



Office of the Minnesota
Secretary of State

Addressing Fraudulent UCC Filings
Thru Legislation

What Minnesota Did

During the 2022 Legislative session, Minnesota passed HF-3400, a bill that provides a comprehensive pre-filing remedy of rejection of a filing and a post-filing remedy of Termination-by filing office.

How we Presented our Proposed Law to the Legislature

1. What it is
2. Who is filing & Why
3. How we can prevent and provide relief to the victim

What is a Fraudulent UCC Filing

An unauthorized filing made without consent, having no factual basis or legitimate supporting documentation such as a security agreement.

Fraudulent, bogus, and wrongful filings are all terms used for an unauthorized lien filing

Who Files & Why

Retaliator/Harasser:	Filed with an intent to harass or retaliate against a person or entity they believe have wronged them in some way.	Often filed against a public figure, judges or law enforcement officers, and government agencies.
Fraudster/Bad Actor	The secured party uses the UCC financing statement to establish a 'legitimate' claim over a business.	Foundational documents used as part of a larger scheme of business fraud, identity theft, theft of property, and even money laundering.
Strawman/Sovereign Citizens	Anti-government extremists who believe they are not subject to statutes, and state, federal or municipal laws.	'Regular' citizens dupped into purchasing 'how-to' kits. Believe they can discharge debt, repair credit, and prevent collections from IRS, Revenue, and Human Services.

Why is a Fraudulent UCC Filing a Problem?

In addition to the potential for larger crime and many hours spent processing bogus filings, fraudulent lien filings cause chaos in the lives of the victims. By way of delayed home sales and purchases, trouble acquiring loans and financing, and time, money, lawyers and court orders to have them removed from record.

Steps we Take to Prevent the Filings

We look for key components:

- Same name, debtor and secured party
- Red ink thumbprint (meant to indicate a **BLOOD OATH**)
- References to the bible and/or the US constitution, foreign treaties
- Disproportionate dollar amount (Three Billion Dollars!)

Steps we Take to Prevent the Filings

We look for key words and phrases:

- Sovereign Soul
- Belligerent/non-belligerent
- Under Duress
- 'El' or 'Bey'
- Millions and Billions
- Jehovah/God/Yahweh
- Live-Birth
- Special Characters in names:
 - [adam hansen]
 - :Hansen Adam
 - ADAM A. HANSEN
 - ORGANIZATION/TRADE
 - MARK/TRADE NAME -
 - DEBTOR
- Identify debtor as a transmitting utility

Steps we Take to Prevent the Filings

When you see it. You know it.

Paper filings are reviewed by staff and our online filing system checks for same debtor & secured party name and word/phrase matches, moving filings into a queue for manual review.

If not Rejected, Now we can Terminate

The second, crucial part of this legislation allows us to terminate a wrongly filed UCC on behalf of the debtor, and avoids the pre-legislation solution of going to court.

The debtor can submit an 'Affidavit of Wrongful Filing' to the filing office (us) for termination. The 'secured party' will receive notice and may request an expedited review for reinstatement (by the 20 day mark)

So... How's it Working?

In the past year, since enacting the fraudulent filing bill we have:

- Rejected 74 filings.
- Received 15 Affidavits of Wrongful Filing resulting in 15 Terminations by Filing Office. (Half of these were a result of a single lien filing naming several of debtors.)
- Very recently been named in 1 lawsuit (Appears to be due to denying a request for reinstatement after a termination by filing office was filed.)

In the past 4 months since enabling our online filing system to identify questionable filings:

- 135 online filings were flagged for staff review & 27 were rejected as wrongful filings.

So... How's it Working?

The most impressive results are those that impact our government officials and other MN citizens plagued by fraudulent filings:

Our State AGs office and County Attorneys appear to be less burdened. We have had only 3 inquiries regarding fraud filings and 0 new filings were found in those cases.

And court ordered removal of filings reduced from 12 in 2021, to 2 in 2022 , and 0 so far, for 2023.

Questions?



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