

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



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit

Reporting July 1, 2014 through June 30, 2016
(FY 15 & 16)



COLORADO
Bureau of Investigation
Department of Public Safety

Identity Theft & Fraud Unit
710 Kipling Street, Suite 200
Lakewood, CO 80215
303-239-4211

Honorable Members of the House and
Senate Judiciary Committees
Room 029 State Capitol Building
Denver, Colorado 80203

December 6, 2016

Dear Members:

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 encompasses the CFI Unit and Identity Theft Governing Board's activity from July 1, 2014 through June 30, 2016 (FY15 & FY16). Our last report to the House and Senate Judiciary Committees was submitted in February, 2015 and covered the period October, 2012 through September of 2014.

This report reflects on many areas of activity within the CFI Unit but one of the most significant areas includes the Unit's ongoing efforts related to business identity theft. It was legislation that took effect in July 2014, that allowed the Unit to hire a criminal investigator to focus on business identity theft. During the reporting period, the Unit also took advantage of several victim advocacy grant opportunities to maintain a Victim Advocate position and a 24hr Identity Theft Hotline.

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

Michael S. Rankin, Director
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Criminal Justice Section

December 12, 2016

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:

The Colorado Fraud Investigators Unit was legislatively-formed in 2006 in response to increasing incidents concerning identity theft and financial fraud. Statutory authorization and legislative mandates governing the Unit may be found in the Identity Theft and Financial Fraud Deterrence Act at C.R.S. § 24-33.5-1701 *et seq.* The Act created a specialized group of law enforcement personnel who work collaboratively with other agencies to prevent, investigate and prosecute economic crimes in Colorado.

As Chair of the Identity Theft and Financial Fraud Board, I extend my sincere thanks to all members of the Unit and Board for their time, dedication and significant contributions.

Since the last reporting date, a legislative sunset review was conducted. That review process revealed the importance of the work being done. The victim advocacy offered through this unit is remarkable; help was extended to literally thousands of victims. Additionally, law enforcement officers in the Unit have worked on complex investigations that include mortgage fraud, business identity theft, tax and unemployment fraud. Prosecutions have resulted in millions of dollars in restitution orders.

Thank you for your support of this collaborative partnership.

Sincerely,

FOR THE ATTORNEY GENERAL

Janet Drake
Senior Assistant Attorney General
Identity Theft and Financial Fraud Board Chair

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Attachments:

Board Reports x 8

August 2014 —May 2016

The Colorado Identity Theft and Financial Fraud Deterrence Act

History of the Unit

As reported within the Unit's 2015 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 for 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 (fees) 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, HB 14-1057, moved \$1 (did not increase overall fee for consumer) from the Colorado Secretary of State's portion of their collected UCC filing fees to the CFI. HB –1057 is in place three fiscal years—FY15, FY16 & FY17 and ends **June 30, 2017 when the fee collected by the CFI Unit reverts back to \$3.** *The extra \$1 added an approximate \$100,000 per year to the CFI Cash Fund. (Page 7 reflects the unit's Program Revenue).*

- 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.

The CFI Unit experienced a 41.8% decline in revenue from inception, FY07 (\$619,774) through FY12 (\$360,591). In FY13 and FY14, revenues began 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 improved. The \$1 increase in the UCC Filing fee's added approximately \$100,000 to the fund in FY15 and FY16 reflected on the Program Revenue table on the next page.

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 and lack of stability, the Unit is able to staff only half of that, as noted on page 7.

The CFI Unit has supplemented the program with seeking out grants for a Victim Assistance Program (1.0 FTE) paid outside of the CFI funding stream. The victim assistance grant ended in February of 2014 with the CFI Unit bridging the 10 month gap to the next Victim Advocate grant that started in January of 2015.

The Unit received a \$2,026,761 Federal Mortgage Fraud Grant (4.0 FTE) that spanned from FY10 to FY14. Upon grant completion, the FTE transferred to other CBI Units or resigned. Grant funding does not represent a stable funding stream.

Program Revenue						
Revenue Source	Gifts & Donations	Interest	Dept of Law	Dept of Regulatory Agencies	Secretary of State	Total
FY 06-07	\$25,000	\$7,980	\$290,400	\$16,500	\$279,894	\$619,774
FY 07-08	\$0	\$14,161	\$169,600	\$22,500	\$308,894	\$515,155
FY 08-09	\$0	\$9,749	\$121,900	\$21,500	\$268,896	\$422,045
FY 09-10	\$0	\$5,990	\$105,800	\$27,750	\$242,361	\$381,901
FY 10-11	\$50	\$2,555	\$79,992	\$28,819	\$234,944	\$346,360
FY 11-12	\$100	\$987	\$84,800	\$27,500	\$247,204	\$360,591
FY 12-13	\$400	\$1,678	\$80,400	\$500	\$282,792	\$365,770
FY 13-14	\$1,466	\$2,167	\$80,800	\$34,500	\$293,757	\$412,690
*FY 14-15	\$750	\$3,817	\$79,100	\$45,000	\$414,514	\$543,181
*FY 15-16	\$500	\$4,771	\$71,600	\$36,000	\$414,700	\$527,571
Total	\$28,266	\$53,855	\$1,164,392	\$260,569	\$2,987,956	\$4,495,038

Program Revenue - Grants										
Grant Source	Award	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Total	FTE
ID Theft Victims Grant 1	\$97,204	\$24,576	\$68,683	\$3,945					\$97,204	1
Mortgage Fraud Grant	\$1,700,050		\$138,113	\$450,193	\$548,152	\$563,592			\$1,700,050	4
ID Theft Victims Grant 2	\$87,484			\$47,517	\$39,967				\$87,484	1
Maryland ID Theft Grant	\$50,000			\$14,339	\$35,661				\$50,000	0
ID Theft 2013	\$66,926				\$41,161	\$25,765			\$66,926	1
ID Theft 2014	\$25,097					\$25,097			\$25,097	0.5
VALE CY 2015	\$77,024						\$38,512	\$38,512	\$77,024	1
*VALE CY 2016	\$77,024							\$77,024	\$77,024	1
*ITAC CY 2016 Hotline / Interp	\$25,000							\$25,000	\$25,000	0
VOCA TECH	\$11,838							\$11,838	\$11,838	0
Total	\$2,217,647	\$24,576	\$206,796	\$515,994	\$664,941	\$614,454	\$38,512	\$152,374	\$2,217,647	

* These monies will span into FY 16-17 Amount of Grant Reflected

Program Expenditures			
	Expenditures	Actual FTE	Appropriated FTE
FY 06-07	\$265,124	5	7
FY 07-08	\$450,841	5	7
FY 08-09	\$525,515	4.8	7
FY 09-10	\$499,075	5	7
FY 10-11	\$442,595	3	7
FY 11-12	\$346,624	3	7
FY 12-13	\$351,675	2.9	7
FY 13-14	\$332,506	2.5	7
FY 14-15	\$412,191	3.8	7
FY 15-16	\$449,456	4.3	7

CFI UNIT STAFFING

The CFI Unit is appropriated for 7.0 Full Time Employees (FTE). However, due to the reduction and inconsistency in the funding stream (monies derived from the three funding sources), the **CFI Unit is only able to sustain approximately half and averages at 3.93 FTE for the 10 years the program has been in existence.**

Personnel (FTE) paid for by the ID Theft Fund, as of July 1, 2014 thru June 30 2016:

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

(The Unit had 1 additional FTE for a portion of FY14/15 & 15/16, and funded a Victim Advocate which allowed that position to span grant award periods. The above '3' FTE were full time within the Unit).

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).

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:

- **Representative of a Police Department**
Currently: Chief Jack Cauley, Castle Rock Police Department
- **A Representative of a Sheriff's Office**
Currently: Sheriff Anthony Spurlock, Douglas County Sheriff's Office
- **Three representatives of from a depository institutions**
(At least two of whom shall be from a state or national bank)
Currently: Keith Lobis, Regional President, Wells Fargo
Currently: Monica Reger, Vice President, 1st Bank
Currently: Jenifer Waller, Senior Vice President, Colorado Bankers Association
- **A representative of a payment processor**
Currently: Daniel Marostica, Vice President Consumer Protection, Western Union
- **A representative of consumer or victim advocacy group**
Currently: Elizabeth Krupa

GOVERNING BOARD MEETINGS

The Identity Theft Governing Board convenes approximately every three months. The CFI Unit compiles a report (Board Report) representative of that period's significant activity for these meetings. During this reporting time from (FY15 and FY16), the Board met eight times from August 2014 through May, 2016.

These meetings were held on the following dates with their corresponding Board Reports attached to this document:

FY – 2015

- August 20, 2014
- November 12, 2014
- February 11, 2015
- May 6, 2015

FY – 2016

- September 2, 2015
- December 2, 2015 Weather Cancelled
- February 3, 2016
- May 2, 2016

The Board Reports include various topics as they relate 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

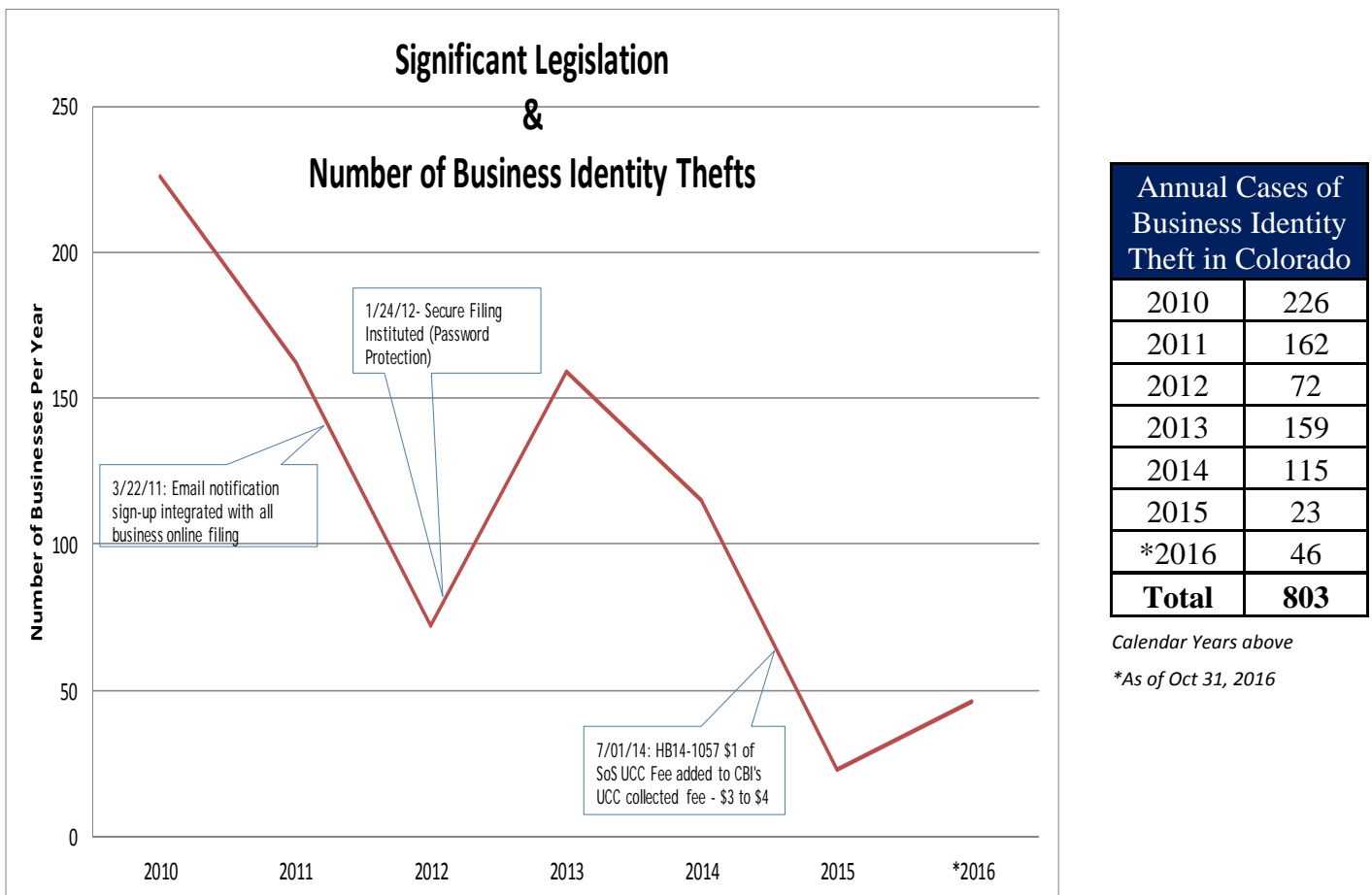
LEGISLATIVE EFFORTS

The CFI Unit continued to work on Business Identity Theft as it resulted in the passage of House Bill 14-1057. This Bill was brought forward by the Colorado Secretary of State and transferred \$1 (of their portion of the UCC filing fee) to the CFI Unit. This increased the Unit's fees from \$3 to \$4 on every UCC Filing. The additional \$1 increased the CFI Fund Balance by approximately \$100,000 per year. This increase will last 3 fiscal years from July 2014 through June of 2017. The CFI Unit did hire a criminal investigator as of September 2014 and is using this and other unit resources to combat business identity theft.

Business identity theft costs businesses and their creditors millions of dollars. It destroys businesses 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.

Business Identity Theft Reported / Investigated

The below graph and chart reflect the number of complaints of business identity theft the CFI Unit has investigated as well as the various points in time of legislation (the email notification and secure filing efforts by the Colorado Secretary of State). The statistics are from 2010 through October of 2016. The larger investigations are time consuming and span multiple reporting periods. The Unit continues to work with the Colorado Secretary of States Office and the many business owners who are victims of this crime.



TYPES OF IDENTITY THEFT & TRENDS

The CFI Unit is a leader in identity theft and fraud awareness, education, investigation, intelligence gathering and victim assistance. We strive to be at the cutting edge of new trends in identity theft and fraud with areas of focus that include: 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.
- Family Violence:** Any form of ID theft in which the crime occurs in the context of a domestic violence offense, elder abuse or child abuse.



Trends in ID Theft

Family Violence Related Identity Theft



Family violence is pervasive in the United States. Victims of this form of violence are often faced with a number of heart wrenching and challenging choices. Far too frequently, these cases end with victims facing homelessness, or becoming permanently disabled due to the victimization. Because of

the volatile nature of Family Violence cases, and the need to focus attention on immediate physical safety, the nuances of identity theft are a forgotten aspect of the crimes which go unaddressed.

For many victims of family violence, especially domestic violence and elder abuse, ID theft is one of the tools the perpetrator uses to create an unsafe and unstable environment for the victim. If an abuser is able to ruin the credit rating, criminal history or driving record of their victim; it becomes easier to control the victim if she or he tries to leave the relationship. And if the victim does leave, she or he is often faced with additional obstacles in finding housing or work because of the ID theft, increasing the risk of returning to the abuser.

ID theft is also used as a means to intimidate and stalk a victim who has left the abusive situation. According to the Federal Trade Commission and the National Identity Theft Victim Assistance Network identities of the minor children in a domestic violence case will also be stolen and used by the abuser after the victim has fled the relationship.

In cases of elder abuse, the theft of the elder's ID is often a means to obtain property, clean out bank accounts, sell valuables, and cash out life insurance policies.

The Victim Assistance Program at CBI has worked with local and national experts in the fields of domestic violence, child abuse and elder abuse to assist victims of these crimes whose abuser has also perpetrated identity theft. We have assisted shelters and response teams in developing safety assessments that include questions that will help determine if ID theft is an issue. We have established relationships with these agencies so that staff will assist the victims in contacting us immediately to assist in the repair of the ID theft. We have worked with law enforcement agencies and prosecutors to include ID theft charges along with the family violence charges or to enhance charges filed by coupling ID theft with stalking and family violence charges and by utilizing the elder abuse laws when filing charges.

We will continue to work with our coalition of service providers and criminal justice professionals to bring this issue to the forefront and ensure that it is addressed; both by the community serving victims of family violence and by the community serving victims of ID theft.

SUMMARY OF ACTIVITY AND CASE HIGHLIGHTS

The CFI Unit has had numerous criminal investigative successes throughout the reporting period of 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.

Victims & Associated Arrests - FY 2011 to 2016							
Performance Measure	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Total
Victims (assoc w/ Arrests)	274	460	82	30	118	231	1195
Arrests	25	5	3	13	10	1	57
Estimated Dollar Loss	\$650,000	\$1,483,500	\$4,331,000	\$1,400,000	\$5,722,000	\$462,000	\$14,048,500

Victim Advocacy / 24hr Hotline FY 2011 - 2016			
FY	Victims/ Advocate	Victims/ Hotline	Total Victims
11	1402	171	1573
12	1419	308	1727
13	1092	264	1356
14	1231	267	1498
15	1036	504	1540
16	1145	820	1965
Totals	7325	2334	9659

Outreach & Media FY 2011 - 2016		
FY	Outreach & Training	Media
11	60	8
12	77	3
13	86	3
14	85	6
15	60	4
16	72	3
Totals	440	27

CASE HIGHLIGHTS

Identity Theft—Tax and Unemployment Fraud

The CFI Unit investigated an ID Theft, Tax and unemployment fraud. It involved over **177 victims** with a loss of approximately **\$100,000 to Colorado victims** and **\$1.2 million to the IRS**. Suspects were identified, search warrants executed and four (**4**) **suspects indicted by a State Grand Jury in June of 2015**. Charges included violations related to this criminal organization, COCCA, ID Theft, and Theft. Other Colorado Agencies involved were the Attorney General’s Office, Department of Revenue—Tax, and the Department of Labor and Employment.

Fraudulent Document Maker - Colorado Drivers Licenses

The CFI Unit investigated a complaint by the Colorado Division of Motor Vehicles (DMV) as it related to a person posing as a DMV worker (not a true state employee) and selling drivers licenses to persons who normally couldn’t obtain one due to driving status or unlawful presence in the state. The CFI Unit conducted an undercover operation to uncover the extent of the allegations and purchased documents from this suspect. In February of 2016 the suspect was arrested and search warrants were executed. In total, there were **over 231 victims affected** who paid this suspect an **estimated \$462,000** for these fraudulent drivers documents.

Business E-mail Compromise or CEO Fraud

The CFI Unit began taking in numerous calls from victim businesses in Colorado. The scam involved Business Email Compromise or CEO Fraud. The Unit began tracking them in August of 2015 and have aggressively worked towards: educating the victim, alerting the involved bank, freezing and recovering funds as well as identifying suspects. The Federal Bureau of Investigation, Internet Crime Complaint Center (IC3) defines Business E-Mail Compromise as:

The 3.1 Billion Dollar Scam

A sophisticated scam targeting businesses working with foreign suppliers and/or businesses that regularly perform wire transfer payments. The scam is carried out by compromising legitimate business e-mail accounts through social engineering or computer intrusion techniques to conduct unauthorized transfers of funds.

Most victims report using wire transfers as a common method of transferring funds for business purposes; however, some victims report using checks as a common method of payment. The fraudsters will use the method most commonly associated with their victim’s normal business practices.

The calls from victim businesses have been from all parts of Colorado and of varying size. Victims were contacted either through compromised email accounts or by spoofed emails (email addresses that read the same in name only but not by address acting as someone within the company). They were asked to wire funds and given a bank account to send the money to.

The Unit responded to these complaints and worked to recover the stolen funds in collaboration with the victim and financial institutions involved.

From the IP’s and traced and or from where money was ultimately wired to, indications are this fraud is perpetrated by fraudsters out of the country in places like Nigeria.

The Unit had a 43% recovery rate for FY16, the first year it tracked.

Business Email Compromise					
	Number of Victims	Attempt	Loss	Loss Recovered	Recovery Percentage
FY 16	16	\$1,219,203	\$976,728	\$427,154	43.73%
*FY 17	6	\$456,073	\$156,800	\$135,800	86.61%
Total	22	\$1,675,276	\$1,133,528	\$562,954	

*As of December 6, 2016

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 **2,300 victims** of ID theft and fraud since its creation in 2010.

CBI's Victim Advocacy Program provides quality response to victims, and has served **over 9,600 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. According to the Identity Theft Resource Center, in some instances victims reported they had difficulty in qualifying for a home loan. 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.

COMMUNITY OUTREACH AND PROFESIONAL 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 works closely with rural communities to provide quality education and support in those communities. This often means that CBI staff participate in local fairs or festivals and serve as speakers for community educational programs. For example, CFI served on the planning committee for the Elbert County Annual Safety Fair. We hosted an information table at the event as well as hosting a Shred event to coincide with the fair. Staff also participated as a speaker at the Senior Law Days events for Boulder County and for the 18th Judicial District. Staff provide a number of presentations to community programs for older adults across the state.

Fairs and festivals and the larger events are a part of our community outreach that we truly enjoy. Sometimes, however our favorite community events are hosted in small groups such as a faith community gathering, an alumni meeting for a local college or gathering of friends and neighbors concerned about their safety. Large or small, CFI will provide the community with quality programs that educate about ID theft and fraud.

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.



CBI hosted a table at the Jefferson County Safety Day Event and had this majestic visitor.

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. Scam Alerts, the ID Theft Prevention Tip of the Week and Be a Savvy Consumer are favorite features of our page visitors.

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
- Cyber Crimes Steering Committee
- Elder Justice League

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.

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 Advocacy:

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.

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!

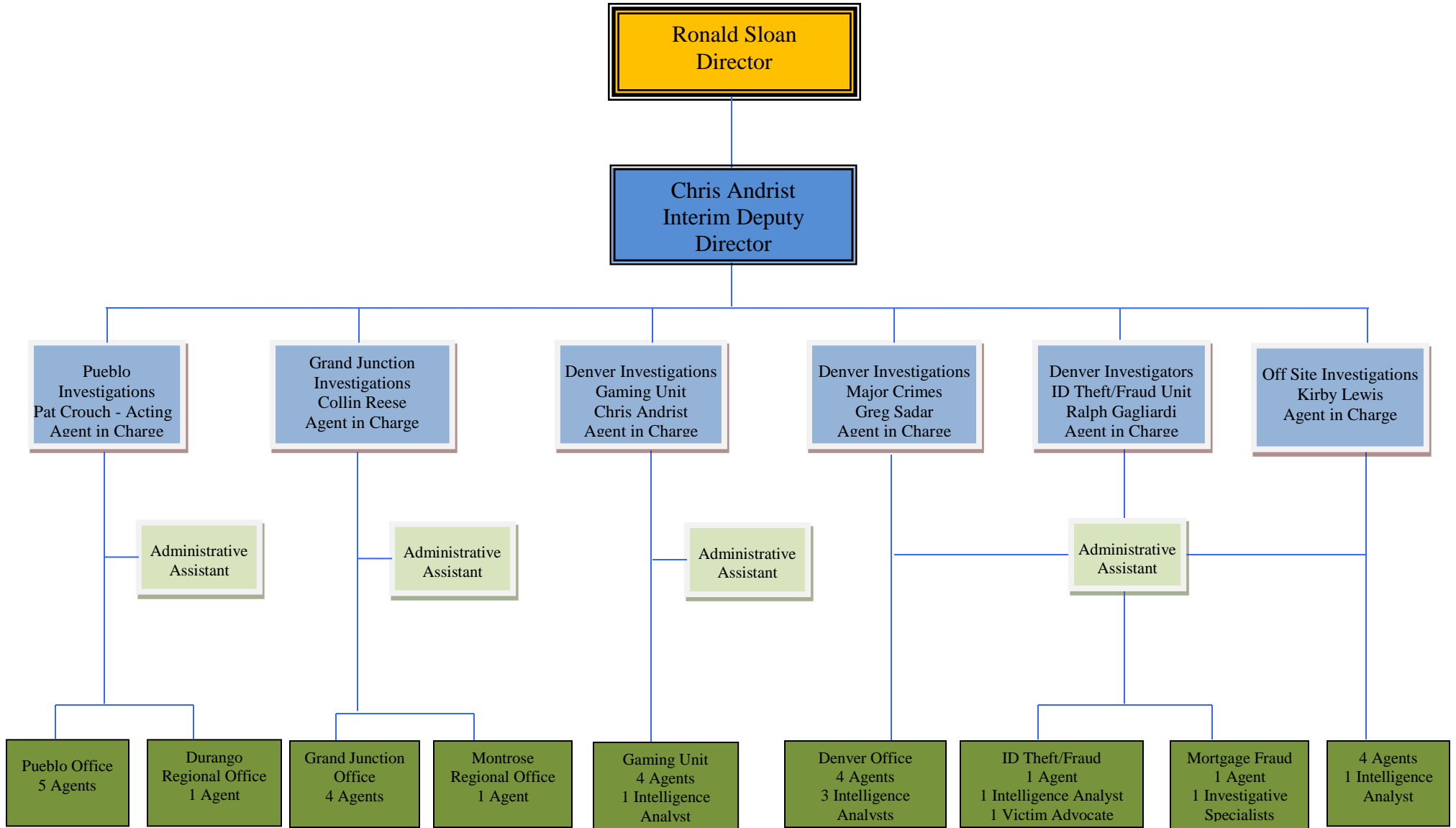
- ✓ Visit us on Face Book: Colorado Bureau of Investigation ID Theft
- ✓ <https://www.facebook.com/pages/Colorado-Bureau-of-Investigation-ID-Theft/1446820798892043?ref=hl>

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
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



Report to the
Colorado Fraud Investigators
Board of Directors



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.

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- \$2.3m loan fraud to secure World Wide Office space in Denver
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- 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:

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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.

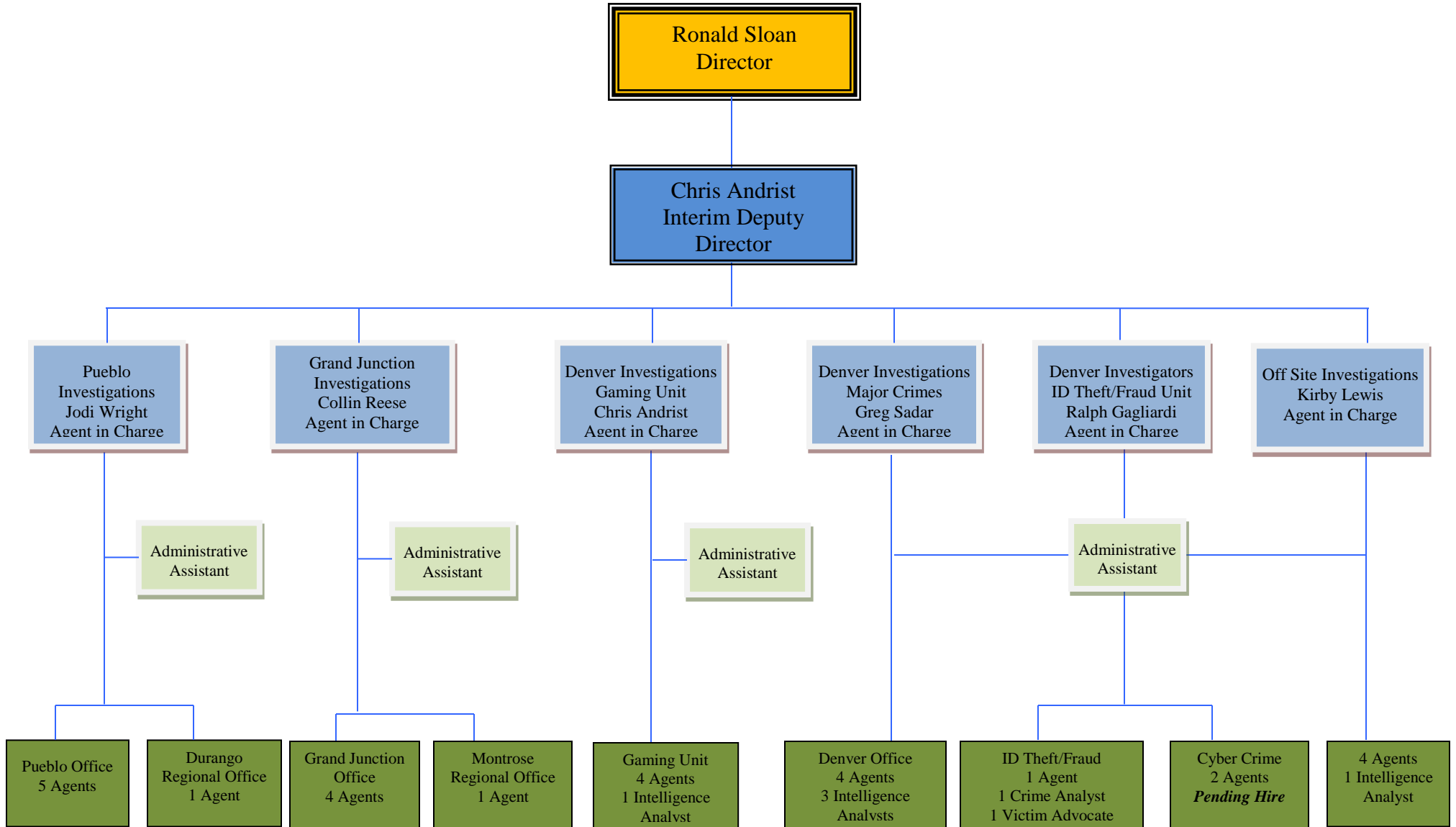
- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ We have had some media coverage of our Facebook page as well:
 - <http://www.thecherrycreeknews.com/colorado-bureau-investigation-uses-social-media-combat-identity-theft/>
 - <http://gazette.com/blog-cbi-uses-social-media-to-spread-the-word-about-scams/article/1539060>
 - <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



Report to the
Colorado Fraud Investigators
Board of Directors



Colorado Bureau of Investigation
Colorado Fraud Investigators Unit
February 11, 2015

AGENDA

Identity Theft and Financial Fraud Board

February 11, 2015

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
- Sunset Review – Bryan Jameson DORA
- Presentation to outgoing Board Members
 - Chief Mark Beckner
 - Sheriff Larry Kuntz
- Budget
 - Financials – Revenue Stream
 - Grants
- Operational Report - Updates
 - Investigation(s)
 - Victim Advocacy Report
- Update on New FTE's
 - Business ID Theft
 - Cyber-Security
- New Business
 - 24hr ID Theft Hotline Discussion
- Presentation to Board by 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 January 1, 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 Facebook: 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

November 12, 2014 Meeting was cancelled due to weather and rescheduled for February 11, 2015

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	-	-	-	-	-	-	-	-	-	-	-	-	-
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Comparison FY2014 and FY2015 through Oct

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

Mortgage Fraud Grant

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Travel	\$	(1,370)	
Operating	\$	(32,776)	
Vehicles	\$	(18,484)	
Police Supp	\$	(9,572)	
Indirect	\$	(457,511)	
Remaining		(0)	Grant end date Sept 30, 2014.

Grant ended - funds expended as of September 30, 2014

Victim Assistance Grant

Date of Award: January 1, 2015

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Colorado Departments of Labor and Employment (CDLE) and Revenue (DOR)

DOR Victims of fraudulent state tax returns (177+) \$70k attempt. CDLE paid out \$61,000 in fraudulent UI claims – 9 victims. ID Theft - 23 Victims Credit cards and other services.

Business ID Theft

Approximately 100 Colorado Businesses Compromised , business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables). Businesses hijacked – January 2013 through December 2014 – and ongoing.

- Credit extended by Cellular phone companies - \$206,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.

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).

Mortgage Fraud Case – Monty Hall:

On November 7, 2013 the Colorado Statewide Grand Jury indicted 9 for targeting distressed homeowners as part of a fraudulent short sale scheme that allowed the defendants to ultimately defraud the banks and lenders who held the mortgages for the distressed homeowners. Eight of the nine named defendants were charged under the Colorado Organized Crime Control Act for a pattern of manipulating homeowners who were facing foreclosure, creating and processing forged and fraudulent documents relating to the properties, and ultimately using these forged documents and other actions to defraud the lenders and subsequent buyers. 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.

Update

On January 13, 2015 the following plea agreements were reached in Adams County

- WENDY THOMAS entered a plea of 'guilty' to Count 57 - Theft - F-4 and Count 67 - Money Laundering - F-3.
- DUANE THOMAS entered a plea of 'guilty' to Count 57 - Theft - F-4.
- KURT SMITH entered a plea of 'guilty' to added Count 68 – Criminal Mischief - F-4.
- C NICOLE SMITH entered a plea of 'guilty' to Count 57 - Theft - F-4 and Count 65 - Conspiracy to Commit Theft - F-4.
- CHRIS CONSOL entered a plea of 'guilty' to Count 67 - Money Laundering - F-3 and added Count 69 - Theft - M-1.

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of August 1, 2014 through December 31, 2014, the ID Theft Unit provided direct and comprehensive services for **440 victims** of ID theft and fraud. The 24 hour hotline served **137 new victims** during this same time.

While the IRS scam remains the most frequently reported scam, we saw an increase in complaints about online job scams and “Granny” scams. In the past, Granny scams have usually included a fearful plea for help because the grandchild is in jail in a foreign country. Recently, we have seen callers claiming to be a child or grandchild whose passport and airline ticket were stolen while doing humanitarian aid in a foreign country. Callers may claim to be contacting the targeted victim from the US Consulate in this country to add some legitimacy to their claims.

Financial ID theft and Criminal ID theft remain the most frequently reported forms of identity theft. We have seen an increase in the number of cases in which tickets have been issued in the victim’s name for RTD violations. These violations have resulted in Failure to Appear warrants and the suspension of driving privileges. This has a devastating impact on victims who must have a driver’s license for work, and for victims attempting a promotion at work. In two cases, this form of ID theft threatened the outcome of an adoption and of a custody hearing.

We have also seen 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 with mis-use of SSN 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. In other cases, there is no actual identity theft. The SSA has mistakenly associated the victim with an incarcerated person on a name match only; not a SSN or DOB match. As always, issues related to SSN use for work by an ID thief continue to create challenges in the lives of the victims.

Training and Outreach:

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

- Xcel Energy (X12)
- Society of Certified Senior Advisors National Conference
- CBI New Employee Orientation
- Department of Human Services State Administrative Review Division
- Jefferson County Safety Day Fair
- ARC of Aurora Staff and Volunteers
- 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
- Society of Design Administrators Colorado Chapter Annual Meeting
- Sherman & Howard Staff
- ARC of Aurora Consumer Meeting
- Moose Lodge Longmont
- Colorado Springs Gazette Successful Aging Expo
- Colorado Springs Friends of the Library
- Society of Certified Advisors Curriculum Webinar
- 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

January, 2015 community presentations:

- Legacy High School Financial Wellness Week
- Jump Start Annual Conference

Media Appearances:

- Longmont Cable Channel 8
- Colorado Public Radio
- Consumer Reports Interview (Ralph & Hazel)

Upcoming Community Presentations:

- Longmont Senior Center
- Kiwanis Club
- Financially Speaking

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 recorded a webinar to accompany the chapter in November.

Facebook: Please remember to "Like" us, and comment on our posts.

- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ 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.
- ✓ Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states.

Victim Assistance/Outreach 2014 Summary

In 2014 (January-December), the ID Theft/Fraud Investigations Unit provided comprehensive Victim Assistance for **1,202 victims** of ID theft/fraud. The 24 hour hotline provided services for **313 new victims** of ID theft/fraud.

The Unit provided **77** community outreach and professional training events in 2014. The ID Theft/Fraud Investigations Unit officially launched our Facebook page in October, and have been posting multiple times each week gaining a loyal group of followers.

We have been active participants in the National Identity Theft Victim Assistance Network (NITVAN), contributing to the website development and providing expertise on a national basis. Unit staff members have also been called upon by the Financial Industry Regulatory Authority, the Federal Trade Commission and the Department of Justice Office for Victims of Crime to serve as experts in providing webinars, contributing to publications and updating websites.

The ID Theft/Fraud Unit assisted CBI in updating the CBI website, creating new pages for our Unit and demonstrating a style of information delivery that was echoed by other Units.

The ID Theft/Fraud Investigations Unit saw several changes in 2014. After several years of advocacy, providing legislative testimony and working closely with the Business ID Theft Working Group, CBI was granted additional funding by the Colorado State Legislature to address issues of Business Identity Theft in Colorado. This funding allowed the ID Theft/Fraud Unit to hire an agent to support investigations.

The Colorado State Legislature also passed legislation that created two cyber-crimes agent positions at CBI. AIC Ralph Gagliardi accepted the responsibility for and oversight of this new program at CBI, and we became the Identity Theft, Fraud & Cyber Crimes Unit.

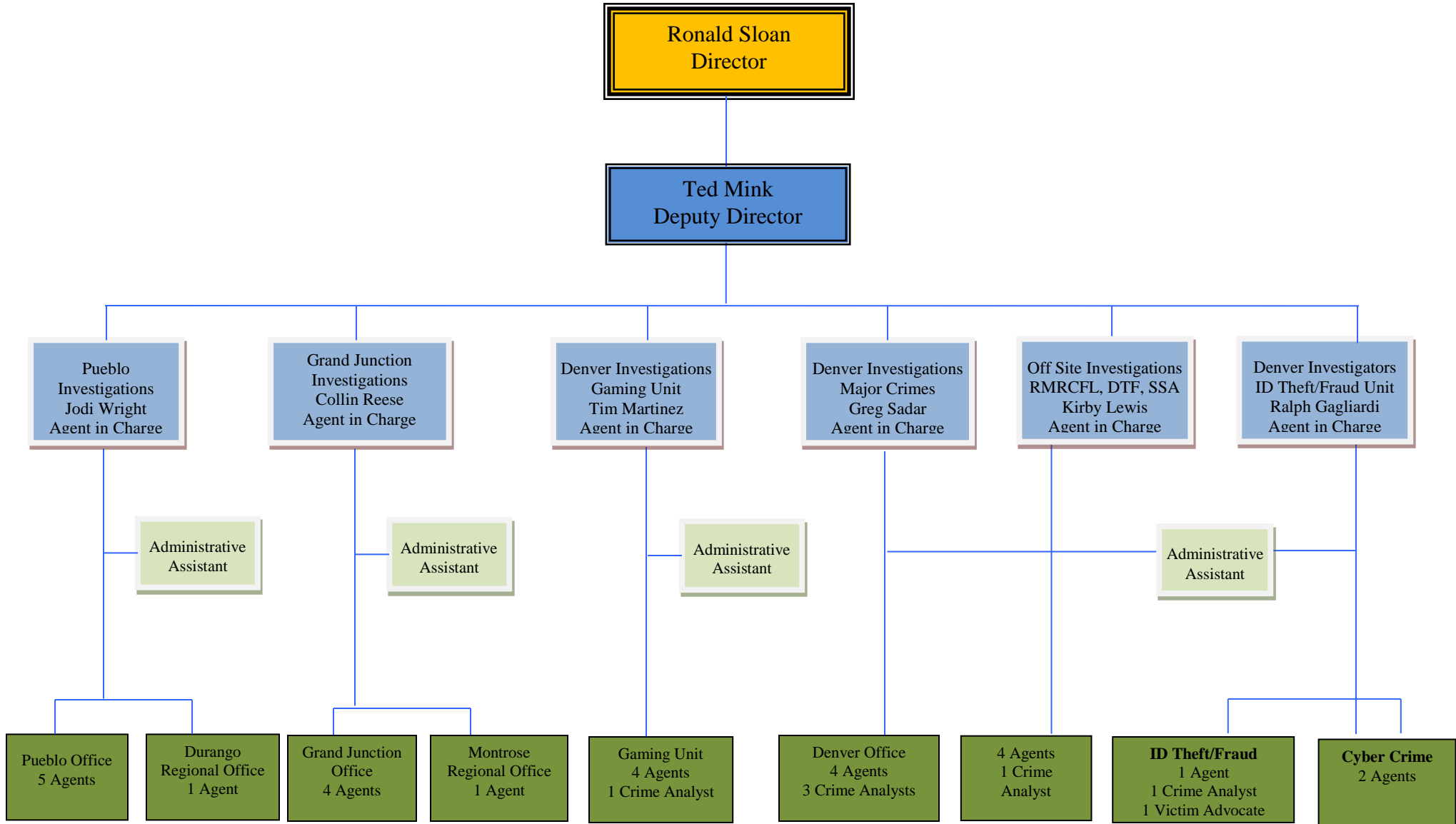
2014 also saw several of our Unit members honored. AIC Ralph Gagliardi was selected to represent CDPS as a gubernatorial appointee to the Government Access to Personal Medical Information Task Force. Victim Advocate Hazel Heckers was honored with the 2014 National Crime Victim Service Award presented by the U.S. Department of Justice.

BOARD ROSTER

<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
KathySasak	Deputy Director CDPS	(303) 239-4400	kathy.Sasak@state.co.us
Cynthia Coffman	Colorado Attorney General	(720) 508-6554	cynthia.coffman@state.co.us
Janet Drake	Senior Asst AG (Designee of AG) Board Chair	(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
	Assistant DA 17th Judicial District Attorney's Office		
<i>Governor Appointments</i>			
Keith Lobis	Rep of Depository Institutions	(303) 980-7626	Keith.a.lobis@wellsfargo.com
2nd Term Exp 6-30-17	Regional President - Wells Fargo		
Michael Stefanich	Rep of Payment Processor	(303) 389-7750	mstefani@visa.com
2nd Term Exp 6-30-17	Sr. Business Leader, Global Info Security Visa Inc		
Jack Cauley	Rep of Police Department	(303) 663-6126	Jcauley@crgov.com
1st Term Exp 6-30-17	Chief of Police - Castle Rock Police Department		
Beau Ballinger	Rep of Consumers / Victims advocates	(720) 947-5305	ballinger@aarp.org
1st Term Exp 6-30-17	Senior Program Specialist - AARP Foundation ElderWatch		
Laura Romero	Rep of Depository Institutions	(303) 235-1420	Laura.Romero@efirstbank.com
1st Term Exp 6-30-15	Senior Vice President Support Services 1st Bank		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
1st Term Exp 6-30-15	Senior Vice President - Colorado Bankers Association		
Anthony Spurlock	Rep of Sheriff's Department	(303) 660-7584	TSpurloc@dcsheriff.net
1st Term Exp 6-30-15	Sheriff - Douglas County		

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 6, 2015

AGENDA

Identity Theft and Financial Fraud Board

May 6, 2015

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
- Budget
 - Financials – Revenue Stream
 - Grants
- Operational Report - Updates
 - Investigation(s)
 - Victim Advocacy Report
- Board Members Term Expiration Dates
 - Three members expire June 30, 2015
- New Business
- Presentation to Board by Beau Ballinger – AARP
 - Financial Exploitation of the Elderly
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
Wells Fargo Bank
5353 W Dartmouth Ave
Denver, CO 80227
February 11, 2015

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jack Cauley, Chief, Castle Rock Police Department
Beau Ballinger, Senior Program Specialist, AARP Foundation
Keith Lobis, Regional President, Wells Fargo Bank
Lisa Tennyson, Vice President, Wells Fargo Bank
Laura Romero, Senior Vice President, 1st Bank
Bryan Jameson, Policy Analyst, DORA
Ted Mink, Deputy Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Kevin Hyland, Agent, CBI
Tammi Krebs, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Absent:

Jess Redman, Assistant DA, 17th Judicial District
Michael Stefanich, Senior Business Leader, VISA, Inc.
Jenifer Waller, Senior Vice President, Colorado Bankers Association

Meeting Called to Order:

The meeting was called to order at 1:35 pm, by Chair Janet Drake. It was noted that the last scheduled meeting was cancelled due to weather issues. This is noted for clarification regarding the minutes and board reports included in this report. Ms. Drake facilitated introductions. Guests Lisa Tennyson of Wells Fargo Bank and Bryan Jameson of DORA were introduced.

Ms. Drake asked for approval of the February, 2014 minutes. Motion to approve the minutes was made by Chief Cauley, Keith Lobis seconded. Minutes were approved with no corrections.

Presentation by Lisa Tennyson, Wells Fargo:

Lisa presented current ID Theft issues from the banking perspective. A copy of the slides from her presentation is preserved in the Board records.

Sunset Review – Bryan Jameson, DORA:

Bryan Jameson is the Policy Analyst assigned to the current Sunset Review. He briefed the Board on the process and goals of this review. A Sunset Review is done every four years. The last review of the ID Theft Unit was done in 2010.

Budget:

AIC Gagliardi reported that current financials are not available and the ongoing work on the CORE System to remedy this issue. Agent Hyland stated that based on the information available, it appears that our numbers are similar to last year at this time.

The Victim Assistance Grant was awarded and began in January 2015. The award amount is \$77,024 and will cover 1 FTE. The unit will be researching additional funding sources to cover the Victim Hotline. This expense is currently covered through the ID Theft Unit budget.

CFI Operational Report:

Active Investigations:

Colorado Departments of Labor and Employment (CDLE) and Revenue (DOR)

Business ID Theft

100+ Colorado Businesses compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables).

Indicted (Updates):

World Wide Mortgage Fraud Investigation

Colorado Statewide Grand Jury Indictment of six individuals, on September 18, 2014

Mortgage Fraud Case – Monty Hall - Update:

Colorado Statewide Grand Jury Indictment of 9 individuals, on November 7, 2013
Gave update on plea agreements on five of the defendants.

Victim Advocacy:

Report on victim numbers re period of August 1, 2014 through December 31, 2014. **440 victims** of ID theft and fraud. The 24 hour hotline served **137 new victims**.

Update on New FTEs

CBI received additional funding (through House Bill 14-1057) that allows additional revenue to be generated through a portion of fees (already collected by the Colorado Secretary of State) to come to the ID Theft Unit to address issues of Business Identity Theft in Colorado. This Bill went into effect on July 1, 2014. This funding allowed the ID Theft/Fraud Unit to hire an agent to support such investigations – hired in September, 2014.

CBI received additional funding (through House Bill 14-1095) to hire two Criminal Investigators / Cyber Crime Agents (General Funded). These two agents were hired in January, 2015. AIC Ralph Gagliardi is responsible for the oversight of this new program at CBI and the Unit is now titled - *Identity Theft, Fraud & Cyber Crimes Unit*.

New Business:

Victim Advocate Hazel Heckers explained the importance of continuing the 24 Hour Victim Hotline. This is the only hotline in the State which specifically assists victims of ID Theft. The Unit will be exploring additional funding sources for this important service and will be seeking input and donations from the members of the Board.

Training at Next Meeting

Ms. Drake asked Beau Ballinger of AARP to present at the next meeting. Ballinger agreed to conduct an approximate 20minute presentation on current work of AARP in the area of ID Theft.

Next Meeting:

Wednesday, May 6, 2015 at 1:30

Wells Fargo Bank

5353 W Dartmouth Ave

Denver, CO 80227

Meeting Adjourned:

The meeting was adjourned at 3:10pm.

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		

Victim Assistance Grant

Date of Award: January 1, 2015

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Business ID Theft

Approximately 100 Colorado Businesses Compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables). Businesses hijacked – January 2013 through February 2015 – and ongoing.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.

UPDATE - Worldwide Mortgage Fraud Investigation / INDICTMENT

Six family members were indicted with **37 counts including Organized Crime for mortgage fraud on September 18, 2014**. 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 led 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.

Update on the six indicted members:

1. The alleged ring leader has since been arrested 3 additional times (by DPD) -
 - i. Chasing wife (codefendant) on Federal Blvd crashed his car into hers – Posted Bond*
 - ii. While on GPS Tracker – Broke into wife's residence - Posted Bond*
 - iii. Used a cell phone as GPS Tracker - attached to his wife's vehicle*

-With this last arrest, he is in custody (Denver Jail) on \$750,000 Cash Only Bond

2. Proffer completed on one of the two twin brothers
3. Plea by wife to Conspiracy to Commit COCCA

Remaining three defendants continue through court process.

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of January 1, 2015 through March 31, 2015, the ID Theft Unit provided direct and comprehensive services for **383 victims** of ID theft and fraud. The 24 hour hotline served **142 new victims** during this same time.

Tax Related ID Theft has been the most frequently reported identity theft crime in the past quarter. This form of ID theft occurs when someone uses another person's social security number and files fraudulent tax returns to receive sizable tax refunds. It may be perpetrated on federal tax returns, state tax returns or both. Tax payers discover that they have been victims when they try to file their own tax returns and are notified that someone has already filed returns using their SSN or that of one of their dependents. Others find out they are victims when they receive a refund check in the mail that does not belong to them. CBI has worked closely with the IRS and with the Colorado Department of Revenue to address the needs of these victims and resolve any tax related issues as quickly as possible. CBI and the IRS collaboratively created a PowerPoint training that was disseminated to all law enforcement in Colorado (*thank you Chief Cauley for getting this out to all of the Police Departments*). Our contacts at the IRS have been extremely complimentary of the response from Colorado Law Enforcement.

The IRS scam remains the number one reported scam. However, we have also received a number of complaints regarding vacation home rental scams, especially in the mountain communities. The City of Breckenridge was hit with an exceptionally large number of complaints and stranded victims. CBI worked with detectives in Breckenridge to make suggestions for involvement by the local Chamber of Commerce and Tourist Committee in setting up a safe home rental site to counter the number of scam offerings online.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from January through April, 2015.

- Legacy High School Financial Wellness Week
- Jump Start Annual Conference (3 presentations)
- DTC Kiwanis Club
- Longmont Senior Center
- Villas at Pleasant Valley Senior Living
- Ft. Collins Senior Center
- Thrivent Financial Clients
- Colorado Ivy Women
- Eagle Ridge Academy Brighton (X4)
- Littleton High School (X5)
- Horizon High School

Media:

- Consumer Reports

Training at CBI:

- CBI New Employee Orientation

Upcoming Community Presentations:

- CAAA Annual Conference
- El Paso County DHS
- Morgan Stanley Clients
- DCJ Annual Employee Conference
- Colorado State Foster Parent Association Annual Conference
- Black Hawk Police Department
- Summit County Financial Fitness Event

Facebook: Please remember to “Like” us, and comment on our posts.

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

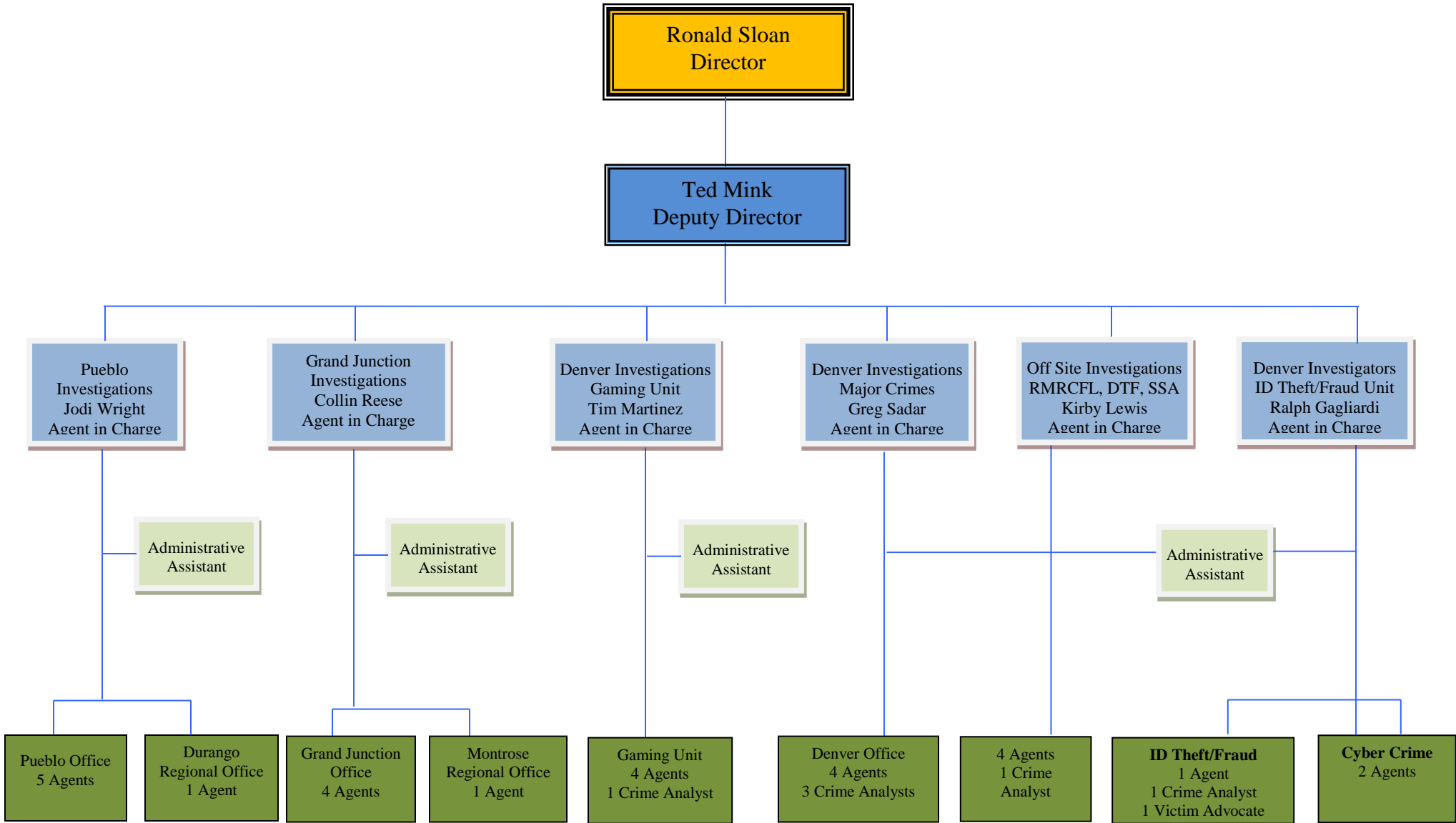
Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
Cynthia Coffman	Colorado Attorney General	(720) 508-6554	cynthia.coffman@state.co.us
Janet Drake	Senior Asst AG (Designee of AG) Board Chair	(720) 508-6716	janet.drake@state.co.us
Jess Redman	Designee - Colorado District Attorney's Council (CDAC) <i>Assistant DA 17th Judicial District Attorney's Office</i>	(303) 659-7720	jredman@da17.state.co.us
<i>Governor Appointments</i>			
Keith Lobis <i>2nd Term Exp 6-30-17</i>	Rep of Depository Institutions <i>Regional President - Wells Fargo</i>	(303) 980-7626	Keith.a.lobis@wellsfargo.com
Michael Stefanich <i>2nd Term Exp 6-30-17</i>	Rep of Payment Processor <i>Sr. Business Leader, Global Info Security Visa Inc</i>	(303) 389-7750	mstefani@visa.com
Jack Cauley <i>1st Term Exp 6-30-17</i>	Rep of Police Department <i>Chief of Police - Castle Rock Police Department</i>	(303) 663-6126	Jcauley@crgov.com
Beau Ballinger <i>1st Term Exp 6-30-17</i>	Rep of Consumers / Victims advocates <i>Senior Program Specialist - AARP Foundation ElderWatch</i>	(720) 947-5305	bballinger@aarp.org
Laura Romero <i>1st Term Exp 6-30-15</i>	Rep of Depository Institutions <i>Senior Vice President Support Services 1st Bank</i>	(303) 235-1420	Laura.Romero@efirstbank.com
Jenifer Waller <i>1st Term Exp 6-30-15</i>	Rep of Depository Institutions <i>Senior Vice President - Colorado Bankers Association</i>	(303) 825-1575	jenifer@coloradobankers.org
Anthony Spurlock <i>1st Term Exp 6-30-15</i>	Rep of Sheriff's Department <i>Sheriff - Douglas County</i>	(303) 660-7584	TSpurloc@dcsheriff.net

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
September 2, 2015

AGENDA

Identity Theft and Financial Fraud Board

September 2, 2015

1:30

CBI – 700 Kipling

1st Floor, Conference Room
700 Kipling Street
Denver, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes
- Budget
 - Financials
 - Grants
- Operational Report - Updates
 - Investigation(s)
 - Victim Advocacy Report
- Board Members
 - Three members – Terms Extended to June 30, 2018
 - Resignation of Rep of Consumer / Victim Advocate – Beau Ballinger, tendered June 4, 2015.
- Sunset Review - Update
- New Business
- Presentation
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
Wells Fargo Bank
5353 W Dartmouth Ave
Denver, CO 80227
May 6, 2015

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Anthony Spurlock, Sheriff, Douglas County
Beau Ballinger, Senior Program Specialist, AARP Foundation
Ralph Gagliardi, Agent-in-Charge, CBI
Tammi Krebs, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Absent:

Michael Stefanich, Senior Business Leader, VISA, Inc.
Jenifer Waller, Senior Vice President, Colorado Bankers Association
Keith Lobis, Regional President, Wells Fargo Bank
Laura Romero, Senior Vice President, 1st Bank
Jack Cauley, Chief, Castle Rock Police Department

Meeting Called to Order:

The meeting was called to order at 1:35 pm, by Chair Janet Drake. Ms. Drake facilitated introductions

Presentation made to the Board by Beau Ballinger, AARP Foundation:

Beau presented current ID Theft prevention information that is available through AARP. Beau emphasized the peer to peer connection that is made by AARP volunteers.

Ms. Drake asked for approval of the ID Theft Board, February, 2015 minutes. Motion to approve the minutes was made by Beau Ballinger, Jess Redman seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reported that current financials are not available due to the States accounting program – the CORE System. Revenue streams that are known and specifically related to the Secretary of States (UCC filing fees) are trending greater than last year at this time. None of the other revenue sources were reported on.

CFI Operational Report:

Active Investigations:

Colorado Departments of Labor and Employment (CDLE) / Department of Revenue - Tax (DOR).

Business ID Theft

100+ Colorado Businesses compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables).

Indictment (Update):

World Wide Mortgage Fraud Investigation

Colorado Statewide Grand Jury Indictment of six individuals, on September 18, 2014 – Update given as court proceedings continue or resolve on the defendants.

Victim Advocacy:

For the period of January 1, 2015 through March 31, 2015, the ID Theft Unit provided direct and comprehensive services for **383 victims** of ID theft and fraud. The 24 hour hotline served **142 new victims** during this same time.

New Business:

Three board members have terms which expire June 30, 2015. These three are Sheriff Spurlock, Jenifer Waller and Laura Romero. All have completed and returned their paperwork for an additional term.

Beau Ballinger has accepted a different position within AARP and will no longer be working in consumer affairs. He will therefore be tendering his resignation. Ms. Drake requested recommendations for others within the AARP Foundation who might be interested in this position.

Next Meeting:

Wednesday, **September 2, 2015 at 1:30pm**
Colorado Bureau of Investigation
700 Kipling St, 1st floor conference room
Lakewood, CO 80215

Meeting Adjourned:

The meeting was adjourned at 3:15pm.

Victim Assistance Grant

Date of Award: January 1, 2015

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: *Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.*

Hotline - Presently funded by the ID Theft Unit

\$1250 per month (Unit began funding February 2014)

\$1500 per month starting March, 2015

Increase to \$1500 include victim satisfaction survey, dedicated phone line and two cell phones.

PENDING GRANT

ITAC (Identity Theft Assistance Center)

Potentially \$18,000 - Could be used to fund ID Theft Hotline for one year.

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Business ID Theft

Approximately 100 Colorado Businesses Compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables). Businesses hijacked – January 2013 through February 2015 – and ongoing.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.

Funds Transfer Fraud Schemes

Victim - State of Colorado

- May of 2015 - Emails sent to State Controller's Office – posing as vendors. These emails contained change requests that changed true vendor bank account and email addresses to ones controlled by the suspects.
- When invoice(s) were sent in to the State from true vendors – funds were wired to the bank account(s) that set up by the suspect(s).

Business – Land Title Guarantee Company, Denver, CO

- A Client of Land Title was expecting a check for \$20k – real estate proceeds.
- Suspects created a similar email address of the client (one letter off) and started communicating directly with Land Title.
- Suspects requested the closing agent to wire money – to an account controlled by the suspects in Bedford, OH.
- Follow- up with banking information led to the observation of other fraudulent activity occurring with this account.
- Account holder, a middle man, had a recent arrest for forgery and ID Theft. The \$20k was located in this bank account (had been seized by an Ohio prosecutor) and funds were returned to Land Title.

Business – Concord Energy Holdings, Denver, CO

- Suspect gained control of Concord Energy server and spoofed an email from the CEO to the corporate controller.
- Email requested two wire transfers for \$63k and \$157k over the course of several days.
- The \$63K got out with the \$157K being frozen in Illinois.
- CBI forwarded the case to Kankakee Police and the FDIC office of the Inspector General.

Arrests / Update

Four suspects arrested for their involvement in a scheme involving: Tax Fraud / Unemployment Fraud / ID Theft. A Grand Jury indicted the four on June 4, 2015. Investigation by: CBI, Colorado AG, Department of Revenue Tax and Colorado Department of Labor & Employment.

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of April 1, 2015 through June 30, 2015, the ID Theft Unit provided direct and comprehensive services for **458 victims** of ID theft and fraud. The 24 hour hotline served **147 new victims** during this same time.

Criminal Identity Theft complaints have increased this past quarter. Our Unit has assisted a number of people with records challenges in Colorado and other states. In addition, we have assisted victims in correcting driving histories. When someone uses another person's ID when receiving a traffic ticket or when involved in a traffic accident, it creates a snowball of problems for the victim. The traffic incident goes on the victim's driving history, and impacts the status of their driver's license. When the ID thief neglects to pay the ticket or show up in court on a DUI, the Failure to Appear Warrant is issued in the victim's name. Even when the ID thief does go to court, it is rare that they pay the court fees, fines and restitution ordered. That results in the victim's driver's license being suspended and potential wage garnishment to pay these fees. Because traffic tickets do not have fingerprints and mug shots associated with them, it falls on the victim to prove that he/she was not the one who received the ticket. CBI's victim advocate works closely with the DMV Investigators and with local jurisdictions to clear the victims and restore their driving privileges.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from April through July, 2015.

- National Association of State Comptrollers
- North American Consumer Protection Investigators Conference
- American Association of Daily Money Managers Webinar
- Summit County Seniors Association
- Edward Jones Client Meeting
- Black Hawk Police Department Sponsored Law Enforcement Training
- ALERT/SAM (Association of Law Enforcement Records Technicians/Supervisors and Managers)
- Colorado State Patrol Academy
- Colorado State Foster Parents Association Annual Conference
- El Paso County Department of Human Services (Child Protection, Adult Protection and Foster/Kinship Case workers)
- FINRA/CAAA Annual Conference
- FDIC Conference
- Morgan Stanley Client Meeting
- Division of Criminal Justice Conference
- Longmont Senior Center

- Colorado Ivy Alumni Association
- Littleton High School
- Eagle Ridge Academy

Training at CBI:

- CBI New Employee Orientation

Community Events:

On August 22, the CBI ID Theft, Fraud & Cyber Crimes Investigations Unit participated in the Annual Safety Day Fair sponsored by the Jefferson County District Attorney. We also partnered with the Lakewood Police Department to support the LPD Shred Event hosted in June.

Facebook: Please remember to “Like” us, and comment on our posts.

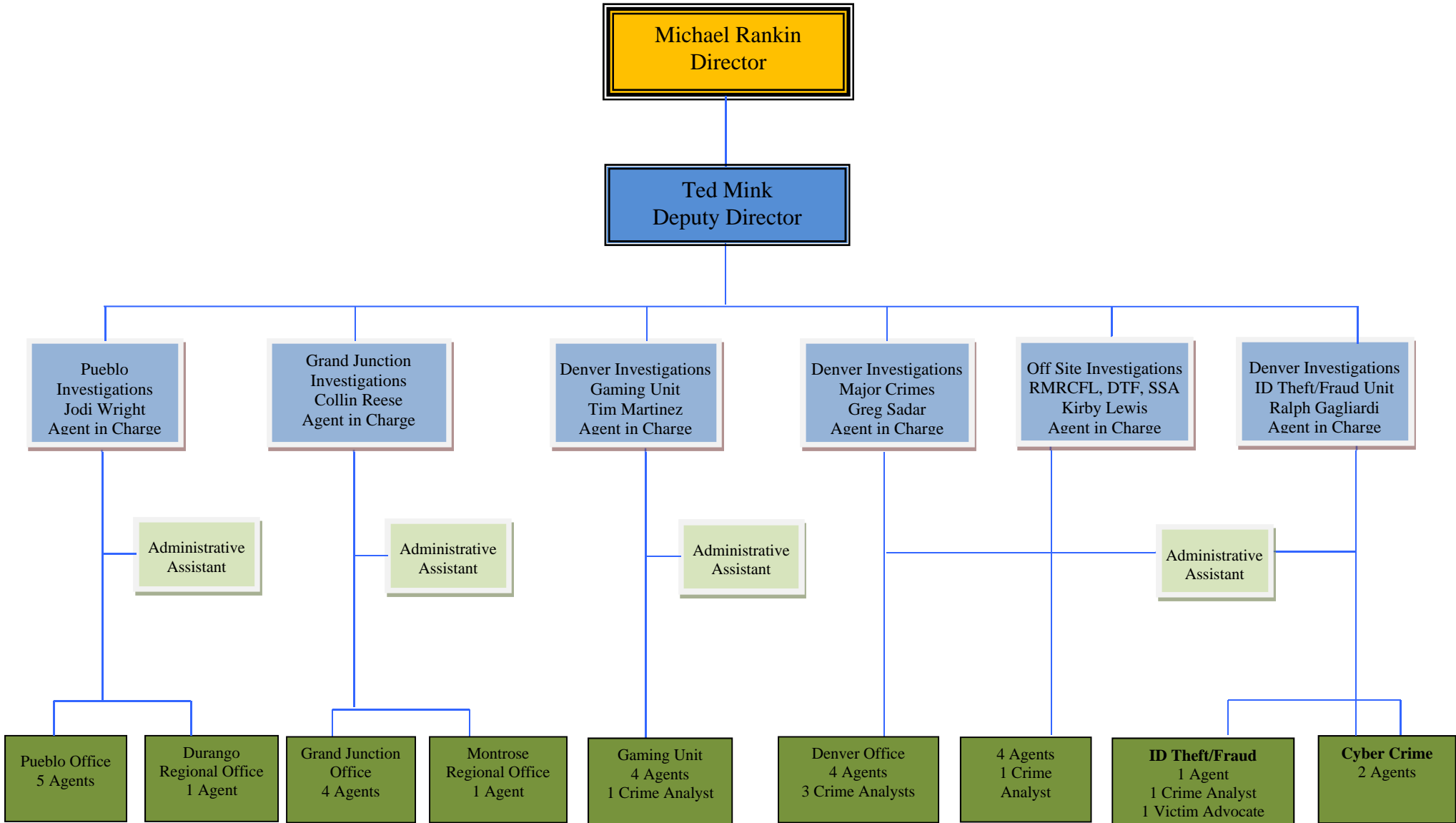
- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ Help spread the word. Please provide a link to our FB page on your website.
- ✓ Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states. Please visit our page and share a post.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	rebecca.spiess@state.co.us
Cynthia Coffman	Colorado Attorney General	(720) 508-6554	cynthia.coffman@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) 980-7626	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>		
VACANT	Rep of Consumers / Victims advocates		
Laura Romero	Rep of Depository Institutions	(303) 235-1420	Laura.Romero@efirstbank.com
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President Support Services 1st Bank</i>		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Anthony Spurlock	Rep of Sheriff's Department	(303) 660-7584	TSpurloc@dcsheriff.net
<i>2nd Term Exp 6-30-18</i>	<i>Sheriff - Douglas 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
December 2, 2015

AGENDA

Identity Theft and Financial Fraud Board

December 2, 2015

1:30

CBI – 690 Kipling

3rd Floor, Conference Room
Denver, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes
- Budget
 - Financials
 - Grants
- Operational Report - Updates
 - Investigation(s)
 - Victim Advocacy Report
- Board Members
 - Resignation of Rep of Depository Institution – Laura Romero, October 15, 2015
 - Open Board Positions - Consumer / Victim advocate & Rep of Depository Institution)
- Sunset Review – Update
- HB14-1057 – SMART ACT Report (Surcharge of \$1 added to UCC Filing Fee)
- New Business
- Presentation
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
700 Kipling Street
First Floor Conference Room
Lakewood, CO 80215
September 2, 2015

In Attendance:

Janet Drake, Prosecutor, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Anthony Spurlock, Sheriff, Douglas County
Laura Romero, Senior Vice President, 1st Bank
Jack Cauley, Chief, Castle Rock Police Department
Rebecca Spiess, Deputy Executive Director, CDPS
Ralph Gagliardi, Agent-in-Charge, CBI
Tammi Krebs, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Absent:

Michael Stefanich, Senior Business Leader, VISA, Inc.
Jenifer Waller, Senior Vice President, Colorado Bankers Association
Keith Lobis, Regional President, Wells Fargo Bank

Meeting Called to Order:

The meeting was called to order at 1:30 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, May 6, 2015 minutes. Motion to approve the minutes was made by Sheriff Spurlock, Laura Romero seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reported that current financials are not available due to the States accounting program – the CORE System. The estimates are that approximately \$100,000 has been added to the Fund Balance leaving an approximate Fund Balance of \$380,000. Revenue for the year from the estimates is \$543,000.

Based on the additional income and fund balance, AIC Gagliardi will be investigating the option of additional hires for the unit.

Hazel is applying for a grant to cover additional victim advocate services since the current grant only covers her salary. Identity Theft Assistance Center is dissolving at the end of this year and will be disbursing money as grants to agencies that will continue their work. This is a one-time event, but Hazel was invited to apply.

CFI Operational Report:

Business ID Theft

Approximately 100 Colorado Businesses Compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables). Businesses hijacked – January 2013 through February 2015 – and ongoing.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.

Arrests / Update

Four suspects arrested for their involvement in a scheme involving: Tax Fraud / Unemployment Fraud / ID Theft. A Grand Jury indicted the four on June 4, 2015. Investigation by: CBI, Colorado AG, Department of Revenue Tax and Colorado Department of Labor & Employment.

Victim Advocacy

For the period of April 1, 2015 through June 30, 2015, the ID Theft Unit provided direct and comprehensive services for **458 victims** of ID theft and fraud. The 24 hour hotline served **147 new victims** during this same time.

Board Members:

Three board members had terms which expired June 30, 2015. The three are Sheriff Spurlock, Jenifer Waller and Laura Romero. All have completed their paperwork and have been approved for an additional term through June 30, 2018.

Beau Ballinger has tendered his resignation. No replacement has been identified so far who might be interested in this position.

Sunset Review:

The draft report has been completed and the recommendations will be made public in October. Although a sunset for the Board was discussed, it will not be included in the recommendations. There will be recommendations to look at different funding mechanisms for the unit. There are no negative recommendations in the draft report.

New Business:

Sheriff Spurlock asked if the group could investigate whether asset forfeiture could be used as a funding mechanism.

Ms. Drake asked Jess Redman to prepare a preview of upcoming legislation as the presentation for the next meeting. Mr. Redman agreed.

Next Meeting:

Wednesday, **December 2, 2015 at 1:30pm**
Colorado Bureau of Investigation
690 Kipling St, 3rd floor conference room
Lakewood, CO 80215

Meeting Adjourned:

The meeting was adjourned at 2:55pm.

FINANCIALS / GRANTS

ID Theft Fund Balance – Day of meeting

Victim Assistance Grant

Date of Award: January 1, 2015

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.

Hotline - Presently funded by the ID Theft Unit

\$1250 per month (Unit began funding February 2014)

\$1500 per month starting March, 2015

Increase to \$1500 include victim satisfaction survey, dedicated phone line and two cell phones.

GRANT AWARD - Identity Theft Assistance Center (ITAC) \$25,000

The Identity Theft Unit was awarded a grant by ITAC to support the Victim Assistance Program. This funding is designated to pay for our 24 Hour Hotline for one year (\$18,000) and to assist monolingual Spanish speaking victims.

Date of Award: November, 2015

Grant Amount: \$25,000

Grant Period: 1 year – not renewable - November 1, 2015 through November 1, 2016.

Pending Grant - VOCA

The Unit has applied for a Special Projects Grant through VOCA. This one time funding is being made available by the Department of Justice for technology updates and special projects that provide direct services to crime victims. Our grant application is to upgrade computers used by the Victim Assistance Program, to enhance the ID Theft/Fraud/Cyber Crimes pages of the CBI website and to purchase training and outreach software programs and materials. The total grant request is for \$11,838. We will hear about this grant after January 1, 2016.

UNIT / CASE HIGHLIGHT

Current criminal investigations include:

Business ID Theft – (Rachel Dean) SEARCH WARRANT EXECUTED in NEVADA

Approximately 100 Colorado Businesses compromised, from January 2013 through May 2015.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.
- Search at suspect's residence in Boulder City Nevada on September 16, 2015

Business ID Theft (Ferris)

Approximately 16 Colorado Businesses compromised, from November 2013 through January 2014.

- Court orders returned thus far indicate a suspect and we've found that suspect to be wanted on outstanding felony charges on fraud.

Colorado Lottery

Victim - State of Colorado

CBI requested to investigate in September. Fraud / Theft stemming from potential vendor who sold Random Number Generator computers to the Lottery – rigged numbers to predict outcome and have acquaintances collect lotto win. Stemmed from November 23, 2005 lotto drawing of \$4.8million dollar prize.

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of July 1, 2015 through September 30, 2015, the ID Theft Unit provided direct and comprehensive services for **367 victims** of ID theft and fraud. The 24 hour hotline served **131 new victims** during this same time.

Criminal identity theft continues to be the most frequently reported form of ID theft. In addition to assisting victims with Colorado criminal history and DMV records corrections, we have worked with multiple other states to support victims including; California, Florida, Georgia, Louisiana, Washington, Idaho, Iowa, North & South Carolina, Missouri, New York, Utah, Texas and New Mexico. We have also seen a slight increase in the number of calls we have received regarding minors who are victims of ID theft.

IRS and other government agency imposter scams have accounted for a large number of calls to both our Victim Advocate and to the 24 Hour Hotline. Older adults are often targeted in these scams, and experience a range of challenging responses. We have heard from several older victims that they became so fearful of the callers threats that they fled their homes for days or even weeks at a time. Others report cashing in retirement fund accounts to pay the scammers. Concerned friends and family members are often the reporting party.

We have also seen an increase in the number of callers reporting a form of cyber hacking or cyber stalking. These include email hacks, Facebook and other social media hacks, Smartphone spyware installations and online bullying and stalking behaviors. Many of these complaints are related to domestic violence cases or work place related incidents.

Victim Satisfaction: CBI conducts Victim Satisfaction Surveys on a monthly basis. All callers have the option of going to the CBI website to find a link to an online survey. In addition, a volunteer calls people served by CBI, our Victim Assistance Program and the 24 Hour Hotline and conducts a brief survey. In the past quarter, these surveys indicate a 99% satisfaction rating. Those participants who express dissatisfaction have indicated that other agencies involved in the response process have not been helpful; therefore the ID theft is still unresolved.

One of the questions we ask in the survey is if the victim reported the crime to their local law enforcement agency, and if they did, what was the response. Approximately 50% of respondents tried to report to their local law enforcement. While the many of those who reported say that the law enforcement agency was responsive and respectful, 67% of respondents say that after the report was taken, they never heard back from the law enforcement agency and do not know if their case was ever investigated. The reason most often given for not reporting to law enforcement is the belief that nothing will be done with the report.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from July through October, 2015.

- National Association of State Comptrollers Phone Conference
- North American Consumer Protection Investigators Conference
- American Association of Daily Money Managers Webinar
- Colorado Bankers Association
- Summit County Seniors Group
- Edward Jones Financial Planners Client Meeting
- Summit County Financial Fitness Day
- Comprehensive Financial Planners Client Meeting
- Brighton/Commerce City Police Departments Victim Assistance Staff and Volunteers
- Jefferson County District Attorney's Annual Safety Fair
- Horizon High School (X2)
- Legacy High School
- FinCEN Panel (sponsored by IRS)
- Noble Energy Safety Fair
- Antero Resources Cyber Training
- Metro State University
- Longmont Senior Safety Day
- Holy Cross Energy Staff Annual In-service Training
- Sherman & Howard Employee Wellness Day
- Colorado Springs Library Association
- Legacy High School
- Lakewood Police Neighborhood Watch Captains
- LaJunta Senior Association

Training at CBI:

- CBI New Employee Orientation

Facebook: Please remember to "Like" us, and comment on our posts.

- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ Help spread the word. Please provide a link to our FB page on your website.
- ✓ Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states. Please visit our page and share a post.

October is Cyber Safety Awareness Month. In honor of this, CBI posted at least one item per day regarding cyber safety. This included the Unit's top 5 cyber safety tips.

Community Outreach: Every year, Colorado mountain communities are impacted by online rental scams. Scammers post fraudulent rental listings on sites like Craigslist, and victims pay a large deposit or pay in full for a mountain ski vacation. Victims show up in these small mountain towns from across the globe, only to find that they have no place to stay and that the money they have spent is lost. These victims then end up “on the doorsteps” of the local law enforcement agencies with no money, no place to stay and needing help. CBI’s Victim Advocate assists victims and local law enforcement agencies in a number of these cases.

Last winter, the Colorado community that seemed to be most impacted by this crime is Breckenridge CO. CBI worked with the Breckenridge Police Department to offer victims assistance, find housing and ensure they were safe while visiting our state.

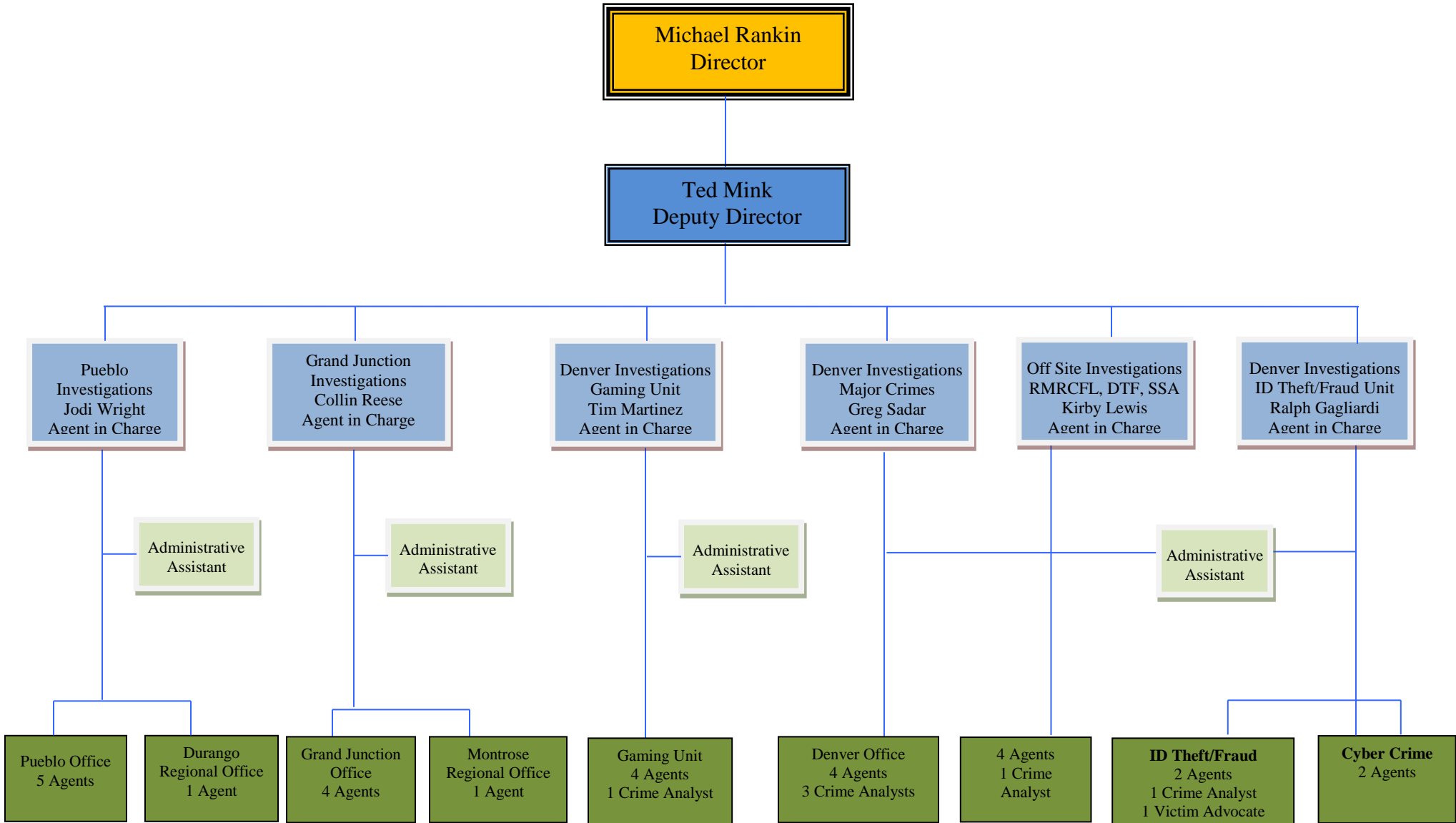
Since that time, CBI’s Victim Advocate has worked with a Breckenridge Police Detective, local businesses and tourist industry specialists to create a plan to reduce the impacts of these scams on this small community. The Breckenridge Police have launched an information campaign on the Breckenridge website to help educate people about ways to ensure a rental is legit before sending money, as well as red flags to warn that a listing may be fraudulent. They are also working with individuals, property managers and businesses who offer rentals to list their rental sites on the “Go Breck!” website so that vacation seekers will know which addresses are legitimately available for rent. We are hoping that these prevention efforts will reduce the number of victims and serve as a model for other Colorado communities.

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	rebecca.spiess@state.co.us
Cynthia Coffman	Colorado Attorney General	(720) 508-6554	cynthia.coffman@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) 980-7626	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>		
VACANT	Rep of Consumers / Victims advocates		
VACANT	Rep of Depository Institutions		
<i>2nd Term Exp 6-30-18</i>			
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Anthony Spurlock	Rep of Sheriff's Department	(303) 660-7584	TSpurloc@dcsheriff.net
<i>2nd Term Exp 6-30-18</i>	<i>Sheriff - Douglas 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 3, 2016

AGENDA

Identity Theft and Financial Fraud Board

February 3, 2016

1:30

CBI – 690 Kipling

1st Floor, Conference Room
Denver, CO 80215



- Call to Order
- Introductions
 - Welcome New Members – Consumer / Victim Advocate & Rep of Depository Institution
- Approval of Meeting Minutes – From September 2, 2015 – *(December 2nd, 2015 Meeting was Cancelled)*
- Budget
 - Financials
 - Grants
- Operational Report - Updates
 - Investigation(s)
 - Victim Advocacy Report
- Board Members
 - Resignation of Rep of Depository Institution
Laura Romero, October 15, 2015
- Sunset Review – Update
- HB14-1057 – SMART ACT Report (SoS UCC Surcharge transfer of \$1 of their fee to ID Theft Unit portion =3 to 4)
Report will be provided at meeting
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
700 Kipling Street
First Floor Conference Room
Lakewood, CO 80215
September 2, 2015

In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office
Jess Redman, Assistant DA, 17th Judicial District
Anthony Spurlock, Sheriff, Douglas County
Laura Romero, Senior Vice President, 1st Bank
Jack Cauley, Chief, Castle Rock Police Department
Rebecca Spiess, Deputy Executive Director, CDPS
Ralph Gagliardi, Agent-in-Charge, CBI
Tammi Krebs, Agent, CBI
Hazel Heckers, Victim Advocate, CBI
Peggy Pingel, Analyst, CBI

Absent:

Michael Stefanich, Senior Business Leader, VISA, Inc.
Jenifer Waller, Senior Vice President, Colorado Bankers Association
Keith Lobis, Regional President, Wells Fargo Bank

Meeting Called to Order:

The meeting was called to order at 1:30 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, May 6, 2015 minutes. Motion to approve the minutes was made by Sheriff Spurlock, Laura Romero seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reported that current financials are not available due to the States accounting program – the CORE System. The estimates are that approximately \$100,000 has been added to the Fund Balance leaving an approximate Fund Balance of \$380,000. Revenue for the year from the estimates is \$543,000.

Based on the additional income and fund balance, AIC Gagliardi will be investigating the option of additional hires for the unit.

Hazel is applying for a grant to cover additional victim advocate services since the current grant only covers her salary. Identity Theft Assistance Center is dissolving at the end of this year and will be disbursing money as grants to agencies that will continue their work. This is a one-time event, but Hazel was invited to apply.

CFI Operational Report:

Business ID Theft

Approximately 100 Colorado Businesses Compromised, business names used to acquire credit for new I-Phones, and loans (cash lent on account receivables). Businesses hijacked – January 2013 through February 2015 – and ongoing.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.

Arrests / Update

Four suspects arrested for their involvement in a scheme involving: Tax Fraud / Unemployment Fraud / ID Theft. A Grand Jury indicted the four on June 4, 2015. Investigation by: CBI, Colorado AG, Department of Revenue Tax and Colorado Department of Labor & Employment.

Victim Advocacy

For the period of April 1, 2015 through June 30, 2015, the ID Theft Unit provided direct and comprehensive services for **458 victims** of ID theft and fraud. The 24 hour hotline served **147 new victims** during this same time.

Board Members:

Three board members had terms which expired June 30, 2015. The three are Sheriff Spurlock, Jenifer Waller and Laura Romero. All have completed their paperwork and have been approved for an additional term through June 30, 2018.

Beau Ballinger has tendered his resignation. No replacement has been identified so far who might be interested in this position.

Sunset Review:

The draft report has been completed and the recommendations will be made public in October. Although a sunset for the Board was discussed, it will not be included in the recommendations. There will be recommendations to look at different funding mechanisms for the unit. There are no negative recommendations in the draft report.

New Business:

Sheriff Spurlock asked if the group could investigate whether asset forfeiture could be used as a funding mechanism.

Ms. Drake asked Jess Redman to prepare a preview of upcoming legislation as the presentation for the next meeting. Mr. Redman agreed.

Next Meeting:

Wednesday, **December 2, 2015 at 1:30pm**
Colorado Bureau of Investigation
690 Kipling St, 3rd floor conference room
Lakewood, CO 80215

Meeting Adjourned:

The meeting was adjourned at 2:55pm.

FINANCIALS / GRANTS

ID Theft Fund Balance – Report out day of meeting

GRANTS

VALE / VOCA – (State VALE)

Victim Assistance in Law Enforcement / Victims of Crime Act

Victim Assistance Grant – Working Title

Date of Award: January 1, 2015 through December of 2016

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.

New VALE / VOCA Opportunity – Opens February 1, 2016 and closes March 1, 2016. Award should be known by October, 2016. Grant would span 2017 and 2018. This Grant would / could continue from where the current VALE / VOCA end's in December of 2016. Can apply for: additional FTE; pay for 24hr ID Theft Hotline; Office supplies; Travel; and Training.

GRANT AWARD - Identity Theft Assistance Center (ITAC) \$25,000

The Identity Theft Unit was awarded a grant by ITAC to support the Victim Assistance Program. This funding is designated to pay for our 24 Hour ID Theft Hotline for one year (\$18,000 / \$1500 @ month) and to assist monolingual Spanish speaking victims (remaining \$7k).

Date of Award: November, 2015

Grant Period: January 2016 through December 2016 – One time only

Grant Amount: \$25,000

Hotline – had been funded by the ID Theft Unit

\$1250 per month (Unit began funding February 2014)

\$1500 per month starting March, 2015

Increase to \$1500 include victim satisfaction survey, dedicated phone line and two cell phones.

Grant – VOCA - Tech

Date of Award: Advised of Award December, 2015 – Pending acceptance

Grant Period: May 1, 2016 through April of 2017 (1yr)

Grant Amount: \$11,838

Use: Upgrade computers used by the Victim Assistance Program, to enhance the ID Theft/Fraud/Cyber Crimes pages of the CBI website and to purchase training and outreach software programs and materials.

UNIT / CASE HIGHLIGHT

Highlighted criminal investigations include:

Business ID Theft – (Dean) SEARCH WARRANT EXECUTED in NEVADA

Approximately 100 Colorado Businesses compromised, from January 2013 through May 2015.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.
- Search at suspect's residence in Boulder City Nevada on September 16, 2015
- Pending computer forensics

Business ID Theft (Ferris)

Approximately 16 Colorado Businesses compromised, from November 2013 through January 2014.

- Court orders returned thus far indicate a suspect and we've found that suspect to be wanted on outstanding felony charges on fraud.

Colorado Lottery

Victim - State of Colorado

CBI requested to investigate in September 2015. Fraud / Theft stemming from potential vendor who sold compromised Random Number Generator computers to the Lottery. Due to this compromise, acquaintances of vendor are suspected of collecting a fraudulent win in November 2005.

Business ID Theft (Time-Share)

Approximately 9 Colorado Businesses compromised, from December of 2014 through November of 2015. Businesses were travel, title or real estate and all had been officially dissolved (at least five years). The businesses were reinstated and used in conjunction with a time-share fraud scheme. Actors appear to be from outside the country, Puerto Vallarta, and changes at the SoS were made with paid credit cards from a bank in the UK.

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of October 1, 2015 through December 31, 2015, the ID Theft Unit provided direct and comprehensive services for **330 victims** of ID theft and fraud. The 24 hour hotline served **140 new victims** during this same time.

Criminal Identity Theft remains the most frequently reported form of ID theft. CBI works with law enforcement, DMV offices and local courts across Colorado and the nation to support victims of these crimes.

We have seen an increase in the number of people reporting Internet related scams and ID theft. These include email and social media account hacking and spoofing as well as the installation of malware, spyware and ransomware on Smartphones and computers.

Training and Outreach:

The following professional training and community education events have been provided by the ID Theft Unit from September through December, 2015.

Training at CBI:

- FinCIN Panel (sponsored by the IRS)
- Noble Energy Safety Fair
- Antero Resources Cyber Crimes Training
- Law Enforcement & Prosecutors Cyber Crimes Training
- Longmont Senior Safety Day
- Holy Cross Energy Employee In-service Training
- Sherman & Howard
- Colorado Springs Library Community Event
- Douglas County Schools Career Expo
- Logan School for Creative Learning
- Englewood High School (4 classes)
- La Junta Senior Association
- Legacy High School (2 classes)
- Lakewood Police Neighborhood Watch Captains Meeting
- Horizon High School
- University of Colorado Denver
- Xcel Energy Safety Day
- Koelbel Library Event
- Town of Breckenridge Employee In-service
- Anschutz Medical Center Staff & Students

Facebook: Please remember to “Like” us, and comment on our posts.

- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ Help spread the word. Please provide a link to our FB page on your website.
- ✓ Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states. Please visit our page and share a post.

Victim Advocacy Program - Year in Review:

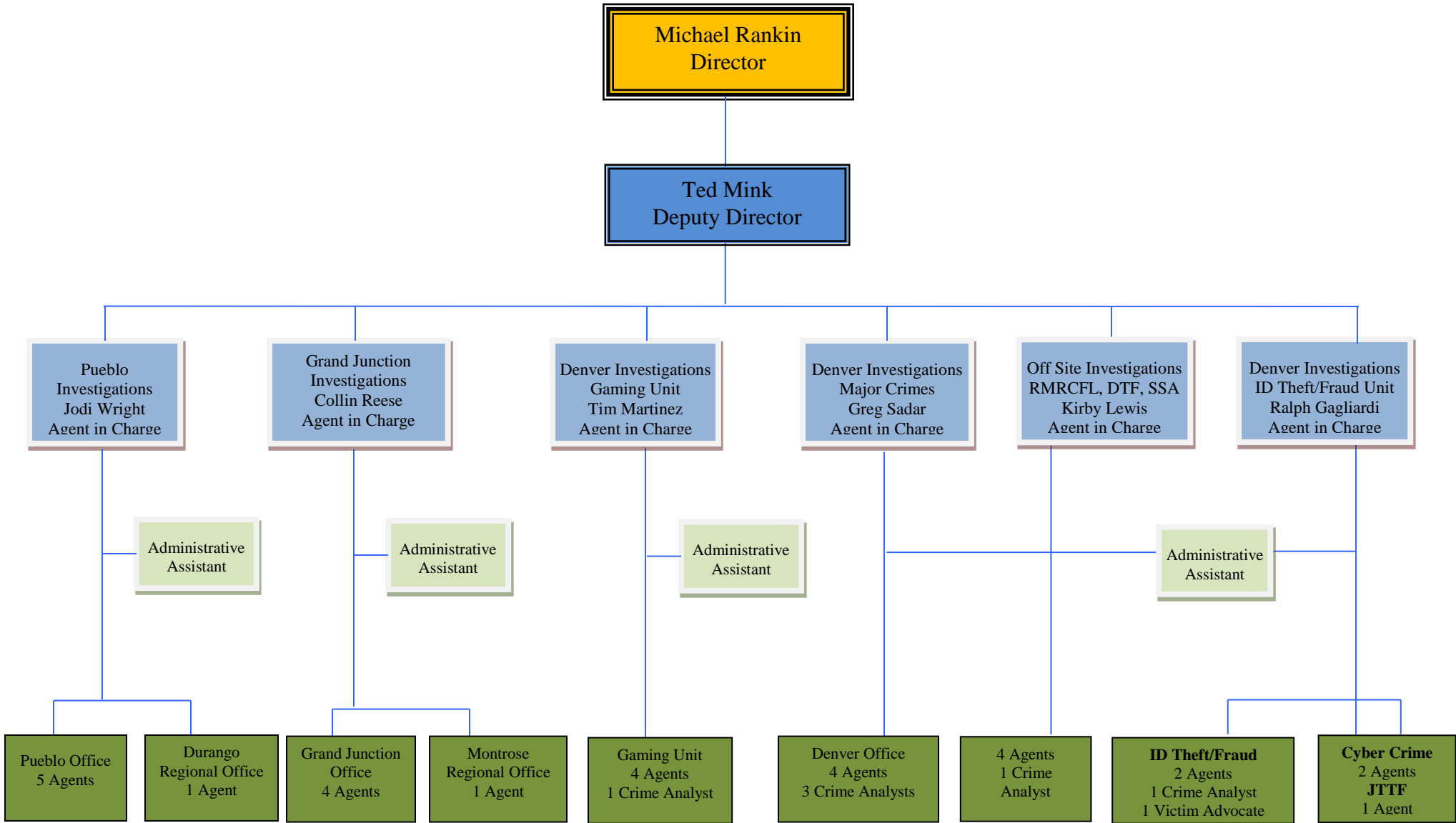
Services Provided	2015 (Jan-Dec)	FY-2016 (YTD)
Victims Served	1538	697
Hotline Calls	560	271
Outreach/Training	64	42
Media	2	0

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
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<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>		
Elizabeth Krupa	Rep of Consumers / Victims advocates	(303) 748-4185	krupae@live.com
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
Monica Reger	Rep of Depository Institutions	(303) 231-2007	Monica.Reger@efirstbank.com
<i>1st Term Exp 6-30-18</i>	<i>Vice President 1st Bank</i>		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Anthony Spurlock	Rep of Sheriff's Department	(303) 660-7584	TSpurloc@dcsheriff.net
<i>2nd Term Exp 6-30-18</i>	<i>Sheriff - Douglas 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 2, 2016

AGENDA

Identity Theft and Financial Fraud Board

May 2, 2016

1:30

CSP – 700 Kipling

4th Floor, Conference Room
Denver, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes – February 3, 2016
- Budget
 - Financials – Pg. 5
 - Grants – Pg. 6
- Operational Report - Updates
 - Investigation(s) – Pg. 7
 - Victim Advocacy Report – Pg. 8,9,10
- Board Members – Pg. 11
- Sunset Review – Update – BILL'S PASSED
 - On way to governor for signature as of April 11, 2016.
- New Business
- Set Next Meeting
- Adjournment

MINUTES

Identity Theft and Financial Fraud Board
Colorado Bureau of Investigation
700 Kipling Street
Fourth Floor Conference Room
Lakewood, CO 80215
February 3, 2016

In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office
Anthony Spurlock, Sheriff, Douglas County
Jack Cauley, Chief, Castle Rock Police Department
Elizabeth Krupa, Attorney
Monica Reger, Vice President, 1st Bank
Rebecca Spiess, Deputy Executive Director, CDPS
Michael Rankin, Director, CBI
Ted Mink, Deputy Director, CBI
Ralph Gagliardi, Agent-in-Charge, CBI
Tammi Krebs, Agent, CBI
Peggy Pingel, Analyst, CBI

Absent:

Jess Redman, Assistant DA, 17th Judicial District
Michael Stefanich, Senior Business Leader, VISA, Inc.
Jenifer Waller, Senior Vice President, Colorado Bankers Association
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. Two new board members were present: Monica Reger from 1st Bank and Elizabeth Krupa.

Ms. Drake asked for approval of the ID Theft Board, September 2, 2015 minutes. Motion to approve the minutes was made by Chief Cauley, Sheriff Spurlock seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reported that current financials are not available due to the States accounting program – the CORE System. The approximate Fund Balance is \$438,000.

The status of grant applications and current grant funding was included in the board report.

When the VOCA Tech grant is received, some of this money will be used to update and upgrade the CBI ID Theft website to make it more usable and effective for victims.

CFI Operational Report:

Highlighted criminal investigations include:

Business ID Theft – (Dean) SEARCH WARRANT EXECUTED in NEVADA

Approximately 100 Colorado businesses compromised, from January 2013 through May 2015.

- Credit extended by cellular phone companies - \$300,000+
- Additional layers of scheme being investigated to include loans in excess of \$500,000.
- Search at suspect's residence in Boulder City, Nevada on September 16, 2015
- Pending computer forensics

Business ID Theft (Time-Share)

Approximately 9 Colorado Businesses compromised, from December of 2014 through November of 2015. Businesses were travel, title or real estate and all had been officially dissolved (at least five years). The businesses were reinstated and used in conjunction with a time-share fraud scheme. Actors appear to be from outside the country, Puerto Vallarta, and changes at the SoS were made with paid credit cards from a bank in the UK.

Victim Advocacy:

For the period of October 1, 2015 through December 31, 2015, the ID Theft Unit provided direct and comprehensive services for **330 victims** of ID theft and fraud. The 24 hour hotline served **140 new victims** during this same time.

Board Members:

Two new board members have been added: Monica Reger is a Vice President at 1st Bank and will be a representative for depository institutions (replacing Laura Romero). Elizabeth Krupa is an attorney in private practice and will represent victims (replacing Beau Ballinger).

Sunset Review:

Two bills have been introduced to effect the recommendations in the sunset review. One will authorize the continuance of the unit and the other will address the board. Both bills include language which will allow the addition of general funds, when available; to augment the income we currently receive.

SMART ACT Report:

AIC Gagliardi, Deputy Director Mink and Director Rankin presented a report to the Legislature about the progress of our efforts in the area of Business ID Theft since the passage of the Secretary of State UCC surcharge which added income to the unit last year.

New Business:

AIC Gagliardi asked if a review of a possible 501(c)3 application should be made. He is unsure if this would enhance or hinder our success in obtaining grants.

Sheriff Spurlock asked if the group could investigate whether asset forfeiture money could be used to establish advanced training in coordination with the CBI.

Next Meeting:

Monday, May 2, 2016 at 1:30pm
Colorado Bureau of Investigation
700 Kipling St, 4th floor conference room
Lakewood, CO 80215

Meeting Adjourned:

The meeting was adjourned at 2:55pm.

ID THEFT FINANCIALS

Colorado Department of Public Safety
 Colorado Bureau of Investigation
 ID Theft / Fraud Unit
 Ending January 31, 2016

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	404,194	405,865	405,977	402,141	393,133	386,664	384,741	439,618	439,618	439,618	439,618	439,618	404,194
Revenue	33,728	34,866	30,413	32,782	38,757	1,318	96,506	-	-	-	-	-	268,370
Expenditures													
Salaries and Benefits	29,835	29,839	29,841	37,178	37,911	957	39,308	-	-	-	-	-	204,869
Operating Expenses	2,221	4,915	4,408	4,611	5,283	2,284	2,321	-	-	-	-	-	26,044
Travel Expenses	-	-	-	-	2,032	-	-	-	-	-	-	-	2,032
Indirect Cost								-	-	-	-	-	-
Total Expenditures	32,056	34,754	34,249	41,790	45,226	3,241	41,629	-	-	-	-	-	232,946
Revenues Over Expenditures	1,672	112	(3,836)	(9,008)	(6,469)	(1,923)	54,877	-	-	-	-	-	35,424
Ending Fund Balance	405,865	405,977	402,141	393,133	386,664	384,741	439,618	439,618	439,618	439,618	439,618	439,618	439,618

Comparison Jan FY2015 and 2016

Budget to Actual	Budget	Actual	%		2015	2016	Difference	% Change
Revenues		268,370	#DIV/0!	Beginning Fund Balance	248,671	404,194		
Expenditures				Revenue	174,455	268,370	93,915	54%
Salaries and Benefits	534,871	204,869	0.38	Expenditures				
Operating Expenses	59,518	26,044	0.44	Salaries and Benefits	186,888	204,869	17,981	10%
Travel Expenses	10,000	2,032	0.20	Operating Expenses	48,036	26,044	(21,992)	-46%
Indirect cost	15,279	-	-	Travel Expenses	-	2,032	2,032	#DIV/0!
Total Expenditures	619,668	232,946	0.38	Indirect Cost		-	-	#DIV/0!
				Total Expenditures	234,924	232,946	(1,978)	-1%
				Revenues Over Expenditures	(60,469)	35,424		
				Remaining year				
				Ending Fund Balance	188,202	439,618		

GRANTS

VALE / VOCA – (State VALE)

Victim Assistance in Law Enforcement / Victims of Crime Act

Victim Assistance Grant – Working Title

Date of Award: January 1, 2015 through December of 2016

Grant Period: 2 years – Budget resubmit after one year

Grant Amount: \$77,024 per year - Salary for 1 FTE (\$74,274) Interpreters (\$2,750)

Note: Program expenses not covered include travel, hotline, supplies or other support services, and requested dollar amount for salaries and interpreters were reduced.

New VALE / VOCA

We applied for this Grant in March, 2016. This Grant would run from 2017 to 2018. These VOCA/VALE Dollars would continue to fund our current program *plus* an additional FTE, the 24hr Hotline, office supplies, travel and training. We should hear on the award (requested as is or otherwise) by October of 2016.

GRANT AWARD - Identity Theft Assistance Center (ITAC) \$25,000

The Identity Theft Unit was awarded a grant by ITAC to support the Victim Assistance Program. This funding is designated to pay for our 24 Hour ID Theft Hotline for one year (\$18,000 / \$1500 @ month) and to *assist monolingual Spanish speaking victims* (remaining \$7k).

Date of Award: November, 2015

Grant Period: January 2016 through December 2016 – One time only

Grant Amount: \$25,000

Hotline – had been funded by the ID Theft Unit

- \$1250 per month (Unit began funding February 2014)
- \$1500 per month starting March, 2015

Grant – VOCA – Tech

Date of Award: March 31, 2016

Grant Period: May 1, 2016 through April of 2017 (1yr)

Grant Amount: \$11,838

Use: Upgrade computers used by the Victim Assistance Program, to enhance the ID Theft/Fraud/Cyber Crimes pages of the CBI website and to purchase training and outreach software programs and materials.

UNIT / CASE HIGHLIGHT

Highlighted criminal investigations include:

Colorado Division of Motor Vehicles

Victim - State of Colorado and over 200 others.

A suspect masquerading as a Colorado Division of Motor Vehicles (DMV) worker sold hundreds of counterfeit Colorado Temporary Drivers Licenses as real documents. The suspect charged approximately \$1500 per person (sometimes more) for these documents and would meet customers, mostly undocumented immigrants, at or near various DMV offices. Locations for these sales included: Greeley, Denver, Lakewood and others. In January & February of 2016 The CBI ID Theft Unit conducted an undercover operation with DMV investigators to purchase documents from the suspect. On February 29, 2016 a 'buy bust' was arranged with the suspect subsequently arrested and a search warrant executed at his Westminster residence. Evidence located in hard copy and on electronic devices revealed at least 200 victims. The case is being prosecuted by the 1st Judicial District in Jefferson County.

CB Transport – Business ID Theft

CB Transport, a trucking transport broker in Golden, Colorado. The company was victim of business ID Theft and fraud. Their business identity was used by a suspect to collect advance fuel fees from unsuspecting shippers utilizing a 'broker' (the suspect portraying as CB Transport) to ship various loads. CB Transport to date has been billed over \$76,000.00 for loads they did not actually contract to ship. A suspect was identified who is currently being federally indicted for similar fraud. Agent Tammi Krebs was instrumental in identifying the suspect who cashed victim funds in California. As victims and this scheme is more prolific around at a national level, CBI's information and suspect identification was passed to both Federal and State Agencies who are working on a larger conspiracy.

Business Email Compromises (BEC)

Nine successful and attempted business email compromises have been reported to CBI since January. Aggregate loss from successful compromises is \$484,653.00. Agents work to freeze the funds and return to victim and / or apply attribution and alert the appropriate agency, bank etc...

VICTIM ASSISTANCE REPORT

Direct Services:

For the period of January 1, 2016 through March 31, 2016, the ID Theft Unit provided direct and comprehensive services for **560 victims** of ID theft and fraud. The 24 hour hotline served **266 new victims** during this same time.

Criminal Identity Theft remains the most frequently reported form of ID theft, followed closely by Social Security Number for Work complaints. The impact of criminal identity theft is far reaching. Victims are often arrested for crimes they did not commit. Even once the ID theft is proven and the original crime removed from the victim's criminal history, the arrest will remain on the victim's history. Unless this arrest is also removed, the victim will go on being perceived as a criminal and continue to pay for the crimes of another. The process of having the arrest removed is often complex and time consuming, depending on the arresting agency's willingness to assist. CBI's advocate will work with victims and those agencies to ensure that the victim's history is fully cleared of the ID theft related crimes. This always involves advocacy, and may include assisting the victim in petitioning the courts for an Order of Factual Innocence.

Social Security Numbers being fraudulently used for work creates a host of problems for the victims. There are problems with the IRS and with state departments of revenue. Child Support and other judgments may be impacted by the higher wages reported. The most serious, and sometimes life threatening effect of this form of ID theft occurs when a person's medical and disability benefits are terminated because of wages. CBI has worked with two potentially tragic cases just this year where Medicaid benefits were terminated due to wages being earned by ID thieves. In one case, the Medicaid termination put the victim's organ transplant on hold. If his Medicaid was not reinstated within a short time, he would lose his opportunity to have the transplant as scheduled. In another case, the victim's cancer treatment was put on hold due to the termination of his Medicaid. Fortunately, CBI had worked with both of these victims in the past, so they were able to contact us immediately, and CBI was able to get benefits reinstated and medical services restored.

IRS Impostor Scams and Romance Scams remain the most frequently reported forms of Fraud for both the CBI Victim Advocate and the 24 Hour Hotline.

Training and Outreach:

The following outreach and training presentations have been completed January through March, 2016:

- Colorado State Patrol Academy
- Internet Safety with Aurora Public Schools
- Thompson School District Staff In-service
- Jump Start Fiscal Fitness Conference (3 sessions)
- Park Hill Senior Group
- Thrivent Financial
- Redeemed and Retired
- Xcel Energy Staff
- Network for Victim Recovery of DC
- Financially Speaking Steamboat Springs
- Jefferson County Victim Assistance Providers
- Colorado State Foster Parent Association Board

In addition, the Unit has provided the following outreach services:

- 18 Law Enforcement Assists
- 6 Assists to Non-Law Enforcement Agencies
- 5 Information Requests from Citizens
- 2 Media Interview Requests
- The Federal Trade Commission contacted CBI and requested assistance with a review of their new website for victims of ID theft. The Victim Advocate was interviewed by FTC designers, tried out some options that are being piloted, made recommendations and participated in a focus group via the Internet.

The Identity Theft and Fraud Investigations Unit continues to participate in community and Law Enforcement based coalitions and working groups, including:

- Colorado Secretary of State Business ID Theft Working Group
- National Identity Theft Victim Advocacy Network
- National Medical Identity Theft Coalition
- Colorado Victim Assistance in Law Enforcement Organization
- Community Resource Forum
- Better Business Bureau Fraud Working Group (Denver/Boulder and Northern Colorado)
- Colorado Electronic Crimes Task Force (Secret Service Working Group).
- 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
- Cyber Crimes Steering Committee

Facebook: Please remember to “Like” us, and comment on our posts.

- ✓ <https://www.facebook.com/CBI.IDTheft>
- ✓ Help spread the word. Please provide a link to our FB page on your website.
- ✓ Shared posts on Facebook: posts are being shared throughout Colorado and in communities in other states. Please visit our page and share a post.

Victim Advocacy Program Services Provided FY -2016 (July 2015 thru year to date):

Services Provided	FY-2016 (YTD)
Victims Served	1257
Hotline Calls	537
Outreach/Training	55
Media	2

BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
Stan Hilkey	Executive Director of Colorado Department of Public Safety	(303) 239-4400	stan.hilkey@state.co.us
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	rebecca.spiess@state.co.us
Cynthia Coffman	Colorado Attorney General	(720) 508-6554	cynthia.coffman@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) 980-7626	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>		
Elizabeth Krupa	Rep of Consumers / Victims advocates	(303) 748-4185	krupae@live.com
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
Monica Reger	Rep of Depository Institutions	(303) 231-2007	Monica.Reger@efirstbank.com
<i>1st Term Exp 6-30-18</i>	<i>Vice President 1st Bank</i>		
Jenifer Waller	Rep of Depository Institutions	(303) 825-1575	jenifer@coloradobankers.org
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
Anthony Spurlock	Rep of Sheriff's Department	(303) 660-7584	TSpurloc@dcsheriff.net
<i>2nd Term Exp 6-30-18</i>	<i>Sheriff - Douglas County</i>		

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