



**Tax Recovery and Criminal Enforcement
Task Force Executive Board Meeting
621 Capitol Mall, Room 2114, Sacramento, CA 95814
August 16, 2017**

Meeting called to order at 10:05 a.m. by Randy Silva, Chairman TRaCE Executive Board

Members Present:

Randy Silva, Chairman, CDTFA Investigations
Dan Gonzalez, Chief, FTB Investigations
Greg Robins, Proxy for Tyrone Blanchette, Supervisory Special Agent, IRS
Tom Edwards, Proxy for Thomas Wilson, Deputy Chief, DMV
Sir Streeter, Assistant Special Agent in Charge, DHS
Susan Ferensic, Assistant. Special Agent in Charge, FBI
David Montoya, Chief, EDD Investigations
Jim Root, Special Assistant Attorney General, DOJ
Jim Biscailuz, Special Agent in Charge, DOJ

Members Absent:

Discussion Items:

- Special Guest Speaker Attorney General Xavier Becerra
 - Introductions of all attendees
 - AG Becerra is very supportive of TRaCE
 - Committed to helping achieve resources
 - Working with Office of Legislative Affairs to draft a legislative proposal for funding to continue to TRaCE's mission and goals at combatting the underground economy
 - Securing long term funding will be key
 - Marketing and Press Releases are needed to call attention to TRaCE enforcement activities for exposure
 - Chairman Randy Silva gave background on the TRaCE Task Force
 - Jim Biscailuz provided an update on the DOJ legislative proposal
 - TRaCE Commander Susan Gorsuch provided a brief background on some of the TRaCE adjudicated cases and an outreach brief of upcoming events where TRaCE will be speaking on the collaborative enforcement model

Break was taken from 10:25-10:45

Meeting called back to order at 10:45 a.m. by Randy Silva, Chairman TRaCE Executive Board

- Election of TRaCE Executive Board Chairman.
 - Randy Silva motioned to approve the election of Jim Biscailuz to be the TRaCE Executive Board Chairman. Motion was seconded by Dan Gonzalez
 - Vote: 9 in favor, 0 opposed
 - Resolved: Motion Carried**

- Election of TRaCE Executive Board Vice Chairman.
 - Dan Gonzalez motioned to approve the election of Randy Silva to be the TRaCE Executive Board Vice Chairman. Motion was seconded by Jim Biscailuz.
 - Vote: 9 in favor, 0 opposed
 - Resolved: Motion Carried**

- RRaCE Final Report Update
 - Had meeting with Department of Industrial Relations to brainstorm recommendations for the upcoming legislative report.
 - Report is due to the legislature in December 2017
 - Some of the recommendations include
 - Combining both teams in AB 576
 - Team A consists of BOE, EDD, FTB and DOJ
 - Team B consists of DIR, DMV, DCA, etc.
 - Data Analytics
 - Randy Silva made note that an MOU for Data Analytics has been signed by the taxing agencies but there is no funding for it.
 - Removing barriers for information sharing
 - Rebranding RRaCE as TRaCE
 - Removing or extending the sunset date
 - Making a single report instead of one to the legislature and an additional report to the governor.
 - Per the side letter with AB 576 DIR was requested to submit an overall report on the underground economy to the governor.

- Federal BJA IPR Grant – Interagency Agreements
 - Interagency agreements for reimbursement need to be completed
 - An example was handed out by Susan Gorsuch
 - DOJ will monitor the grant
 - Agencies will pay the overtime to their employee and submit standard state form to DOJ for reimbursement

- Legislative Proposal
 - Attorney General’s Office currently has the legislative proposal
 - The current hurdle is that it would be funded through the general fund
 - Proposal to have an additional penalty added through the adjudication process that would fund TRaCE.

- Prop 56 Update
 - CDTFA is getting positions due to the proposition
 - Some positions will be put on TRaCE for tobacco cases
 - Tax increase will trigger evasion
 - DOJ and the Attorney General's Office will also get positions
 - Two additional DOJ agent will be assigned to the task forces
- 2QTR17 Accomplishment
 - Handout was provided listing the 2nd Quarter Accomplishment
- Upcoming Outreach
 - TRaCE Representatives will be attending the NW3C conference on illicit tobacco and cigarettes in Richmond, Virginia
 - Susan Gorsuch and Gina Fong will be presenting at the conference
 - Jim Biscaluz and LA Task Force Members from DOJ and IRS will be attending
- International Mail Center
 - Working with the Attorney General's office on PACT Act Violations
 - Tobacco, both counterfeit and non-MSA cigarettes, being mailed through the USPS
 - Meeting on a process to not "Return to Sender" (RTS) packages so that the packages are not resent into the United States
- TRaCE HSI Slot Agreement Update
 - Agreement is up and running
 - A purchase for equipment has already been made and in process of being reimbursed
- LA Regional Board Updates
 - TRaCE HSI Slot Agreement
 - Jeremy Scott, HSI is utilizing the template from TRaCE Nor Cal to replicate the TRaCE HSI Slot Agreement in Los Angeles
 - Consolidation of Regions for the TRaCE/DOJ Annual Report
 - The Consolidation of the TRaCE Annual Reports was agreed upon
 - LA TRaCE Regional Board Election
 - LJ Connolly was elected the new LA TRaCE Regional Board Chairman
 - Marzo Sacasa was elected the new LA TRaCE Regional Board Vice Chairman
 - Task Force Commander Update - DOJ
 - Freeze exemption was approved
 - Potential for internal transfer
 - More information will be available at the end of the month

- June 21, 2017 Minutes
Dan Gonzalez motioned to approve the June 21, 2017 Minutes. Motion was seconded by Sir Streeter.
 - Vote: 9 in favor, 0 opposed**Resolved: Motion Carried**

Next Meeting is scheduled for October 18, 2017 at 10:00 a.m., at 621 Capitol, Mall Room 2114.

Open session meeting adjourned at 11:16 a.m. by Jim Biscailuz, Chairman, TRaCE Executive Board.