



STATE of MINNESOTA

Executive Department

Governor Tim Walz

Executive Order 25-01

Preventing Fraud and Establishing the Financial Crimes and Fraud Section of the Department of Public Safety

I, **Tim Walz, Governor of the State of Minnesota**, by the authority vested in me by the Constitution and applicable statutes, issue the following executive order:

Fraud against public programs is reprehensible and not a victimless crime. It is harmful to our state, to taxpayers, and to the people who need and qualify for assistance. The State of Minnesota is dedicated to identifying, disrupting, and holding accountable those who illegally prey upon state programs designed to assist Minnesotans in need. We will not tolerate the theft of public funds or fraud upon Minnesota's public programs, and additional action is necessary to combat these crimes.

The Department of Public Safety's Bureau of Criminal Apprehension ("BCA") has broad law enforcement authority to prevent and investigate crimes in collaboration with criminal justice partners across Minnesota. The BCA has a Financial Crimes Section that investigates financial crimes and fraud throughout the state. The BCA also administers the Financial Crimes Advisory Board and Task Force, which provides advice related to the investigation and prosecution of identity theft and financial crime. The Department of Commerce oversees the Commerce Fraud Bureau, which conducts criminal investigations into insurance fraud and financial crimes, as well as the Automobile Theft Prevention Program (collectively, "CFB").

Combining the resources and expertise of both agencies by creating a centralized criminal investigation section, dedicated to financial crimes and fraud, will enhance the State's ability to prevent, investigate, and prosecute a broad array of crimes. This new centralized unit will focus on crimes involving the theft of public funds, fraud against programs funded or administered by state government, and fraud committed against individual Minnesotans. The BCA is uniquely positioned to oversee the new Financial Crimes and Fraud Section because it currently provides statewide investigative and specialized law enforcement services related to a variety of theft and fraud crimes. It has an array of resources that can be used in these complex investigations. By combining these state law enforcement resources in a new law enforcement section dedicated to financial crime and fraud prevention, the State will improve consistency, transparency, and efficiency to combat fraud in the state.

For these reasons, I order as follows:

1. The Financial Crimes and Fraud Section of the Department of Public Safety, under the direction of the Superintendent of the BCA, is established.
2. By January 7, 2025, the Department of Public Safety and the Department of Commerce will enter into an Interagency Agreement, under Minnesota Statutes, section 471.59, directing the work between the BCA and the CFB until a reorganization order is issued by the Minnesota Department of Administration.
3. By February 7, 2025, the Department of Administration will issue a reorganization order, under Minnesota Statutes, section 16B.37, fully transferring the personnel, funding, powers, and duties of the CFB to the BCA to maximize resources, improve efficiency and avoid duplication in the state's efforts to combat financial crimes, insurance fraud, and fraud against state governmental programs.
4. The BCA will:
 - a. Administer the newly created Financial Crimes and Fraud Section to focus on financial crimes, insurance fraud, and fraud against state governmental programs.
 - b. Hold the peace officer licenses of all agents transferred to the BCA.

- c. Ensure that special revenue funding is used for the purposes required by the fund source.
 - d. Ensure that the Financial Crimes and Fraud Section will fulfill the statutory obligations currently assigned to the CFB.
 - e. Include the Financial Crimes and Fraud Section in all CALEA accreditation efforts.
5. The Department of Commerce will:
- a. Identify all licensed peace officers and other employees assigned to the CFB.
 - b. Retain civil regulatory authority over areas under its statutory jurisdiction.
 - c. Collaborate with the BCA to identify program improvements to prevent fraud.
6. By July 1, 2025, Minnesota Management and Budget will assist the Departments of Public Safety and Commerce in the orderly transition of personnel and applicable CFB funding.
7. All state agencies, meaning the departments and agencies listed in Minnesota Statutes, section 15.06, subdivision 1, in addition to the Office of Higher Education, Office of Cannabis Management, and the Department of Military Affairs, will:
- a. Ensure that employees understand their obligations to prevent fraud and know how to report suspected fraud.
 - b. Dually report suspected fraud or financial crime to the BCA Financial Crime and Fraud Section in the same manner as required to the Office of Legislative Auditor pursuant to Minnesota Statutes, section 3.971, subdivision 9, when the state agency obtains information indicating that public money or other public resources may have been used for an unlawful purpose. The data incident reporting provisions of Minnesota Statutes, section 3.971, subdivision 9, do not require reporting to the BCA under this executive order.
 - c. As necessary, update or enter into interagency agreements with the BCA so that the Financial Crimes and Fraud Section can provide investigatory support.
 - d. Cooperate with any investigation by the BCA Financial Crime and Fraud Section.

This Executive Order is effective fifteen days after publication in the State Register and filing with the Secretary of State. It will remain in effect until rescinded by proper authority or until it expires in accordance with Minnesota Statutes 2024, section 4.035, subdivision 3.

A determination that any provision of this Executive Order is invalid will not affect the enforceability of any other provision of this Executive Order. Rather, the invalid provision will be modified to the extent necessary so that it is enforceable.

Signed on January 3, 2025.



Tim Walz, GOVERNOR

Filed According to Law:



Steve Simon, SECRETARY OF STATE

Filed January 3, 2025
Office of the Minnesota
Secretary of State
Steve Simon