



**Tax Recovery and Criminal Enforcement
Task Force Executive Board Meeting
621 Capitol Mall, Room 2114, Sacramento, CA 95814
December 19, 2018**

Meeting called to order at 10:12 a.m. by Jim Biscailuz, Chairman, TRaCE Executive Board

Members Present:

Jim Biscailuz, Chairman, Special Agent in Charge, DOJ
Dan Gonzalez, Chief, FTB Investigations
Sir Streeter, Assistant Special Agent in Charge, HSI
Jim Root, Special Assistant Attorney General, DOJ
John Gerges Proxy for Robert Tripp, Assistant Special Agent in Charge, FBI
Thomas Edwards Proxy for Thomas Wilson, Deputy Chief, DMV
Frank Waldschmitt Proxy for David A. Montoya, Chief, EDD Investigations

Members Absent:

Randy Silva, Vice Chairman, Chief, CDTFA Investigations
Cindy Chen, Assistant Special Agent in Charge, IRS

Discussion Items:

- October 17, 2018 Minutes
 - Dan Gonzalez motioned to approve minutes. Motion seconded by Thomas Edwards.
Resolved: Motion carried
- 2019/20 TRaCE Legislation
 - Jim Biscailuz indicated that DOJ is diligently working on their attempts to codify the TRaCE Task Force through a legislative proposal in the 2019/2020 cycle. The TRaCE Task Force still remains one of the Attorney General's top priorities. DOJ is taking a proactive approach and scheduled a meeting with Governor Gavin Newsom's Chief of Staff, Ann O'Leary last week. The meeting provided direction to proceed with the same legislative proposal as attempted last year. A follow-up meeting will be scheduled with Ann O'Leary after January 1, 2019.
- DOJ Prop 56 Hiring Update
 - CDTFA Investigations Division has hired an Investigator to perform joint cigarette and tobacco investigation with DOJ Tobacco Agents for both Sacramento and LA TRaCE task forces. CDTFA will not be adding more than two investigators to Sacramento TRaCE. However, LA TRaCE is in the process of advertising internally for volunteers. All candidates will be submitted for the Commander's approval.
 - DOJ acquired funding to hire four agents to work cigarette/tobacco cases. Two agents have already been hired and have enlisted the assistance of a K9, Max, to assist with cigarette/tobacco cases on the LA TRaCE Task Force. Two additional agents will be hired and assigned to the Sacramento TRaCE Task Force; one agent has been hired as of November 2018 and one agent remains in the hiring process. In addition, the OAG's

Office has hired a Forensic Auditor to assist the TRaCE Task Forces with complex tax cases, and a paralegal to assist with legal work associated with the cases (start date in January 2019).

- Technical Review with NW3C on IPR Related Cases – December 7, 2018
 - The National White Collar Crime Center was impressed with the IPR investigative work of the TRaCE Task Force. As such, they requested a technical review to learn how to make improvements and garner the totality of the criminal offenses related to IPR criminal activity. To that end, two representatives from Virginia scheduled a meeting with Commander Gorsuch and Law Enforcement Liaison, Gina Fong, to obtain information on how to include identify tax related offenses while performing IPR investigations. Commander Gorsuch gave an overview of a complex IPR/Tax Case and Law Enforcement Liaison, Gina Fong, provided information on CDTFA's ability to tax counterfeit tangible personal property (R&T 6007, 6009.7). The Representatives were interested in the lessons learned from early cases until current day. They were provided the legislation to take back to Virginia's Department of Revenue. We discussed legislation at a National level to create awareness as well as deter counterfeit related criminal activity. The Representatives were also very interested in IPR related items sold via Amazon and working cases where suspects are using Amazon as a platform to sell counterfeit items.

- Training plan for Tobacco Agents
 - DOJ's new hire for Sacramento is currently still in the four month FTO program, however Commander Gorsuch hopes to do training the third week of January. Training would consist of a Ride-a-long with CDTFA's AB71 Inspectors, a Diversion Sting Operation in Sacramento and/or LA, and a review of contraband cigarette/tobacco being shipped via overseas and coming into the US through the International Mail Centers and USPS every month.

- Senate Resolution – Senator Cathleen Galgiani
 - Gina Fong, Law Enforcement Liaison, provided notification to the Executive Board and solicited any opposition to Senator Galgiani presenting the TRaCE Task Force with a Senate Resolution Award for their work with respect to combatting the underground economy, human trafficking, labor trafficking and other economic crimes. The Senator had mentioned her intent to present the award while in the legislative cycle but time didn't permit.
 - The Executive Board had no opposition with moving forward with the Senator Resolution. The Law Enforcement Liaison will continue to keep the Board apprised as this moves through the approval process with the Legislature.

Open session meeting adjourned at 10:29 a.m. by Jim Biscailuz, Chairman, and TRaCE Executive Board.

Next meeting is scheduled for February 20, 2018 at 10:00 a.m., at 621 Capitol Mall, Room 2114.