

SENATE STATE AND LOCAL GOVERNMENT COMMITTEE  
JANUARY 10, 2025

TESTIMONY OF LONNIE GRABOWSKA  
OFFICE OF ATTORNEY GENERAL  
SENATE BILL 2026

Chairwoman Roers and Members of the Senate State and Local Government Committee:

My name is Lonnie Grabowska, and I am the Director of the North Dakota Bureau of Criminal Investigation (NDBCI). I am here to outline the operational impact of SB 2026 on the North Dakota Office of Attorney General (NDOAG) and the NDBCI.

Investigations into foreign ownership and compliance with state and federal restrictions are inherently complex and multi-layered, requiring coordination across various domains and jurisdictions. These efforts must navigate sensitive national security concerns, involving classified intelligence that may not always be accessible to state officials and decision makers, adding significant hurdles to transparency and actionable insights.

Analyzing large datasets from public records, sanctions lists, and business databases requires advanced tools and skilled personnel, both of which require significant investment. The complex corporate structures and ownership schemes used by foreign entities complicate efforts to trace true ownership and assess compliance. This highlights the need for a robust, well-funded, and coordinated investigative framework for effective enforcement.

Since the previous legislative and interim sessions, NDBCI has been researching how to acquire the capability for conducting foreign adversary investigations. Throughout this period, we have held numerous meetings with law enforcement and intelligence partners, as well as with private industry representatives.

These are the capabilities we **currently possess** for conducting investigations into foreign countries of concern or foreign organizations:

1. **Utilize federal and state law enforcement expertise and resources.**
2. **Federal Partners:**
  - a. Collaborate with Federal Bureau of Investigation (FBI), the Department of Homeland Security (DHS), and other federal agencies for classified intelligence.
  - b. Request sensitive information to assess risks related to national security or economic espionage.
  - c. Coordinate with the Committee on Foreign Investment in the United States (CFIUS) for cases involving national security agreements.
3. **State and Local Law Enforcement:**
  - a. Partner with state and county agencies for intelligence-sharing and enforcement.
  - b. Train local law enforcement on identifying suspicious transactions involving foreign ownership.
4. **Intelligence Sharing:**
  - a. Request access to relevant interagency databases.

However, significant **challenges** remain:

1. **Information Access:** Security restrictions and redacted intelligence.
2. **Coordination Hurdles:** Differing priorities and timelines.

Section 4 of SB 2026 requires the NDOAG to assist city council or commissions, county commissions, title agents or companies, and the North Dakota Secretary of State by conducting civil reviews and making determinations whether persons are foreign organizations of concern and ineligible to own real property. This type of a determination requires an extensive investigation by NDBCI.

Similarly, Section 6 of SB 2026 requires the NDOAG to determine whether an organization has falsified a certification to the Secretary of State about whether the organization is a foreign organization of concern in violation of the provisions in this bill and, if so, to prosecute the organization. Again, this type of a determination requires significant investigative time and resources from NDBCI.

These are the capabilities we **require** to conduct investigations into foreign countries of concern or foreign organizations:

1. **Personnel (2 NDBCI Criminal Investigators)**

- a. NDBCI will oversee the complex investigations outlined earlier related to the civil and criminal components of the filings by foreign countries of concern or foreign organizations. The field investigations will be instrumental for the State's Attorney's Offices and the NDOAG Assistant Attorney Generals to make determinations on civil penalties and criminal charges. These agents will be

tasked with applying for the authority of the Federal Bureau of Investigation (FBI) as Task Force Officers (TFO) working with the FBI's Joint Terrorism Task Force (JTTF). The NDBCI agents will have direct communication and basic access to the Department of Justice (DOJ). Even though the NDBCI agents will be FBI TFO's these agents will be restricted from full DOJ database access, and any applicable sensitive information will be granted by the FBI on a need-to-know basis. Any information supplied to the FBI TFO agents may be classified which would limit NDBCI's ability to disseminate the data to non-qualified persons, potentially including prosecutors.

- b. The (2) NDBCI Criminal Investigators will consist of one Special Agent being assigned in western (Dickinson or Williston) North Dakota and the second Special Agent being assigned in eastern (Fargo or Grand Forks) North Dakota. These assignments will meet the geographical needs to effectively respond to civil and criminal investigations across the state.

**Financial Cost (2 NDBCI Criminal Investigators)**

\$250,210 per agent, per biennium, salary and benefits

\$53,235 per agent, per biennium, ongoing operating

\$19,785 per agent, one-time operating/small equipment

\$64,100 per agent, one-time capitol assets (car, radios)

Total cost for one agent: \$387,330 for the 2025-2027 biennium

Total cost of request (2 agents): \$774,660 for the 2025-2027 biennium

## 2. Advanced analytical tool

- a. An advanced analytical tool assists in the collection, management, and analysis of intelligence data, significantly improving investigative processes. Advanced analytics and Artificial Intelligence (AI) driven tools assist in the processing and visualization of information, enabling investigators to delve into complex networks across diverse data sources and variable timeframes.
  - i. **Data Collection and Integration:** These tools collect data from various sources, such as databases, spreadsheets, web services, surveillance systems, and social media. They integrate this data into a single platform for easy access and analysis.
  - ii. **Data Preparation:** The tools clean and pre-process the data to ensure accuracy and consistency.
  - iii. **Data Analysis:** Using advanced analytics and machine learning algorithms, these tools analyze the data to identify patterns, trends, and connections. This helps in detecting criminal activities and potential threats.
  - iv. **Data Visualization:** These tools provide interactive visualization capabilities, allowing investigators and analysts to create maps, timelines, and network diagrams to better understand the information.
  - v. **Collaboration:** These tools offer collaborative workspaces where investigators can share information and work together on cases.
  - vi. **Real-Time Insights:** With real-time data access, investigators can make informed decisions in real time.

- vii. **Documentation:** These tools provide investigators a means to document their findings and create comprehensive reports. They also generate reports and actionable insights that help investigators or policymakers make data informed decisions.

**Financial Cost for Analytical Tool**

\$2 – 3 million (approximate initial cost)

\$170,000 (approximate annual maintenance)

NDOAG also would require an **additional Assistant Attorney General** in the Criminal Law Division to carry out prosecutions under Section 6 of this bill. Our Criminal Law Division is severely understaffed and would not be able to accept the additional cases from this bill without negatively impacting their existing responsibilities to the state.

In summary, to effectively analyze large datasets from public records, sanctions lists, and business databases, advanced tools and skilled personnel are necessary, requiring significant investment. The complex corporate structures and ownership schemes used by foreign entities further complicate tracing true ownership and compliance. Thus, a robust, well-funded, and coordinated investigative framework is essential for effective enforcement but cannot guarantee access to the complex and often classified or offshore information regarding foreign ownership.