



Tax Recovery and Criminal Enforcement Task Force
Los Angeles Regional Board Meeting
12501 E Imperial Highway, Ste. 300, Norwalk, CA 90650
November 09, 2016

Meeting called to order at 10:12 a.m. by Anthony Orlando, Chairman, TRaCE Regional Board

Members Present:

Anthony Orlando, Acting Special Agent in Charge, IRS
Jim Biscailuz, Special Agent in Charge, DOJ
Vikram Mandla, Deputy Attorney General, DOJ
LJ Connolly, Assistant Chief, FBI
Marzo Sacasa, Southern Administrator, BOE Investigations
Vito Scattaglia, Deputy Chief, DMV Investigations
Carlos Rojas, Chief of Police, Santa Ana Police Department

Members Absent:

Frank Waldschmitt, Chief, EDD Investigations (No Proxy)
Gema Gonzalez, Deputy Chief, FTB Investigations (Robert Olesniewicz, Proxy)
Jeremy D. Scott, Assistant Special Agent in Charge, DHS (No Proxy)

Discussion Items:

- September 14, 2016 Minutes
 - Jim Biscailuz motioned to approve minutes. Motion was seconded by Vikram Mandla.
 - Vote: 8 in favor, 0 opposed
 - Resolved: Motion carried**

- Yearly meeting with Executive Board – February 2017
 - Meeting is scheduled for February 22, 2017. Hotel Travel Accommodations have been arranged at the Delta King Hotel located in Sacramento, CA. The Delta King has a block of rooms set aside for TRaCE Task Force Regional Members and Task Force Agents. Executive Board suggested topics include: case studies presented by both task force Commanders; uniformity among task force teams; networking between Board members and agencies (including transfer of knowledge). Department of Health Services (DHS) is welcome to join.
 - Chairman Randy Silva will be the keynote speaker and will conduct a discussion of each agency's goals. A representative from FBI will present the impact of marijuana as it pertains to organized crime. Jim Biscailuz to provide an update on the DOJ legislative proposal to expand TRaCE and on any initiatives that just passed (recreational marijuana and \$2 tobacco tax increase). United States Attorney's Office (USAO) is also welcome to attend.
 - Bylaws and MOUs to be discussed. There will be two conference rooms and the conference will be held at the 621 Capital Mall location.

- Speaker with USAO
 - Role of General Crime Section presented by Kathy Ostiller. She supervises 25-30 new AUSAs. General Crime consists of 1) new AUSAs who handle post-indictment cases, and 2) complaints section which handles cases through investigations to indictments.
 - Cases going through a screening criteria and are submitted to Robin Bacon, who handles main complaint intake. Most cases are acceptable with the exception of wiretap cases, long term cases (1 year or more), or money laundering cases-which should go to Organized Crime and Drug Enforcement Task Force (OCDETF). OCDETF also handles human trafficking cases. Cases that are not health and safety issues such as counterfeiting and cyber theft are also accepted.
 - Kathy Ostiller shared the layout of the General Crimes section, which consists of Criminal Section-financial crimes, National Security-cybercrimes and Civil Section-tax fraud. Cases should be presented as early as possible, even prior to a state search warrant, subpoenas can be handled federally.

- **Status Reports**
 - Outreach
 - Gina Fong and Susan Gorsuch of TRaCE presented the TRaCE model at the International Anti-Counterfeiting Coalition (IACC) conference located in Scottsdale, Arizona. Many “Brands” representatives attended and were interested in the TRaCE Enforcement model as it relates to intellectual property. Many attendees were impressed with California’s new anti-counterfeiting law that allows the Board of Equalization to tax counterfeit items whether they were sold or not.
 - Her Majesty's Revenue and Customs representatives are still interested in a meeting. Chair Anthony Orlando has contact information for facilitating a future meeting.
 - Value Added Tax is approximately 20% in the UK and they are losing revenue on on-line sales. They liked the TRaCE Model and will be discussing options with their Revenue Departments. TRaCE staff shared how California reports their purchases of merchandise and pay use tax on their State Income Tax Return. They will be exploring this option in the UK.
 - They particularly liked the Top 500 lists that the taxing agencies publish, which lists the top 500 debtors that are not compliant and have not addressed their tax debt. Susan Gorsuch shared that the UK Representatives were also very impressed with how the TRaCE Task Force has imbedded a prosecuting attorney so that cases will be filed quickly.
 - Accomplishments Report 3Q2016 (handout)
 - Bureau of Justice Assistance (BJA) Grant
 - Vice Chair Jim Biscailuz indicated the application submitted in June 2016 was approved and a Grant was received for 2 years (\$200,000.). The primary focus of overtime usage for IP enforcement will be in the San Diego and Bay areas.
 - ATF as a TRaCE Partner
 - Southern California TRaCE Task Force Commander, Rigo Garcia, indicated there is no update. ATF is still determining what they will be doing with their agents.
 - BCP Workgroup/DOJ Legislative Proposal

- Vice Chair Jim Biscailuz indicated there is no update. The hope is to have something by the end of the month.
- TRaCE Publication Update (handout)
 - Staff Services Analyst, Deidra Waggoner, shared the layouts for both the publication and the poster boards are still pending.
- Presentation of Awards
 - Postponed for JR Reynolds as he was unable to attend.

The Open Session meeting adjourned at 10:43 am by Anthony Orlando, Chairman, Los Angeles Regional TRaCE Executive Board.

Next meeting scheduled for Wednesday, January 11, 2017, 10:00 am at 12501 E. Imperial Highway, Ste. 300, Room 317, Norwalk, CA 90650.