



Tax Recovery and Criminal Enforcement Task Force
Los Angeles Regional Board Meeting
LA CLEAR – Los Angeles Room
5801 E Slauson Avenue, Commerce, CA 90040
September 13, 2017

Meeting called to order at 10:07 a.m. by Jim Biscailuz, Member, Los Angeles TRaCE Regional Board

Members Present:

Anthony Orlando, Special Agent in Charge, IRS CI
 Darren Lian, Supervisory Special Agent, Proxy for Anthony Orlando, Special Agent in Charge, IRS CI
 Jim Biscailuz, Special Agent in Charge, DOJ
 Vikram Mandla, Deputy Attorney General, DOJ
 Mike Fitzpatrick, Special Agent in Charge, Proxy for LJ Connolly, Supervisory Special Agent, FBI
 Gema Gonzalez, Deputy Chief, FTB Investigations
 Edmond Chan, Business Taxes Administrator I, Proxy for Marzo Sacasa, Southern Administrator, CDTFA
 Investigations
 Frank Waldschmitt, Chief, EDD Investigations
 Vito Scattaglia, Deputy Chief, DMV Investigations

Members Absent:

Carlos Rojas, Chief of Police, Santa Ana Police Department
 Jeremy D. Scott, Assistant Special Agent in Charge, DHS

Discussion Items:

- **July 12, 2017 Minutes**
 - Gema Gonzalez motioned to approve minutes. Motion seconded by Vikram Mandla.
 - Vote: 8 in favor, 0 opposed

Resolved: Motion carried

Notable items:

The meeting folders now include handouts for both the Open Session (left) and the closed session (right).

Regional Board Chairman, LJ Connolly, has retired. This will require an election for a replacement Regional Board Chairman and potentially a replacement Regional Board Vice Chairman. The Regional Board discussed the topic of an election; however there was no immediate interest. Since all Regional Members were not present, it was suggested to defer the election until the next meeting.

- **Defer Election of Regional Board Chair, and possibly Vice Chairman, until next meeting**
 Vikram Mandla expressed interest in the Vice Chairman position if the Regional Chairman opening was accepted by Marzo Sacasa.
 - Jim Biscailuz motioned to defer election. Motion seconded by Gema Gonzalez.
 - Vote: 8 in favor, 0 opposed

Resolved: Motion carried

- **TRaCE HSI Slot Agreement**
 - HSI is currently in process of obtaining the necessary approvals through legal review. Next steps, would be for the Regional Board to approve the agreement and then for the Executive Board to approve the agreement. Once both Boards approve, Executive Board Chair signs the agreement and the agreement is adopted.
 - TRaCE will submit a justification for the equipment expenses and request reimbursement from HSI through the Slot Agreement. Upon approval by HSI, the equipment will be purchased utilizing the TRaCE SDF and then the TRaCE SDF will receive full reimbursement from the HSI Slot Agreement.

- **Federal BJA/IPR Grants**
 - Interagency agreements for reimbursement need to be completed by DMV, EDD, CDTFA
 - Reimbursement through DOJ may be opened to other agencies also. Reporting requirements would be through DOJ and would not be retroactive.
 - DOJ will monitor the grant
 - Agencies will pay the overtime to their employee and submit standard state form to DOJ for reimbursement

- **Status Reports**
 - The Attorney General, Xavier Becerra, attended the August TRaCE Executive Board meeting. AG Becerra showed complete support for TRaCE and the desire to expand the task force into dense underground economic regions of California. He assigned personnel to assist with drafting a legislative proposal and expressed a need for an innovative approach to tap into more funding through legislature. AG Becerra shared that he is a strong advocate of the TRaCE Task Force.
 - Jim Biscailuz submitted a Legislative Concept paper to acquire funding to expand TRaCE's efforts. As a result, there are follow-up meetings to discuss an action plan to have the concept submitted to the legislature in bill format.
 - RRACE Partners (Representatives from: FTB, EDD, DMV, DOJ, CDTFA) met with Department of Industrial Relations (DIR). By October 2017 DIR is expecting to have a completed draft of the final report. Recommendation to merge the teams that were created under RRaCE as well as the need to reduce barriers for exchanging information for criminal investigations. Additionally, DIR was interested in knowing if TRaCE would replace RRaCE as the operational enforcement model.
 - DOJ has actively started recruiting for a new Commander to replace Rigo Garcia as the LA TRaCE Task Force Commander. The position has been advertised. There is an inbound prospective available, once the list is out.

- **Outreach**
 - TRaCE Representatives will be attending the NW3C Conference and will present the TRaCE Enforcement Model at the conference. Breakout sessions for managers may be of interest along with topics on Cigarette/Tobacco Smuggling Tactics used by these trades. Also, Trafficking on Highways by the CHP.
 - Invitation received for November 30, 2017 Underwriter's Laboratory presentation-Fremont, CA and October 2017 Piping Industry seminar-San Jose, CA.
 - A meeting will be confirmed with Investigative Consultants (IC) to discuss a workgroup with law enforcement, TRaCE and IC to work cigarette/tobacco related leads/cases. In addition, Southern California Administrators are encouraged to refer leads to TRaCE where they have identified multiple agency violations.

- LA HIDTA-Commerce, CA is holding a Bitcoin Session and its drug cartel connections. TRaCE members should attend.
- **Jim Biscailuz recommended closing the open session and move to closed session**
 - Mike Fitzpatrick motioned to change sessions. Motion seconded by Edmond Chan.
 - Vote: 8 in favor, 0 opposed**Resolved: Motion carried**

The Open Session meeting adjourned at 10:50 am by Jim Biscailuz, Member, Los Angeles TRaCE Regional Board.

The next meeting scheduled for Wednesday, November 08, 2017, 10:00 am at LA CLEAR in the city of Commerce.