

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



Colorado Bureau of Investigation  
Colorado Fraud Investigators Unit

Reporting July 1, 2016 through June 30, 2018  
(FY 17 & 18)



**COLORADO**  
**Bureau of Investigation**  
Department of Public Safety

Denver Investigations  
690 Kipling Street, Suite 4000  
Lakewood, CO 80215  
303-239-4211

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

February 28, 2019

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 will encompass the CFI Unit and Identity Theft Governing Board's activity from July 1, 2016 through June 30, 2018 (FY17 & FY18).

This report reflects on many areas of activity within the CFI Unit. Significant Unit efforts have been Business Email Compromise and Business Identity Theft.

The Unit also continues to take advantage of victim advocacy grant funds resulting in the hiring of victim advocates and the ability to pay for a 24-hour Identity Theft and Fraud Hotline.

The Unit provided presentations and trainings to both the private and public sectors. In April of 2018 the CFI Unit sponsored their first Colorado Economic Crime Symposium that was attended by over 250 law enforcement personnel from 74 different agencies.

If you have questions, suggestions or comments, please feel free to contact me at (303) 239-4287.

Sincerely,

Ralph A. Gagliardi  
Agent in Charge  
Colorado Bureau of Investigation  
Identity Theft and Fraud Unit



PHIL WEISER  
Attorney General  
NATALIE HANLON LEH  
Chief Deputy Attorney General  
JUNE TAYLOR  
Chief Operating Officer  
ERIC R. OLSON  
Solicitor General



**STATE OF COLORADO  
DEPARTMENT OF LAW**

RALPH L. CARR  
COLORADO JUDICIAL CENTER  
1300 Broadway, 10th Floor  
Denver, Colorado 80203  
Phone (720) 508-6000

**Criminal Justice Section**

February 28, 2019

House and Senate Judiciary Committees  
State Capitol Building  
200 East Colfax Avenue  
Denver, Colorado 80203

RE: Colorado Fraud Investigators Unit Bi-Annual Report

Dear Honorable Members of the Judiciary Committees,

This report will inform you about the Colorado Fraud Investigators Unit, a legislatively created team that prevents, investigates and prosecutes economic crime in Colorado pursuant to the Identity Theft and Financial Fraud Deterrence Act (C.R.S. §24-33.5-1701 *et seq.*).

The CFI Unit has become a national leader in business identity theft recognition and prevention. Collaboration with the Colorado Secretary of State improved cyber-security procedures. The CFI Unit proactively addresses business email compromise through training and proactive investigations. As a result, over five million dollars has been recovered in the past two years.

Victim advocacy provided by the CFI Unit is also noteworthy. Between the direct victim advocacy and the 24-hour hotline, 14,564 victims have been helped since 2011.

Finally, the CFI Unit created a social media presence to increase public awareness. The CFI Unit constantly looks for ways to improve efficiency and impact through the use of technology.

Thank you to the members of the CFI Unit and Board of Directors for your dedication and remarkable work. Thank you, members of the Judiciary Committees, for your continued support!

Sincerely,

FOR THE ATTORNEY GENERAL

*/s/ Janet Drake*

Janet Drake  
Deputy Attorney General  
Criminal Justice Section  
Identity Theft and Financial Fraud Board Chair

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**APPENDIX ‘A’**

Board Reports x 8     August 2016 thru May 2018

# The Colorado Identity Theft and Financial Fraud Deterrence Act

## History of the Unit

In 2006, the Colorado Identity Theft and Financial Fraud Deterrence Act (Act) was created as 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). Presently \*\$4 surcharge;
- **Uniform Consumer Credit Code** supervised lenders regulated by the Colorado Attorney General (Attorney General), such as payday lenders, pawn shops and others. Presently \$100 surcharge;
- **Money transmitters** regulated by the Department of Regulatory Agency's (DORA's) Division of Banking, such as Western Union, PayPal and American Express. Presently \$500 surcharge.

*\*The \$4 surcharge on Uniform Commercial Code (UCC) filings will revert back to \$3 for every UCC filing as of June 30, 2020. This is pursuant to House Bill 2017-1043 / 24-33.5-1707(2)(B).*

## 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 ended June 30, 2017. **HB 17-1043 extended the time to June 30, 2020 at which time the surcharge everts 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'S) Division of Banking, such as Western Union, PayPal and American Express;
- Gifts, Grants and Donations.

The program's revenues, the cash fund, are closely tied to the overall economy. As noted in 2008 the Units over all revenue suffered. The Unit looked for other ways to fund to include the \$1 increase in the UCC Filing fee's with the assistance of the Colorado Secretary of State, see House Bills 14-1057 and 17-1043. This extra \$1 has added approximately \$100,000 to the fund per year since FY15. Revenues for this reporting period, **FY17 and FY18, were \$548,558 and \$555,057** respectively. The Program Revenue table provided 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 and/or fluctuation in revenues, the Unit has only been able to staff approximately half that number.

The CFI Unit has also supplemented the program by seeking out grants specifically for a Victim Advocacy Program to assist victims of identity theft and fraud. These grant funds during this reporting period have allowed for 2 full time victim advocates and allowed for the funding of a 24 Hour Toll Free Identity Theft and Fraud Hotline.

Program Revenue						
Revenue Source	Gifts & Donations	Interest	Dept of Law	Dept of Regulatory Agencies	Secretary of State	Total
FY 07	\$25,000	\$7,980	\$290,400	\$16,500	\$279,894	\$619,774
FY 08	\$0	\$14,161	\$169,600	\$22,500	\$308,894	\$515,155
FY 09	\$0	\$9,749	\$121,900	\$21,500	\$268,896	\$422,045
FY 10	\$0	\$5,990	\$105,800	\$27,750	\$242,361	\$381,901
FY 11	\$50	\$2,555	\$79,992	\$28,819	\$234,944	\$346,360
FY 12	\$100	\$987	\$84,800	\$27,500	\$247,204	\$360,591
FY 13	\$400	\$1,678	\$80,400	\$500	\$282,792	\$365,770
FY 14	\$1,466	\$2,167	\$80,800	\$34,500	\$293,757	\$412,690
FY 15	\$750	\$3,817	\$79,100	\$45,000	\$414,514	\$543,181
FY 16	\$500	\$4,771	\$71,600	\$36,000	\$414,700	\$527,571
FY 17	\$0	\$6,354	\$74,600	\$45,500	\$422,104	\$548,558
FY 18	\$0	\$12,477	\$72,300	\$42,708	\$427,572	\$555,057
<b>Total</b>	<b>\$28,266</b>	<b>\$72,686</b>	<b>\$1,311,292</b>	<b>\$348,777</b>	<b>\$3,837,632</b>	<b>\$5,598,653</b>

Program Revenue - Grants					
Grant Source	Award	FY 17	FY 18	Total	FTE
VOCA CY16	\$38,512	\$38,512			1
VOCA CY17	\$200,360	\$100,180	\$100,180		1.5
VOCA CY18	\$200,360		\$100,180		2
<b>Total</b>	<b>\$2,656,879</b>	<b>\$138,692</b>	<b>\$200,360</b>	<b>\$2,217,647</b>	

Program Expenditures			
	Expenditures	Actual FTE	Appropriated FTE
FY 07	\$265,124	5	7
FY 08	\$450,841	5	7
FY 09	\$525,515	4.8	7
FY 10	\$499,075	5	7
FY 11	\$442,595	3	7
FY 12	\$346,624	3	7
FY 13	\$351,675	2.9	7
FY 14	\$332,506	2.5	7
FY 15	\$412,191	3.8	7
FY 16	\$449,456	4.3	7
FY 17	<b>\$462,678</b>	<b>4.2</b>	<b>7</b>
FY 18	<b>\$415,811</b>	<b>3.2</b>	<b>7</b>

## **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 the allotted FTE since the inception of the Unit in 2006.**

### **Personnel (FTE) paid for by the ID Theft Fund, July 1, 2016 thru June 30 2018:**

1.0 FTE - Agent-in-Charge  
2.0 FTE - Agent/Criminal Investigator  
1.0 FTE - Crime Analyst

**Total FTE     4**

### **Grant Funded Positions:**

#### **Victim Advocate**

1.0 FTE -Victim Advocate - Supervisor  
1.0 FTE -Victim Advocate, hired March of 2017

#### **Contracted Service Paid for by Grant Dollars**

Identity Theft/Fraud Hotline, 24 hour Toll Free



# IDENTITY THEFT GOVERNING BOARD

AS OF

CALENDAR YEAR 2018

The Identity Theft Governing Board consists of 10 members whose positions are mandated by the statute or are appointed by the Governor's office. *(Members on the board have changed during this reporting FY17 & FY18 cycle. Please refer to the attached Board Meeting Reports for appropriate roster).*

## **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)**  
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 institution**  
*(At least two of whom shall be from a state or national bank)*  
Currently: Greg Cooper, Community Bank District Manager, Wells Fargo  
Currently: Angela Davidson, Vice President, Regional Operations Manager, U.S. Bank  
Currently: Nicole Dews, Senior Vice President, Colorado State Bank and Trust
- 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

## IDENTITY THEFT GOVERNING BOARD MEETINGS FISCAL YEARS 2017 & 2018

The Identity Theft Governing Board (the Board) convenes approximately every three months or quarterly. At such time the Colorado Fraud Investigation (CFI) Unit provides a report to the Board. These reports are representative of the CFI Units significant activity from the preceding quarter that includes criminal investigations and other identity theft and fraud related activity.

For purposes of this Bi-Annual Report spanning Fiscal Years 2017 and 2018, the Board met eight times from August 2016 through May 2018. These meetings were held on the following dates with their corresponding Board Reports which have been attached as Appendix ‘A’ to this Bi-Annual Report:

<b>Identity Theft Governing Board Meetings</b>	
<b>FY 2017</b>	<b>FY 2018</b>
August 1, 2016	August 21, 2017
October 24, 2016	November 20, 2017
February 13, 2017	February 12, 2018
May 22, 2017	May 14, 2018

Pursuant to C.R.S. 24-33.5-1706(2) the Board Reports and Board Meetings held include various topics related to the endeavors of the CFI Unit including:

- Current revenues and budgeting items of the CFI Unit
- Status of grants, gifts and donations
- Criminal activities, patterns, and trends throughout the state and surrounding regions
- The specific forms of identity theft and financial fraud identified by the Unit
- Classes, training, presentations and community outreach conducted by the Unit
- Specific lists of training, outreach and materials provided to citizens and law enforcement
- Consultations provided by the Unit through statistical information and or specific examples
- The number of arrests, investigations, and indictments
- Recommendations for legislative changes to assist in the prevention of identity theft and fraud
- Other relevant topics that concern identity theft and fraud, such as new trends or schemes

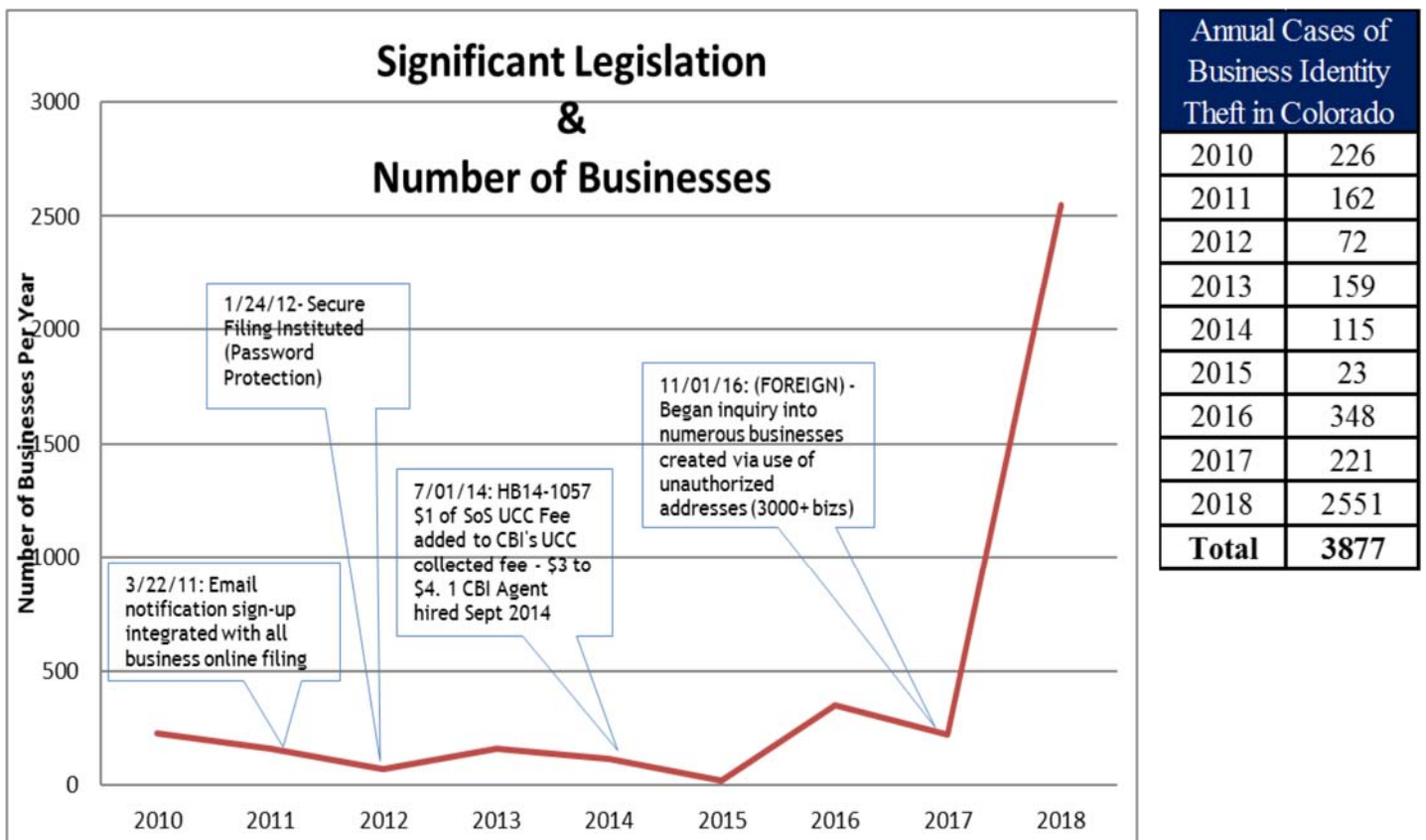
## LEGISLATIVE EFFORTS

The CFI Unit continued to work on Business Identity Theft investigations. 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.

These investigations resulted in the passage of House Bills 17-1043 and 14-1057 brought forward by the Colorado Secretary of State (SoS). This increased and/or continued the transfer of \$1 from the SoS portion of the UCC filing surcharge to the CFI Unit. This increased the Unit's collected surcharge from \$3 to \$4 on every UCC Filing. The additional \$1 increased the CFI fund balance by approximately \$100,000 per year. This \$1 increase has been in place since July 2014 and will remain through June 30, 2020. The extra funds allowed the CFI Unit to hire and keep a criminal investigator on staff who primarily investigates Business Identity Theft in Colorado.

### 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 December of 2018. The larger investigations are time consuming and span multiple reporting periods. The Unit continues to work with the Colorado Secretary of State Office and the many business owners who are victims of this crime. The 'spike' of over 2,500 businesses was discovered at the end of 2017. This involved the creation of businesses for alleged nefarious purposes and lists these businesses at an unrelated address of a person or true business without their permission or knowledge.



# 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, Elder and Youth, including Foster Youth, identity theft.

## **Trends:**

The CFI Unit continues to look for various trends and/or types of identity theft. During this reporting period the movement of victims money via virtual methods was most prevalent. Fraudsters cause the transfer of victims money from identity theft, computer fraud or other schemes, via pre-paid cards and virtual currency such as BitCoin. Once a victim has their money transferred in this fashion, it can be withdrawn from practically any location around the world. This makes it extremely difficult for law enforcement to not only retrieve the funds, much less follow to cause attribution to a specific individual or criminal organization.

## **Brief description of different types of identity theft:**

- 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 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 PII when arrested or given a traffic ticket.
- Tax:** The use of a victim's PII 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.

## SUMMARY OF ACTIVITY

### ARRESTS - VICTIMS - LOSS

The CFI Unit has had numerous criminal investigative successes throughout the reporting period between July 2016 and June 2018. Fiscal years 2017/ 2018.

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 investigative work by the unit.
- **Victims**  
Victims counted as part of CFI's criminal / arrest filings and estimated dollar loss.

Arrests / Victims / Loss			
	Arrests	Victims	Estimated Loss
FY	2011 - 2018		
FY 11	25	274	\$650,000
FY 12	5	460	\$1,483,500
FY 13	3	82	\$4,331,000
FY 14	13	30	\$1,400,000
FY 15	10	118	\$5,722,000
FY 16	1	231	\$462,000
FY 17	17	236	\$1,130,532
FY 18	8	408	\$128,564
Total	82	1839	\$15,307,596

- **Victim Advocacy**  
Victim Advocate and the 24hr Hotlines contact of victims.

Victim Advocacy / 24hr Hotline			
FY 2011 - 2018			
FY	Victims/ Advocate	Vic- tims/ Hot- line	Total Vic- tims
11	1402	171	1573
12	1419	308	1727
13	1092	264	1356
14	1231	267	1498
15	1036	504	1540
16	1145	820	1965
17	1196	1040	2236
18	1621	1048	2669
Totals	10142	4422	14564

Outreach & Media		
FY 2011 - 2018		
FY	Outreach & Training	Media
11	60	8
12	77	3
13	86	3
14	85	6
15	60	4
16	72	3
17	51	8
18	80	3
Totals	571	38

- **Outreach & Media**  
Training, presentations given and community outreach provided, as well as, media interviews given.

## BUSINESS EMAIL COMPROMISE

The CFI Unit continues to investigate and improve upon investigations and training as it relates to Business Email Compromise. The FBI defines Business Email Compromise (BEC) as:

*A sophisticated scam targeting businesses working with foreign suppliers and businesses that regularly perform wire transfer payments. The scheme compromises official business email accounts to conduct unauthorized fund transfers to bank accounts controlled by the suspects.*

**Other names used for BEC:**

- Man in the Middle
- CEO Fraud
- Email Account Compromise (EAC)

**Businesses affected:**

- Title companies/real estate offices
- Law offices
- Public/private businesses
- Any business that routinely wires large sums of money

**Losses include:**

- \$2.9 billion in losses to U.S. victims (October 2013 thru May 2018)
- Real estate scams increased 1,100% (2015 to 2017)
- \$12.5 billion globally (October 2013 thru May 2018)

The Unit began tracking their involvement with this crime in August of 2015 as they began to receive calls from various victims who fell prey to this scheme. The Unit has adapted and made changes to their investigative process throughout the years and aggressively work towards: educating victims / targeted businesses, alerting involved banks, freezing and recovering funds sent, as well, as identifying suspects. In addition the CFI Unit has become a local and national resource for law enforcement to enhance and build their own program to thwart this type of criminal activity.

Some statistics from the CFI Units work on BEC include:

<b>Business Email Compromise</b>					
	Number of Victims	Attempt	Loss	Loss Recovered	Recovery Percentage
<b>FY 16</b>	<b>16</b>	<b>\$1,219,203</b>	<b>\$1,051,873</b>	<b>\$427,154</b>	<b>40.61%</b>
<b>FY 17</b>	<b>17</b>	<b>\$2,699,060</b>	<b>\$542,102</b>	<b>\$470,800</b>	<b>86.85%</b>
<b>FY 18</b>	<b>36</b>	<b>\$6,314,025</b>	<b>\$5,174,221</b>	<b>\$4,667,121</b>	<b>90.20%</b>
<b>Total</b>	<b>69</b>	<b>\$10,232,288</b>	<b>\$6,768,196</b>	<b>\$5,565,075</b>	

# COLORADO ECONOMIC CRIME SYMPOSIUM

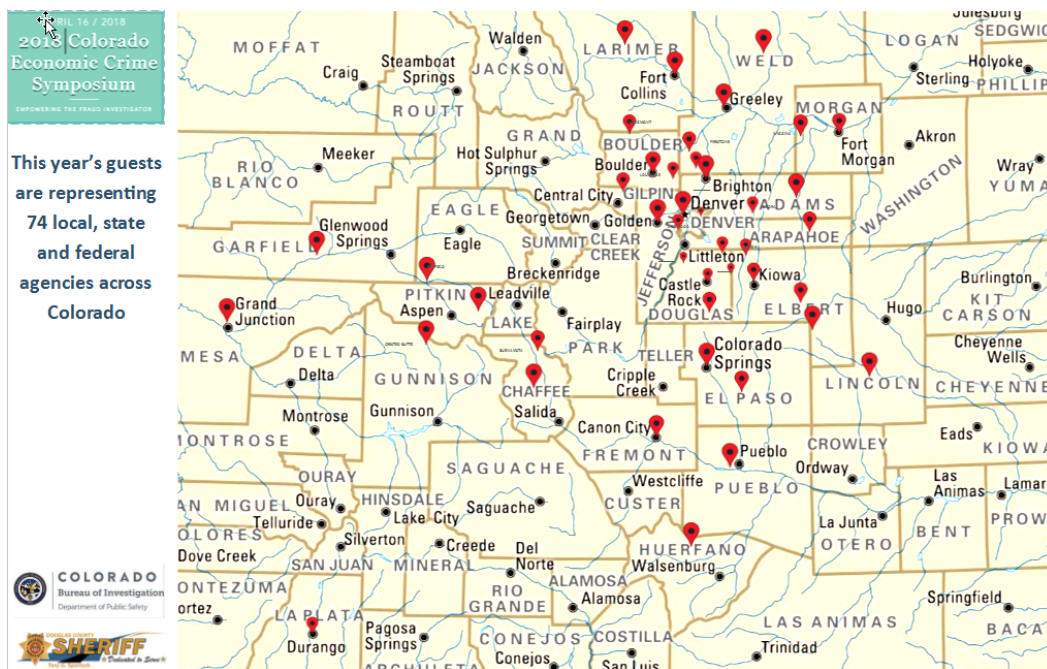
## 2018

The CFI Unit planned and hosted the first ever Colorado Economic Crime Symposium held on April 16, 2018 at CU South Denver. This event was attended by 250 law enforcement personnel from 74 local, state and federal law enforcement agencies. Sponsors of this event included Douglas County Sheriff's Office, Western Union, U.S. Bank and the Colorado Bankers Association. The Keynote speaker was Frank Abagnale, the author of Catch Me If You Can, a book based on Mr. Abagnale's early life of perpetrating many cons worth millions of dollars.

The event provided training from various instructors on the following topics:

- Identity Theft
- Cyber Security
- Cryptocurrency
- Forensic Accounting
- Effective Ways To Get Information From Online Providers
- Presenting A Successful Economic Crime Prosecution


The map below is indicative of where attendee's traveled from for the event:



**2018 | April 16<sup>th</sup> SAVE THE DATE**

**Colorado Economic Crime Symposium**

**ONLINE REGISTRATION COMING SOON!!**      **Contact: CBI.EVENTS@state.co.us**

 **South Denver**      10035 S. Peoria Street      Monday April 16<sup>th</sup>, 2018      **NO REGISTRATION FEE!!**  
UNIVERSITY OF COLORADO      Lone Tree, Colorado, 80134      8:00 a.m. to 5:00 p.m.

**Presented by the CBI in Partnership with the Douglas County Sheriff's Office**

## COMMUNITY OUTREACH AND PROFESSIONAL TRAINING

### **Outreach Committees:**

The CFI Unit members participate in a number of professional committees and attend various professional group meetings to build/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:

- National Identity Theft Victim Advocacy Network
- National Medical Identity Theft Coalition
- 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 (IACFI)
- Colorado Association of Certified Fraud Examiners (COCFE)
- Securities Fraud Working Group
- Society of Senior Advisors Certification Council
- Cyber Crimes Steering Committee-Association of State Criminal Investigative Agencies
- Elder Justice League International
- Colorado State Foster Parent Association Board
- Rocky Mountain Information Network (RMIN)



## COMMUNITY OUTREACH



### **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 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>**

# **APPENDIX ‘A’**

**BOARD REPORTS – August 2016 through May 2018**

Report to the  
Colorado Fraud Investigators  
Board of Directors



Colorado Bureau of Investigation  
Colorado Fraud Investigators Unit  
August 1, 2016

# AGENDA

## Identity Theft and Financial Fraud Board

**August 1, 2016**

**1:30**

**CSP – 710 Kipling**

3rd Floor, Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
  - Board Appointment - Daniel Marostica – Western Union
- Approval of Meeting Minutes from May 2, 2016
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Victim Advocacy Report – Pg. 8,9,10
- Board Member Roster – Pg. 11
- New Business
  - Hiring process - Two Criminal Investigators
  - House Bill 14-1057 – Sunsets June 30, 2017  
(Will return \$3 from \$4 on the UCC Filing Fee)
- 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  
May 2, 2016

### **In Attendance:**

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Jack Cauley, Chief, Castle Rock Police Department  
Elizabeth Krupa, Attorney  
Monica Reger, Vice President, 1<sup>st</sup> Bank  
Michael Stefanich, Senior Business Leader, VISA, Inc.  
Ted Mink, Deputy Director, CBI  
Tammi Krebs, Agent, CBI  
Peggy Pingel, Analyst, CBI  
Hazel Heckers, Victim Advocate, CBI

### **Absent:**

Anthony Spurlock, Sheriff, Douglas County  
Rebecca Spiess, Deputy Executive Director, CDPS  
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 1:32 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, February 3, 2015 minutes. Motion to approve the minutes was made by Liz Krupa, Deputy Director Mink seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi is attending a conference in South Carolina this week. Hazel Heckers reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$439,618.

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

Hazel Heckers also reported on a new VALE/VOCA grant. The application for this grant was submitted in March 2016 and it will be for 2017 and 2018. The application was submitted with a request for current program funding plus another FTE in the Victim Advocate office, 24 Hour Hotline, office supplies, travel and training.

**CFI Operational Report:**

**MINUTES**  
**Page 2 of 2**  
**May 2, 2016 Board Meeting**

**Highlighted criminal investigations include:**

**Colorado Division of Motor Vehicles**

A suspect masquerading as a Colorado Division of Motor Vehicles (DMV) worker sold hundreds of counterfeit Colorado Temporary Drivers Licenses as real documents. Suspect charged approximately \$1500 per person. CBI ID Theft Unit conducted an undercover operation with DMV investigators to purchase documents from the suspect. Evidence obtained in a search warrant revealed at least 200 victims. The case is being prosecuted by the 1<sup>st</sup> Judicial District in Jefferson County.

**CB Transport – Business ID Theft**

CB Transport, a trucking transport broker in Golden, CO was victim of business ID Theft and fraud. Their business identity was used by a suspect to collect advance fuel fees from unsuspecting shippers. A suspect was identified who is currently being federally indicted for similar fraud. 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 if \$484,653.00. Agents work to freeze the funds and return to victim and/or apply attribution and alert the appropriate agency or bank.

**Victim Advocacy:**

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.

**Board Members:**

Michael Stefanich from Visa tendered his resignation effective immediately. He is retiring from VISA on June 1, 2016 and is no longer eligible to serve. Ms. Drake thanked him for his service and encouraged him to submit names of potential replacements.

**Sunset Review:**

Two bills have been introduced to effect the recommendations in the sunset review. Both bills have passed and been sent to the Governor for signature effective April 11, 2016.

**New Business:**

Sheriff Spurlock has confirmed that asset forfeiture funds would be available for training and would like to discuss procedure at the next meeting. Deputy Director Mink reported that AIC Gagliardi has already been researching trainers and associated costs. Ms. Drake asked that the Board Members be informed if there are tasks or information AIC Gagliardi will need prior to the next meeting

**Next Meeting:**

Monday, August 1, 2016 at 1:30pm  
Colorado Bureau of Investigation  
710 Kipling St, 3rd floor conference room  
Lakewood, CO 80215

**Meeting Adjourned:** The meeting was adjourned at 2:15p

**ID THEFT FINANCIALS**

**Colorado Department of Public Safety  
Colorado Bureau of Investigation  
ID Theft / Fraud Unit  
Ending May 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	494,545	480,911	488,537	492,888	404,194
Revenue	33,728	34,866	30,413	32,782	38,757	1,318	96,506	98,958	53,978	45,266	49,695	-	516,267
Expenditures													
Salaries and Benefits	29,835	29,839	29,841	37,178	37,911	957	39,308	39,333	32,572	31,518	30,911	-	339,204
Operating Expenses	2,221	4,915	4,408	4,611	5,283	2,284	2,321	4,698	34,942	5,995	14,433	-	86,113
Travel Expenses	-	-	-	-	2,032	-	-	-	98	126	-	-	2,257
Indirect Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	32,056	34,754	34,249	41,790	45,226	3,241	41,629	44,031	67,612	37,640	45,345	-	427,573
Revenues Over Expenditures	1,672	112	(3,836)	(9,008)	(6,469)	(1,923)	54,877	54,927	(13,634)	7,626	4,350	-	88,694
Ending Fund Balance	405,865	405,977	402,141	393,133	386,664	384,741	439,618	494,545	480,911	488,537	492,888	492,888	492,888

**Comparison FY2015 and 2016**

<b>Budget to Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>		<b>2015</b>	<b>2016</b>	<b>Difference</b>	<b>% Change</b>
Revenue	-	516,267	#DIV/0!	Beginning Fund Balance	248,671	404,194		
Expenditures				Revenue	447,891	516,267	68,376	15%
Salaries and Benefits	534,871	339,204	0.63	Expenditures				
Operating Expenses	59,518	86,113	1.45	Salaries and Benefits	302,742	339,204	36,462	12%
Travel Expenses	10,000	2,257	0.23	Operating Expenses	82,236	86,113	3,876	5%
Indirect cost	15,279	-	-	Travel Expenses	200	2,257	2,057	1028%
Total Expenditures	619,668	427,573	0.69	Indirect Cost	-	-	-	#DIV/0!
				Total Expenditures	385,178	427,573	42,395	11%
				Revenues Over Expenditures	62,713	88,694		
				Remaining year				
				Ending Fund Balance	311,384	492,888		

## 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.*

#### ***PENDING***

**New VALE / VOCA** (To replace the above two year State VALE - that ends in December of 2016)

We applied for the VALE VOCA Grant in March of 2016. The Grant would span 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. Budget request is for \$201,750. We should hear on the award (and possible amendments) by October of 2016.

### **Identity Theft Assistance Center (ITAC)**

The ITAC Grant is designated to pay for our 24 Hour ID Theft Hotline for one year (\$18,000 / \$1500 @ month). The remainder (\$7k) will go toward assisting monolingual Spanish speaking victims.

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

### **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

### **Mortgage Fraud Investigation – Conclusion – Guilty Verdict June, 2016**

On June 23, 2016 the final and primary suspect in the *Worldwide Mortgage Fraud Investigation* was found guilty by a Denver Jury. Sentencing is set for August 26, 2016. The case was prosecuted by the Colorado Attorney General's Office. The other (five) defendants have since taken plea's on various related counts.

- Originally, there were six family members indicted on September 18, 2014 on 37 counts related to organized crime stemming from 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.
- It involved \$4.6 million in fraudulent loans, and almost \$650,000 in illegal profits and commissions.
- The CBI led the criminal investigation with assistance from the Colorado Attorney General's Office, the Federal Bureau of Investigation and the Small Business Administration.

### **Investigation – “Article 56”**

There have been 22 businesses identified by the Colorado Secretary of State that were created between May and June of 2016. All businesses were filed under the 'Agricultural Co-ops', Article 56 of Title 7 of the Colorado Revised Statutes. These filings are suspicious because of the 'out of state ownership' and 'virtual offices addresses used' as well as their particular Colorado addresses used for the filing reflect 'other non-affiliated' established businesses.

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of April 1, 2016 through June 30, 2016, the ID Theft Unit provided direct and comprehensive services for **719 victims** of ID theft and fraud. The 24 hour hotline served **283 new victims** during this same time.

Criminal Identity Theft remains the most frequently reported type of ID theft requiring CBI assistance. Social security number for work is the second most frequently reported crime. We have seen an increase in the number of requests for assistance related to Identity Theft that is perpetrated as part of another crime; most often domestic violence or child abuse.

IRS imposters and government grants scams were the most often reported types of fraud in the past quarter. The majority of victims reporting these crimes have been older adults. We have also received a number of calls from people who have seen a fraudulent ad stating their home is for rent on Craigslist.

## **Training and Outreach:**

The following outreach and training presentations have been completed April through June, 2016:

- McLain High School
- Money Smart Week Kick-off Event
- Pinnacle Wealth Clients
- Buena Vista High School Classes
- Longmont Senior Safety Day
- Colorado State Foster Parent Association Conference (3 presentations)
- Elbert County Safety Fair & Shred Event
- Jett & Associates
- Westminster Rotary Club
- Littleton High School
- IAFCI Training
- Englewood High School

***Victim Assistance Report Continued -***

The Unit has provided the following outreach services:

- 12 Law Enforcement Assists
- 8 Assists to Non-Law Enforcement Agencies
- 1 Media Interview Requests

The Identity Theft and Fraud Investigations Unit participates in community and Law Enforcement based coalitions and working groups that included:

- 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
- Elder Justice League

**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 Assistance Report Continued -*

### **Elbert County Safety Fair & Shred Event**

In June, CBI participated as a co-sponsor of the Elbert County Safety Fair. CBI partnered with the Elbert County Sheriff and fire departments from the county to host the Annual Safety Day Event. CBI hosted the Shred Event as a new addition to the yearly affair. A Bike Rodeo, live broadcast by the local radio station, bike give away, bike helmet give away and car seat give away and fitting were all part of the fun. A Dunk Tank, demonstrations by several K-9 Officers, the CSP rolled vehicle demo, photos in the Castle Rock PD's squad car, period and antique police vehicles, and a "Jaws of Life" demonstration by the Rattlesnake Fire Department added to the flavor of the event, as did the ice cream, slushies and cotton candy provided by the Sheriff's Office.

### **Victim Advocacy Statistics**

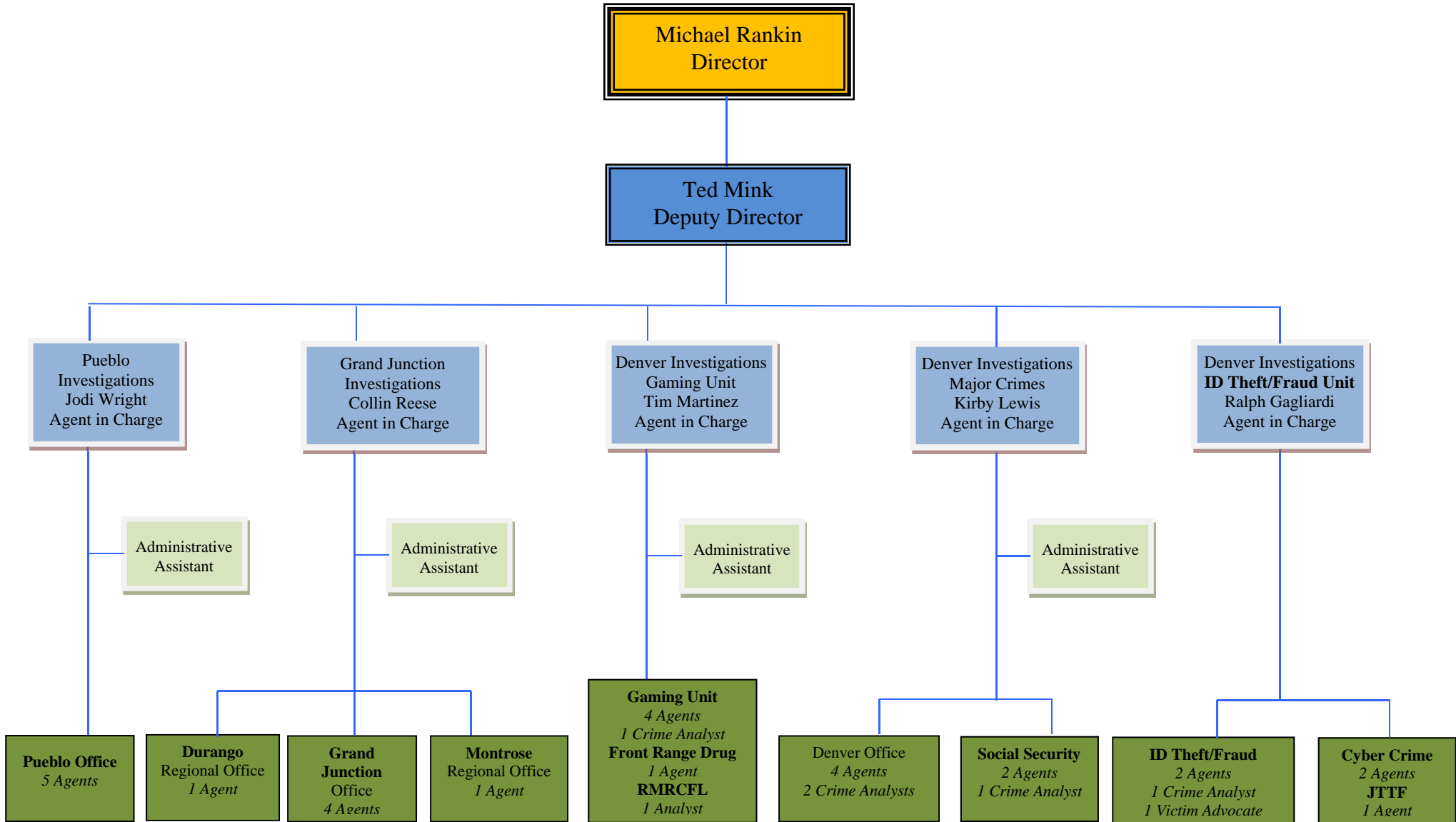
<b>Victim Advocacy Program – FY15 &amp; FY16 (2016 YTD)</b>	<b>2016 YTD Jan-June</b>	<b>FY2015 Total</b>	<b>FY2016 Total</b>
<b>Victims</b>	719	<b>1036</b>	<b>1145</b>
<b>Hotline</b>	549	<b>504</b>	<b>820</b>
<b>Total Victims</b>	<b>1268</b>	<b>1540</b>	<b>1965</b>
<b>Outreach/Training</b>	30	<b>60</b>	<b>72</b>
<b>Media</b>	3	<b>4</b>	<b>3</b>

## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Keith Lobis</b>	<b>Rep of Depository Institutions</b>	<b>(303) 980-7626</b>	<a href="mailto:Keith.a.lobis@wellsfargo.com">Keith.a.lobis@wellsfargo.com</a>
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>Term Exp 6-30-17</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
<b>Monica Reger</b>	<b>Rep of Depository Institutions</b>	<b>(303) 231-2007</b>	<a href="mailto:Monica.Reger@efirstbank.com">Monica.Reger@efirstbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President 1st Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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  
October 24, 2016

# AGENDA

## Identity Theft and Financial Fraud Board

**October 24, 2016**

**1:30**

**CBI – 710 Kipling**

3rd Floor, Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
  - Two new ID Theft Agents hired on August 15, 2016
- Approval of Meeting Minutes - August 1, 2016
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Victim Advocacy Report – Pg. 8,9,10
- Board Member Roster – Pg. 11
- New Business
  - House Bill 14-1057 – Sunsets June 30, 2017  
(Will return \$3 from \$4 on the UCC Filing Fee)
- Set Next Meeting
- Adjournment



## MINUTES

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
710 Kipling Street  
Third Floor Conference Room  
Lakewood, CO 80215  
August 1, 2016

### In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Elizabeth Krupa, Attorney  
Monica Reger, Vice President, 1<sup>st</sup> Bank  
Dan Marostica, Vice President, Western Union  
Michael Rankin, Director, CBI  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent-In-Charge, CBI  
Hazel Heckers, Victim Advocate, CBI  
Peggy Pingel, Analyst, CBI

### Absent:

Anthony Spurlock, Sheriff, Douglas County  
Jack Cauley, Chief, Castle Rock Police Department  
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 1:31 pm, by Chair Janet Drake. New member Dan Marostica from Western Union introduced himself. Mr. Marostica was appointed by the Governor to fill the Payment Processor position.

Ms. Drake asked for approval of the ID Theft Board, May 2, 2016 minutes. Motion to approve the minutes was made by Director Rankin, Liz Krupa seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$492,888.

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

Hazel Heckers also reported on a new VALE/VOCA grant. The application for this grant was submitted in March 2016 and it will be for 2017 and 2018. The application was submitted with a request for current program funding plus another FTE in the Victim Advocate office, 24 Hour Hotline, office supplies, travel and training. Grant award decision expected in October 2016.

## **CFI Operational Report:**

### **Highlighted criminal investigations include:**

#### **Mortgage Fraud Investigation – Conclusion – Guilty Verdict June, 2016**

On June 23, 2016 the final and primary suspect in the *Worldwide Mortgage Fraud Investigation* was found guilty by a Denver Jury. Sentencing is set for August 26, 2016. The case was prosecuted by the Colorado Attorney General's Office. The other (five) defendants have since taken plea's on various related counts.

#### **Investigation – “Article 56”**

There have been 22 businesses identified by the Colorado Secretary of State that were created between May and June of 2016. All businesses were filed under the 'Agricultural Co-ops', Article 56 of Title 7 of the Colorado Revised Statutes. These filings are suspicious because of the 'out of state ownership' and 'virtual offices addresses used' as well as their particular Colorado addresses used for the filing reflect 'other non-affiliated' established businesses.

#### **Victim Advocacy:**

For the period of January 1, 2016 through June 30, 2016, the ID Theft Unit provided direct and comprehensive services for **719 victims** of ID theft and fraud. The 24 hour hotline served **283 new victims** during this same time.

#### **Board Members:**

Dan Marostica, Vice President from Western Union has been appointed to fill the Payment Processor position on the Board. He will complete an existing term which expires June of 2017.

#### **New Business:**

Two new Investigators are moving through the hiring process which will bring the unit back to full staffing.

HB14-1057 will sunset June 30, 2017. This bill assigned an additional dollar to the Identity Theft Unit from the Secretary of State. The Director is working with senior staff at the Secretary of State office to extend this funding into the future.

Ms. Drake asked about the status of training using forfeiture funds that AIC Gagliardi was working on with Sheriff Spurlock. Possible trainers are being researched. One limiting factor will be an estimate of total money available from Sheriff Spurlock.

#### **Next Meeting:**

**Monday, October 24, 2016 at 1:30pm**

Colorado Bureau of Investigation  
710 Kipling St, 3rd floor conference room  
Lakewood, CO 80215

#### **Meeting Adjourned:**

The meeting was adjourned at 2:20pm

**ID THEFT FINANCIALS**

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

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	505,638	504,849	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	505,638
Revenue	23,104	41,870											64,974
Expenditures													
Salaries and Benefits	22,738	31,276											54,014
Operating Expenses	1,156	2,468											3,623
Travel Expenses	-												-
Indirect Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	23,893	33,744	-	-	-	-	-	-	-	-	-	-	57,637
Revenues Over Expenditures	(789)	8,126	-	-	-	-	-	-	-	-	-	-	7,337
Ending Fund Balance	504,849	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975	512,975

**Comparison FY2016 and 2017**

<b>Budget to Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>		<b>2016</b>	<b>2017</b>	<b>Difference</b>	<b>% Change</b>
Revenue	-	64,974	N/A	Beginning Fund Balance	402,522	505,638	103,116	26%
Expenditures				Revenue	68,594	64,974	(3,620)	-5%
Salaries and Benefits	534,871	54,014	0.10	Expenditures				
Operating Expenses	59,518	3,623	0.06	Salaries and Benefits	59,674	54,014	(5,660)	-9%
Travel Expenses	10,000	-	-	Operating Expenses	7,137	3,623	(3,513)	-49%
Indirect cost	15,279	-	-	Travel Expenses	-	-	-	#DIV/0!
Total Expenditures	619,668	57,637	0.09	Indirect Cost	-	-	-	N/A
				Total Expenditures	66,811	57,637	(9,174)	-14%
				Revenues Over Expenditures	1,783	7,337		
				Remaining year				
				Ending Fund Balance	404,305	512,975		

# 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)

#### **NEW AWARD - VOCA**

(To replace the above two year State VALE - that ends in December of 2016)

Date of Award: October 2016

Grant Period: January 1, 2017 through December 31, 2017

January 1, 2017 through December 31, 2018

*(2 year grant that is allocated one year at a time)*

Grant Amount: **\$195,061** (Original Grant request was \$201,759)

This grant will continue to fund our current victim advocate program plus an additional FTE, the 24hr Hotline, office supplies, travel and training. Budget request is for \$201,750. The FTE's are funded at 95% and 90% (Coordinator / Advocate).

## **Identity Theft Assistance Center (ITAC)**

The ITAC Grant is designated to *pay for our 24 Hour ID Theft Hotline* for one year (\$18,000 / \$1500 @ month). The remainder (\$7k) will go toward assisting monolingual Spanish speaking victims.

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

## **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

### **Colorado Department of Local Affairs (DOLA)**

#### ***Embezzlement of State Funds - Theft***

On August 25, 2016 a request from the DOLA Deputy Executive Director was made of CBI to investigate a longtime employee suspected of requiring and accepting cash payments for services none were required or allowed. CBI is investigating the involved transactions. Thousands of dollars is alleged to be involved over the course of the suspect employee's career. CBI Case Number 2016-221 assigned.

### **Colorado Department of Public Service–Division of Fire Prevention & Control (DFPC)**

#### ***Attempt to Influence Public Official – Forgery – Computer Crime***

On August 25, 2016 a request from DFPC Director was made of CBI to investigate numerous Sprinkler Fitters who were suspected of providing forged documents to the DFPC as it relates to maintaining their certification with the State. CBI Case Number 2016-229 assigned.

### **New Agents – as of August 15, 2016**

**Agent Traci Schwartzbauer** – Previously worked at the Weld County District Attorney's Office as an Investigator.

**Agent Jason Hebrard** – Previously worked at the Broomfield Police Department.

### **Interns**

We are presently utilizing two interns: Amanda Dowd who is completing her graduate degree at the University of Denver, and Travis Meason who is completing his graduate degree at Regis University.

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of July 1, 2016 through September 30, 2016, the ID Theft Unit provided direct and comprehensive services for **481 victims** of ID theft and fraud. The 24 hour hotline served **252 new victims** during this same time.

Criminal Identity Theft continues to be the most frequently reported form of ID theft. However, we have seen an increase in the number of minors who are impacted by this crime. This may be because this is the time of year many high school seniors begin to apply for college or entrance into the military. With more colleges requiring criminal background checks, many teens become aware of criminal ID theft during this college or military admissions process.

We continue to see the use of social security numbers for work as the second most frequently reported form of ID theft.

While the IRS Impostor Scam remains the most often reported form of fraud, we have seen an increase in the number of Romance Scams being reported.

## **Training and Outreach:**

The following outreach and training presentations have been completed July through September, 2016:

- Colorado State Patrol Academy
- Jefferson County Annual Safety Fair
- Independent Bankers Association Annual Conference
- Boulder County Senior Law Day (X3)
- Kiawana's Club
- Victim Service Network Metro Denver
- Small Business Group
- Ransomware 101
- Lockheed Martin
- Vectrus
- InfraGard
- Numerica

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

- 21 Law Enforcement Assists
- 11 Assists to Non-Law Enforcement Agencies
- 3 Media Interview Requests

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
- Elder Justice League

**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 Statistics

Victim Advocacy Program	2017 FY -YTD July - Sept	FY - 2016 Same Period Comparison July - Sept	2016 FY-Total	2015 FY -Total
<b>Victims</b>	229	236	1145	1036
<b>Hotline</b>	252	131	820	504
<b>Total Victims</b>	<b>481</b>	<b>367</b>	<b>1965</b>	<b>1540</b>
<b>Outreach/Training</b>	13	14	72	60
<b>Media Requests</b>	3	0	3	4

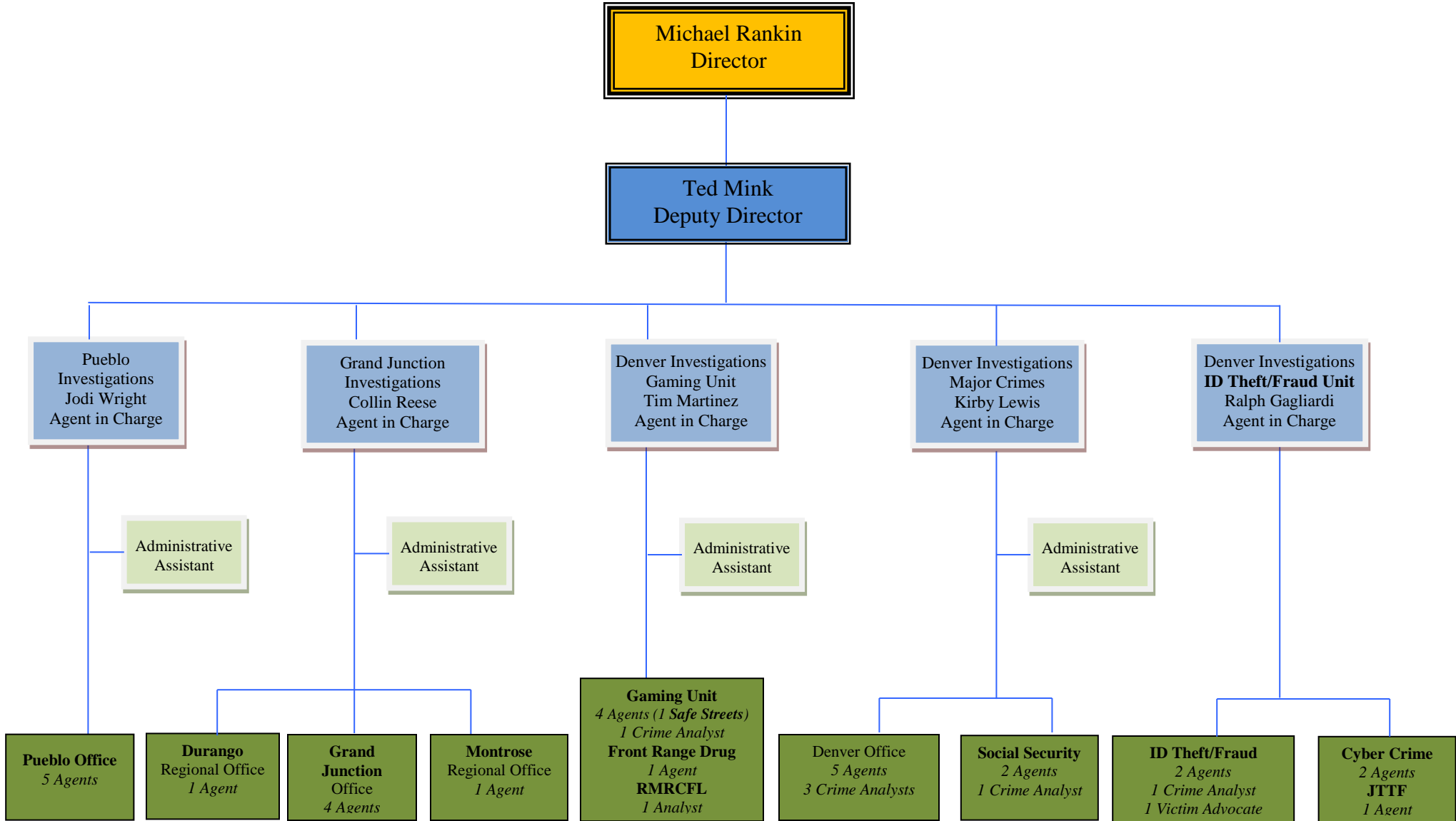
## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Keith Lobis</b>	<b>Rep of Depository Institutions</b>	<b>(303) 980-7626</b>	<a href="mailto:Keith.a.lobis@wellsfargo.com">Keith.a.lobis@wellsfargo.com</a>
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>Term Exp 6-30-17</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
<b>Monica Reger</b>	<b>Rep of Depository Institutions</b>	<b>(303) 231-2007</b>	<a href="mailto:Monica.Reger@efirstbank.com">Monica.Reger@efirstbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President 1st Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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 13, 2017

# AGENDA

## Identity Theft and Financial Fraud Board

**February 13, 2017**

**1:30pm**

**CBI – 710 Kipling**

3rd Floor, Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes - August 1, 2016 Pg.3,4
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Victim Advocacy Report – Pg. 8,9
- New Business
  - House Bill 14-1057 – Sunsets June 30, 2017
  - Board Member Resignation of Monica Reger - January 13, 2017
  - Term expiration of other Board Members – Board Roster Pg. 10
- Set Next Meeting
- Adjournment

## MINUTES

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
710 Kipling Street  
Third Floor Conference Room  
Lakewood, CO 80215  
**October 24, 2016**

### In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Elizabeth Krupa, Attorney  
Monica Reger, Vice President, 1<sup>st</sup> Bank  
Dan Marostica, Vice President, Western Union  
Jack Cauley, Chief, Castle Rock Police Department  
Anthony Spurlock, Sheriff, Douglas County  
Michael Rankin, Director, CBI  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent in Charge, CBI  
Traci Schwartzbauer, Agent, CBI  
Jason Hebrard, Agent, CBI

### Absent:

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. New agents Traci Schwartzbauer and Jason Hebrard introduced themselves.

Ms. Drake asked for approval of the ID Theft Board, August 1, 2016 minutes. Motion to approve the minutes was made by Director Rankin, Liz Krupa seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials, as attached to the Board Report. These are the most current numbers available. The current **Ending Fund Balance is \$512,975.**

The status of grant applications and current grant funding was included in the Board Report.

AIC Gagliardi reported on a new VALE/VOCA grant. The application was approved for current program funding plus another FTE in the Victim Advocate office, 24 Hour Hotline, office supplies, travel and training. The award was for \$195,061 per year for 2017 and 2018. This funds 95% of the Coordinator's salary and 90% of the salary for an additional advocate.

## **CFI Operational Report:**

### **Highlighted criminal investigations include:**

#### **Colorado Department of Local Affairs (DOLA)**

##### ***Embezzlement of State Funds - Theft***

On August 25, 2016 a request from the DOLA Deputy Executive Director was made of CBI to investigate a longtime employee suspected of requiring and accepting cash payments for services none were required or allowed. CBI is investigating the involved transactions. CBI Case Number 2016-221 assigned.

#### **Colorado Department of Public Service–Division of Fire Prevention & Control (DFPC)**

##### ***Attempt to Influence Public Official – Forgery – Computer Crime***

On August 25, 2016 a request from DFPC Director was made of CBI to investigate numerous Sprinkler Fitters who were suspected of providing forged documents to the DFPC as it relates to maintaining their certification with the State. CBI Case Number 2016-229 assigned.

### **New Agents – as of August 15, 2016**

**Agent Traci Schwartzbauer** – Previously worked at the Weld County District Attorney’s Office as an Investigator.

**Agent Jason Hebrard** – Previously worked at the Broomfield Police Department.

### **Victim Advocacy:**

For the period of July 1, 2016 through September 30, 2016, the ID Theft Unit provided direct and comprehensive services for **481 victims** of ID theft and fraud. The 24 hour hotline served **252 new victims** during this same time.

### **Board Members:**

Roster of Board Members is attached to the Report and has been updated.

### **New Business:**

AIC Gagliardi reported on issues related to Production of Records requests related to a decision from 2<sup>nd</sup> Circuit Court in New York.

HB14-1057 (\$4 back to \$3) will sunset June 30, 2017. This bill assigned an additional dollar to the Identity Theft Unit from the Secretary of State. The Director is working with senior staff with the Secretary of State’s office to extend this funding into the future.

### **Next Meeting:**

**Monday, February 13, 2017 at 1:30 pm**

Colorado Bureau of Investigation

710 Kipling St, 3rd floor conference room

Lakewood, CO 80215

### **Meeting Adjourned:**

The meeting was adjourned at 2:18 pm

# ID THEFT FINANCIALS

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

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	505,638	504,849	512,975	511,464	501,217	497,784	519,462	519,462	519,462	519,462	519,462	519,462	505,638
Revenue	23,104	41,870	31,802	40,393	32,847	75,467							245,483
Expenditures													
Salaries and Benefits	22,738	31,276	20,039	39,598	26,806	34,170							174,627
Operating Expenses	1,156	2,468	13,275	11,041	9,474	6,995							44,409
Travel Expenses	-	-	-	-	-	-							-
Indirect Cost	-	-	-	-	-	12,624							12,624
Total Expenditures	23,893	33,744	33,313	50,639	36,280	53,789	-	-	-	-	-	-	231,659
Revenues Over Expenditures	(789)	8,126	(1,511)	(10,246)	(3,433)	21,678	-	-	-	-	-	-	13,824
Ending Fund Balance	504,849	512,975	511,464	501,217	497,784	519,462	519,462	519,462	519,462	519,462	519,462	519,462	519,462

**Comparison FY2016 and 2017**

Budget to Actual	Budget	Actual	%		2016	2017	Difference	% Change
Revenue	-	245,483	N/A	Beginning Fund Balance	402,522	505,638	103,116	26%
Expenditures				Revenue	171,864	245,483	73,619	43%
Salaries and Benefits	534,871	174,627	0.33	Expenditures				
Operating Expenses	59,518	44,409	0.75	Salaries and Benefits	165,561	174,627	9,065	5%
Travel Expenses	10,000	-	-	Operating Expenses	23,723	44,409	20,685	87%
Indirect cost	15,279	12,624	0.83	Travel Expenses	2,032	-	(2,032)	-100%
Total Expenditures	619,668	231,659	0.37	Indirect Cost	-	12,624	12,624	N/A
				Total Expenditures	191,317	231,659	40,342	21%
				Revenues Over Expenditures	(19,453)	13,824		
				Remaining year				
				Ending Fund Balance	383,069	519,462		

# GRANTS

## VOCA

(Replaces the prior two year State VALE - which ended in December of 2016)

Date of Award: October 2016

Grant Period: January 1, 2017 through December 31, 2017

January 1, 2018 through December 31, 2018

(2 year grant that is allocated one year at a time)

Grant Amount: **\$195,061** (Original Grant request was \$201,759)

This grant will continue to fund our current victim advocate program plus an additional FTE, the 24hr Hotline, office supplies, travel and training. Grant funded at approximately 95% with the Unit matching the remainder.

## Identity Theft Assistance Center (ITAC)

The ITAC Grant is designated to *pay for our 24 Hour ID Theft Hotline* for one year (\$18,000 / \$1500 @ month). **The remainder (\$7k)** will go toward assisting monolingual Spanish speaking victims.

Date of Award: November, 2015

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

Grant Amount: **\$25,000**

**GRANT EXTENTION through March 31, 2017 – Will utilize the remaining \$7k as follows:**

\$3,000 - Hotline November and December

\$2,500 - Social Media Advertising

\$1,500 - Fair Supplies

## 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

## New Investigations Highlights

### Business Identity Theft – Foreign

Discovery of 200+ Colorado businesses created at the Secretary of State's Office which utilized other private and business addresses not their own. This investigation started after one such private residence received 'mail' in the name of a suspect business. The Unit is presently gathering information to uncover the motive(s) behind this scheme. Current themes include; money laundering, drugs, and/or human trafficking.

### Forged State of Colorado Treasury Checks

State Treasury continues to send State checks that have been forged in other names. These checks were once valid state checks issued under true names. Fraudsters attempt to negotiate these checks via mobile deposits with various banks but are caught prior to pay out. We are presently attempting to understand the true nature of this scheme to include; the location of compromise, and/or how (the suspects) acquire the funds from bank accounts.

## Updates

### Colorado Department of Local Affairs (DOLA)

#### *Embezzlement of State Funds - Theft*

On August 25, 2016 a request from the DOLA Deputy Executive Director was made of CBI to investigate a longtime employee suspected of requiring and accepting cash payments for services none were required or allowed. CBI is investigating the involved transactions. Thousands of dollars is alleged to be involved over the course of the suspect's career. **Case presented to the Denver DA in December and arrest made on January 13, 2017.**

### Colorado Department of Public Service–Division of Fire Prevention & Control (DFPC)

#### *Attempt to Influence Public Official – Forgery – Computer Crime*

On August 25, 2016 a request from DFPC Director was made of CBI to investigate numerous Sprinkler Fitters who were suspected of providing forged documents to the DFPC as it relates to maintaining their certification with the State. Case presented to Jefferson County DA's Office in November of 2016 reflecting 13 felony suspects (Attempt to Influence Public Officials and Perjury).

### Interns

We are presently utilizing two interns: **Amanda Dowd** who is completing her graduate degree at the University of Denver, and **Anja Lopez** who is completing an internship at Regis University.



# VICTIM ASSISTANCE REPORT

## Direct Services:

For the period of October 1, 2016 through December 31, 2016, the ID Theft Unit provided direct and comprehensive services for **451 victims** of ID theft and fraud. The 24 hour hotline served **258 new victims** during this same time. For the 2016 Calendar Year, the program served a total of **2,200 crime victims**, with the hotline receiving **1059 calls** from new victims.

Criminal ID Theft remains the form of ID theft about which we receive the largest number of calls. Social security number for work also continues to rank high as a frequently reported form of ID theft. We are seeing an increase in the number of callers who are victims of a data breach from their employer.

Email compromises and hacks, remote computer access scams and government impostor scams continue to be the most often reported scams. Government Impostor Scams in which the suspects tell the targeted victim to purchase iTunes cards or other gift cards as a form of payment have increased. Elderly people in rural communities appear to be targets of lottery scams and work from home scams at higher than usual rates.

## Training and Outreach:

The following outreach and training presentations have been completed October through December, 2016:

- Ault Farmers Bank
- Ft. Collins Farmers Bank
- Fidelity Title
- Thompson School District Annual Teachers Safety Conference (x 3)
- Golden West Realty
- Horizon High School
- Xcel Energy Staff (x 4)
- Metro Brokers

A total of **60 presentations** were provided in the community this year. CBI works to provide presentations to groups who are able to share the information with others. For example; we provided presentations for the "line" staff at Xcel Energy. These individuals interact with community members on a daily basis and are always excited to gain new information to share with their regular customers. Handouts provided at the presentations are posted on their website and turned into Tip Sheets that are shared with other staff and customers. We provide classes for teachers in the hopes that they will take the information back to their students. Outreach provided to people in the real estate and mortgage business is similarly shared with their customers via websites, mailings and personal interactions.

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

- 15 Law Enforcement Assists
- 7 Assists to Non-Law Enforcement Agencies
- 3 Media Interview Requests

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
- Elder Justice League

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- ✓ <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 Statistics & Media Outreach**

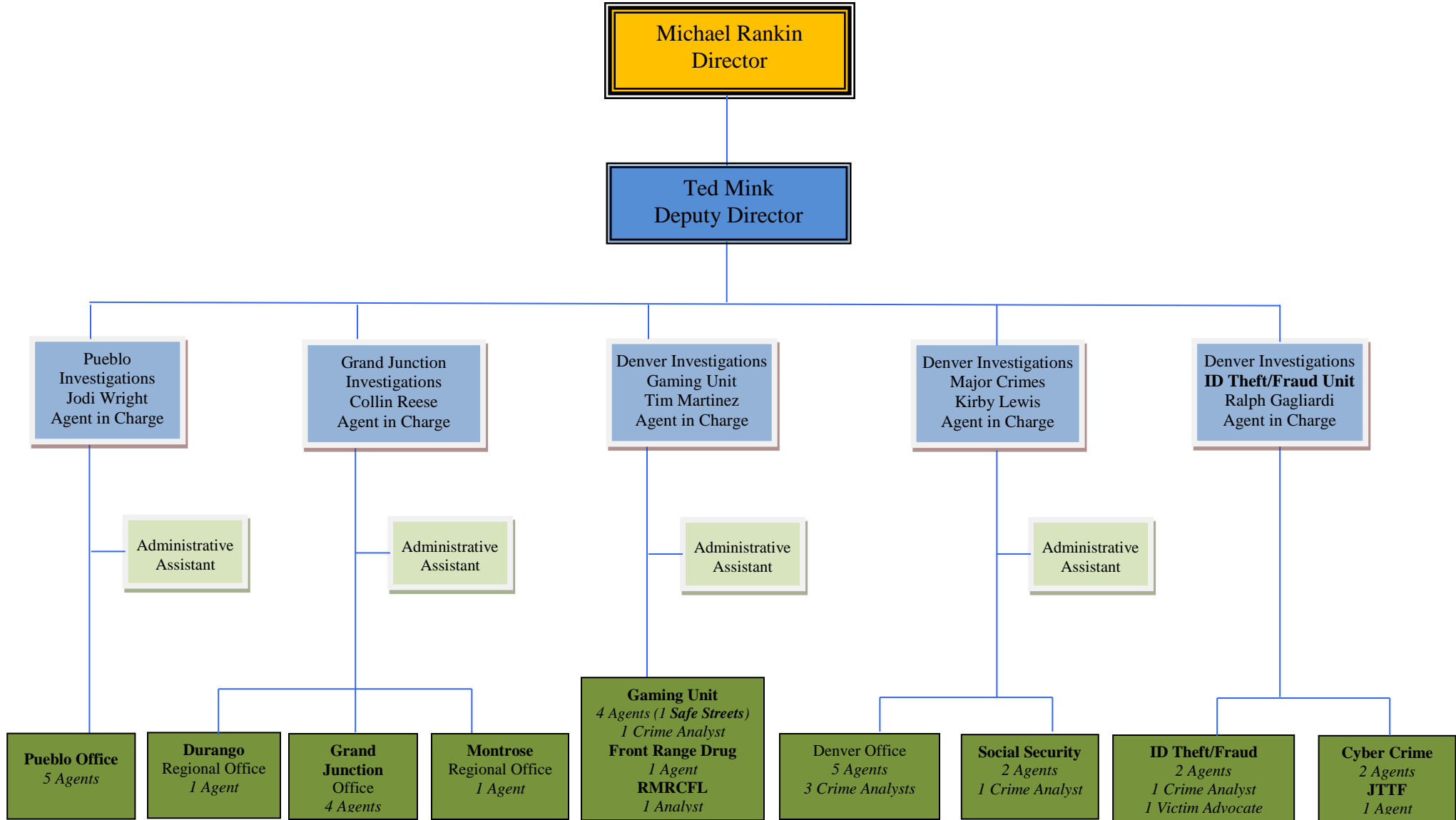
<b>Victim Advocacy Program</b>	<b>2017 FY -YTD July - Jan</b>	<b>FY - 2016 Same Period Comparison July - Jan</b>	<b>2016 FY-Total</b>	<b>2015 FY -Total</b>
<b>Victims</b>	508	486	1145	1036
<b>Hotline</b>	578	320	820	504
<b>Total Victims</b>	<b>1086</b>	<b>806</b>	<b>1965</b>	<b>1540</b>
<b>Outreach/Training</b>	32	47	72	60
<b>Media Requests</b>	6	0	3	4

## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Keith Lobis</b>	<b>Rep of Depository Institutions</b>	<b>(303) 980-7626</b>	<a href="mailto:Keith.a.lobis@wellsfargo.com">Keith.a.lobis@wellsfargo.com</a>
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>Term Exp 6-30-17</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
<b>Monica Reger</b>	<b>Rep of Depository Institutions</b>	<b>(303) 231-2007</b>	<a href="mailto:Monica.Reger@efirstbank.com">Monica.Reger@efirstbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President 1st Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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 22, 2017

# AGENDA

## Identity Theft and Financial Fraud Board

May 22, 2017

1:30pm

**CBI – 690 Kipling**  
4th Floor Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes – February 13, 2017  
Pg.3-4
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Victim Advocacy Report – Pg. 8-9
  - Update on Donation from Douglas County
- New Business
  - House Bill 14-1057 – Sunsets June 30, 2017 to continue funding HB17-1043 pending.
  - Term Expiration of Board Members –  
Board Roster Pg. 10
- Presentation - Jay Simonson, Colorado Attorney General's Office, Consumer Fraud Unit
- Set Next Meeting
- Adjournment

## MINUTES

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
710 Kipling Street  
Third Floor Conference Room  
Lakewood, CO 80215  
February 13, 2017

### In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Elizabeth Krupa, Attorney  
Jack Cauley, Chief, Castle Rock Police Department  
Anthony Spurlock, Sheriff, Douglas County  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent-In-Charge, CBI  
Traci Schwartzbauer, Agent, CBI  
Jason Hebrard, Agent, CBI  
Hazel Heckers, Victim Advocate  
Amanda Dowd, Intern  
Peggy Pingel, Analyst

### Absent:

Jenifer Waller, Senior Vice President, Colorado Bankers Association  
Keith Lobis, Regional President, Wells Fargo Bank  
Monica Reger, Vice President, 1<sup>st</sup> Bank  
Dan Marostica, Vice President, Western Union

### Meeting Called to Order:

The meeting was called to order at 1:32 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, October 24, 2016 minutes. Motion to approve the minutes was made by Chief Cauley and Jess Redman seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$519,462.

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

AIC Gagliardi reported on a new VALE/VOCA grant. The application was approved for current program funding plus another FTE in the Victim Advocate office, 24 Hour Hotline, office supplies, travel and training. The award was for \$195,061 per year for 2017 and 2018. This funds 95% of the Coordinator's salary and 90% of the salary for an additional advocate. A full time victim advocate candidate has been identified and is proceeding through the hiring process. In addition, Amanda Dowd is receiving pay for her work through March.

## **CFI Operational Report:**

### **New Investigations Highlights**

#### **Business Identity Theft – Foreign**

Discovery of 200+ Colorado businesses created at the Secretary of State's Office which utilized other private and business addresses not their own. This investigation started after one such private residence received 'mail' in the name of a suspect business. The Unit is presently gathering information to uncover the motive(s) behind this scheme. Current themes include; money laundering, drugs, and/or human trafficking.

#### **Forged State of Colorado Treasury Checks**

State Treasury continues to send state checks that have been forged in other names. These checks were once valid state checks issued under true names. Fraudsters attempt to negotiate these checks via mobile deposits with various banks but are caught prior to pay out. We are presently attempting to understand the true nature of this scheme to include: the location of compromise, and/or how (the suspects) acquire the funds from bank accounts.

#### **Victim Advocacy:**

For the period of July 1, 2016 through September 30, 2016, the ID Theft Unit provided direct and comprehensive services for **481 victims** of ID theft and fraud. The 24 hour hotline served **252 new victims** during this same time.

#### **Board Members:**

Monica Reger has tendered her resignation from the Board. She has received a promotion which does not allow her to continue. She has offered a potential replacement. Chief Cauley and Liz Krupa have agreed to reapply for a second term. Status is unknown for Keith Lobis and Daniel Marostica.

#### **New Business:**

HB14-1057 will sunset June 30, 2017. This bill assigned an additional dollar to the Identity Theft Unit from the Secretary of State. The Director is working with senior staff at the Secretary of State office to extend this funding for an additional year.

Sheriff Spurlock confirmed that Douglas County has allocated \$25,000 from their forfeiture funds to the ID Theft Unit which can be used for education and for victim assistance. AIC Gagliardi suggested that some of the money might be used as a scholarship for CFE training for rural agencies

#### **Next Meeting:**

**Monday, May 22, 2017 at 1:30 pm**

Colorado Bureau of Investigation  
690 Kipling St, 4th floor conference room  
Lakewood, CO 80215

#### **Meeting Adjourned:**

The meeting was adjourned at 2:11 pm



# ID THEFT FINANCIALS

Colorado Department of Public Safety  
Colorado Bureau of Investigation  
ID Theft / Fraud Unit  
Ending March 31, 2017

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	505,638	504,849	512,975	511,464	501,217	497,784	519,462	537,816	539,617	547,913	547,913	547,913	505,638
Revenue	23,104	41,870	31,802	40,393	32,847	75,467	71,179	35,050	56,882				408,594
Expenditures													
Salaries and Benefits	22,738	31,276	20,039	39,598	26,806	34,170	41,193	25,367	33,006				274,192
Operating Expenses	1,156	2,468	13,275	11,041	9,474	6,995	11,632	7,882	9,269				73,192
Travel Expenses	-	-	-	-	-	-	-	-	-				-
Indirect Cost	-	-	-	-	-	12,624	-	-	6,312				18,936
Total Expenditures	23,893	33,744	33,313	50,639	36,280	53,789	52,825	33,249	48,586	-	-	-	366,320
Revenues Over Expenditures	(789)	8,126	(1,511)	(10,246)	(3,433)	21,678	18,354	1,801	8,296	-	-	-	42,274
Ending Fund Balance	504,849	512,975	511,464	501,217	497,784	519,462	537,816	539,617	547,913	547,913	547,913	547,913	547,913

**Comparison FY2016 and 2017**

Budget to Actual	Budget	Actual	%		2016	2017	Difference	% Change
Revenue	-	408,594	N/A	Beginning Fund Balance	402,522	505,638	103,116	26%
Expenditures				Revenue	421,306	408,594	(12,712)	-3%
Salaries and Benefits	534,871	274,192	0.51	Expenditures				
Operating Expenses	59,518	73,192	1.23	Salaries and Benefits	276,774	274,192	(2,582)	-1%
Travel Expenses	10,000	-	-	Operating Expenses	65,684	73,192	7,507	11%
Indirect cost	15,279	18,936	1.24	Travel Expenses	2,130	-	(2,130)	-100%
Total Expenditures	619,668	366,320	0.59	Indirect Cost	-	18,936	18,936	N/A
				Total Expenditures	344,589	366,320	21,731	6%
				Revenues Over Expenditures	76,717	42,274		
				Remaining year				
				Ending Fund Balance	479,239	547,912		

# GRANTS

**VOCA**

(Replaces the prior two-year State VALE, that ended in December of 2016)

Date of Award: October 2016

Grant Period: January 1, 2017 through December 31, 2017

January 1, 2018 through December 31, 2018

*(2 year grant that is allocated one year at a time)*

Grant Amount: **\$195,061** (Original Grant request was \$201,759)

This grant will continue to fund our current victim advocate program plus an additional FTE, the 24hr Hotline, office supplies, travel and training. Grant funded at approximately 95% with the Unit matching the remainder.

**Identity Theft Assistance Center (ITAC)**

The ITAC Grant is designated to *pay for our 24 Hour ID Theft Hotline* for one year (\$18,000 / \$1500 @ month). A grant extension was granted through May 31<sup>st</sup>, 2017. **The remainder (\$7k)** will go toward assisting monolingual Spanish speaking victims.

Date of Award: November, 2015

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

Grant Extension: January 2017 through May 31<sup>st</sup>, 2017

Grant Amount: **\$25,000**

**GRANT EXTENTION through May 31<sup>st</sup>, 2017 – Will utilize the remaining \$7k as follows:**

\$3,000 - Hotline November and December

\$2,500 - Social Media Advertising

\$1,500 - Fair Supplies

**VOCA – Tech**

Date of Award: March 31, 2016

Grant Period: May 1, 2016 through April 30, 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.

<b>GRANT</b>	<b>DURATION</b>	<b>TOTAL BUDGET</b>	<b>CBI MATCHING</b>	<b>GRANT FUNDING</b>
<b>ITAC</b>	11/01/2015- 5/31/2017	\$25,000	NA	<b>\$25,000</b>
<b>VOCA TECH</b>	05/01/2016- 4/30/2017	\$14,798	\$2,960	<b>\$11,838</b>
<b>VOCA VICTIM ASSISTANCE</b>	01/01/2017- 12/31/2017	\$243,826	\$48,765	<b>\$195,061</b>

## UNIT / CASE HIGHLIGHTS

### New Investigations Highlights:

#### Walmart eCommerce/Credit Card Fraud

On March 9<sup>th</sup>, 2017, CBI received a request from the Arapahoe County Sheriff's Office and the 18<sup>th</sup> Judicial District to assist with criminal activity surrounding compromised credit card information being utilized to make online purchase via the Walmart Grocery website. Under the guise of social media marketing and word of mouth, suspects are recruiting individuals to purchase groceries using the compromised credit card information at a purported discounted rate.

For example, an offer made by the suspects for \$600.00 worth of groceries for a cash price of \$200.00 paid by the recruit. The suspects then receive the \$200.00 cash (or other currency) payment from the recruit, as a profit, and make an order to Walmart via the aforementioned website, using the previously acquired compromised credit card to fulfill the order.

An estimated *one million dollar loss* to date.

#### Business Identity Theft – Foreign

Update: **Discovered 800+** Colorado businesses created at the Secretary of State's Office which utilized other private and business addresses not their own. This investigation started after one such private residence received 'mail' in the name of a suspect business. The Unit is presently gathering information to uncover the motive(s) behind this scheme. Current themes include: money laundering, drugs, and/or human trafficking.

### Updates:

#### Colorado Department of Public Service–Division of Fire Prevention & Control (DFPC)

##### *Attempt to Influence Public Official – Forgery – Computer Crime*

On August 25, 2016 a request from DFPC Director was made of CBI to investigate numerous Sprinkler Fitters who were suspected of providing forged documents to the DFPC as it relates to maintaining their certification with the State. Case presented to Jefferson County DA's Office in November of 2016.

In May of 2017, *12 felony summonses* were issued by the DA's Office, with charges ranging from Forgery to Attempt to Influence a Public Servant.

### New Victim Advocate:

Devi Suess is our new Victim Advocate. Devi was a probation officer with the 20<sup>th</sup> Judicial District for more than seven years and a Longmont Police Department Officer and Detective for 16 years. She has a Master's degree in Social Work from the University of Denver. Welcome Devi, we are happy to have you as a part of our Team!

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of January 1, 2017 through March 31, 2017, the ID Theft Unit provided direct and comprehensive services to numerous victims of ID theft and fraud. The 24-hour hotline served **162 new victims** during this same time.

Social Security Numbers being used for work has been one of the most frequently reported crimes in this past quarter. This crime creates a number of challenges for the crime victims including the termination of benefits like Medicaid and food stamps, troubles with the IRS, denial of tax refunds and being turned down for income based benefits.

We have also seen an increase in the number of complaints regarding criminal ID theft and the DMV. This occurs when the ID thief uses the victim's ID when given a traffic ticket, when arrested for a DUI or when involved in a traffic accident. The ID thief does not pay the fines or show up in court, and this results in the victim having a Failure to Appear warrant issued in their name. This could also mean that the victim's driving privileges are suspended or revoked. This is often a challenge for us because few law enforcement agencies ask drivers with no ID to provide a fingerprint or photo to go along with the ticket. So we are in a position of proving that the person receiving the ticket was not the victim. To complicate this situation even further, the CO DOR-DMV has made a new policy that requires all victims of this form of ID theft to obtain a Court Order of Factual Innocence before they will correct the record. This is true even when CBI is able to prove by print comparisons that the victim is not the person who perpetrated the crime, or when the District Attorney dismisses all charges based on ID theft. While some CO jurisdictions will allow a third party, such as a DA or a Victim Advocate to petition the courts for the Order, other jurisdictions require the victim to appear in person and file the petition themselves. This creates a hardship for many victims who must travel some distance, often from another state, pay a filing fee and wait as long as 6 months for the courts to hear the petition. CBI is advocating with the DMV to have some leniency regarding this, however, so far we have been unsuccessful.

## **Training and Outreach:**

The following outreach and training presentations have been completed January to March 2017:

- Legacy High School (X2)
- New Victim Advocate Training
- Brokers Guild Realty
- CSP Academy
- Xcel Energy Ft. Collins (x3)
- Xcel Energy Front Range
- MRWC Fraud Training
- Land Title

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

- 9 Law Enforcement Assists
- 9 Assists to Non-Law Enforcement Agencies
- 1 Media Interview Requests

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
- Elder Justice League

**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 Statistics & Media Outreach

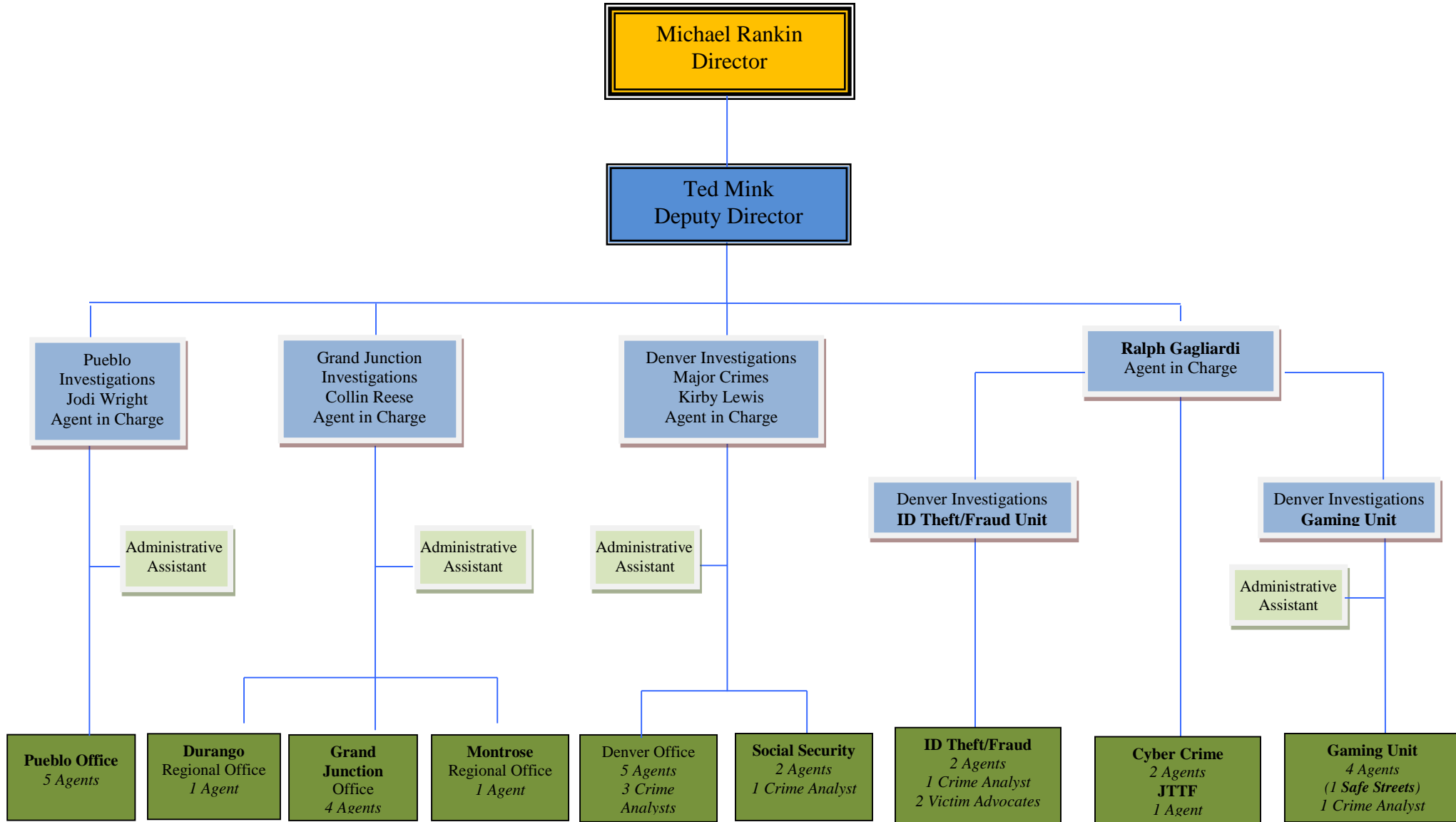
Victim Advocacy Program	2017 FY -YTD July - April	FY - 2016 Same Period Comparison July - April	2016 FY-Total	2015 FY -Total
<b>Victims</b>	1020	1035	1145	1036
<b>Hotline</b>	840	680	820	504
<b>Total Victims</b>	<b>1860</b>	<b>1715</b>	<b>1965</b>	<b>1540</b>
<b>Outreach/Training</b>	42	61	72	60
<b>Media Requests</b>	7	2	3	4

## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<b><i>Statutorily Required</i></b>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Safety	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<b><i>Governor Appointments</i></b>			
<b>Keith Lobis</b>	<b>Rep of Depository Institutions</b>	<b>(303) 980-7626</b>	<a href="mailto:Keith.a.lobis@wellsfargo.com">Keith.a.lobis@wellsfargo.com</a>
<i>2nd Term Exp 6-30-17</i>	<i>Regional President - Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>Term Exp 6-30-17</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>1st Term Exp 6-30-17</i>	<i>Attorney</i>		
<b>VACANT</b>	<b>Rep of Depository Institutions</b>		
<i>1st Term Exp 6-30-18</i>	<i>RESIGNED - (Moved to new Bank Position) JAN-13, 2017</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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  
August 21, 2017



# AGENDA

## Identity Theft and Financial Fraud Board

**August 21, 2017**

**1:30pm**

**CBI – 690 Kipling**

4th Floor Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions – Welcome New Board Member
- Approval of Meeting Minutes – May 22, 2017 Pg.3-4
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Update on Donation from Douglas County
  - Victim Advocacy Report – Pg. 8-9
- New Business
  - House Bill 14-1057 – Sunset on 6.30.17  
HB17-1043 signed on 6.6.17 funding  
through July 1, 2021
  - Board Members – 2<sup>nd</sup> Terms - Roster Pg. 10
- Set Next Meeting
- Adjournment

## MINUTES

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
690 Kipling Street  
Fourth Floor Conference Room  
Lakewood, CO 80215  
May 22, 2017

### In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Elizabeth Krupa, Attorney  
Jack Cauley, Chief, Castle Rock Police Department  
Dan Marostica, Vice President, Western Union  
Jenifer Waller, Senior Vice President, Colorado Bankers Association – *via conf call*  
Jay Simonson, 1<sup>st</sup> Assistant AG, Colorado Attorney General's Office, Guest  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent in Charge, CBI  
Traci Schwartzbauer, Agent, CBI  
Jason Hebrard, Agent, CBI  
Hazel Heckers, Victim Advocate  
Peggy Pingel, Analyst

### Absent:

Keith Lobis, Regional President, Wells Fargo Bank  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Anthony Spurlock, Sheriff, Douglas County

### Meeting Called to Order:

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

Ms. Drake asked for approval of the ID Theft Board, February 13, 2017 minutes. Motion to approve the minutes was made by Chief Cauley and Ted Mink seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$547,913.

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

AIC Gagliardi reported on a new VALE/VOCA grant. The application was approved for current program funding plus another FTE in the Victim Advocate office, 24 Hour Hotline, office supplies, travel and training. The award was for \$195,061 per year for 2017 and 2018. This funds 95% of the Coordinator's salary and 90% of the salary for an additional advocate. A full time victim advocate candidate has been hired. There will be a future hire of another criminal investigator.

## **CFI Operational Report:**

### **New Investigations Highlights**

#### **Walmart eCommerce/Credit Card Fraud**

On March 9<sup>th</sup>, 2017, CBI received a request from the Arapahoe County Sheriff's Office and the 18<sup>th</sup> Judicial District to assist with criminal activity surrounding compromised credit card information being utilized to make online purchase via the Walmart Grocery website. Under the guise of social media marketing and word of mouth, suspects are recruiting individuals to purchase groceries using the compromised credit card information at a purported discounted rate. An estimated *one-million-dollar loss* to date.

#### **Business Identity Theft – Foreign**

Update: **Discovered 800+** Colorado businesses created at the Secretary of State's Office which utilized other private and business addresses not their own. This investigation started after one such private residence received 'mail' in the name of a suspect business. The Unit is presently gathering information to uncover the motive(s) behind this scheme. Current themes include: money laundering, drugs, and/or human trafficking

#### **Victim Advocacy:**

For the period of January 1, 2017 through March 31, 2017, the ID Theft Unit provided direct and comprehensive services for numerous victims of ID theft and fraud. The 24-hour hotline served **162 new victims** during this same time.

#### **Board Members:**

Chief Cauley, Liz Krupa and Daniel Marostica have agreed to reapply for a second term. Their applications are pending. Keith Lobis offered a name for his replacement and that information was forwarded to the Governor's Office. Jenifer Waller will work on candidates for the Depository Institution opening.

#### **New Business:**

HB14-1057 will sunset June 30, 2017. This bill assigned an additional dollar to the Identity Theft Unit from the Secretary of State. This bill is on the Governor's desk and includes an extension to 2020.

CBI has received the \$25,000 from the Douglas County forfeiture funds to the ID Theft Unit which will be used for education and for victim assistance. CBI is working on procedures to track and spend the money. Agent Schwartzbauer is working on the education event.

**Presentation:** Jay Simonson, 1<sup>st</sup> Assistant AG, gave presentation on AG's Office Consumer Fraud Unit program and activities.

#### **Next Meeting:**

**Monday, August 21, 2017 at 1:30 pm**

Colorado Bureau of Investigation  
690 Kipling St, 4th floor conference room  
Lakewood, CO 80215

#### **Meeting Adjourned:**

The meeting was adjourned at 2:38 pm

# ID THEFT FINANCIALS

Colorado Department of Public Safety  
 Colorado Bureau of Investigation  
 ID Theft / Fraud Unit  
 Ending June 30, 2017

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	505,638	504,849	512,975	511,464	501,217	497,784	519,462	537,816	539,617	547,913	581,157	578,351	505,638
Revenue	23,104	41,870	31,802	40,393	32,847	75,467	71,179	35,050	56,882	62,643	27,960	53,361	552,558
Expenditures													
Salaries and Benefits	22,738	31,276	20,039	39,598	26,806	34,170	41,193	25,367	33,006	23,672	23,367	13,914	335,146
Operating Expenses	1,156	2,468	13,275	11,041	9,474	6,995	11,632	7,882	9,269	5,356	7,400	15,109	101,056
Travel Expenses	-	-	-	-	-	-	-	-	-	370	-	858	1,228
Indirect Cost	-	-	-	-	-	12,624	-	-	6,312	-	-	6,312	25,248
Total Expenditures	23,893	33,744	33,313	50,639	36,280	53,789	52,825	33,249	48,586	29,398	30,767	36,193	462,678
Revenues Over Expenditures	(789)	8,126	(1,511)	(10,246)	(3,433)	21,678	18,354	1,801	8,296	33,245	(2,807)	17,168	89,881
Ending Fund Balance	504,849	512,975	511,464	501,217	497,784	519,462	537,816	539,617	547,913	581,157	578,351	595,519	595,519

**Comparison FY2016 and 2017**

Budget to Actual	Budget	Actual	%		2016	2017	Difference	% Change
Revenue	-	552,558	N/A	Beginning Fund Balance	402,522	505,638	103,116	26%
Expenditures				Revenue	552,572	552,558	(14)	0%
Salaries and Benefits	534,871	335,146	0.63	Expenditures				
Operating Expenses	59,518	101,056	1.70	Salaries and Benefits	323,565	335,146	11,581	4%
Travel Expenses	10,000	1,228	0.12	Operating Expenses	108,274	101,056	(7,218)	-7%
Indirect cost	15,279	25,248	1.65	Travel Expenses	2,338	1,228	(1,110)	-47%
Total Expenditures	619,668	462,678	0.75	Indirect Cost	15,279	25,248	9,969	N/A
				Total Expenditures	449,456	462,678	13,222	3%
				Revenues Over Expenditures	103,116	89,881		
				Remaining year				
				Ending Fund Balance	505,638	595,519		

# GRANTS

## VOCA

Date of Award: October 2016

Grant Period: January 1, 2017 through December 31, 2017

January 1, 2018 through December 31, 2018

*(2 year grant that is allocated one year at a time)*

Grant Amount: **\$195,061** (Original Grant request was \$201,759)

This grant will continue to fund our current victim advocate program plus an additional FTE, the 24hr Hotline, office supplies, travel and training. Grant funded at approximately 95% with the Unit matching the remainder.

*ITAC and VOCA TECH have ended – report out in TABLE only for this report*

<b>GRANT</b>	<b>DURATION</b>	<b>TOTAL BUDGET</b>	<b>CBI MATCHING</b>	<b>GRANT FUNDING</b>
<b>ITAC</b>	11/01/2015-5/31/2017	\$25,000	NA	<b>\$25,000</b>
<b>VOCA TECH</b>	05/01/2016-4/30/2017	\$14,798	\$2,960	<b>\$11,838</b>
<b>VOCA VICTIM ASSISTANCE</b>	01/01/2017-12/31/2017	\$243,826	\$48,765	<b>\$195,061</b>

## UNIT / CASE HIGHLIGHTS

### **New Investigations Highlights:**

#### **Criminal Enterprise involving fraudulent checks and money laundering**

Approximately \$30,000 in losses from a single retail location, related to forged checks. Suspects involved were identified through video surveillance. Agents have uncovered related incidents across Colorado involving the now identified suspect and her conspirators. Potential Grand Jury case.

#### **Forged Check (Victim- State of Colorado Treasury)**

The Colorado Treasurers Office reported a counterfeit State of Colorado check was cashed by suspect(s) unknown in Alaska for several thousand dollars. CBI initiated a cooperative investigation with Alaska State Troopers / Alaska Bureau of Investigation and subsequently identified the involved suspect(s). They were located and taken into custody in Alaska.

#### **Theft – Impersonating Real Estate Agent / Mortgage Broker**

Two suspects who solicited borrower's money in a rent to own scam from numerous victims. Money collected up front in excess of \$15,000. Case filed in Arapahoe County - awaiting arrest warrants.

### **Douglas County Donation – for FRAUD Training**

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to assist with and present fraud training.

#### **UPDATE:**

**Date of Training:** April 16th, 2018 from 7:30 am through 5:00 pm

**Venue:** The University of Colorado South Denver – 10035 S. Peoria St, Lone Tree, CO  
Hall and Food – *Estimated \$9,200.*

**Keynote Speaker:** Frank Abagnale - confirmed - *\$17,000*

Other speakers and presenters are presently being arranged.

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of April 1, 2017 through July 31, 2017, the ID Theft Unit provided direct and comprehensive services for **694 victims** of ID theft and fraud. The 24-hour hotline served **349 new victims** during this same time.

Scams, especially Impostor Scams are still quite prevalent. The newest twist on a scam is for the scammers to request/demand payment with an Amazon gift card. For some time, the payment option preferred has been iTunes cards, pre-paid Visa/MasterCard Debit cards, and Bit Coins. As citizens become more and more aware of scams thanks to media, social media and outreach, they have come to suspect anyone asking for funds to be wired, or the use of these other payment methods. Amazon gift cards is a quick way for the criminals to cash out the payment and is so new as an option that people will get the cards without associating it with a scam. Amazon has posted warnings and sent out notices on Facebook and other social media about this, however most people are buying the gift cards at a grocery or discount chain store (like Walmart) and not from the official Amazon website.

## **Training and Outreach:**

The following outreach and training presentations have been completed April through July 2017:

- ISC West Cyber Training
- David Schilken Law Firm (X2)
- Longmont Senior Center
- Littleton High School (X3)
- Xcel Energy Safety Meeting
- Erie Police Department Volunteers
- AARP Fraud Fighters Volunteer Staff
- Title One Business ID Theft
- DMAR Luncheon Speaker
- Re/Max 100 Inc.
- Mint Financial
- Title/Real Estate Agents Business Email Compromise
- Diplomats from Europe
- SABA Training for All CBI Staff

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

- 21 Law Enforcement Assists
- 26 Assists to Non-Law Enforcement Agencies
- 1 Media Interview Requests

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
- Elder Justice League

**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 Statistics & Media Outreach

Victim Advocacy Program	2017 FY –Total July to June	2016 FY-Total	2015 FY -Total
Victims	1196	1145	1036
Hotline	1040	820	504
<b>Total Victims</b>	<b>2239</b>	<b>1965</b>	<b>1540</b>
Outreach/Training	51	72	60
Media Requests	8	3	4

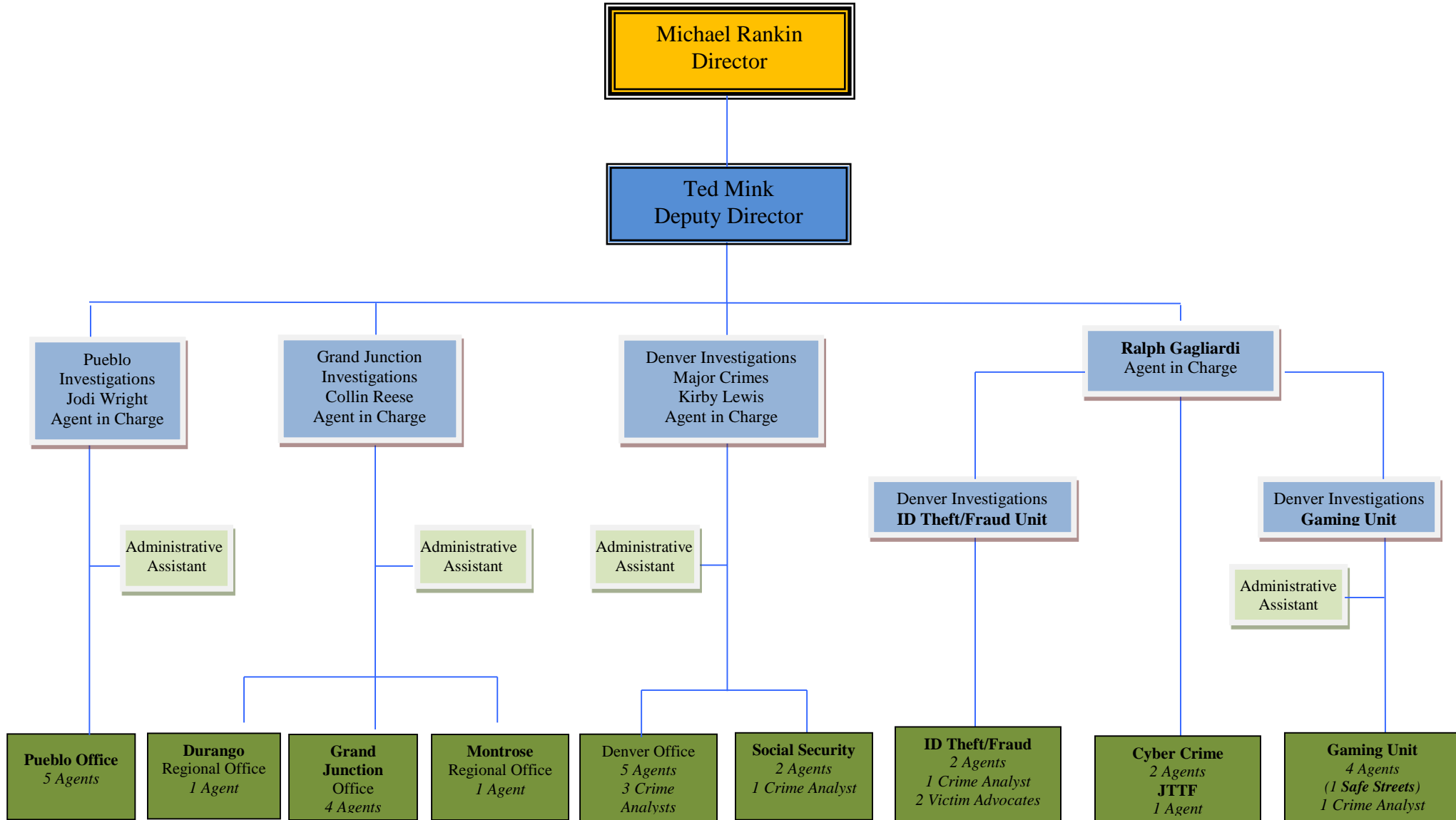


## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Saf	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<i>Statutorily Required</i>			
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<i>Statutorily Required</i>			
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Greg Cooper</b>	<b>Rep of Depository Institutions</b>	<b>720-822-8313</b>	<a href="mailto:gregory.m.cooper@wellsfargo.com">gregory.m.cooper@wellsfargo.com</a>
<i>1st Term Exp 6-30-20</i>	<i>Community Bank District Manager B42- Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Attorney</i>		
<b>VACANT</b>	<b>Rep of Depository Institutions</b>		
<i>1st Term Exp 6-30-18</i>	<i>RESIGNED - (Moved to new Bank Position) JAN-13, 2017</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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  
November 20, 2017

# AGENDA

## Identity Theft and Financial Fraud Board

**November 20, 2017**

**1:30pm**

**CBI – 690 Kipling**

4th Floor Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
  - Welcome New Board Member Angela Davidson
- Approval of Meeting Minutes – August 21, 2017 Pg. 3-4
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Update on Donation from Douglas County
  - Victim Advocacy Report – Pg. 8-10
- New Business
- Set Next Meeting
- Adjournment

## **MINUTES**

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
690 Kipling Street  
Fourth Floor Conference Room  
Lakewood, CO 80215  
August 21, 2017

### **In Attendance:**

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Anthony Spurlock, Sheriff, Douglas County  
Jack Cauley, Chief, Castle Rock Police Department  
Dan Marostica, Vice President, Western Union  
Greg Cooper, District Manager, Wells Fargo  
Angela Davidson, Vice President, US Bank  
Michael Rankin, Director, CBI  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent-In-Charge, CBI  
Hazel Heckers, Victim Advocate, CBI  
Devi Sues, Victim Advocate, CBI  
Peggy Pingel, Analyst, CBI

### **Absent:**

Elizabeth Krupa, Attorney  
Jenifer Waller, Senior Vice President, Colorado Bankers Association

### **Meeting Called to Order:**

The meeting was called to order at 1:33 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, May 22, 2017 minutes. Motion to approve the minutes was made by Deputy Director Mink and Director Rankin seconded. Minutes were approved with no corrections. Sheriff Spurlock abstained as he was not present at the previous meeting.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$595,515.

The status of grant applications and current grant funding was included in the board report. Hazel Heckers is working on another one time grant application at this time.

## **CFI Operational Report:**

### **New Investigations Highlights**

#### **Criminal Enterprise involving fraudulent checks and money laundering**

Approximately \$30,000 in losses from a single retail location, related to forged checks. Suspects involved were identified through video surveillance. Agents have uncovered related incidents across Colorado involving the now identified suspect and her conspirators. Potential Grand Jury case.

#### **Forged Check (Victim- State of Colorado Treasury)**

The Colorado Treasurer's Office reported a counterfeit State of Colorado check was cashed by suspect(s) unknown in Alaska for several thousand dollars. CBI initiated a cooperative investigation with Alaska State Troopers / Alaska Bureau of Investigation and subsequently identified the involved suspect(s). They were located and taken into custody in Alaska.

#### **Theft – Impersonating Real Estate Agent / Mortgage Broker**

Two suspects who solicited borrower's money in a rent to own scam from numerous victims. Money collected up front in excess of \$15,000. Case filed in Arapahoe County - awaiting arrest warrants.

#### **Douglas County Donation for Fraud Training:**

CBI has reserved avenue at CU South Denver for April 16, 2018 for the training event made possible through the Douglas County Seizure Funds. Our keynote speaker, Frank Abagnale, has also been confirmed. Breakfast and lunch will be provided. Agent Schwartzbauer is working on other presenters to complete the agenda

#### **Victim Advocacy:**

For the period of April 1, 2017 through July 31, 2017, the ID Theft Unit provided direct and comprehensive services for 694 victims of ID theft and fraud. The 24-hour hotline served **349 new victims** during this same time.

#### **Board Members:**

Chief Cauley, Liz Krupa and Daniel Marostica have been approved for a second term. Gregory Cooper has been approved for a term ending June 30, 2020 and Angela Davidson is in the board application process.

#### **New Business:**

HB14-1057 sunset on June 30, 2017. This bill assigned an additional dollar to the Identity Theft Unit from the Secretary of State. This bill was signed on June 6, 2017 and includes an extension to 2021.

#### **Next Meeting:**

**Monday, November 20, 2017 at 1:30 pm**

Colorado Bureau of Investigation

690 Kipling St, 4th floor conference room

Lakewood, CO 80215

#### **Meeting Adjourned:**

The meeting was adjourned at 2:18 pm.

**ID THEFT FINANCIALS**

**Colorado Department of Public Safety  
Colorado Bureau of Investigation  
ID Theft / Fraud Unit  
Ending September 30, 2017**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	595,519	598,463	649,557	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471	595,519
Revenue	29,106	77,449	89,797										196,352
Expenditures													
Salaries and Benefits	24,224	24,224	24,252										72,701
Operating Expenses	1,938	2,131	5,497										9,565
Travel Expenses	-	-	133										133
Indirect Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	26,162	26,355	29,882	-	-	-	-	-	-	-	-	-	82,400
Revenues Over Expenditures	2,944	51,094	59,915	-	-	-	-	-	-	-	-	-	113,952
Ending Fund Balance	598,463	649,557	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471	709,471

**Comparison FY2017 and 2018**

<b>Budget to Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>%</b>		<b>2017</b>	<b>2018</b>	<b>Difference</b>	<b>% Change</b>
Revenue	-	196,352	N/A	Beginning Fund Balance	505,638	595,519	89,881	18%
Expenditures				Revenue	96,776	196,352	99,576	103%
Salaries and Benefits	534,871	72,701	0.14	Expenditures				
Operating Expenses	59,518	9,565	0.16	Salaries and Benefits	74,052	72,701	(1,351)	-2%
Travel Expenses	10,000	133	0.01	Operating Expenses	16,898	9,565	(7,333)	-43%
Indirect cost	15,279	-	-	Travel Expenses	-	133	133	N/A
Total Expenditures	619,668	82,400	0.13	Indirect Cost	-	-	-	N/A
				Total Expenditures	90,950	82,400	(8,551)	-9%
				Revenues Over Expenditures	5,826	113,952		
				Remaining year				
				Ending Fund Balance	511,464	709,471		

# GRANTS

## VOCA

Date of Award: October 2016

Grant Period: January 1, 2017 through December 31, 2017

January 1, 2018 through December 31, 2018

*(2 year grant that is allocated one year at a time)*

Grant Amount: **\$195,061** (Original Grant request was \$201,759)

This grant will continue to fund our current victim advocate program plus an additional FTE, the 24hr Hotline, office supplies, travel and training. Grant funded at approximately 95% with the Unit matching the remainder.

*ITAC and VOCA TECH have ended – report out in TABLE only for this report*

<b>GRANT</b>	<b>DURATION</b>	<b>TOTAL BUDGET</b>	<b>CBI MATCHING</b>	<b>GRANT FUNDING</b>
<b>ITAC</b>	11/01/2015- 5/31/2017	\$25,000	NA	<b>\$25,000</b>
<b>VOCA TECH</b>	05/01/2016- 4/30/2017	\$14,798	\$2,960	<b>\$11,838</b>
<b>VOCA VICTIM ASSISTANCE</b>	01/01/2017- 12/31/2017	\$243,826	\$48,765	<b>\$195,061</b>



## UNIT / CASE HIGHLIGHTS

### Investigations Highlights:

#### Criminal Enterprise involving fraudulent checks and money laundering

Approximately \$30,000 in losses from a single retail location, related to forged checks. Suspects involved were identified through video surveillance. Agents have uncovered related incidents across Colorado involving the now identified suspect and her conspirators. Multi-jurisdictional money laundering case.

#### Insurance Fraud

Insurance Broker/Owner conducting scheme in which suspect allegedly writes fraudulent policies to achieve more favorable rates for clients. Suspect also provides fraudulent information to the insurer to get claims paid.

#### Theft – Impersonating Real Estate Agent / Mortgage Broker

Two suspects who solicited borrower's money in a rent to own scam from numerous victims. Money collected up front in excess of \$15,000. Two additional victims have come forward. Case filed in Arapahoe County *both suspects have been taken into custody regarding this case.*

### Douglas County Donation – for FRAUD Training

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to assist with and present fraud training.

#### UPDATE:

**Date of Training:** April 16th, 2018 from 7:30 am through 5:00 pm

**Venue:** The University of Colorado South Denver – 10035 S. Peoria St, Lone Tree, CO  
Hall and Food – *Estimated \$9,200.*

**Keynote Speaker:** Frank Abagnale - confirmed - *\$17,000*

- An industry-wide survey has been disbursed to gain feedback on topics of interest.

### Business Email Compromise

The Unit continues to be at the forefront of the Business Email Compromise (BEC) genre. We have conducted numerous trainings specific to this issue. The chart below reflects a snap shot of what CBI is doing.

Business Email Compromise					
	Number of Victims	Attempt	Loss	Loss Recovered	Recovery Percentage
FY 16	16	\$1,219,203	\$1,051,873	\$427,154	40.61%
FY 17	17	\$2,699,060	\$542,102	\$470,800	86.85%
FYTD 18	17	<b>\$4,111,132</b>	<b>\$3,518,936</b>	<b>\$3,494,575</b>	<b>99.31%</b>
<b>Total</b>	50	\$8,029,395	\$5,112,911	\$4,392,529	

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of July 1, 2017 through October 31, 2017, the ID Theft Unit provided direct and comprehensive services for **940 victims** of ID theft and fraud. The 24-hour hotline served **386 new victims** during this same time.

The big news during this time period has been the Equifax Data Breach. With an estimate of nearly 150 million people directly impacted from the breach, there have been a lot of questions and concerns from citizens. Additional concerns over security on the Equifax website, confusing and inaccurate information being given out on the Equifax customer service lines, and Equifax providing the community with a fraudulent website address, people have been understandably upset. CBI has done our best to remain a calming and informative resource. We have worked closely with the legal team at the Federal Trade Commission to ensure accurate and ethical responses and information sharing.

Shortly after the data breach occurred, the three primary credit reporting agencies created a new option for consumers they called Credit Lock. This program claimed to be the same as a Credit Freeze but more user friendly. Upon review of the program with the Federal Trade Commission, we discovered that there is a fee for this service that could be as high as \$300 annually. It does operate like a Credit Freeze (which is free of charge), however a person may unlock their credit online without a PIN or password. While it is being touted by the credit reporting agencies as much simpler to use than the Freeze option, it is also much less secure. All one would need to un-lock a person's credit is a portion of the information that was stolen during the data breach. CBI has received a lot of citizen inquiries into this option. Having a contact with the FTC who is able to provide information and discuss options like these has been critical at this time.

## **CBI ID Theft Team in the Community:**

Following the Equifax Data Breach, CBI was approached by Channel 7 Denver for assistance in staffing the Call 7 Call Center to answer questions about the Data Breach and ID Theft risks. Our Unit staffed the Call Center for an afternoon and responded to approximately 200 callers. Ralph provided on air live interviews and prevention tips. You may see Ralph and the team at work in this video clip posted to our Facebook page:

[https://www.facebook.com/pg/CBI.IDTheft/videos/?ref=page\\_internal](https://www.facebook.com/pg/CBI.IDTheft/videos/?ref=page_internal)

## **Training and Outreach:**

From July through October, 2017, The ID Theft Unit provided 33 Professional Training and Community Outreach presentations. The highlights of those program include:

- Independent Bankers Summit
- Colorado State Patrol Academy
- Elbert County Safety Fair
- Jefferson County Safety Fair
- Boulder County Senior Law Day
- COVA Conference
- Business Email Compromise Trainings to Realtors, Title Companies and Mortgage Companies
- ASCIA Cyber Telecon
- ACFE Colorado Fall Conference
- Longmont Range Ladies Night

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

- 41 Law Enforcement Assists
- 8 Assists to Non-Law Enforcement Agencies
- 1 Media Interview Requests

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
- Elder Justice League
- Colorado State Foster Parent Association
- Financial Crime Investigation Association of Northern Colorado

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

Thanks to funding from a grant, we have been able to run ads and boost posts on Facebook. This has dramatically increased the number of people we reach and the number of people who follow us on Facebook. Our two most popular posts have been about scams. One focused on several Equifax Data Breach related scams, and the other on spoofing phone numbers. Both received over 50,000 views and hundreds of shares as well as opening a forum for people to talk about the kind of scams they have encountered. These on-line discussions have been very helpful in educating the community about current scams and how other people find to cope with the cam calls. Social media should serve as a forum to educate one another, and we are pleased that we were able to open this discussion.

- ✓ <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.

### **Federal Trade Commission-Western Union Pay Back**

- ✓ The Federal Trade Commission has entered into a settlement agreement with Western Union to refund victims who lost money to scammers by wiring funds through Western Union. The \$586 million settlement will be used to refund some of the money that was wired by victims between January 1, 2004 and January 19, 2017. The process to apply for this refund appears to be fairly easy. While it is too early to know how simple this will actually be for crime victims, we are hopeful that this will remain an easy process.
- ✓ In response to this good news, CBI’s Victim Assistance Program is working to notify as many victims as possible. We have posted the information on Facebook, provided our Public Information Officer with all of the details for press releases, forwarded the announcement from the FTC to our contacts, and are in the process of contacting eligible victims who called CBI for support or to report the crime.
- ✓ Here is a link to the FTC information and FAQ page:
- ✓ <https://www.ftc.gov/enforcement/cases-proceedings/refunds/western-union->

### **Victim Statistics & Media Outreach**

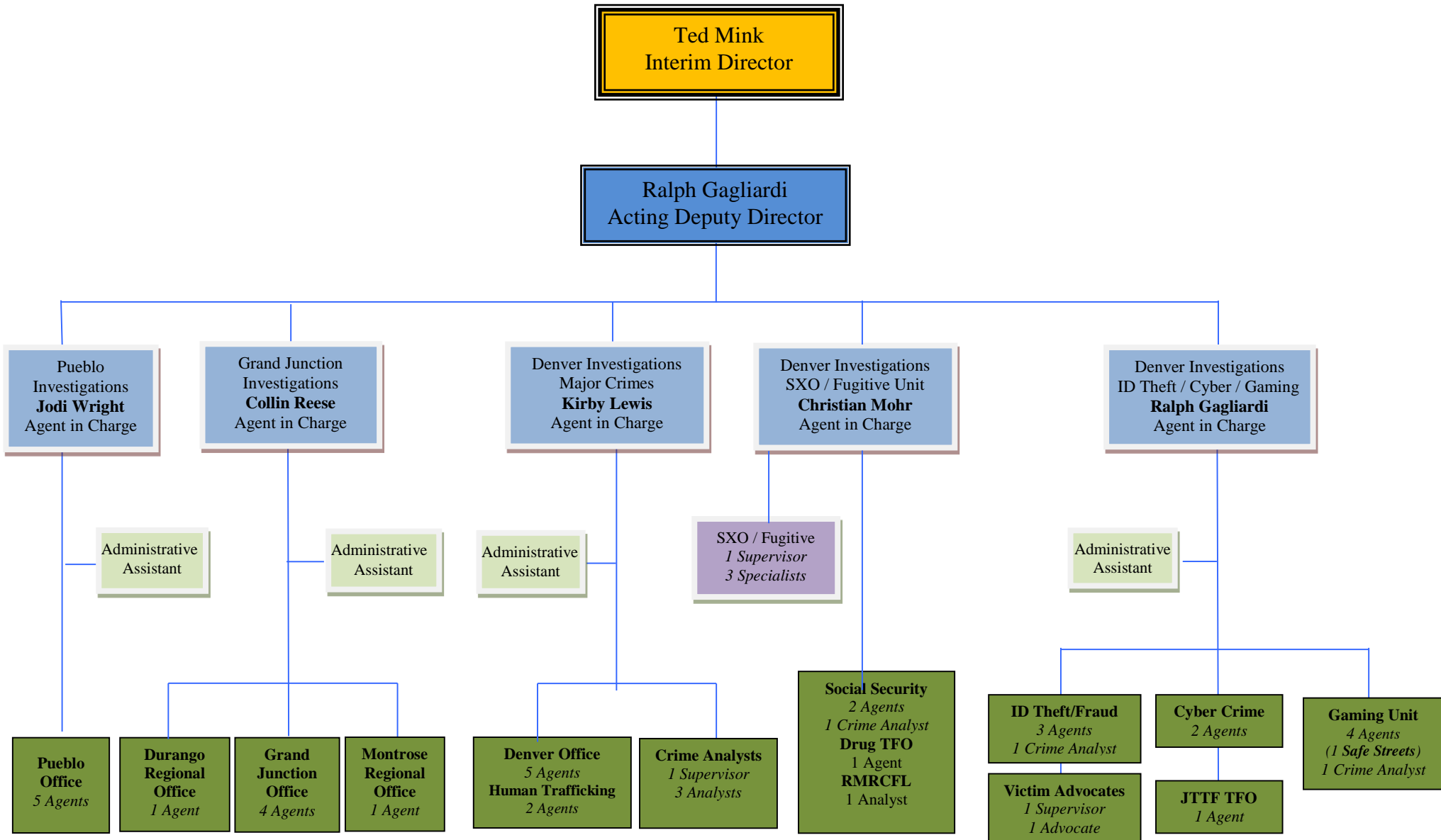
Victim Advocacy Program	FY 17/18 YTD July - October	FY - 16/17 Same Period Comparison July - October	2017 FY-Total	2016 FY -Total
<b>Victims</b>	554	276	1196	1145
<b>Hotline</b>	386	336	1040	820
<b>Total Victims</b>	<b>940</b>	<b>612</b>	<b>2236</b>	<b>1965</b>
<b>Outreach/Training</b>	33	17	51	72
<b>Media Requests</b>	1	4	8	3

## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Saf	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<i>Statutorily Required</i>			
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<i>Statutorily Required</i>			
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
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<i>2nd Term Exp 6-30-20</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Attorney</i>		
<b>Angela Davidson</b>	<b>Rep of Depository Institutions</b>	<b>(303) 585-4243</b>	<a href="mailto:angela.davidson@usbank.com">angela.davidson@usbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President, Regional Operations Manager U.S. Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
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<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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 12, 2018

# AGENDA

## Identity Theft and Financial Fraud Board

**February 12, 2018**

**1:30pm**

**CBI – 690 Kipling**

4th Floor Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes – Nov 20, 2017 Pg.3-4
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  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Update on Donation from Douglas County
  - Victim Advocacy Report – Pg. 8-10
- New Business
- Set Next Meeting
- Adjournment



## MINUTES

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
690 Kipling Street  
Fourth Floor Conference Room  
Lakewood, CO 80215  
November 20, 2017

### In Attendance:

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Anthony Spurlock, Sheriff, Douglas County  
Ted Mink, Acting Director, CBI  
Ralph Gagliardi, Agent in Charge, CBI  
Hazel Heckers, Victim Advocate, CBI  
Jason Hebrard, Agent, CBI  
Devi Suess, Victim Advocate, CBI  
Dee Gregory, Intern, CBI  
Peggy Pingel, Analyst, CBI

### Absent:

Traci Schwartzbauer, Agent, CBI  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Jack Cauley, Chief, Castle Rock Police Department  
Angela Davidson, Vice President, US Bank  
Dan Marostica, Vice President, Western Union  
Greg Cooper, District Manager, Wells Fargo  
Elizabeth Krupa, Attorney  
Jenifer Waller, Senior Vice President, Colorado Bankers Association

### 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 ID Theft Board, August 21, 2017 minutes. Motion to approve the minutes was made by Sheriff Spurlock and Director Mink seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. These are the most current numbers available. The current Ending Fund Balance is \$709,471.

The status of grant applications and current grant funding was included in the board report. The VOCA grant has been approved for 2018.

## **CFI Operational Report:**

### **Criminal Enterprise involving fraudulent checks and money laundering**

Approximately \$30,000 in losses from a single retail location, related to forged checks. Suspects involved were identified through video surveillance. Agents have uncovered related incidents across Colorado involving the now identified suspect and her conspirators. Multi-jurisdictional money laundering case.

### **Insurance Fraud**

Insurance Broker/Owner conducting scheme in which suspect allegedly writes fraudulent policies to achieve more favorable rates for clients. Suspect also provides fraudulent information to the insurer to get claims paid.

### **Theft – Impersonating Real Estate Agent / Mortgage Broker**

Two suspects who solicited borrower's money in a rent to own scam from numerous victims. Money collected up front in excess of \$15,000. Two additional victims have come forward. Case filed in Arapahoe County *both suspects have been taken into custody regarding this case.*

### **Douglas County Donation – for FRAUD Training**

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to assist with and present fraud training.

## **UPDATE:**

**Date of Training:** April 16th, 2018 from 7:30 am through 5:00 pm

**Venue:** The University of Colorado South Denver – 10035 S. Peoria St, Lone Tree, CO  
Hall and Food – *Estimated \$9,200.*

**Keynote Speaker:** Frank Abagnale - confirmed - *\$17,000*

- An industry-wide survey has been disbursed to gain feedback on topics of interest.

### **Victim Advocacy:**

For the period of July 1, 2017 through October 31, 2017, the ID Theft Unit provided direct and comprehensive services for **940 victims** of ID theft and fraud. The 24-hour hotline served **386 new victims** during this same time.

### **Board Members:**

Angela Davidson is officially appointed to the board.

### **New Business:**

The hiring process is proceeding for a new agent in the ID Theft Unit. AIC Gagliardi is currently scheduling final interviews for the top candidates

### **Next Meeting:**

**Monday, February 12, 2018 at 1:30 pm**  
Colorado Bureau of Investigation  
690 Kipling St, 4th floor conference room  
Lakewood, CO 80215

### **Meeting Adjourned:**

The meeting was adjourned at 2:48 pm.

# ID THEFT FINANCIALS

Colorado Department of Public Safety  
 Colorado Bureau of Investigation  
 ID Theft / Fraud Unit  
 Ending December 31, 2017

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	595,519	598,463	649,557	709,471	744,595	788,396	665,179	665,179	665,179	665,179	665,179	665,179	595,519
Revenue	29,106	77,449	89,797	70,439	72,770	(82,652)							256,909
Expenditures													
Salaries and Benefits	24,224	24,224	24,252	24,224	24,224	24,133							145,283
Operating Expenses	1,938	2,131	5,497	5,786	4,744	11,133							31,228
Travel Expenses	-	-	133										133
Indirect Cost	-	-	-	5,305		5,298							10,604
Total Expenditures	26,162	26,355	29,882	35,316	28,969	40,565	-	-	-	-	-	-	187,249
Revenues Over Expenditures	2,944	51,094	59,915	35,124	43,801	(123,217)	-	-	-	-	-	-	69,660
Ending Fund Balance	598,463	649,557	709,471	744,595	788,396	665,179	665,179	665,179	665,179	665,179	665,179	665,179	665,179

**Comparison FY2017 and 2018**

Budget to Actual	Budget	Actual	%		2017	2018	Difference	% Change
Revenue	-	256,909	N/A	Beginning Fund Balance	505,638	595,519	89,881	18%
Expenditures				Revenue	245,483	256,909	11,426	5%
Salaries and Benefits	534,871	145,283	0.27	Expenditures				
Operating Expenses	59,518	31,228	0.52	Salaries and Benefits	174,627	145,283	(29,343)	-17%
Travel Expenses	10,000	133	0.01	Operating Expenses	44,409	31,228	(13,180)	-30%
Indirect cost	15,279	10,604	0.69	Travel Expenses	-	133	133	N/A
Total Expenditures	619,668	187,249	0.30	Indirect Cost	12,624	10,604	(2,020)	N/A
				Total Expenditures	231,659	187,249	(44,411)	-19%
				Revenues Over Expenditures	13,824	69,660		
				Remaining year				
				Ending Fund Balance	519,462	665,179		

# GRANTS

## VOCA

The VOCA Victim Assistance Grant is a 2-year grant that runs calendar years. 2018 is the second year of the 2-year grant. All contracts have been updated and are in place for 2018.

On January 16, 2018 the Department of Justice announced that the grant process for the years 2019 through 2020 had opened. CBI will be applying for a grant to continue and expand our Victim Assistance Program.

<b>GRANT</b>	<b>DURATION</b>	<b>TOTAL BUDGET</b>	<b>CBI MATCHING</b>	<b>GRANT FUNDING</b>
VOCA VICTIM ASSISTANCE	01/01/2017 12/31/2017	\$243,826	\$48,765	\$195,061
VOCA VICTIM ASSISTANCE	01/01/2018 12/31/2018	\$243,826	\$48,765	\$195.061

## UNIT / CASE HIGHLIGHTS

### Investigations Highlights:

#### Criminal Enterprise involving fraudulent checks in multiple jurisdictions

Suspects open shell corporations in the State of Colorado and subsequently deposit fraudulent checks and withdraw the funds. Multiple banks involved with a minimum potential loss of approximately \$800,000.00.

### Douglas County Donation – for FRAUD Training

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to present fraud training for law enforcement.

#### **UPDATE: Online Registration Open**

**Date of Training:** April 16th, 2018 from 7:30 am through 5:00 pm

**Venue:** The University of Colorado South Denver – 10035 S. Peoria St, Lone Tree, CO  
Hall and Food – *Estimated \$9,200.*

**Keynote Speaker:** Frank Abagnale - confirmed - *\$17,000*

### Business Email Compromise

The Unit continues to be at the forefront of the Business Email Compromise (BEC) genre. We have conducted numerous trainings specific to this issue. The chart below reflects a snap shot of what CBI is doing.

Business Email Compromise					
	Number of Victims	Attempt	Loss	Loss Recovered	Recovery Percentage
FY 16	16	\$1,219,203	\$1,051,873	\$427,154	40.61%
FY 17	17	\$2,699,060	\$542,102	\$470,800	86.85%
FYTD 18	17	<b>\$4,664,567</b>	<b>\$3,791,984</b>	<b>\$3,494,575</b>	<b>92.16%</b>
<b>Total</b>	50	\$8,582,830	\$5,385,959	\$4,392,529	

# VICTIM ASSISTANCE REPORT

## **Direct Services:**

For the period of October 1, 2017 through December 31, 2017, the ID Theft Unit provided direct and comprehensive services for **753 victims** of ID theft and fraud. The 24-hour hotline served **229 new victims** during this same time.

We are getting ready for Tax season, which brings with it complaints regarding Tax Related Identity Theft. CBI works closely with the IRS to ensure victims receive timely and supportive services. Thank you to Chief Cauley and Sheriff Spurlock for your assistance in sharing information with your professional organizations.

The Victim Assistance Program said good-bye to 2 wonderful interns from Regis University in December. Anja and Dee provided CBI with amazing support in 2017. This month, we welcome 2 new interns/volunteers to our program. Dave Rhoades works in another CDPS capacity, and is expanding his knowledge and skills by volunteering with our Unit. Bobbiejo Martinez joins us through a special program with COVA that helps train victim advocates for a career in the Victim Assistance field.

## **Training and Outreach:**

From October through December, 2017, The ID Theft Unit provided 20 Professional Training and Community Outreach presentations. The highlights of those program include:

- ACFE Colorado Fall Conference
- COVA Conference
- Several High Schools
- Continued training for Title Companies and Realtors

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

- 25 Law Enforcement Assists
- 2 Assists to Non-Law Enforcement Agencies

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
- Elder Justice League
- Colorado State Foster Parent Association

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

Facebook provided us with an overview of the benefits of using ads and boosting posts to drive interest in our Facebook page. Facebook tracked the number of people in our targeted demographic (Colorado residents) who clicked on one of our ads or posts or visited our page because of the ad or boosted post. They tracked 523,625 different users who accessed our information.

- ✓ <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.

## Federal Trade Commission-Western Union Pay Back

- ✓ The Federal Trade Commission has entered into a settlement agreement with Western Union to refund victims who lost money to scammers by wiring funds through Western Union. The \$586 million settlement will be used to refund some of the money that was wired by victims between January 1, 2004 and January 19, 2017. The process to apply for this refund appears to be fairly easy. While it is too early to know how simple this will actually be for crime victims, we are hopeful that this will remain an easy process.
- ✓ In response to this good news, CBI's Victim Assistance Program is working to notify as many victims as possible. We have posted the information on Facebook, provided our Public Information Officer with all of the details for press releases, forwarded the announcement from the FTC to our contacts, and have contacted eligible victims who called CBI for support or to report the crime.
- ✓ Here is a link to the FTC information and FAQ page:
- ✓ <https://www.ftc.gov/enforcement/cases-proceedings/refunds/western-union->

## Western Union Refund Assistance to Victims Project

CBI Victim Assistance Unit reviewed 90 cases / tips – looking for victims to contact

- There were over 374 victims. Of which 200 were United States victims.
- 68 victims located and provided information from FTC.gov to file claim
- 71 victims unable to be locate / contacted
- 61 victims contacted via last known phone # with message left & no call back

## Victim Statistics & Media Outreach

Victim Advocacy Program	FY 17/18 YTD July- Dec	FY - 16/17 Same Period Comparison July - Dec	2017 FY-Total	2016 FY -Total
<b>Victims</b>	976	422	1196	1145
<b>Hotline</b>	523	510	1040	820
<b>Total Victims</b>	<b>1499</b>	<b>932</b>	<b>2236</b>	<b>1965</b>
<b>Outreach/Training</b>	42	25	51	72
<b>Media Requests</b>	1	6	8	3

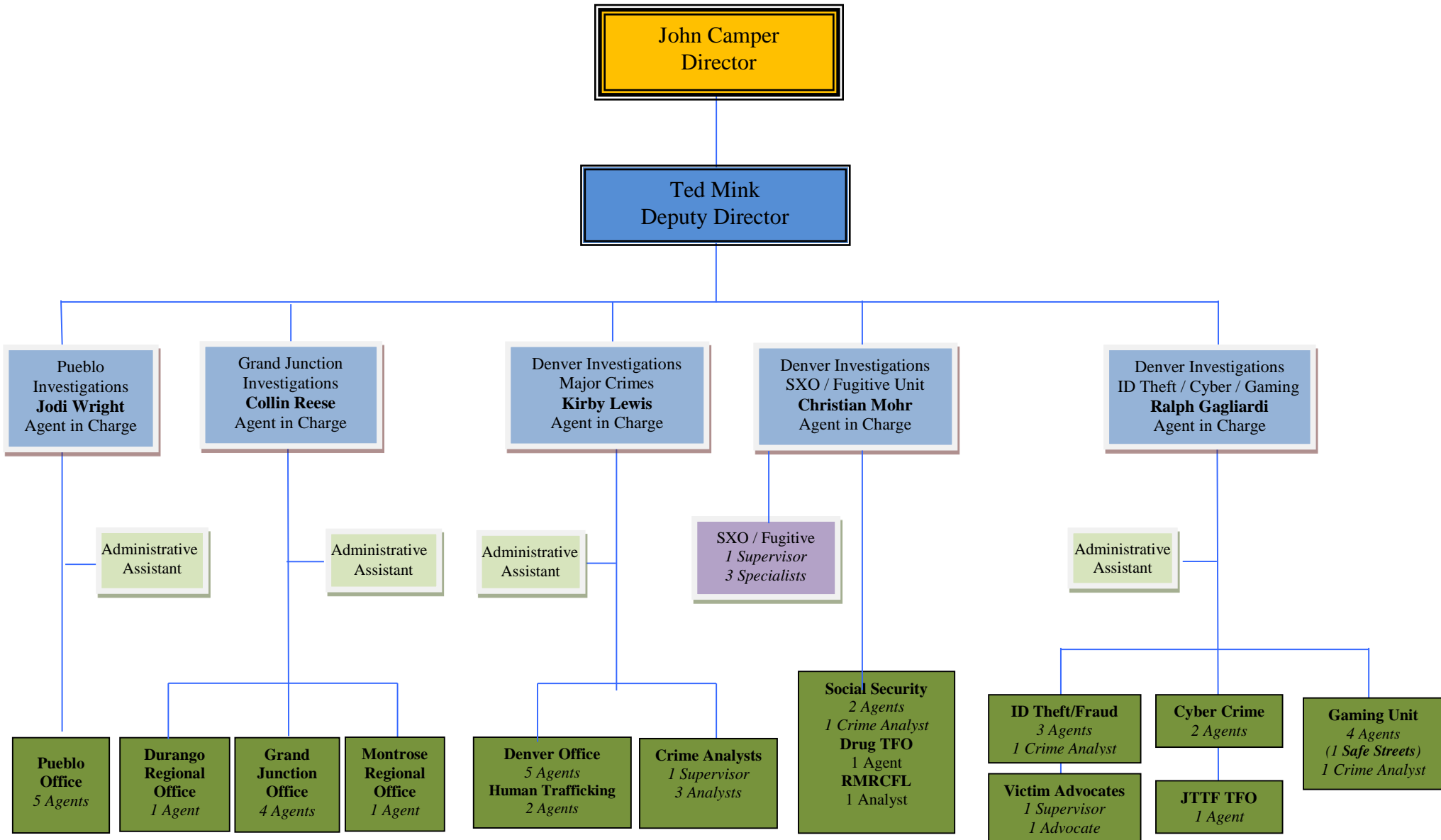


## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Saf	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<i>Statutorily Required</i>			
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<i>Statutorily Required</i>			
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Greg Cooper</b>	<b>Rep of Depository Institutions</b>	<b>720-822-8313</b>	<a href="mailto:gregory.m.cooper@wellsfargo.com">gregory.m.cooper@wellsfargo.com</a>
<i>1st Term Exp 6-30-20</i>	<i>Community Bank District Manager B42- Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Attorney</i>		
<b>Angela Davidson</b>	<b>Rep of Depository Institutions</b>	<b>(303) 585-4243</b>	<a href="mailto:angela.davidson@usbank.com">angela.davidson@usbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President, Regional Operations Manager U.S. Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<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 14, 2018

# AGENDA

## Identity Theft and Financial Fraud Board

May 14, 2018

1:30pm

**CBI – 690 Kipling**

4th Floor Conference Room  
Lakewood, CO 80215



- Call to Order
- Introductions
- Approval of Meeting Minutes – Feb 12, 2018 Pg.3-4
- Budget
  - Financials – Pg. 5
  - Grants – Pg. 6
- Operational Report - Updates
  - Investigation(s) – Pg. 7
  - Report on Fraud Symposium
  - Victim Advocacy Report – Pg. 8-9
- New Business
- Set Next Meeting
- Adjournment

## **MINUTES**

Identity Theft and Financial Fraud Board  
Colorado Bureau of Investigation  
690 Kipling Street  
Fourth Floor Conference Room  
Lakewood, CO 80215  
February 12, 2018

### **In Attendance:**

Janet Drake, Senior Assistant AG, Colorado Attorney General's Office  
Jess Redman, Assistant DA, 17<sup>th</sup> Judicial District  
Angela Davidson, Vice President, US Bank  
Dan Marostica, Vice President, Western Union  
Greg Cooper, District Manager, Wells Fargo  
Elizabeth Krupa, Attorney  
Jenifer Waller, Senior Vice President, Colorado Bankers Association – Via Telephone  
Rebecca Spiess, Deputy Executive Director, CDPS  
Ted Mink, Deputy Director, CBI  
Ralph Gagliardi, Agent-In-Charge, CBI  
Jason Hebrard, Agent, CBI  
Traci Schwartzbauer, Agent, CBI  
Hazel Heckers, Victim Advocate, CBI  
Devi Suess, Victim Advocate, CBI  
Maggie Fitzgerald, Analyst, CBI  
Peggy Pingel, Analyst, CBI

### **Absent:**

Anthony Spurlock, Sheriff, Douglas County  
Jack Cauley, Chief, Castle Rock Police Department

### **Meeting Called to Order:**

The meeting was called to order at 1:36 pm, by Chair Janet Drake. Ms. Drake facilitated introductions.

Ms. Drake asked for approval of the ID Theft Board, August 21, 2017 minutes. Motion to approve the minutes was made by Deputy Director Mink and Agent in Charge Gagliardi seconded. Minutes were approved with no corrections.

Agent in Charge Ralph Gagliardi reviewed current financials as attached to the Board Report. This is the most current numbers available. The current Ending Fund Balance is \$665,179. A new investigator has been hired and the salary savings we have been accumulating will be less.

The status of grant applications and current grant funding was included in the board report. The VOCA grant has been approved for 2018. Hazel is working on the 2019 application to cover our existing victim programs plus additional money for an analyst to work on victim workups.

## CFI Operational Report:

### **Douglas County Donation – for FRAUD Training**

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to present fraud training for law enforcement. A special thank you to the members of the Board who also donated to this event.

#### **UPDATE: Online Registration Open**

**Date of Training:** April 16th, 2018 from 7:30 am through 5:00 pm

**Venue:** The University of Colorado South Denver – 10035 S. Peoria St, Lone Tree, CO  
Hall and Food – *Estimated \$9,200.*

**Keynote Speaker:** Frank Abagnale - confirmed - *\$17,000*

### **Business Email Compromise**

The Unit continues to be at the forefront of the Business Email Compromise (BEC) genre. We have conducted numerous trainings specific to this issue. The chart below reflects a snap shot of what CBI is doing.

<b>Business Email Compromise</b>					
	<b>Number of Victims</b>	<b>Attempt</b>	<b>Loss</b>	<b>Loss Recovered</b>	<b>Recovery Percentage</b>
<b>FY 16</b>	16	\$1,219,203	\$1,051,873	\$427,154	40.61%
<b>FY 17</b>	17	\$2,699,060	\$542,102	\$470,800	86.85%
<b>FYID 18</b>	<b>17</b>	<b>\$4,664,567</b>	<b>\$3,791,984</b>	<b>\$3,494,575</b>	<b>92.16%</b>
<b>Total</b>	50	\$8,582,830	\$5,385,959	\$4,392,529	

#### **Victim Advocacy:**

For the period of October 1, 2017 through December 31, 2017, the ID Theft Unit provided direct and comprehensive services for **753 victims** of ID theft and fraud. The 24-hour hotline served **229 new victims** during this same time.

#### **Next Meeting:**

**Monday, May 14, 2018 at 1:30 pm**

Colorado Bureau of Investigation  
690 Kipling St, 4th floor conference room  
Lakewood, CO 80215

**Meeting Adjourned:** The meeting was adjourned at 2:15 pm.

**ID THEFT FINANCIALS**

**Colorado Department of Public Safety  
Colorado Bureau of Investigation  
ID Theft / Fraud Unit  
Ending March 31, 2018**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	Year to Date
Beginning Fund Balance	595,519	598,463	649,557	709,471	744,595	788,396	665,179	699,191	731,283	726,005	726,005	726,005	595,519
Revenue	29,106	77,449	89,797	70,439	72,770	(82,652)	62,632	59,474	35,993				415,008
Expenditures													
Salaries and Benefits	24,224	24,224	24,252	24,224	24,224	24,133	24,224	24,224	24,218				217,950
Operating Expenses	1,938	2,131	5,497	5,786	4,744	11,133	4,396	3,157	6,317				45,099
Travel Expenses	-	-	133	-	-	-	-	-	266				399
Indirect Cost	-	-	-	5,305	-	5,298	-	-	10,469				21,073
Total Expenditures	26,162	26,355	29,882	35,316	28,969	40,565	28,621	27,381	41,271	-	-	-	284,522
Revenues Over Expenditures	2,944	51,094	59,915	35,124	43,801	(123,217)	34,011	32,093	(5,278)	-	-	-	130,486
Ending Fund Balance	598,463	649,557	709,471	744,595	788,396	665,179	699,191	731,283	726,005	726,005	726,005	726,005	726,005

**Comparison FY2017 and 2018**

Budget to Actual	Budget	Actual	%		2017	2018	Difference	% Change
Revenue	-	415,008	N/A	Beginning Fund Balance	505,638	595,519	89,881	18%
Expenditures				Revenue	408,594	415,008	6,414	2%
Salaries and Benefits	534,871	217,950	0.41	Expenditures				
Operating Expenses	59,518	45,099	0.76	Salaries and Benefits	274,192	217,950	(56,242)	-21%
Travel Expenses	10,000	399	0.04	Operating Expenses	73,192	45,099	(28,093)	-38%
Indirect cost	15,279	21,073	1.38	Travel Expenses	-	399	399	N/A
Total Expenditures	619,668	284,522	0.46	Indirect Cost	18,936	21,073	2,137	N/A
				Total Expenditures	366,320	284,522	(81,798)	-22%
				Revenues Over Expenditures	42,274	130,486		
				Remaining year				
				Ending Fund Balance	547,912	726,005		

## GRANTS

### VOCA

The VOCA Victim Assistance Grant is a 2-year grant that runs calendar years. 2018 is the second year of the 2-year grant. All contracts have been updated and are in place for 2018.

In early March, CBI submitted an application for a grant to continue and expand our Victim Assistance Program. This 2-year grant would begin January 2019 and run through December, 2020. Expansion plans include the addition of a Bi-lingual Victim Advocate and the addition of an Analyst.

<b>VOCA VICTIM ASSISTANCE</b>	01/01/2018 – 12/31. 2018	\$243,826	\$48,765	\$195.061
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## UNIT / CASE HIGHLIGHTS

### Fraudulently Filed Businesses – Secretary of State

Progress is being made to combat fraudulently filed businesses within the State of Colorado. As a part of an ongoing investigation by the ID Theft Unit, the Colorado Attorney General’s Office began the necessary judicial process to remove businesses from being associated with hundreds of Colorado residents.

The businesses appear to be incorporated using a Colorado address without the owners’ knowledge or consent, and by individuals who appear to reside outside of Colorado or the United States. One victim has over two-hundred fraudulent business registered to his address.

The Attorney General issued a Press Release on May 2<sup>nd</sup>, 2018 in reference to these law suits, stating, “By filing for judicial dissolution of these fraudulently-filed companies, we are cracking down on businesses that misuse Coloradans’ information and think the law does not apply to them.”

### Fraud Symposium Held – April 16, 2018

The CBI – ID Theft Unit, received \$25,000 in forfeiture funds from Douglas County to present fraud training for law enforcement. The training was held on April 16<sup>th</sup>, 2018 at CU South Denver from 7:30 AM to 5:00 PM. The event successfully brought together 250 law enforcement personnel from 74 local, state, and federal law enforcement agencies from throughout Colorado. The event provided training on the following relevant topics:

- Identity Theft
- Cyber Security
- Cryptocurrency
- Forensic Accounting
- Effective ways to get information from online providers
- Presenting a successful economic crime prosecution

*Thank you to the Douglas County Sheriff’s Office and the Board for their support and sponsorship for making this event a success!*

### Business Email Compromise

The Unit continues to be at the forefront of the Business Email Compromise (BEC) genre. We have conducted numerous trainings specific to this issue. The chart below reflects a snap shot of what CBI is doing.

<b>Business Email Compromise</b>					
	<b>Number of Victims</b>	<b>Attempt</b>	<b>Loss</b>	<b>Loss Recovered</b>	<b>Recovery Percentage</b>
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<b>FY 17</b>	17	\$2,699,060	\$542,102	\$470,800	86.85%
<b>FYTD 18</b>	<b>32</b>	<b>\$6,140,225</b>	<b>\$5,035,620</b>	<b>\$4,535,142</b>	<b>90.06%</b>
<b>Total</b>	65	\$10,058,488	\$6,629,595	\$5,433,096	

## VICTIM ASSISTANCE REPORT

For the period of January 1, 2018 through April 30, 2018, the ID Theft Unit provided direct and comprehensive services for **835 victims** of ID theft and fraud. The 24-hour hotline served **324 new victims** during this same time.

We continue to receive a number of calls from people experiencing scam phone calls threatening arrests if money is not paid immediately. These take on many forms including IRS impersonators, people claiming to be law enforcement (including CBI), attorney's offices regarding a law suit, the US Marshall regarding missed jury duty, and many others. While people seem to be catching on that these are scams, there are still a significant number of people who do become victims. The scammers are upping their game a bit, and have started texting people photos of the warrants for their arrest. While these are fake, they do look realistic enough to scare people into responding.

Criminal identity theft is still the most common call we receive regarding ID theft complaints. However, we have received several medical ID theft complaints as well as the more common SSN for work and financial ID theft complaints.

### **Training and Outreach:**

From January through April, 2018, The ID Theft Unit provided 18 Professional Training and Community Outreach presentations. The highlights of those program include:

- Visiting Journalists from Sri Lanka
- ASCIA Webinar
- Megastar (Business Email Compromise)
- Leasing Agents & Relator Groups
- Elder Justice League International
- Land Title Associates Webinar
- Xcel Energy
- Parks & Recreation Division
- Water & Sanitation Division
- CSP Academy
- Anthem Community
- Colorado State Foster Parent Association Spring Conference
- National Identity Theft Victim Assistance Network Webinars (X3)
- Arapahoe County Senior Fair
- Pinnacle Wealth Annual Client Meeting

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

- 17 Law Enforcement Assists
- 6 Assists to Non-Law Enforcement Agencies

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
- Elder Justice League International
- Colorado State Foster Parent Association

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

Facebook provided us with an overview of the benefits of using ads and boosting posts to drive interest in our Facebook page. Facebook tracked the number of people in our targeted demographic (Colorado residents) who clicked on one of our ads or posts or visited our page because of the ad or boosted post. They tracked 523,625 different users who accessed our information.

- ✓ <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 Statistics & Media Outreach**

<b>Victim Advocacy Program</b>	<b>FY 17/18 YTD July - April</b>	<b>FY - 16/17 Same Period Comparison July - April</b>	<b>2017 FY-Total</b>	<b>2016 FY -Total</b>
<b>Victims</b>	1487	1020	1196	1145
<b>Hotline</b>	847	840	1040	820
<b>Total Victims</b>	2334	1860	<b>2236</b>	<b>1965</b>
<b>Outreach/Training</b>	70	41	51	72
<b>Media Requests</b>	3	6	8	3

## BOARD ROSTER

Name	Board Position	Office Phone	Email Address
<i>Statutorily Required</i>			
<b>Stan Hilkey</b>	Executive Director of Colorado Department of Public Safety	(303) 239-4400	<a href="mailto:stan.hilkey@state.co.us">stan.hilkey@state.co.us</a>
Rebecca Spiess	Deputy Executive Director Colorado Department of Public Saf	(303) 239-4488	<a href="mailto:rebecca.spiess@state.co.us">rebecca.spiess@state.co.us</a>
<i>Statutorily Required</i>			
<b>Cynthia Coffman</b>	Colorado Attorney General	(720) 508-6554	<a href="mailto:cynthia.coffman@state.co.us">cynthia.coffman@state.co.us</a>
<b>Janet Drake</b>	<i>Senior Asst AG (Designee of AG) Board Chair</i>	<b>(720) 508-6716</b>	<a href="mailto:janet.drake@state.co.us">janet.drake@state.co.us</a>
<i>Statutorily Required</i>			
<b>Jess Redman</b>	<b>Designee - Colorado District Attorney's Council (CDAC)</b>	<b>(303) 659-7720</b>	<a href="mailto:jredman@da17.state.co.us">jredman@da17.state.co.us</a>
	<i>Assistant DA 17th Judicial District Attorney's Office</i>		
<i>Governor Appointments</i>			
<b>Greg Cooper</b>	<b>Rep of Depository Institutions</b>	<b>720-822-8313</b>	<a href="mailto:gregory.m.cooper@wellsfargo.com">gregory.m.cooper@wellsfargo.com</a>
<i>1st Term Exp 6-30-20</i>	<i>Community Bank District Manager B42- Wells Fargo</i>		
<b>Daniel Marostica</b>	<b>Rep of Payment Processor</b>	<b>(720) 332-5781</b>	<a href="mailto:Daniel.Marostica@westernunion.com">Daniel.Marostica@westernunion.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Vice President, Consumer Protection - Western Union</i>		
<b>Jack Cauley</b>	<b>Rep of Police Department</b>	<b>(303) 663-6126</b>	<a href="mailto:Jcauley@crgov.com">Jcauley@crgov.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Chief of Police - Castle Rock Police Department</i>		
<b>Elizabeth Krupa</b>	<b>Rep of Consumers / Victims advocates</b>	<b>(303) 748-4185</b>	<a href="mailto:krupae@live.com">krupae@live.com</a>
<i>2nd Term Exp 6-30-20</i>	<i>Attorney</i>		
<b>Angela Davidson</b>	<b>Rep of Depository Institutions</b>	<b>(303) 585-4243</b>	<a href="mailto:angela.davidson@usbank.com">angela.davidson@usbank.com</a>
<i>1st Term Exp 6-30-18</i>	<i>Vice President, Regional Operations Manager U.S. Bank</i>		
<b>Jenifer Waller</b>	<b>Rep of Depository Institutions</b>	<b>(303) 825-1575</b>	<a href="mailto:jenifer@coloradobankers.org">jenifer@coloradobankers.org</a>
<i>2nd Term Exp 6-30-18</i>	<i>Senior Vice President - Colorado Bankers Association</i>		
<b>Anthony Spurlock</b>	<b>Rep of Sheriff's Department</b>	<b>(303) 660-7584</b>	<a href="mailto:TSpurloc@dcsheriff.net">TSpurloc@dcsheriff.net</a>
<i>2nd Term Exp 6-30-18</i>	<i>Sheriff - Douglas County</i>		

# COLORADO BUREAU OF INVESTIGATION

## INVESTIGATION'S ORGANIZATIONAL CHART

