



**OFFICE OF
ATTORNEY GENERAL**

2021-2023

BIENNIAL REPORT

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OFFICE OF ATTORNEY GENERAL

THE ELECTED OFFICE

The Office of Attorney General was established in the 1889 state Constitution. The agency is headed by the Attorney General, an independently elected constitutional officer.

The Attorney General serves on numerous boards and commissions, including the Board of University and School Lands, Industrial Commission (which oversees all state-owned industries), PERS Board of Trustees, Judicial Council, and the Pardon Advisory Board.

The Attorney General also chairs the state's Human Trafficking Commission and the Domestic Violence Fatality Review Commission.

DUTIES AND FUNCTIONS

The Attorney General represents the state in all legal matters, civil and criminal, where the state is named as a party or the state may have an interest in the outcome of the litigation. The office also provides legal services to state entities and officials.

The Attorney General issues opinions on questions of law related to matters involving state statutes, the state Constitution, and matters having statewide significance.

The office also enforces the open records and meetings law and issues opinions in response to complaints of alleged violations by a public entity.

In addition to its legal duties, the Office of Attorney General has several divisions with regulatory or investigative functions:

- The **Bureau of Criminal Investigation** Division assists local law enforcement agencies with criminal and drug enforcement investigations, maintains the criminal history and sex offender registration systems, and issues concealed weapons licenses.
- The **Consumer Protection and Antitrust** Division enforces the state's consumer fraud and "do not call" laws, investigates and prosecutes consumer fraud cases, and enforces the state's anti-trust statutes.
- The **Crime Laboratory** Division supports the criminal justice system through the analysis, identification, and comparison of physical evidence for

use in the investigation and prosecution of criminal offenses.

- The **Gaming** Division regulates charitable gaming and audits compliance with tribal-state casino gaming compacts.
- The **Medicaid Fraud Control Unit** investigates allegations of Medicaid fraud by medical professionals and patient abuse at facilities receiving Medicaid funds.
- The **North Dakota Lottery** is responsible for the day-to-day operation of the lottery and its games.

Defects in the Law

North Dakota Century Code §54-12- 05 requires the Attorney General to “direct attention to any defect in the practical operations of the law relating to revenue and criminal offenses and shall suggest amendments and changes as in the attorney general's judgment are necessary to subserve the public interest.”

No defects were noted.



Finances

- The agency's biennial budget was **\$99.5 million**.
- The 20121-23 revenues **collected** totaled **\$129.3 million**.
- The cost of defending and prosecuting actions on behalf of other state agencies by attorneys within the Office of Attorney General totaled **\$4.4 million**.

Special Assistant Attorneys General

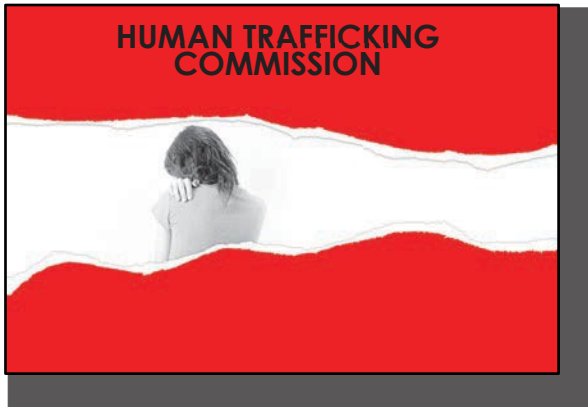
Several state agencies either have their own legal departments or statutory authority to use private attorneys. These attorneys are appointed as Special Assistant Attorneys General (SAAG) but are paid by the hiring state agency.

During the biennium, state agencies paid **\$21.5 million** to these SAAGs, including:

- Workforce Safety & Insurance — **\$3,496,149**;
- Tax Department — **\$626,240**;
- University Systems — **\$966,341**; and
- Private Investigation and Security Board — **\$15,049**.

HUMAN TRAFFICKING COMMISSION

The Attorney General's Human Trafficking Commission is charged with collecting and evaluating data on human trafficking activities in the state and promoting public awareness and training efforts.



The Attorney General's office partnered with the **Human Trafficking task force** in these efforts. In 2021-2023, the task force investigated **60** cases of human sex trafficking, resulting in **7** victims being identified and the arrest of **five** individuals.

Additional information on the task force activities is available in the 2020 Report, on the Attorney General's website.

Human Trafficking Grants

In 2021, the Legislature appropriated **\$1.1 Million** to provide grants to organizations providing prevention and treatment services related to human trafficking victims. For the 2021-2023 biennium, the following grants were awarded:

- Abused Adult Resource Center: \$96,601
- Community Violence Intervention Center: \$21,080
- Dakota Children's Advocacy Center: \$30,000
- Domestic Violence & Rape Crisis Center: \$32,896

- Family Crisis Center: \$23,310
- Red River Children's Advocacy Center: \$15,000
- Youthworks – Bismarck: \$241,411
- Youthworks – Fargo: \$241,412
- Young Women's Christian Association: \$86,765
- Prevent Child Abuse ND – ND Human Trafficking Task Force: \$203,217
- Admin Funds: \$110,187

CIVIL ASSET FORFEITURE

The 66th Legislative Assembly established a reporting requirement for local law enforcement and county state's attorneys regarding the status of civil asset forfeiture proceedings, and required the Attorney General to create an annual report compiled from that information.

The first annual Civil Asset Forfeiture Report was issued on November 1, 2020, providing information about civil asset forfeiture cases concluded, or forfeited assets disposed of, during the previous fiscal year.

For fiscal year 2022-2023, only 11 agencies reported having civil asset forfeiture cases. The items seized under civil assets forfeiture fell into one of three categories: currency, automobiles, or firearms.

- \$203,809 in currency was forfeited, and four forfeited vehicles and two forfeited firearms were sold at auction for a total of \$50,334 and \$725, respectively.

The complete annual report is available on the Attorney General's website.

CRIMINAL LAW DIVISION

The **Criminal Law** Division attorneys provide assistance to the county state's attorneys in prosecuting major crimes or on cases where a conflict of interest exists, including:

- In August 2021, Chad Isaak was found guilty by a Morton County Jury on four counts of murder and other charges. Assistant Attorney General, Karlei Neufeld assisted in the trial and handled the appeal of the conviction. Isaak was sentenced to life in prison without the possibility of parole. While the appeal was pending, Isaak took his own life at the North Dakota State Penitentiary.
- In March 2022, Benjamin Hannesson was found guilty by a Pembina County jury on numerous charges including gross sexual imposition by force. In July 2022, Hannesson was sentenced to 45 years in prison with 20 years suspended. Hannesson's conviction was upheld on appeal.

The Division has attorneys assigned to the state-federal High Intensity Drug Trafficking Area (HIDTA) program, to prosecute drug trafficking offenses in state or federal courts, including:



- In 2021, Daniel Cartagena-Rodriguez was indicted on federal fentanyl trafficking charges. Through the use of a confidential informant, Cartagena-Rodriguez was arrested while trafficking a large amount of fentanyl pills from Detroit, Michigan to Minot, North Dakota. A trial was held in May 2023 and Cartagena-Rodriguez was found guilty on all counts. Cartagena-Rodriguez was sentenced to five years in federal prison. An appeal is currently pending.

Habeas Cases

During the biennium, the division defended the state against **22** federal habeas cases at the US District Court and 8th Circuit Court of Appeals.

Administrative Hearings

The Criminal Law Division provides general counsel to the Peace Officer Standards & Training (POST) Board, which licenses and regulates local law enforcement officers.

During the biennium, the POST Board conducted **25** administrative hearings relating to licensure of officers for reasons ranging from driving under suspension to possession of certain materials prohibited (CSAM). In five instances, the offense was found not to rise to the level of a violation of POST Board rules, but in the other 20 cases, the officer received some form of license sanction.



WELCOME TO NORTH Dakota REPRESENTING THE STATE

GENERAL LEGAL COUNSEL

The General Counsel Division provides general counsel legal services to more than 70 state agencies, boards, and commissions.

The division drafts Attorney General opinions, negotiates and reviews contracts involving state entities, reviews all administrative rules adopted by state agencies, and assists client agencies by drafting bills and amendments, explaining the ramifications of proposed legislation, and testifying before legislative committees.

OPEN RECORDS & MEETINGS

The division handles a large number of telephone calls from public entities and citizens regarding open records and meetings requirements and conducts presentations to state and local government agencies and officials on a public entity's obligations under the open records and open meetings law. The division gave **34** presentations to state and local government governing bodies.

The division issued **23** opinions addressing alleged violations of the open records or open meetings law, including:

- **2022-O-09: NEWSPAPER MUST BE NOTIFIED OF ADMINISTRATIVE NUISANCE HEARINGS.** The Crosby City Council held administrative nuisance hearings prior to its regular meeting without providing notice to the official newspaper.

- **2022-O-06: EXECUTIVE SESSION MUST BE LISTED ON SPECIAL MEETING NOTICE.** Williston Parks & Recreation District Board held a special meeting. The notice did not state that the discussions of the agenda item were expected to be held in executive session.
- **2022-O-15: DENIAL OF RECORDS UNDER DISCOVERY EXCEPTION.** Pelican Township improperly denied records under the discovery exception of N.D.C.C. § 44-04-18(6) when final judgment of an order had been entered.
- **2022-O-05: DENIAL OF EXECUTIVE SESSION RECORDS.** The North Dakota Board of Chiropractic Examiners Board properly denied requests for executive session recordings containing discussion of protected records.

LEGAL OPINIONS

The State & Local Government Division issued **11** opinions on questions of law related to state statutes, the state Constitution, and issues having statewide significance, including:

- **2022-L-07: TEACHER AT SECTARIAN SCHOOLS MAY RECEIVE GRANTS FROM THE TEACHER SUPPORT SYSTEM.**

Teachers at all schools, including both non-religious and sectarian private schools, may participate in the Teacher Support Program as mentors, and may receive grants to support their participation.

- **2022-L-05: ELECTION OFFICIAL MAY NOT REQUIRE A VOTER TO PROVIDE PROOF OF CITIZENSHIP.**

The statutory identification requirements only allow for verification of an elector's name, age, and residence. They do not speak to citizenship or to a method of providing citizenship.

The Attorney General's Opinion governs the actions of public officials until such time as the question presented is decided by the courts.

Legal Services

Division attorneys advise and represent the majority of state agencies and professional licensing boards, providing general counsel services, legal assistance with regulatory compliance, and licensing board disciplinary actions.

In addition to providing training on open records and meetings requirements, division attorneys:

- provided annual training to over 100 state licensing board members on laws and rules governing boards and board authority, and assisted state boards in complex litigation regarding open records,
- advised the Board of Public School Education and represented it in hearings relating to reorganizing and creating a new school district in the Williston area,
- advised the Department of Career and Technical Education on guidelines and procedures for distribution of \$70 million dollars in grant funds, and
- worked with the Legislature to address questions and draft amendments on a number of bills.

Administrative Rules

Division attorneys reviewed **87** sets of administrative rules for state agencies and boards, addressing legislative changes requiring regulatory update.

CIVIL LITIGATION

The **Civil Litigation** attorneys provide a wide variety of legal services. The attorneys represent the state and state agencies and officials in legal actions, including administrative and enforcement hearings, state court lawsuits, federal court lawsuits, challenges to the constitutionality of statutes, and appeals.

DAPL Related Lawsuits

Civil Litigation continues to defend North Dakota law enforcement and other state officials in five federal lawsuits stemming from the Dakota Access Pipeline (DAPL) protests. The legal claims are largely Constitutional in nature, ranging from claims of excessive force to alleged violation of First Amendment rights. The plaintiffs bringing the cases seek up to several million dollars in damages. The various cases are at different stages of litigation. One case is awaiting review by the Eighth Circuit following the State's successful motion to dismiss all State defendants at the district court level. One case remains pending before the district court, because even though the judge recently dismissed all claims against State defendants, other claims against non-State defendants must be adjudicated before any appeal. Two cases are moving through the discovery phase, and one of these is nearing the close of discovery. The last case was filed several months ago and is still awaiting a decision on the State's motion to dismiss. In addition, the office provides representation to State employees and agencies who have received subpoenas for testimony or documents relating to DAPL litigation between private parties.

Challenged Legislation –

- AMA v. Wrigley – On June 25, 2019, the American Medical Association, Access Independent Health Services, Inc., d/b/a Red River Women's Clinic, and Kathryn Eggleston, M.D. brought suit against the State alleging House Bill 1336, relating to informed consent for abortion pill reversal, was unconstitutional. On September 10, 2019, the district court entered a preliminary injunction enjoining the State from enforcing House Bill 1336. After conducting extensive discovery, the parties agreed to a stay pending the decision in Dobbs v. Jackson Women's Health Organization. After the Dobbs decision was handed down holding that the federal constitutional does not protect a woman's right to abortion, the parties entered into an agreement to dismiss the lawsuit. As a part of that dismissal, the plaintiffs agreed to dissolve the preliminary injunction and each party agreed to bear its own attorneys fees and costs. On October 18, 2023, the court adopted the parties' stipulated dismissal on the terms agreed to by the parties, thus dissolving the preliminary injunction of HB 1336. This matter has been concluded.
- Access v. Wrigley – The Office of Attorney General continues to vigorously defend the State's interests in upholding the constitutionality of the various abortion-related laws that have been passed by the Legislative Assembly. This lawsuit was first initiated July 6, 2022, in state district court and sought a temporary restraining order and preliminary injunction from enforcing N.D.C.C. § 12.1-31-12, (the Trigger Law), which came into effect after Dobbs was decided. Plaintiffs took the position that the

North Dakota Constitution contained a fundamental right to abortion. The Trigger Law made it a class C felony for a person to perform an abortion subject to certain affirmative defenses. The district court ultimately enjoined the Trigger Law and the State appealed to the North Dakota Supreme Court. On March 16, 2023, the North Dakota Supreme Court held the North Dakota Constitution provides a fundamental right to receive an abortion to preserve a pregnant woman's life or health and that the Trigger Law was unconstitutional. The North Dakota Legislature then passed Senate Bill 2150 (SB 2150) providing for restrictions on abortion while preserving the fundamental right to receive an abortion to preserve a pregnant woman's life or health as held by the North Dakota Supreme Court. SB 2150 became effective on April 24, 2023. Plaintiffs filed an amended complaint on June 12 challenging SB 2150. This case is ongoing.

- T.D. et al. v. Wrigley et al. – During the 68th Legislative Assembly, the North Dakota Legislature passed House Bill 1254 (HB 1254) prohibiting health care providers from providing certain medical procedures to minors if the purpose of the medical procedure performed is to change or affirm a minor's perception of the minor's sex. On September 14, 2023, a challenge to HB 1254 was brought by several minor plaintiffs, their parents, and a physician in North Dakota state district court. Plaintiffs sought injunctive relief in the form of a temporary restraining order and preliminary injunction. and claim HB 1254 violates plaintiffs' fundamental rights under the North Dakota Constitution. The State successfully opposed the request for injunctive relief; on November 13, 2023, the state district court denied plaintiffs' request for a temporary restraining order.

The court will consider whether a preliminary injunction should issue after a hearing on the issues is held on January 19, 2024.

Election Lawsuits

The State is currently engaged in defending two lawsuits challenging the Legislature's subdivision of the same two legislative districts.

- In Turtle Mountain Band of Chippewa Indians, et al., v. Howe, the Plaintiffs allege the State's 2021 legislative redistricting plan violates Section 2 of the Voting Rights Act. A four-day bench trial was held on June 12, 2023. On November 17, 2023, the district court ordered that the Plaintiffs established a Section 2 violation of the VRA and permanently enjoined the Secretary of State from administering, enforcing, preparing for, or in any way permitting the nomination or election of members of the North Dakota legislative Assembly from the legislative districts at issue. The State is appealing the district court's order.
- In Walen et al v. Burgum, the Plaintiffs alleged the subdivision of the legislative districts violated the Equal Protection clause under the Fourteenth Amendment and were unconstitutional racial gerrymanders. In Walen, the State successfully moved for summary judgment and on November 2, 2023, the federal district court entered judgment in favor of the State.
- Splonskowski v. White – Plaintiff Mark Splonskowski filed a lawsuit in federal district court against Erika White, the State Election Director of North Dakota for the Secretary of State Office, alleging that North Dakota law allowing election absentee ballots to be received and counted after Election Day violates federal law. Plaintiff seeks various forms of injunctive relief. The State filed a motion to dismiss Plaintiff's complaint for various reasons including that several courts have rejected similar attacks on state election

laws as Plaintiff advances here. The State's motion to dismiss remains pending before the district court.

ADMINISTRATIVE ACTIONS

The **Civil Litigation** attorneys represent State agencies including the Department of Labor, Department of Human Services, Department of Transportation, and Job Service North Dakota, and the various State board's in administrative actions. The Civil Litigation attorneys also enforce the Tobacco Master Settlement Agreement.

- Handled **38** wage claim cases on behalf of the Department of Labor, recovering **\$49,288.85** in unpaid employee wages from employers.
- Represented the Department of Transportation in **138** appeals of DUI administrative hearings.
- Collected **\$5,471,844.52** in unpaid employer tax and benefit contributions for Job Service North Dakota
- Participating Manufacturers that have signed onto the tobacco Master Settlement Agreement (MSA) made payments to the State of North Dakota under the MSA in the total amount of **\$48,100,931.04**.



SOLICITOR GENERAL

A separate Solicitor General Division was created within the Attorney General's Office in 2023 to reflect the expanding responsibilities and significance of the Solicitor General role in representing the state. The Solicitor General maintains primary responsibility for much of the appellate litigation on behalf of the state including all proceedings in the United State Supreme Court; non-habeous proceedings in federal courts of appeals; civil cases involving facial constitutional challenges to state statutes, rules, and agency policies; and other matters. The Solicitor General also is responsible for most multi-state coalition letters and multi-state litigation other than consumer protection matters, as well as amicus briefs authored or joined by the state. The Solicitor General also works closely with litigators in other divisions of the office to ensure the state's legal positions are consistent and grounds for appeal are preserved as necessary.

Natural Resources and Native American Affairs

The **Natural Resources and Native American Affairs Division** attorneys provides general counsel and litigation legal services to state agencies that are involved with the regulate the State's natural resources, including North Dakota Industrial Commission, Department of Environmental Quality, Game and Fish Department and ND Parks and Recreation.

Environmental Quality

The division assisted the Department of Environmental Quality with its regulatory work involving air and water pollution control, and solid waste and hazardous waste management.

During the biennium, the division represented the Department in **71 enforcement actions**, collecting more than **\$2.2 million** in penalties for violations, including:

- Against Cobra Oil & Gas Corporation for discharge of 200 barrels of produced water onto a surrounding field and nearby emergent wetland. The company signed an Administrative Consent Agreement and agreed to pay \$73,000 and fully remediate the impacted site.
- Against Red River Biorefinery for the un-permitted discharge of industrial strength wastewater and construction of surface impoundments without a permit. The company entered into an Administrative Consent Agreement

that resolved the action for \$200,000, \$150,000 of which was suspended upon obtaining permits for the surface impoundments and submission of a revised nutrient management plan for the wastewater.

Oil & Gas Hearings

The division presided over almost 2,000 oil & gas administrative hearings and helped the Industrial Commission's Department of Mineral Resources pursue seven civil administrative cases for violations of the Commission's rules, orders, and regulations, including:

- **\$977,394** from Summit Midstream, relating to joint federal-state enforcement case involving a discharge of produced water, including crude oil, of almost 700,000 barrels.

The Division has assisted the Commission with the collection and recovery of approximately \$4.8 million through its enforcement actions.



ENVIRONMENTAL LITIGATION

Waters of the United States

North Dakota intervened with several other states in a lawsuit in the North Dakota U.S. Federal District Court challenging, and ultimately staying, the new WOTUS rule proposed by the Biden administration. Litigation over the rule was also brought in other states including Kentucky and Texas. The Biden administration has issued an amended rule in light of the U.S. Supreme Court ruling in Sackett v. EPA, and litigation has now resumed with these changes in mind. North Dakota and the other plaintiff states continue to challenge the amended rule because it is an ill-defined rule that is outside the authority of the Environmental Protection Agency.

U.S. v. Summit Midstream Partners

In January 2015, Summit Midstream Partners, LLC and Meadowlark Midstream Company, LLC reported a discharge of produced water, including crude oil, from a pipeline gathering system near Marmon, ND. Though the Blacktail Creek Discharge was first reported by Summit on January 7, 2015, evidence indicated that the Blacktail Creek Discharge began as early as August 2014, and continued through January 7, 2015. What was originally reported as a discharge of 70,000 barrels was determined to actually be almost 700,000 barrels, making it the largest documented spill of produced water in state history.

The discharge contaminated the surrounding groundwater and the nearby Blacktail Creek and Little Muddy River, impacting an estimated 2,700 acres overall. The North Dakota Department of Environmental Quality joined the North Dakota Game and Fish Department and the United States in a suit against Summit and Meadowlark in August 2021, citing violations of the Clean Water Act and North Dakota environmental laws. A month later, the case was settled via Consent Decree for a total penalty of \$20,000,000 with \$10,000,000 going to the State. As part of the Consent Decree, the defendants agreed to make payments to State Supplemental Environmental Projects, pay for all restoration projects, implement new pipeline technology and monitoring practices, improve spill response planning and countermeasures, and fully remediate the impacted area.

U.S. v. Belle Fourche

In December 2016, staff for the North Dakota Department of Environmental Quality responded to an oil spill north of Belfield, North Dakota. An oil pipeline owned by the Belle Fourche Pipeline Company had ruptured and discharged 14,400 barrels of crude oil into a tributary to the Ash Coulee Creek, which itself leads into the Little Missouri River. For multiple weeks, Department staff and Belle Fourche workers built up containment systems to stop further contamination of the waterways and have been working on remediating the impacted areas since then.

On May 23, 2022, North Dakota and the United States brought a complaint in the U.S. Federal District Court in North Dakota against Belle Fourche for violation of the Clean Water Act, federal pipeline safety regulations, and North Dakota environmental laws. The parties signed a partial Consent Decree in August 2023, to August 2023, to resolve all claims except for some of the CWA and state claims related to remediation of the impacted site. Belle Fourche has paid a total penalty of \$12,500,000, with \$4,587,500 going to the State. Additionally, Belle Fourche paid \$98,637.17 to the State for costs incurred while responding to the spill. The parties are now reviewing and negotiating a plan to remediate the remaining oil contained in the ground of the spill site.

U.S. v. MPLX

North Dakota joined Wyoming and the United States in an April 2023 civil case against MPLX, LP in U.S. Federal District Court in Utah for violations of air emission and quality standards under the Clean Air Act at its natural gas processing plants and compressor stations. The parties simultaneously entered a Consent Decree that settled the case for a \$2,000,000 civil penalty, \$325,200 of which went to North Dakota. Additionally, MPLX, LP agreed to implement improved emission controls and monitoring at the subject facilities.

SUPPORTING CRIMINAL JUSTICE

BUREAU OF CRIMINAL INVESTIGATION

The **Bureau of Criminal Investigation** Division (**BCI**) has agents located in Bismarck and **13 field offices** across the state. These agents provided assistance to federal, state, and local law enforcement agencies on **1,011** criminal investigations and **932** drug investigations during the biennium.

Drug Investigations

Agents assigned to the ten narcotics task forces work to identify, target, disrupt, and dismantle Drug Trafficking Organizations (DTOs) producing and selling illegal drugs within our local communities. These DTOs are responsible for the epidemic of prescription drugs, fentanyl, and methamphetamine leading to continued overdoses today.

The BCI targets the supply chains of these organizations using digital technology to isolate and eliminate the operational and financial avenues being used to bring narcotics to North Dakota.

Investigations

In July of 2023, Agents responded to an officer-involved shooting in Fargo, ND. Three Fargo Police Department officers were shot in an ambush while conducting an unrelated traffic accident investigation. Officer Jake Wallin was killed, while Officer's Andrew Dotas and Tyler Hawes sustained life threatening injuries in the shooting. A civilian involved in the traffic

accident was also a target of the ambush, also sustaining life threatening injuries in the shooting. Officer Zach Robinson returned fire ultimately neutralizing the shooting suspect, Mohamad Barakat. Agents recovered two assault rifles, an AK style rifle, three semi-automatic handguns, improvised hand grenades, over 1,800 rounds of live ammunition, explosive material in two 20-pound propane cylinders and containers of gasoline in Mohamad Barakat's vehicle. Agents determined that Mohamad Barakat was likely anticipating additional carnage at events taking place in the downtown Fargo area which had potential for a mass casualty scenario that day.



CYBERCRIME

The CyberCrime Unit consists of four mutually corresponding groups: Digital Forensics, Internet Crimes Against Children, Human Trafficking, and Victim Services.

Victim Services personnel play a significant advocacy role by providing crisis intervention, assistance with navigating the complexities of the criminal justice system, and support for victims in exercising their rights as victims of crime. Victim Services personnel can also mitigate secondary victimization by treating victims with fairness, dignity, and respect and providing information for victims to make well-informed decisions. Since June 2021, Victim Witness Specialists have assisted 438 unique victims and provide over 3,197 victim services such as Criminal/Civil Justice System Assistance, Emotional Support, Information and Referral and Personal Advocacy/Accompaniment.

Internet Crimes Against Children (ICAC)

The BCI has six specially trained computer forensic agents located in Minot, Fargo, and Bismarck. These agents provide forensic analysis to state and federal law enforcement agencies on a variety of criminal investigations, from homicides and financial crimes to child sexual exploitation and internet child pornography. To assist with these cases, BCI also has two canines named Jib and Jab that are specially trained to locate hard drives, cell phones, and sim cards.

The ICAC agents investigated **738** cases and forensically examined **1,349** digital media devices. Of those devices, **853** were cellular phones. The total amount of electronically stored information examined was over **242 terabytes**.

During the biennium, the state's ICAC Task Force assisted with **2,305 child exploitation and sexual abuse investigations**, including:

- In January 2022, the North Dakota Bureau of Criminal Investigation received a CyberTip Report from the National Center for Missing and Exploited Children who had received a tip from KIK Messenger stating a KIK Messenger user had uploaded 10 files of suspected child pornography to KIK Messenger servers. Follow up investigation led the NDBCI to Craig Leroy Gregor being the suspect. The NDBCI obtained a search warrant for the content of the suspect KIK account. The data return included additional files depicting child sexual abuse materials, as well as Craig Gregor sexually assaulting a young boy. The identity of the boy was unknown.

Very quickly after learning that Craig Gregor had been and possibly was still sexually assaulting a young boy, NDBCI obtained search warrants for Gregor's residence and person. The search warrants were executed and multiple digital devices were seized. In an interview with Gregor, the young boy was identified. Gregor was arrested for GSI, promoting or directing an obscene sexual performance by a minor, and possession of certain materials prohibited. Gregor was later indicted on federal charges related to the production, distribution, receipt, and possession of child pornography. Gregor pled guilty and was sentenced to 40 years in federal prison.

Use of Force Investigations

The BCI assists local law enforcement agencies with independent investigations of an officer's use of force.

Once the BCI's investigation is complete, it is referred to the county state's attorney who determines whether the officer's actions were justified.

- The BCI conducted 9 use of force investigations during the biennium.

K-9 Officer Lee

The BCI operates the first ever Alcohol, Tobacco, and Firearms Law Enforcement Accelerant Detection Canine in the state of North Dakota. NDBCI K9 Lee, Badge #493, is a member of the ATF National Response Team. As a member of the National Team, K9 Lee responds, when needed, to major fire or explosive events that occur within the United States, and even internationally if requested. K9 Lee is one of only 66 ATF K9s in the entire country and holds the distinction of working fires the furthest north of any canine in the program. In fact, K9 Lee is the only K9 in the upper northwest of the entire nation, to include Minnesota, Montana, Idaho, Oregon, and Washington states.

BCI K9 Lee also holds the distinction of being one of the founding members of the first ever criminal fire investigation task force in North Dakota. Started in 2022, the North Dakota Fire and Arson Strike Team, or ND FAST, is a combined effort of the BCI, ATF, and State Fire Marshal's Office, to investigate major and criminal fires within the State of North Dakota. On average, K9 Lee is called to investigate approximately 3 to 5 fires a month for the ND FAST, or

about 50 fires a year. These fires include major loss fires like the millions of dollars lost in the grain elevator fire that burnt in Edgeley, ND, all the way down to a simple garage fire started by an arsonist to collect thousands in insurance money. Most importantly, K9 Lee responds to all fatal fires that occur in North Dakota. For example, in the Fall of 2023, K9 Lee was part of the ND FAST investigation into a fatal fire in McKenzie County, where an adult son was just charged with homicide into the killing of his mother by fire.

BCI K9 Lee also holds another important designation; as both a Federal (ATF) and State (NDBCI) Agent, K9 Lee can work investigations on tribal lands. K9 Lee has already worked fires on five different tribal lands reservations, something that no other canine the ATF in the entire national program has done, a testament to the NDBCI and its commitment to supporting our tribal partners and neighbors with investigative assistance.

CRIMINAL INTELLIGENCE ANALYSIS

The BCI has seven criminal intelligence analysts that are assigned to the ND state and Local Intelligence Center (SLIC). These criminal intelligence analysts directly support the mission of the NDSLIC which is gather, store, analyze, and disseminate information on crimes, both real and suspected, to the law enforcement community, government officials, and private industry, concerning dangerous drugs, fraud, organized crime, terrorism, and other criminal activity for the purposes of decision making, public safety, and proactive law enforcement while ensuring the rights and privacy of citizens.

The SLIC is North Dakota's coordination center for the Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI). This is a joint collaborative effort by DHS, the Federal Bureau of Investigation, and law enforcement partners. It establishes standard processes and policies that allow law enforcement and homeland security agencies to share Suspicious Activity Reports (SARs) through an information-sharing system. The criminal intelligence analysts at the NDSCLI are trained to gather, document, process, analyze and share information to prevent terrorism and other criminal-related activity.

Over the last biennium, the NDBCI analysts assigned to the NDSCLI have assisted the NDSLIC in completing over 3,800 requests for information and processing over 1,000 tips.

SEX OFFENDER REGISTRATION

Sex offenders must register in North Dakota if they have pled guilty to, or been convicted of, certain criminal offenses in North Dakota or an offense in another court which is equivalent to a North Dakota registerable offense.

- As of November 17, 2023, there were **1,663** registered sex offenders. Only **25** offenders were delinquent, which equates to a **compliance rate of about 98%**.

CRIMINAL HISTORY RECORD CHECKS

State agencies and professional licensing boards require, or may request, an applicant to complete a criminal history record check. The

BCI also conducts a record check on all concealed weapon license applicants.

- BCI conducted **139,118** state and federal record checks for applicants for professional licensing (a 28.5% increase over last biennium), an additional **21,047** record checks in response to requests from the public landlords, private employers, etc), and **17,240** for concealed weapon license applicants.

CONCEALED WEAPONS LICENSES

The 67th Legislature reduced the "lookback" period for alcohol-related offenses from 10 years to three years, making many more individuals eligible for a Class 1 license, which has reciprocity with MN and more than 30 other states. It is anticipated that we will see an increase in the number of applications for a Class 1 license.

- There are **32,350** active licenses, of which **14,652 (45%)** are Class 1 licenses. Last biennium, only 33% of active licenses were Class 1.



MEDICAID FRAUD CONTROL UNIT

The Medicaid Fraud Control Unit (MFCU) was established in August 2019 and has been investigating, prosecuting, and settling cases since that time. MFCU has statewide jurisdiction and investigates and files both criminal and civil cases. MFCU has the authority to investigate and file actions in the following types of situations: when there is billing fraud by a Medicaid provider, or when a Medicaid provider, abuses, neglects, exploits, or harms a Medicaid recipient or other patients. These categories also include provider drug diversion cases.

Since its inception, MFCU received 102 'global' case referrals and 164 state referrals. (Not all cases end in prosecution, settlement, or legal filings.) In the last biennium, MFCU received 102 state referrals. These referrals prompted investigations involving a variety of provider types including but not limited to hospitals, skilled nursing facilities, clinics, laboratories, doctors, nurses, certified nurse aides, dentists, psychologists, qualified service providers, speech pathologists, and addiction treatment programs.

In the last biennium, MFCU recovered \$512,421 for the State. Those recoveries include money received, money ordered, and settlement agreement amounts, some of which may be received in the future due to installment payments. Actual cash recoveries received during the last biennium were \$436,847. Every year, seventy-five percent of MFCU's entire budget, is paid by a federal grant therefore, the amount of money expended by the state for MFCU over the course of the last

biennium was \$263,024. None of these recovery amounts have taken into account the deterrence effect that the MFCU investigations and actions have had. While difficult to measure the deterrence effect is tangible. At a minimum, there are the unaccounted-for savings to the State Medicaid program for the fraud that the defendants are no longer carrying out.

MFCU settled and negotiated 2 civil settlements involving billing for services not rendered, no documentation provided, severely inadequate documentation, and fraudulent upcoding. MFCU also completed 4 criminal cases. Three in which the defendant plead guilty prior to trial and one where the jury found the defendant guilty of all charges.

Criminal Cases

The MFCU filed criminal cases during the biennium, including:

- State v. Rebecca Fruge Anderson – Anderson, a qualified service provider, was audited and found to have fraudulently over-billed Medicaid for services she did not provide and for failure to have documentation between 2017 and 2019. She plead guilty to a felony Medicaid Fraud charge and was ordered to pay \$75,905 in restitution and received a two-year suspended jail sentence and three years of supervised probation. Anderson was terminated as a qualified service provider.
- State v. Colleen Rowe – Rowe pleaded guilty to a misdemeanor Reckless Endangerment charge regarding patient care while she was practicing as an LPN. She received a deferred imposition of sentence and no longer holds an LPN license.

- State v. Charlotte Reilly – Reilly, an LPN, plead guilty to two felony charges. One count of Theft and one count of Reckless Endangerment. She was sentenced to 360 days in jail, all suspended, for two years of supervised probation. Reilly is being assessed by CMS for an exclusion. The exclusion would prohibit Reilly from working for employers who receive Medicaid or Medicare payments. An exclusion effectively prohibits Reilly from working with patients in the healthcare industry.
- State v. Gracious Weah – Weah, a certified nurse aide, was found guilty of Aggravated Assault causing permanent injury and Reckless Endangerment. Weah performed an improper one person Hoyer lift causing a severe and painful injury to a resident of the Sheyenne Care Center and then failed to report the injury causing the resident to be undiagnosed and untreated for more than 12 hours. She was sentenced to one year and one day in jail and 3 years of supervised probation. She is no longer allowed to work in the state as a CNA and is being assessed by CMS for an exclusion. The exclusion would prohibit Weah from working for employers who receive Medicaid or Medicare payments. An exclusion effectively prohibits Weah from working with patients in the healthcare industry.

MFCU currently has 3 criminal charges filed that are in various stages of the judicial process. Two of the cases involve advanced practice nurse practitioners who are charged with illegally and improperly prescribing opioids to patients. They are charged with several counts of Reckless Endangerment and Conspiracy to Deliver a Controlled Substance.

The most recent criminal case filed by MFCU was filed in July 2023. It involves a qualified service agency and its owner that are both charged with Medicaid Fraud for billing for services not provided. The owner was involved in a scheme with a client. The owner billed Medicaid for services provided to the client but did not provide those services. The owner paid the client a portion of the proceeds received from Medicaid. The owner kept the remaining amount of the fraudulently obtained Medicaid payments.

The 2023 legislative session was very important for MFCU. Most notably the legislature recognized the unit's need for 3 additional employees to address the magnitude of incoming referrals. When fully staffed MFCU will have 9 employees. At the request of MFCU, the legislature also approved a new Medicaid Fraud crime for those providers that do not create, retain, or provide records. During investigations, MFCU routinely uncovered situations where providers were not providing any records when required to do so. The new statute provides penalties for those situations.

CRIME LABORATORY

Crime Laboratory Division is an internationally accredited forensic laboratory providing forensic laboratory services to North Dakota's state and local law enforcement agencies, medical examiners, States Attorneys, and state agencies in the investigation of any criminal matter.



Crime Lab Forensic Scientists provide technical assistance and training, evaluate and analyze evidence, interpret results, and provide expert testimony related to the analyses of physical evidence recovered from crime scenes and submitted for examination.

- The Crime Laboratory processed **12,304 criminal cases** this biennium. The Laboratory also had **10,021 cases submitted** involving **38,461 items**.

Drug Samples

The **Forensic Chemistry Unit** received 5,503 cases (a 24% decrease and completed 2,263 cases (36% decrease) involving 7,611 items (33% decrease).

The decreases from the last biennium are due to the COVID-19 Pandemic and the loss of crime lab personnel.

- The Forensic Chemistry Unit also received 81 cases for **fire debris analysis**, completing **94 cases**, involving **256 items**.

Toxicology Samples

The Toxicology Unit - Biological Section processed **591** alcohol samples (7% decrease) and **603** samples (26% decrease) for the presence of drugs obtained as a result of suspected impaired driving-related offenses.

- The section also analyzed **74** drug-facilitated sexual assault cases (32% increase).

In addition, **886** coroner cases (7% decrease) and **404** medical examiner cases (85% increase) were processed for drug and alcohol analysis.

The Toxicology Unit – Breath Alcohol Section provided breath alcohol instrument training to **2,771** law enforcement officers (11% decrease).

DNA Samples

The DNA unit received **1,535 cases**, a decrease of 29% over last biennium.



4,466 offender and arrestee DNA profiles were uploaded into the FBI's National DNA Database, the Combined DNA Index System (CODIS), resulting in **452** hits and possible investigative leads, including:

- A DNA profile from a cigarette butt found at a catalytic converter theft site in a 2021 ND case from Fargo hit to a DNA profile from a **2018 ND arrestee sample** for drug possession. Fargo had over 137 catalytic converter thefts in the 6 months preceding this case.
- A DNA profile from a 2018 ND arrestee sample for a motor vehicle theft hit to a DNA mixture profile from a swab of adhesive tape from a **2021 Las Vegas Metropolitan Police Department homicide case**.

INFORMATION TECHNOLOGY

The Information Technology and Criminal Justice & Information Sharing (IT/CJIS) Division provides technology support services for the Office of Attorney General staff located in multiple locations across the state.

In addition, the division supports communications with other state and local criminal justice agencies, through the Criminal Justice Information Sharing (CJIS) portal and the state radio teletype system, 24 hours a day, 7 days a week.

- The IT/CJIS division responded to **12,396** internal and external service requests.

Warrants Management Information System (WMIS)

The IT/CJIS Division in collaboration with the BCI division developed and implemented the warrant management system (WMIS). WMIS receives newly issued warrants from the ND Courts Odyssey system. It allows law enforcement to enter additional information into the warrant, which then makes it available in state-wide searches for law enforcement. Felony warrants are automatically submitted to the FBI database, which makes it available for national searches.

Gaming System Upgrade

In collaboration with the Gaming Division, IT/CJIS is working on implementing a core system modernization solution. The modernization solutions included a web application for Charitable Organizations and a core web solution for ND Gaming. The core web solution was completed during the biennium. These efforts paved the way for the next phase of the modernization effort, which is to support the Gaming Distributors and the ND Gaming Division.

Automated Fingerprint Identification Systems (AFIS) Update

With the AFIS system nearing capacity, IT-CJIS has been working with the BCI division in partnership with the State of Minnesota, on an updated joint system that will have a database crossing state lines, benefitting criminal justice purposes in both states. Minnesota is bearing most of the cost of the new system. This project was implemented in May 2023.



Legal Case Management System

The IT/CJIS Division provides a legal case management system for the legal divisions of the Office of Attorney General, as well as several state's attorney offices across the state. This program receives law enforcement case reports and information automatically as well as sends court case filings automatically to the ND Courts. This biennium the IT/CJIS division began the process of replacing the current software system and all the automated processes that occur to streamline the criminal court process. This project is anticipated to be completed the winter of 2025.



PROTECTING CONSUMERS

The Consumer Protection and Antitrust Division performs both legal and investigative duties as it enforces the consumer fraud and Do Not Call laws, prosecutes consumer fraud cases, and administers the state's anti-trust laws.

“Anti-trust” Laws

The anti-trust laws protect consumers by restricting certain business practices that could result in a monopoly or other non-competitive practice.

Consumer Complaints

The Consumer Protection Division opened 2003 consumer complaints and closed 2012.

- **1838** complaints were resolved through mediation or legal action, recovering **\$2,154,736** for consumers. Another eight were referred to other agencies;
- An additional **356** complaints were from victims of **imposter scams**, who received individual assistance from division staff to help prevent further losses; and
- The remaining complaints were closed because they were unfounded, unresolved, the office had no jurisdiction, or no action was required.

Enforcement Actions

The division filed **81** civil actions against individuals and businesses for violating consumer fraud laws, resulting in **\$731,722 refunded to consumers** and **\$14.1 million** in costs and penalties awarded to the state.

Significant Enforcement Cases

- Fargo Moorhead Dentures and Dentistry - In October, 2021, the Division obtained legal relief against Fargo Moorhead Dentistry and Dentures for charging unauthorized patient fees, resulting in consumer restitution for 504 patients in the total amount of \$234,000. The business also was assessed and paid \$25,000 in civil penalties.
- Ford Motor Company - In June, 2022, the Division, as part of a multistate legal action, reached a settlement with Ford Motor Co. resulting in a payment to the State in the amount of \$228,411.37 for payment in lieu of civil penalties and attorney fees. The alleged illegal conduct included misrepresentations regarding the fuel economy of C-MAX hybrid vehicles, and false advertising of payload capacity of Ford Super Duty trucks.

- Glasser Images - In January, 2023, the Division obtained a Judgment against Glasser Images, LLC, Jack Glasser, and Jace Schacher for engaging in consumer fraud. During its investigation, the Division received 540 complaints for undelivered photographs and videos, as well as the business taking advance deposits without providing any photography services. The Judgment bans the defendants from the photography business for at least 15 years, required consumer restitution of \$807,000, and imposed \$30,000 in civil penalties.
- Google, LLC - In November, 2022, the Division reached a settlement with Google in a privacy enforcement multistate legal action, resulting in payment to the State in the amount of \$4.1M in lieu of civil penalties and attorney fees. The alleged illegal conduct involved privacy concerns focusing on Google's deceptive practices regarding data collection, retention, and use, including its location tracking of users' movements.
- Jericho Share - In March of 2023, the Division reached a settlement with House of Prayer and Life, Incorporated dba Jericho Share, a Healthcare Sharing Ministry, resulting in payment to the State in the amount of \$15,000 in lieu of civil penalties and attorney fees and refund payments to 75 impacted consumers in the total amount of \$50,144.60. The alleged illegal conduct consisted of falsely representing its membership plans as health insurance and deceiving consumers into believing that the membership it offered was health insurance.
- Opioids – During this biennium, the Division, as part of a multistate coalition, reached 11 settlements with opioid manufacturers, distributors, pharmacies, and consulting firms resulting in a projected total payment of approximately \$62-70 million in opioid abatement funds payable over the coming years. A total of \$ 8.7 million was received during the biennium. The alleged illegal conduct consisted of manufacturers grossly misrepresenting the risks of addiction and abuse, distributors failing to properly monitor suspicious orders of prescription opioids, and pharmacies mishandling opioid prescriptions and failing to stop pills from being diverted for illegal use.

Contractor Fraud Investigations

The division continued its contractor compliance efforts, taking action against **23** contractors.

- The division issued one cease & desist order against unlicensed contractors and pursued legal action against another **14**, obtaining judgments resulting in **\$347,394** in consumer restitution ordered by the court.
- The division resolved another **5** cases through Assurances of Voluntary Compliance.

Many of these cases involved unlicensed contractors who took advance payments and then either did not do any of the work for which they had already been paid or did not finish the job.

IMPOSTER SCAMS

*The Consumer Protection Division continues to receive a large number of complaints of imposter scams, including: the Fake Government Agency calls, bogus "Inheritance" scams, the Grandparent/Family Emergency scam, the phony Sweepstakes/Foreign Lottery Win scam, and the **Romance/Online Dating** scam. The Division works to warn the public and assist victims of these scams.*

These pervasive imposter scams continue to victimize consumers as a result of their frequency, sophistication, and success resulting in millions of dollars of harm to consumers.

North Dakota victims reported losses of more than **\$12 Million to Imposter Scams alone.**

Unfortunately, scam victims are often too embarrassed to report that they have fallen for a scam, even when they have lost a significant amount of money.

Of the **356** imposter scam victims who received assistance from division staff:

- **64** were victims of the "Computer technician" scam, losing \$1.3 million;
- **53** victims lost \$648,552 to phishing scams.
- **50** people fell for the phony sweepstakes and lottery scams, losing more than \$2.2 million.
- **42** lonely people fell victim to online **romance scams**, losing more than **\$4.78 million.**

CRYPTOCURRENCY SCAMS

The Division received seven reports of a growing scam commonly referred to as a "pig-butcher" scam. These scams often combine a romance scam with an investment spin when victims are tricked into investing in cryptocurrency.

Victims of these scams "invest" through bogus websites or apps that look authentic but are controlled by a scammer. In the beginning, victims start out investing small amounts while the scammer makes sure to post a modest gain on the investment. The scammer may even allow the victim to withdraw money once or twice to convince them the process is legitimate. Victims are then persuaded to invest larger amounts on the fake platform, sometimes hundreds of thousands of dollars. However, if the victim wants to withdraw funds, the account states the victim needs to pay fees or taxes to access it. After the victim realizes the platform is fake, the scammer vanishes, taking all the money, and resulting in huge losses for the victim.

Unfortunately, North Dakota victims reported losses of more than \$1.5 million to pig-butcher scams.

GAMING

The Gaming division regulates, enforces, and administers charitable gaming in North Dakota, performs audits and investigations of gaming organizations; reviews gaming tax returns, administrative complaints, and provides training for charitable gaming organizations.

Veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organizations in North Dakota can apply for a state gaming license to raise money for charitable purposes. Only licensed organizations may conduct “games of chance,” such as Bingo, Pull Tabs, Twenty-One, and Poker

- There are more than 345 licensed organizations operating 1,070 gaming sites across the state.
- During the 2021-2023 biennium, licensed gaming organizations grossed an estimated \$3.6 billion - raising an estimated \$145 million for charitable uses and generating \$47.5 million in gaming taxes for the state's General Fund.

GAMING COMPLIANCE

- The gaming division conducted 17 post audit training sessions with 51 individuals representing 13 organizations. The division conducted eight comprehensive audits and 44 in-office audits, resulting in 65 administrative complaints.

- The Investigative section of the Gaming Division took action against West Fargo Rural Fire Department on June 13, 2022, which resulted in action against the bar owner. This investigation revealed that the bar owner had profited over \$115,000 off the charity by a scam.
- The Gaming Division was successful in action against Western Distributing, Plains Gaming Distributing, Midwest Gaming Distributing, and the majority owner Dave Wisdom. On April 11, 2023, a complaint was filed, and on June 30, 2023 a settlement was signed. This case was the culmination of over an 18-month investigation. The actions of Western Distributing, its subsidiary companies, and the Wall of Honor had a negative impact on the Gaming industry. On the heels of that settlement, the Gaming Division took action against Advanced Gaming Solutions which is still pending a hearing. Advanced Gaming Solutions is another company created by Dave Wisdom.
- A Notice of Violation was signed by Aggie Foundation on August 14, 2023. The Aggie Foundation was an extensive investigation where the charity was negatively influencing rental agreements throughout the state.

Since late 2021 there has been over 35 bar break-ins or burglaries throughout the state. Through corroboration with the Gaming Division investigative team and local law enforcement agencies, many of the suspects have been apprehended and convicted of these crimes. The Investigative section has

spent many hours educating local bar owners and gaming managers on safety procedures to help deter these types of crimes. The Gaming Division has successfully prosecuted 3 dealer cheat cases with 2 pending, 1 conviction of an illegal gamble game at a bar in Fargo, 1 gaming manager embezzling money from a charity in Valley City, 3 fraud voucher cases, and has 5 pending cases where fraudulent pull tabs were being used. All these cases are taken care of in the local jurisdiction where the crime happened. During these cases many State's Attorney offices are being made aware of the gaming crimes happening in the state.

2023 Legislative Session

- 23 gaming related bills were introduced during the 2023 session, with being seven gaming related bills passed. Senate Bill 2304 outlined many gaming regulations and defined an "alcoholic beverage establishment". Many of the sections of the bill replace requirements in the gaming administrative rules to help clarify city, county, and state regulations.



- House Bill 1142 – this bill allows for organizations to give net proceeds to statewide veterans' organizations for administrative and program management expenses. This bill had an emergency clause attached and went into effect April 12, 2023. Administrative rules will be written to clarify the items that qualify.

There were two bills that passed that affect local permit holders:

- Senate Bill 2126 – allows for local permit holders to presell squares on a raffle board 30 days before the drawing. The raffle boards must be purchased through a licensed gaming distributor and have a state gaming stamp affixed by the distributor. However, if the raffle board is only sold at the physical location of the event and on that day, then no gaming stamp is required as the posting of the local permit will be adequate regulatory authorization.
- Senate Bill 2154 – provides an exception to the requirement that only one licensed organization or organization that has a permit may conduct games at an authorized site, by allowing for local permit holders to conduct a raffle or sports pool board in the authorized

site of another licensed organization or organization that has a permit if one of the following conditions is met:

- When the area for the raffle or sports pool conduct is physically separated from the area where games are conducted by the regular organization
- Upon request of the regular organization and with the approval of the alcoholic beverage establishment, the regular organization's license or permit is suspended for that specific time of day by the attorney general.

ELECTRONIC PULL TAB DEVICES

Electronic pull tab devices have become the top grossing game type bringing in over \$3.5 billion in gross proceeds and paying out over 3.4 billion in prizes during the biennium.

- There were 4,702 e-tab devices being conducted by 270 organizations in 815 sites in 271 cities across the state.



GAMING COMPUTER SYSTEMS

The Gaming Division completed the first and second stage out of four stages of an update to its electronic gaming tax return system. The system, once completed, will streamline filing and processing gaming tax returns and distributor invoices, reducing the amount of paper record keeping by Gaming division staff by 85%.

The system enables licensed gaming organizations to file their gaming tax returns and pay the gaming tax online. The next phase of the update will be to enable distributors to upload their gaming invoices and purchase gaming stamps online.

GAMING TOURS

During the week of July 17th – 21st, 2023, the Gaming Division on behalf of the Office of Attorney General visited 8 cities in the state to personally inform, greet, and educate licensed charities on the recent changes to the Century Code and the upcoming Administrative Rule Process. Of the 227 individuals we met from across the state, they made up 136 of the 350 charities we currently regulate, or 38% of the currently licensed charities.

Licensing Section

The Licensing Section issues licenses to **bars, restaurants**, liquor stores, transient merchants, **gaming sites and operators**, fair boards, and wholesale fireworks distributors, among others.

NORTH DAKOTA LOTTERY

The **North Dakota Lottery** conducts five multi-state games: Powerball®, Mega Millions®, Lucky for Life®, Lotto America®, and 2by2®. The mix of games provides jackpots starting from \$22,000 to \$20 million.



The North Dakota Lottery generated total operating revenues of **\$68.5 million** and net proceeds of **\$18.6 million**.

Across the state, **445** gas stations, convenience stores, grocery stores, and other locations are licensed to sell North Dakota lottery tickets.

- These businesses earned **sales commissions and bonuses** of **\$3.1 million**.

Lottery Ticket Sales

Approximately half of every \$1 ticket (51¢) is paid out in prize money. The state general fund gets 19¢. Only 5¢ goes to administration and operating expenses.

Prize Payouts

The lottery paid out **\$36 million in prizes** this biennium, including:

- **\$1,000,000 Powerball** prize in October 2021 to a player from Stillwater, MN on a ticket sold in Wahpeton, ND.

- **One \$150,000 Powerball with Power Play** prize in January 2022 to a player from Bismarck, ND and **six \$100,000 Powerball with Power Play** prizes to players from Bismarck, Glen Ullin, Fargo, Williston, Dickinson, and a group of 16 from Mandan.
- **\$25,000 a year for life Lucky for Life** prize in February 2022 to a player from Elgin, ND.
- **Eighty \$22,000 2by2** jackpots won as well as **four \$44,000 2by2 Tuesday Doubler** jackpots.

Lottery Promotion Success Stories

One of the Lottery's statutory priorities is to promote its games. The lottery offers limited-time promotions multiple times a year to encourage player awareness of all of the lottery's games. These promotions offer incentives such as instant win prizes, free tickets and discounts.

Lucky for Life

MORE LUCK 2 LE\$\$ BUCK – Players who purchased a single play, seven (7) draw Lucky for Life Ticket (\$14 value) received a \$4 discount. This gave players seven chances at the Lucky for Life top prize of \$1,000 a day for life for just \$10. This promotion ran July 16 through August 14, 2021.

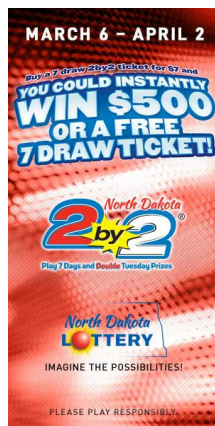


Total sales for the four-week (+2 days) promotion hit \$641,238 – a 228.65% increase in sales when compared to sales prior to the promotion.

- Players saved over \$114,000 during the promotion.

2by2

2BY2 INSTANT WIN – Players who purchased a single play, seven draw 2by2 ticket (\$7) March 6 through April 2, 2022, had a chance to instantly win another seven draw 2by2 ticket (\$7 value) or \$500 cash. Weekly sales increased over the entirety of the four-week promotion: Week 1: \$148,702; Week 2: \$153,968; Week 3: \$158,030 and Week 4: \$162,578.



- Week 4 of the promotion ranked as the eighth highest weekly sales in North Dakota 2by2 history.

Promotion sales were \$623,278, which ranks as the third highest sales total in 2by2 Instant Win Promotion history.

North Dakota Lottery Players Club®

The North Dakota Lottery Players Club is a free program that is fun and gives more value to North Dakota Lottery tickets. Membership offers added-value incentive programs to its members including Points for Prizes®, Points for Drawings™, and Pick & Click online play.



As a member of the Players Club, a player can enter North Dakota Lottery tickets (winning and non-winning tickets) to earn points that can be redeemed for merchandise through the Points for Prizes Storefront or used to purchase entries into Points for Drawings promotions.

- The Players Club is accessible via website or mobile app and has over **52,000** registered members.

Points for Drawings

The Points for Drawings program offers members the chance to win fun and exciting prizes using points earned from ticket redemption. Players can use their prize points to enter drawings for prizes worth hundreds up to thousands of dollars.

Prizes have included a Viking EPS Side-by-Side, an Icon® Golf Cart, Themed Mystery Boxes, a Trip to New York City for Two, Apple® products (MacBooks and AirPods) and other prizes.

- Over **\$205,000** in total prizes were given away to one hundred seventy-one winners during the biennium.



Pick & Click Online Play Service

The Pick & Click online play service offers players another avenue to purchase their lottery tickets. From a computer or mobile device (using the North Dakota Lottery Players Club mobile app), players can purchase tickets online offering such benefits as:



- Automatically being entered into every draw from home or on-the-go.
- Never miss a chance to play.
- Track and manage Pick & Click online play(s) from a computer or mobile device.
- Choose to play a single draw or up to a full year of game draws.
- Play favorite numbers or choose a Quick Pick.

Pick & Click online play sales totaled over **\$7 million**, or 10% of total Lottery sales, during the biennium.

NEVER MISS A DRAW - Players who purchased a 13-, 26-, 39-, or 52-week online play via the North Dakota Lottery's Pick & Click online play service received up to a 10% discount.

This promotion was available December 1 through December 31, 2022, to all eligible players by using the North Dakota Lottery Players Club website and/or official mobile app.

- Eligible sales totaled \$49,842. Players saved \$5,040 during the month-long promotion.



Lottery Proceeds

The Lottery transferred **\$13 million** to the state General Fund, **\$1.6 million** to the Multijurisdictional Drug Task Force Grant Fund (to offset rent, equipment, and other costs associated with the undercover operations), **\$640,000** to the Compulsive Gambling Prevention and Treatment Fund, and **\$2.7 million** to the State-wide Litigation Pool.

Since the Lottery began, North Dakota players have won more than **\$179 million**.



Office of Attorney General

600 E. Boulevard Avenue

Dept. 125

Bismarck ND 58505

E-Mail: ndag@nd.gov

Website: www.attorneygeneral.nd.gov

Telephone Numbers

Main Office

(701) 328-2210

Consumer Protection Division

(701) 328-3404

Bureau of Criminal Investigation

(701) 328-5500

Gaming Division

(701) 328-4848

Licensing Section

(701) 328-2329

North Dakota Lottery

(701) 328-1574

Winning Numbers Hotline

(701) 328-1111

State Crime Laboratory

(701) 328-6159

Medicaid Fraud Control Unit

(701) 328-5446