



Colorado Fraudulent Business Filings Working Group
Appointee – Ralph Gagliardi – **Proposals**

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1. New Business Creation – CAPTCHA

Limit the number of New Businesses you can create in succession

- Similar to Business Search that limits in various ways (*Discussion on Limits*).

2. Highlight / Bold – Admonishment of Record Usage

When making a decision and or when another person or entity is reviewing the business filing, for issuance of credit, or other business need.

Emphasize: Read the Summary and Filing Dates that may reflect recent changes in the, Registered Agent, Mailing Address, Cured Delinquent Business Activated Closed Business.

3. When Law Enforcement (Colorado Bureau of Investigation) is Involved – and Investigating complaints when Victims of Businesses at Addresses not their own

Move ahead in process set forth by current legislation

Law Enforcement / CBI – can show examples of this -

When a victim(s) reports a business filed with either their name, or address, without their knowledge or consent to Law Enforcement, particularly the CBI, the following should occur:

- An investigation will ensue to determine the source of the registration.
- If the investigation reveals the victim(s) record was falsely generated, the victim completes an affidavit to have the record administratively dissolved.
- This process should not be subject to the lengthy complaint process as referred to in the legislation as an investigation will have already been completed. Aside from an efficiency standpoint, the legislation specifically states the AG “may” investigate the case: “*The attorney general may investigate the complaint and refer the complaint to an administrative law judge.*” This process does not appear to be favorable to victims of a crime.
- Adding additional Law Enforcement resources to provide an affidavit and additional documentation providing evidence of a fraudulent business record removes any additional burden from the Secretary of State, and the AG’s Office.
- If throughout this investigation, any other additional records associated with the falsely generated record are located, which is often the case, those victims will also be contacted by Law Enforcement, particularly the CBI. If those records are also found to be fraudulent, an affidavit signed by the victim and additional supporting evidence will be completed for those records to be administratively dissolved as well.

4. Registered Agent – Vetting – Processes

Discussion – How to verify the true Registered Agent / name being used without their knowledge.

5. Passwords Required for Business Entity vs current OPT in process

In creation of any new business - the password process is required and not optional.

For the corporation stores or law firms that file numerous businesses -

A secondary process that they must vet through the SoS - as to their credibility etc.. - allowing them to group or batch businesses passwords with a catch all password or level of business security similar to the password needed on the individual person filings.

6. AI Solution - Authentication of person / entity creating the filing

6a Limit a single IP – flag etc...? (Similar to Business Search at present)

6b Address verification becomes imperative – bounced against Voter Registration – other State Issued ID. Lexis Nexus.

7. Inactive and or Dormant Businesses

When an entity needs reinstatement, or returned to good standing after (2yrs? Discussion?)

A process to verify *the true person* re activating the business is the true original / authorized person to do so. (AI Solution to Vet?)

Ralph A. Gagliardi
Agent in Charge
High Tech Crime Unit
Colorado Bureau of Investigation