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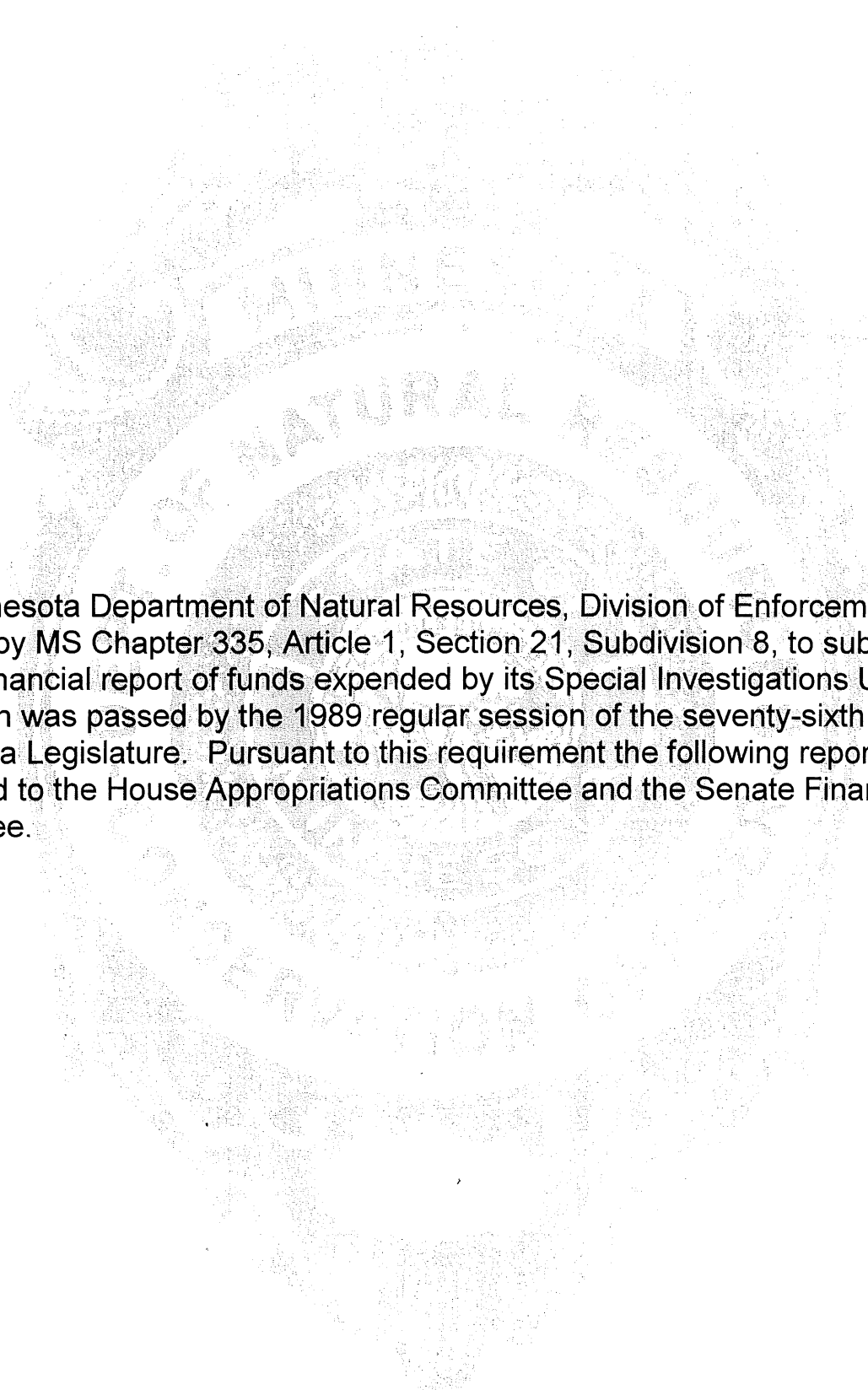
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***Minnesota Department of Natural Resources
Division of Enforcement***

***Special Investigations Unit
1998 Legislative Report***

January 1999



The Minnesota Department of Natural Resources, Division of Enforcement is directed by MS Chapter 335, Article 1, Section 21, Subdivision 8, to submit an annual financial report of funds expended by its Special Investigations Unit. This legislation was passed by the 1989 regular session of the seventy-sixth Minnesota Legislature. Pursuant to this requirement the following report is submitted to the House Appropriations Committee and the Senate Finance Committee.

SUMMARY

In fiscal year 1998, The Minnesota Department of Natural Resources, Division of Enforcement, Special Investigations Unit (SIU) accounted for the disbursement of approximately 2% of the Division's budgetary allotment. The Special Investigations Unit conducted activities using three full time Special Investigators and five Conservation Officers certified to conduct part time overt and covert wildlife investigations. A summary of fiscal year 1998 Special Investigations Unit operation includes:

SPECIALIZED TRAINING

A Special Investigator attended the National Intelligence Academy and received training through an Advanced Technical Surveillance Seminar. This program provided some valuable hands experience and resulted in the investigator's ability to develop and install covert camera systems in motor vehicles. The Special Investigations Unit has subsequently utilized the training to record and document the sales of illegally taken wildlife.

The Unit continued training exercises involving the construction and installation of covert hidden cameras. Four Conservation Officer part time investigations were trained to incorporate time lapse, infrared, trip, and weight bearing activation systems into recording capabilities. Additional Department officials were trained to incorporate this technology in their fields of expertise. Throughout this fiscal year, the installation of these camera systems has resulted in reducing labor intensive surveillance to a daily review of activities.

Two Investigators attended the National Technical Investigators Association Seminar and received specialized training in low light photography and electronic surveillance systems. The application of this training has affected subsequent investigations by reducing operational costs without negatively affecting the accuracy of evidence.

The Special Investigations Unit conducted training exercises for new recruits at the Division's training academy. Special Investigators provided instruction concerning license fraud investigation, forensic capabilities, intelligence gathering, and evidence storage/protection.

Three Conservation Officers serving as part time investigators attended the International Association of Marine Investigators annual training seminars. These officers continue to utilize the networking and training experiences to resolve issues surrounding crimes associated with recreational vehicle theft, title and insurance fraud, and marine safety. Direct application resulted in: recovery of two stolen ATVs, assistance to state Conservation Officers on recreational vehicle fraud in northern MN, the training of state and local law enforcement agencies.

- Due to budgetary restraints the Special Investigations Unit was unable to attend the annual Midwest Covert Investigator's Seminar.

ENFORCEMENT ACTIVITIES

Enforcement activities conducted by the Special Investigations Unit during fiscal year 1998 included but were not limited to the following:

The prosecutorial phase of a two-year illegal netting/sale of walleye covert investigation was completed. Special Investigators had previously apprehended three major distributors of illegally taken walleye from Lake Winnibigoshish. The Cass County judicial system has subsequently sentenced one defendant to pay fines and restitution in excess of \$5500 and serve 15 days in the county jail. The Leech Lake Reservation judicial system is currently prosecuting the remaining defendants.

The conclusion of a two-year covert investigation documenting the illegal activities of unlicensed bear guides in east central Minnesota. Undercover officers identified an ongoing conspiracy designed to circumvent license requirements and harvest bear through illegal methods. Fourteen defendants have been identified as violating state laws relating to the taking, possessing, and transportation of black bears. More than 30 subjects have subsequently been interviewed with formal charges forthcoming.

Special Investigators concluded an additional undercover operation targeting the illicit activities of a northeast MN bear guide. The two-year operation documented the blatant disregard of state and federal regulations relating to the license requirements and taking of black bear. Violations include: borrowing and lending of licenses, over limit of bear, illegal transportation of big game animals, illegal possession of timber wolves, unlicensed hunting, and hunting while intoxicated. The overt investigative phase is on going with formal charges expected on 17 defendants.

The conclusion of a two-year covert surveillance operation designed to document the substantial illegal harvest and possible sale of game fish in northern MN. Special Investigators, utilizing hidden camera capabilities, identified suspects and methods used to take fish afforded special protection. Ten defendants have currently been identified and await formal charges. Violations include: a felon in possession of a handgun, taking fish in closed season, possession of illegal fishing equipment, gill netting, possession of controlled substances, and litter.

The Special Investigations Unit analyzed approximately 1200 annual reports submitted by licensed game farm operators. Inconsistencies in reporting, unlawful receipting, illegal species, and unlicensed operators were identified and referred to uniform field officers for further investigation. Based upon information provided, Conservation Officers have identified several major violations including: theft of whitetail deer and waterfowl from the wild, illegal importation/exportation of cervidae, unlicensed operations, and inaccurate reporting. Interview and prosecutorial phases are ongoing with formal charges expected in both state and federal judicial systems.

Twelve (12) license fraud investigations have been conducted for out state natural resource law enforcement agencies including Alaska, North Dakota, Montana, South Dakota, and Wyoming.

Eleven (11) additional investigations involving unlawful natural resource commercialization have been conducted and/or initiated and include multiple suspects/defendants. During this fiscal year, a criminal prosecution involving one defendant was dismissed based on the ambiguity of state statute/rule.

Part-time Special Investigators conducted two stolen ATV investigations and have assisted local law enforcement agencies with recreational vehicle theft detection and prevention.

The Special Investigations Unit assisted many federal, state, and local law enforcement agencies by providing specialized equipment and technical expertise to their criminal investigations.

Receipt, review, maintenance, and associated enforcement of commercial licenses and reporting requirements. These included:

1165	Game Farm Operators
85	Raw Fur Dealers
8	Raw Fur Tanners/Dressers
118	Wild Rice Dealers
76	Shooting Preserves
109	Bear Guides
375	Minnow Dealers
1,936	TOTAL COMMERCIAL LICENSES

ADMINISTRATION

The Special Investigations Unit developed and implemented "Phase 1" of "A Guide to Commercial Operations." This electronic/hard bound comprehensive manual provides Conservation Officers with:

- statutory/rule references that define the operational requirements of ten licensed commercial activities
- illegal trends associated with each commercial operation
- a guide in conducting effective inspections
- a detailed check list for commercial inspections

The guide gives officers background intelligence based on previous commercial investigations. In addition, educational materials have been designed to inform vendors of the operational requirements for each licensed activity.

Researched and developed a Divisional statewide pager system. Conducted a comprehensive cost and service analysis resulting in the purchase and implementation of an electronic paging system sufficient to satisfy Divisional needs and objectives.

Maintained and expanded the Division of Enforcement's statewide intelligence section and disseminated information when appropriate.

The Special Investigations Unit administered the Division's forensic research and testing program. During the past year, thirty-five samples, associated with the securing of evidence in criminal cases, were transferred from the Unit to University of Minnesota pathobiologists and USFWS laboratories for forensic analysis.

The Unit provided specialized equipment, training, surveillance, and interview assistance to uniformed Conservation Officers upon request.

ANTICIPATED FISCAL YEAR 1999 EXPENDITURES

<u>LINE</u>	<u>DESCRIPTION</u>	<u>ALLOCATION</u>
1	Salaries Full-time	245,610
2	Overtime Pay	22,100
3	Rents and Leases	2,000
4	Repairs, Alterations	6,500
5	Printing	500
6	Professional and Technical Services	15,000
7	Purchased Services (Claims, fines, etc.)	25,600
8	Communications	9,300
9	Travel In-State	3,300
10	Supplies and Materials	5,700
11	Employee Development	1,200
13	Equipment	14,500
	TOTAL	\$351,310

<u>LINE</u>	<u>DESCRIPTION</u>	<u>EXPENDITURE</u>
1	Salaries, full time classified with benefits (Two N.R. Spec III, one N.R. Spec IV) (Unclassified and temporary assignments)	\$236,660
2	Overtime Pay	26,666
3	Rents and Leases (Maintenance contracts, parking cards for state vehicles, contracts for equipment)	960
4	Repairs (Equipment)	1173
5	Printing	497
6	Professional and Technical Services (Laboratory costs and scientific research for the testing and verification of Divisional evidence)	15,313
7	Purchased Services and Claims, fines, etc. (Seminars, film processing, aircraft, meeting rooms and Funds dedicated for the purchase of evidence associated costs of commercial resource investigations)	17,745
8	Computer and System Services (Repairs)	53
9	Communications (Telephone charges, cell phones, pager rental, etc.)	5821
10	Travel, In and Out State (Expenses incurred for intelligence sharing, training, etc.)	8171
11	Employment Development	435
12	Supplies and Materials (Gasoline, audio/video tapes, batteries, office supplies, etc.)	17,236
13	Fleet Management (Vehicle operational costs paid to DNR fleet management)	28,349
14	Equipment	5,713
	TOTAL	\$364,792

NOTE: \$25,000 removed from Unit's budget to satisfy divisional shortfall

