2
Date 3-2-05
No. HB 307

Dear Representatives of the Judicial Committee,

I am Det. Sgt. Brian Fulford of the Kalispell Police Department. My investigative specialty is white collar and computer crime. I have been a police officer for more than 24 years. Kalispell as you know is located on Hwy 93. This highway has been dubbed by state investigators as the "fraud highway". Western Montana has a large incident of the white collar crime in this state.

White Collar Crime is quickly becoming the crime of choice for criminals, not only in this nation but also Montana. It is the crime of choice because it is lucrative, and if a suspect is ever caught and prosecuted, the sentences are more lenient than sentences in other theft type cases though the losses are usually much greater. However, there is another challenge to law enforcement and prosecutors watching the shadowy alleys of our states commerce. How do we curtail and take the profit out of economic crime?

Most economic crime is concealed in layers of deception that masquerade as legitimate business transactions. Economic criminals are frequently aided in their crime by hiding their ill gotten gain through a term called money laundering. The simplest definition of money laundering is the movement of finances from an illegally obtained source into the main stream of business finance where it appears to come from a legal source. This type of structuring often requires the assistance of other associates who knowingly give the wink to scammers, fraudsters, drug dealers, and embezzlers. The associates benefit from the cleaning up of the "dirty" money and are essential in concealing the ill gotten gain. In other parts of this country, law enforcement and prosecuting agencies that work white collar or economic crime cases have used a criminal statute to aid them in the task of taking the profit out of these crimes and holding those criminal associates responsible for their aid in the loss of billions of dollars to businesses and citizens throughout our country. This statute is called Money Laundering. However, in the state courts of Montana, it is not illegal to launder money.

Since the redirection of the FBI and other federal agencies following 9/11, the dollar threshold of white collar criminal loss has been significantly increased before a federal law enforcement agency will investigate any given case. This has created additional need for local and state law enforcement to investigate and prosecute economic crimes. Further more, if we can successfully identify and prosecute economic crime at the state levels, before this crime becomes so lucrative, the state will have a greater opportunity in detouring these criminals. Help us take the learning curve out of the system. How do white collar criminals, who we read about in the national news, causing thousands of Americans to lose their retirement accounts, rise to the level of their criminal conduct?

House Bill # 307 was developed from the experience of local and state law enforcement officers and prosecutors. It has been reviewed by experienced investigators and prosecutors in this state and has the support of these two functions of government.

Montana's economy is poised for great economic growth opportunities in several areas of the state and where there is opportunity there are opportunists. If the economic opportunity is legitimate, it is praised and encouraged; but, if it is illegal, it should be

vigorously investigated, prosecuted and routed out of our state's economy. Because of my tenure in law enforcement, I can assure you, "If you build it, they will come."

This bill is really a Montana coming of age statute. It is time Montana caught up with the global economy and did its share of investigating and prosecuting economic criminal conduct. This type of crime crosses most geographical and jurisdictional boundaries. I for one do not want my home state to become known by white collar criminals as a "safe base of operations" for their type of exported misery. I ask each member of this committee to examine the benefits of this bill and give your unwavering support in discouraging illegal commerce.

BRIAN FULFORD
SENIOR SERGEANT
DETECTIVE DIVISION
KALISPELL
POLICE
DEPARTMENT
312 1st Ave. East
Kalispell, MT 59901
(406) 758-7793 • fax 758-7810
bfulford@kalispell.com