

Senior Financial Exploitation Task Force Secures Money for Additional Elder Justice Councils

On June 15, 2021 Commissioner Troy Downing reconvened the Senior Financial Exploitation Task Force. Representatives from State and federal agencies joined Commissioner Downing to discuss the creation of Northcentral, Southcentral, and Western Montana Elder Justice Councils following the success of the Eastern Montana Elder Justice Council created in 2019. Attendees included representatives from the Attorney General's Office, DPHHS, Adult Protective Services (APS), the Montana Legislature, Commissioner of Banking and Financial Institutions, County Attorneys' Association, US Attorneys' Office, and members of the Commissioner of Securities and Insurance Office (CSI).



The Task Force agreed to pursue the creation of additional councils. The new councils will be modeled after the eastern Montana council, which has provided education and prevented instances of exploitation.

For example, in Custer County, the Council's Prosecution Subcommittee helped determine the legal veracity of a power of attorney document to expedite a law enforcement investigation. In Musselshell and Golden Valley Counties, Council

members shared information across agencies to stop construction contractors who were committing fraud following a series of hailstorms. In 2020, the Intervention Subcommittee of the Task Force intervened many times to mitigate the impacts of abuse, neglect, and exploitation by coordinating resources among counties.

Elder abuse and exploitation are both complex and require resources with various expertise to help prevent them from occurring. A multi-disciplinary, multi-agency response — like the councils — are effective. In addition to the creation of the councils, the Task Force recommended securing grants to hire investigators and prosecutors specializing in elderly financial exploitation.

On June 24, representatives from the Task Force went before Montana's newly created Health Advisory Commission, which is responsible for allocating federal funding from the American Rescue Plan Act to State agencies. Deputy Securities Commissioner Lynne Egan and Mark Mattioli from the Consumer Protection Bureau at the Montana Department of Justice testified, along with DPHHS Director Adam Meier, asking for funding of the Task Force's proposal. The Commission voted unanimously to fund the request for three additional Elder Justice Councils, one prosecutor at the DOJ, and one and a half APS investigators to solely work on elder justice cases.

CSI will be conducting outreach to help form the new councils and outreach to local communities about financial exploitation.

From the Commissioner

Over the previous quarter, the CSI team has been busy working to create rules and implement the 17 bills our agency got across the finish line during the last Legislative Session. We believe these bills will protect consumers, lower prescription drug costs, and make Montana a more competitive insurance market.

Under this Administration, we are committed to expanding the capabilities and capacities to educate Montanans on matters CSI has oversight. This includes a new podcast-style program we will be launching over the coming months to reach more people than ever before. We look forward to covering a wide array of topics to educate the public, as well as professionals, in the insurance and securities industries. The CSI team will also be spending time on the road visiting towns across this great

State to educate the public on capital formation and elder exploitation.

Lastly, we are proud to announce the Insurance Summit is returning after being canceled last year. The September 27, 2021 Summit will offer four hours of continuing education. Tickets are expected to go fast, make sure to sign up as soon as possible.

Our team is here to help. Please do not hesitate to contact us.

Fond regards,



Commissioner Troy Downing



Do you have questions?

Please contact CSI directly at (406) 444-2040 or
by going to www.CSIMT.gov/contact



Commissioner Downing's Quarterly Report Summer 2021

CSI Criminal & Civil Actions

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI) is a criminal justice agency that investigates and prosecutes insurance and securities fraud. Protecting consumers and rooting out fraud is our top priority.

The following are a selection of enforcement actions initiated since Commissioner Downing took office in January, which represent the broad nature of this office's work:

State v. William Joseph Kuzma (Billings, MT): CSI filed one felony count of failure to register as a securities salesperson, one count of failure to register a security, and one felony count of fraudulent practices based on allegations Mr. Kuzma had offered and sold unregistered investment contracts resulting in a total loss of \$310,000 to three individuals.

In the Matter of Retire Happy, LLC; Joshua Patrick Stoll; and Julie Ann Minuskin: The Commissioner has issued an administrative enforcement action seeking fines and restitution based on allegations Retire Happy, a Las Vegas-based organization, and its unregistered salespersons operated as an unregistered broker-dealer and investment adviser in Montana resulting in a loss of \$1.3 million.

In the Matter of Forsage and Lado Okhotnikov: In March, Commissioner Downing issued an administrative enforcement action seeking fines, restitution, and a temporary cease and desist order based on allegations Forsage was running an online pyramid scheme. The company is a web-based platform that operates using a cryptocurrency called Ethereum.

State v. Eric Kildahl (Flathead Valley, MT): CSI filed one count of failure to register as a securities salesperson, one count of failure to register a security, and one count of fraudulent practices—all felonies.

State v. Cory Cheguis (Miles City, MT): The CSI filed one count of criminal insurance fraud based on an allegation Mr. Cheguis submitted false, incomplete, and misleading information by misrepresenting the date of loss to obtain coverage for damages.

State v. Patrick Vanworth; State v. Reid Vanworth (Great Falls, MT): CSI filed a pair of criminal cases charging the Defendants each with one count of felony insurance fraud based on allegations the Defendants cooperated to create and submit fraudulent invoices for pet boarding services to Liberty Mutual.

State v. Matthew Picard; State v. Connor Finck (Billings, MT): CSI filed a pair of criminal cases, charging the Defendants each with one felony count of insurance fraud and one felony count of criminal endangerment based on allegations the Defendants planned a collision between their vehicles in order to collect insurance proceeds on their respective vehicles.

In the Matter of the Proposed Agency Action Against Jessica Siegal (Billings, MT): Commissioner Downing issued an administrative enforcement action seeking fines and restitution and an immediate license suspension against the respondent based on the allegation she submitted 143 falsified and group insurance plan applications on behalf of various Montana businesses.

CSI Laws Taking Effect October 1, 2021

HB 117: Revise auto insurance laws related to claims history

HB 195: Revise insurance claims history information relating to property insurance

HB 290: Provide for a Self-Storage Insurance Act

HB 64: Authorize the Securities Uniform Whistleblower Act

SB 101: Provide for the direct patient care safe harbor act

SB 149: Exempt health care sharing ministries from insurance laws

SB 363: Revise insurance laws related to annuities

SB 76: Revise the captive insurance regulatory and supervision account

Reserve Your Spot Today!



For tickets to the 2021 Montana Insurance Summit (Helena, MT) go to CSIMT.gov/events and follow the hyperlink to reserve your spot. We hope to see you there!

Vax to Business

*CSI is working closely with Governor Gianforte to get Montana vaccinated.
If you're a business-owner, please recommend your team get the shot.*