors may also use your information to make offers of credit. Government agencies may have access for collecting child support payments or taxes or for investigating Medicaid fraud. Government agencies may also have access in response to a court or administrative order, a subpoena, or a search warrant.

Do I have to freeze my file with all three consumer reporting agencies?

Yes. Different credit issuers may use different consumer reporting agencies. If you want to stop your credit file from being viewed, you must freeze it with Equifax, Experian, and Trans Union.

If more than one person in my household wants to request a security freeze, do we each have to request a separate security freeze?

Yes. Because each person has an individual credit history and credit reporting file, each person must make a separate request to place, lift or remove a security freeze. Each person also must pay any applicable fees.

Will a freeze lower my credit score?

No.

Can an employer do a background check on my credit file?

No. You would have to lift the freeze to allow a background check, just as you would to apply for credit. The process for lifting the freeze is described above.

Does freezing my file mean that I won't receive pre-approved credit offers?

No. You can stop the pre-approved credit offers by calling 888-5OPTOUT (888-567-8688). Or you can do this online at www.optoutprescreen.com. This will stop most of the offers, the ones that go through the consumer reporting agencies. It's good for five years or you can make it permanent.

What law requires security freezes?

The law on security freezes in Colorado is in the Colorado Revised Statutes 12-14.3-102, passed in 2006.

THIS FACT SHEET IS FOR INFORMATIONAL PURPOSES. IT IS NOT LEGAL ADVICE. FOR LEGAL ADVICE, YOU MUST CONSULT YOUR OWN ATTORNEY.

Before using these template letters, please read the entire document for complete information.

SAMPLE FREEZE LETTER TO EQUIFAX

Date

Equifax Security Freeze

P.O. Box 105788

Atlanta, GA 30348

Dear Equifax:

I would like to place a security freeze on my credit file.

My name is: My former name was (if applies):

My current address is:

My address has changed in the past 5 years. My former address was:

My social security number is:

My date of birth is:

I have included photocopies of a government issued identity card AND proof of residence such as a utility bill or phone bill.

Yours truly,

Your name

SAMPLE FREEZE LETTER TO TRANS UNION

Date

Trans Union Security Freeze
P.O. Box 2000
Chester, PA 19022-2000

Dear Trans Union:

I would like to place a security freeze on my credit file. My name is:

My former name was (if applies):

My current address is:

My address has changed in the past 5 years. My former address was:

My social security number is:

My date of birth is:

I have included photocopies of a government issued identity card AND proof of residence such as a utility bill or phone bill.

Yours truly,

Your name

SAMPLE FREEZE LETTER TO EXPERIAN

Date

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013

Dear Experian:

I would like to place a security freeze on my credit file.

My name is:

My former name was (if applies):

My current address is:

My address has changed in the past 5 years. My former address was:

My social security number is:

My date of birth is:

I have included photocopies of a government issued identity card AND proof of residence such as a utility bill or phone bill.

Yours truly,

Your name

What Is Medical ID Theft?

Medical ID Theft occurs when someone uses your medical ID or your social security number to receive medical attention, purchase prescription medications or participate in medical treatments such as substance abuse treatment or psychiatric care.

Medical ID Theft is serious and potentially devastating for the victim. Not only can you be held financially responsible for the treatments, but your medical history and that of the ID thief could become merged ; making your medical history incorrect. This could be serious in times of an emergency. This could also impact your insurance rates, your ability to obtain life insurance, access to employment or entrance to the military.

How to Detect: A big warning sign of Medical ID Theft is receiving bills for medical services you did not receive.

Every year, you may ask your health insurance carrier for a list of claims that were paid out under your policy. Check that list carefully, and call them if anything does not look correct. You may request this same list from your pharmacists.

Next time you visit your primary care physician, take a few extra minutes to review your current medical file with a staff member. Check to make sure that only medical conditions you know about are listed on your file, that your blood type, allergies and medications list are all correct. Ask when the last time was you visited the ER or received any sort of emergency or critical care treatments. These should all be correct. If they are not, let your doctor's office know that you may be a victim of ID theft. Ask the doctor to correct your medical history and remove or segregate the incorrect files.

If you suspect that you are a victim of Medical ID Theft, contact your local Law Enforcement Agency and report ID Theft and then call CBI's Victim Assistance Program for help. Call 303-239-4649.

NOTE:

If you were the victim of the recent Anthem Data Breach, inform your current health insurance carrier (if it is not Anthem) and your primary care physician. Ask them to monitor your claims and your medical treatment carefully to avoid Medical ID Theft.



How to set up a Password on your business account

The Colorado Secretary of State's Office now allows you to set up a password (PIN) to secure your business account and protect it from business identity theft. Here are the steps to sign up:

1. Go to the Secretary of State's Website business search page:
<http://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do>
2. Search for your business and pull up your account summary page
3. At the bottom of the page, you will see these options:
You may:
 - View History and Documents
 - Obtain Certificate of Good Standing
 - File a Document
 - Set Up Secure Business Filing for this Record**
 - Subscribe to email notification regarding this record
 - Unsubscribe from email notification regarding this record
4. Select "Set Up Secure Business Filing for this Record"
5. Next, select "request a PIN"
6. A PIN will be mailed to the principal mailing office address that is on your business listing/record
7. When you receive your PIN, return to the "Set up Secure Business Filing for this Record" page (see steps 1-4) to continue setting up your account.
8. Enter your PIN and then click on "Continue".
9. Enter the required account information and click on "Submit".
10. You will see a confirmation page indicating that your Secure Business Filing account was created.

**If you have any questions, call the Colorado Secretary of State
303-894-2200 extension 6221 or the
Colorado Bureau of Investigation Identity Theft Investigations Unit
303-239-4649**

DATA BREACH

**Colorado
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**VICTIM
ADVOCATE
303-239-4649**

**EMAIL
CBI.STOPIDTHEFT
@ STATE.CO.US**



Tips Following A Data Breach

Identity Thieves are creative when it comes to obtaining information from businesses and retail sites. Even your favorite restaurant could be at risk. Prevention is the best option. But what happens if your best efforts are not enough to keep the ID thief at bay?

Here are a few tips to help you gain control of the situation if you discover that a business you have used has experienced a data breach.

- ◆ Report the ID Theft to your local law enforcement and to the Federal Trade Commission and complete an Identity Theft Affidavit. Many agencies you will deal with will ask for a police report and the ID Theft Affidavit. This may be done on-line: <http://www.ftc.gov/faq/consumer-protection/submit-consumer-complaint-ftc>
- ◆ Contact your bank or credit union, especially if the data breach included any of your financial information, such as information for direct deposit or your credit/debit card information. Discuss your options with your financial institution. Some will suggest closing accounts, while others have extensive fraud protection programs and will closely monitor your accounts for fraudulent usage
- ◆ Contact one of the three credit reporting bureaus and notify them that you may be a victim of Identity Theft. Place a **Fraud Alert** on your credit. You only need to contact one of the three bureaus. That agency will contact the other two and add an alert on your behalf
- ◆ Consider placing a temporary **Credit Freeze** on your credit account. While speaking with the credit reporting bureau, you may ask for information about placing a freeze. You must request a Credit Freeze in writing, so placing the initial Fraud Alert will help protect your credit while you process the Credit Freeze
- ◆ Obtain a copy of your credit report so that you will know what is on your report before any potential ID theft has occurred. Placing Fraud Alerts, Credit Freezes and obtaining your credit report are free to you in Colorado as a victim of ID Theft

DATA BREACH

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Tips Following A Data Breach

- ◆ If your health insurance or other benefit program information was compromised, contact your carriers and alert them of the breach.
- ◆ If the data breach included a copy of your drivers license or state ID, notify the Division of Motor Vehicles of the theft
- ◆ Be alert to any unusual mail or emails that you receive. Communications about your loan application, your new credit card or an overdue payment on accounts that you do not have may indicate ID theft
- ◆ If the IRS notifies you that someone has filed tax returns in your name, call the Colorado Bureau of Investigation for help right away
- ◆ Report any suspicious activity to your local law enforcement agency or to the Colorado Bureau of Investigation immediately
- ◆ Learn more about Identity Theft and ways to protect yourself by contacting the Colorado Bureau of Investigation Victim Assistance Program at 303-239-4649

**For more information or a community presentation please
contact**

Colorado Bureau of Investigation

303-239-4649

Email: CBI.StopIDTheft@state.co.us



SCAM WATCH

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RANSOM WARE SCAM

Help! The FBI is holding my computer hostage! Computer users across the US are becoming infected with Ransom Ware that looks like it came from the FBI. The warning flashes on your screen and lets you know that the FBI has seized your computer as you are in violation of Federal Law. You could easily resolve the matter by going to the store and purchasing a pre-paid card to pay your fine of approximately \$300-\$1,000.

THIS IS A SCAM!

- ◆ **Do not** try to correct the problem yourself
- ◆ **Do not pay** the ransom (fine)! You are not really in violation of any law, and the money will not go to the FBI
- ◆ **Report** the crime to your local Law Enforcement Agency
- ◆ **Contact** a professional computer repair business for assistance with removing the Ransom Ware.
- ◆ **Beware!** People who think they have removed the Ransom Ware on their own often find that the criminals have installed Spy-Ware, a computer virus or a worm
- ◆ **Contact** your local branch of the FBI to report and get assistance in removing the Ransom Ware



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RANSOM WARE SCAM

- ◆ Once your computer is working properly again, **review** your security system and make sure everything is current and working properly
- ◆ Go to www.IC3.gov, an FBI website to file a complaint and learn more about **preventing Cyber Crimes**

LEARN more about reporting and staying safe from scams
by contacting the

Colorado Bureau of Investigation Victim Advocate

303-239-4649

hazel.heckers@state.co.us

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LOVE IS IN THE AIR... AND SO ARE THE SCAMS!

Romance scams effect thousands of people every year. Follow a few simple steps to reduce your risk of being scammed by a Con-artist Casanova:

- **DO NOT** trust someone you meet online just because you meet on a faith based website. Scammers will fake their faith to win your trust
- **BE SUSPICIOUS** if your new love suggests leaving the website and chatting by email or instant messages
- **QUESTION** “love at first sight” proclamations
- **BE CAUTIOUS** if your love claims to be a US Citizen living or working in another country
- **NEVER** wire money to someone you have not met—even if he or she claims to be the love of your life
- **NEVER** cash checks or money orders for your new love and wire the money
- **BE WARY** of hard luck stories that can be remedied by you sending money
- **DO NOT FORGET** that you do not know the person you are talking with online. That picture he or she sent could be a FAKE



SCAM WATCH Page 2

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LOVE IS IN THE AIR...

- **DO NOT SEND MONEY** for travel so your new love can meet you face to face. Chances are you will never see your love or your money again
- **DO NOT SEND MONEY** as a loan to your new love
- **DO NOT SEND MONEY** to bribe corrupt officials or pay off criminals so that your new love can escape a country in turmoil
- **DO NOT SEND MONEY** to anyone you have not met and do not know
- **BE SUSPICIOUS** if stories change or become more desperate
- **DO NOT** try to contact your new love if he or she stops contacting you after you refuse to send money
- **REPORT** any suspicious activity to law enforcement

LEARN more about reporting and staying safe from scams
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