



**Tax Recovery and Criminal Enforcement
Task Force Executive Board Meeting
621 Capitol Mall, Room 2114, Sacramento, CA 95814
August 15, 2018**

Meeting called to order at 10:06 a.m. by Jim Biscailuz, Chairman, TRaCE Executive Board

Members Present:

Jim Biscailuz, Chairman, Special Agent in Charge, DOJ
Randy Silva, Vice Chairman, Chief, CDTFa Investigations
Dan Gonzalez, Chief, FTB Investigations
Cindy Chen, Assistant Special Agent in Charge, IRS
Nicole Soldander, Proxy for Sir Streeter, Assistant Special Agent in Charge
Jim Root, Special Assistant Attorney General, DOJ
Jonathan Fairbanks, Proxy for Susan Ferencic, Assistant Special Agent in Charge, FBI
Dan Cawley, Proxy for Thomas Wilson, Deputy Chief, DMV

Members Absent:

Frank Waldschmitt, Proxy for David A. Montoya, Chief, EDD Investigations (absent for Open Session)

Discussion Items:

- April 18, 2018 Minutes
 - Cindy Chen motioned to approve minutes. Motion seconded by Dan Gonzalez.
 - Vote: 8 in favor; 0 opposed.

Resolved: Motion carried

- Status Reports and Updates
 - 2nd Quarter Accomplishments
 - Handout was provided listed the 2nd Quarter Accomplishments.
 - TRaCE Federal BJA IPR Grant – Interagency Agreements still Pending
 - EDD has an approved Interagency Agreement with DOJ for overtime reimbursements related to IPR cases through the BJA IPR Grant.
 - CDTFa and DOJ's Interagency Agreement for overtime reimbursements from the BJA IPR Grant is still pending.
 - FTB and DMV will not be seeking an Interagency Agreement for overtime reimbursements from the BJA IPR Grant for IPR related cases.
 - Prop 56 Positions & Status on Hiring
 - DOJ has hired two agents in Los Angeles to work cigarette/tobacco related investigations.
 - DOJ is in the process of hiring two agents for task force located in Sacramento to work on cigarette/tobacco related cases. Hiring should be accomplished by the end of the year.
 - The Attorney General's office hired a contractor, Henry Espinoza (a former IRS agent), to handle forensic accounting associated with the cigarette/tobacco cases.

Henry Espinoza will be assisting both the Sacramento and Los Angeles TRaCE teams.

- CTDFA has completed the hiring process for an Investigator to work with the DOJ cigarette/tobacco agents assigned to LA TRaCE and Sacramento TRaCE. CTDFA will be advertising the CDTFA investigator vacancy on TRaCE in-house for Sacramento TRaCE.

Open session meeting adjourned at 10:22 a.m. by Jim Biscailuz, Chairman, and TRaCE Executive Board.

Open Session was reopened at 10:55 am for Update on SB 1272 – Legislative Speaker, Mario De Bernardo, arrived late due to a prior meeting.

- SB 1272 – Legislative Update
 - Speaker: Mario DeBernardo, Deputy Attorney General, Office of Legislative Affairs, Department of Justice
 - Mr. DeBernardo updated the Executive Board on the recent legislative activity associated with the TRaCE Expansion Bill, SB 1272. The bill has been through both houses and there has been no opposition. All recorded votes have been positive. There are quite a few coauthors of the bill. The Assembly will act on the bill on Thursday, August 16, 2018. If it passes out of the Assembly, the bill will then be presented back to the Senate for confirmation of the amendments made during the assembly committee meetings. If the bill passes both houses it will be enrolled and then the bill will be presented to the Governor. The Governor has three options with the bill by September 30, 2018 at midnight: sign it, veto it, or do nothing and by operation of law it becomes effective.
 - There were a few amendments to the bill. Some of the amendments were regarding the disclosure of confidential taxpayer information.
 - Upcoming Timeline: Voting will occur over the next two weeks in both houses. DOJ is committed to the bill as well as the author and co-authors. DOJ expects the bill to be approved by both the Senate and Assembly by mid to late next week or the following week. If the bill is signed or becomes effective by operation of law, it would be effective January 1, 2019. If the bill is not vetoed by the Governor, state agencies have 10 days to do a Budget Change Proposals (BCP). Jim Biscailuz will be coordinating, the BCP process, and he will bundle the BCPs to submit as a package to Department of Finance.

Open session meeting adjourned at 11:02 a.m. by Jim Biscailuz, Chairman, and TRaCE Executive Board.

Next meeting is scheduled for October 17, 2018 at 10:00 a.m., at 621 Capitol Mall, Room 2114.