



**Tax Recovery and Criminal Enforcement  
Task Force Executive Board Meeting  
621 Capitol Mall, Room 2114, Sacramento, CA 95814  
February 21, 2018**

Meeting called to order at 10:07 a.m. by Jim Biscailuz, Chairman TRaCE Executive Board

**Members Present:**

Jim Biscailuz, Chairman, Special Agent in Charge, DOJ  
Randy Silva, Vice Chairman, CDTFA Investigations  
Dan Gonzalez, Chief, FTB Criminal Investigations Bureau  
Cindy Chen, Assistant Special Agent in Charge, IRS  
Tom Edwards, Proxy for Thomas Wilson, Deputy Chief, DMV  
Sir Streeter, Assistant Special Agent in Charge, DHS  
Dave Hansel, Assistant. Special Agent in Charge, FBI  
Jim Root, Special Assistant Attorney General, DOJ

**Members Absent:**

Frank Waldschmitt, Proxy for David A. Montoya, Chief, EDD Investigations

- December 20, 2017 Minutes
  - Dan Gonzalez motioned to approve minutes. Motion seconded by Randy Silva
  - Vote: 8 in favor; 0 opposed
  - Resolved: Motion carried**
  
- Guest Speakers
  - Senator Cathleen Galgiani
    - Senator. Galgiani presented SB 1272, the legislative proposal to make the TRaCE Task Force a permanent program under the Department of Justice and to expand the task force into San Diego, Fresno, and the Bay Area. She expressed a commitment toward working with her legislative peers to advance the legislation. She also thanked Attorney General Xavier Becerra for sponsoring this legislation.
  - Jose Mejia, Director Laborers' International Union of North America
    - Mr. Mejia agreed with the Senator's commitment to support the legislation, and advised the TRaCE Board to continue to be result orientated.
  
- Status Reports & Updates
  - 4<sup>th</sup> Quarter Accomplishments
    - Handout was provided listing the 4<sup>th</sup> Quarter Accomplishments
  - TRaCE LA Regional Board
    - LA TRaCE HSI Slot Agreement

- The HSI Slot Agreement has been approved by both HSI and the Department of Justice. There are now two SLOT agreements with HSI, one for Northern California TRaCE and one for LA TRaCE.
- RRaCE Final Report
  - Christine Baker, Director of DIR, is recommending to sunset RRaCE due to the belief that it is not needed for TRaCE to continue to operate and share information. Once the report is complete and all edits have been approved, DIR will submit it to the Governor.
- TRaCE Federal BJA IPR Grant – Interagency Agreements Still Pending
  - The IPR Grant is in the “approval process.” This agreement allows for the payment and reimbursement of overtime for casework related to IPR cases.
- Prop 56 Positions & Status on Hiring
  - DOJ DLE will be hiring four Law Enforcement agents. Two for Nor Cal TRaCE and two for LA TRaCE. One of the positions for LA TRaCE needed to be revised as the job description failed to include that the successful candidate would need to be willing to be the handler for the TRaCE K9 tobacco dog. The K9 position was approved last week and will have the position posted by Friday, February 23, 2018. DOJ has received 12 applications for the LA TRaCE position and 14 applications for the two Nor Cal positions.
  - Jim Root (OAG DOJ) stated DOJ’s Legal Attorney will hire two prosecutors, one for LA TRaCE and one for Nor Cal TRaCE. They are also hiring two Legal Analyst’s, one for LA TRaCE and one for Nor Cal TRaCE; and one Investigative Auditor for LA TRaCE. He stated they will hire the positions in accordance with the Investigators that are hired.
- DOJ Legislation Initiative
  - Jim Biscailuz met with the Office of Legislative Affairs (OLA) and with the Attorney General’s representative. They are funding two existing TRaCE offices in Nor Cal (Sacramento) and Los Angeles. They also would like to expand to Fresno (Central Valley), East Bay Area (location to be determined) and San Diego. DOJ staffing at each task force would include one supervisor, and three task force agents per location.
  - Susan Gorsuch will be sending out letters to the TRaCE supporters to request letters of support for SB1272. DOJ as the lead agency will be marketing the bill to garner support from stakeholders and industries affected by the underground economy.
  - Mario De Bernardo, DOJ Office of Legislative Affairs, is moving forward with the TRaCE legislative proposal, SB1272, which is carried by Senator Cathleen Galgiani and Senator Tony Atkins. He requested that the tax agencies provide anticipated costs for staffing TRaCE and for data analytics. He also requested that the tax agencies provide any updates to their previous submitted cost estimates.
- Outreach & Training Opportunities
  - IQPC 20<sup>th</sup> Annual Anti-Counterfeiting & Brand Protection

- Susan Gorsuch and Gina Fong presented the TRaCE Model at the IQPC 20<sup>th</sup> Annual Anti-Counterfeiting & Brand Protection Conference in San Francisco. Also discussed was California Department of Tax and Fees Administration's (CDTFA) revenue and tax code section that allows the State to assess use tax on the inventory of the counterfeiter provided they are prosecuted for counterfeiting.
- NW3C IPR Law Enforcement Training, April 4, 2018, DOJ Commerce Office
  - Jim Biscailuz is hosting the NW3C IPR Law Enforcement Training on April 4, 2018. This training will bring all law enforcement together for education and outreach.
  - The total enrolled for the training is 65 with 15 to 20 on the waiting list.
  - NW3C is contemplating hosting additional classes due to the wait list of applicants for the initial training.

Next meeting is scheduled for April 18, 2018 at 10:00 a.m., at 621 Capitol Mall, Room 2114.

Open session meeting adjourned at 10:54 a.m. by Jim Biscailuz, Chairman, and TRaCE Executive Board.