



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

Meeting called to order at 10:05 a.m. by Anthony Orlando, Chairman.

Members Present:

Anthony Orlando, Assistant Special Agent in Charge, IRS	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Jim Biscailuz, Special Agent in Charge, DOJ	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Vikram Mandla, Deputy Attorney General, DOJ	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Gema Gonzalez, Deputy Chief, FTB Investigations	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Frank Waldschmitt, Chief, EDD Investigations	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
LJ Connolly, Assistant Chief, FBI	Y	<input type="checkbox"/>	N	<input checked="" type="checkbox"/>
Anthony Orlando, Assistant Special Agent in Charge, IRS	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
John R Reynolds, Acting Assistant Special Agent in Charge, DHS	Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>

Members Absent:

LJ Connolly, Assistant Chief, FBI

LA TRaCE Task Force Regional Board Member(s) present via teleconference:

Frank Waldschmitt, Chief, EDD Investigations

Introduction of TRaCE Board Members and attendees

A quorum was present

Discussion Items:

- January 13, 2016 Minutes
 - John Reynolds motioned to approve the January 13, 2016 Minutes.
 Motion was seconded by Vice Chairman, Jim Biscailuz.
 - Vote: 7 in favor, 0 opposed

Resolved: Motion carried-pending approval by Northern California Regional Board.
- Chairman Anthony Orlando introduced DMV representative, Vito Scattaglia, Deputy Chief, DMV Investigations. DMV has signed the TRaCE MOU and is joining the TRaCE Task Force as a member agency. Chairman Orlando invited Mr. Scattaglia to share his agencies role with respect to investigations and the underground economy.

Mr. Scattaglia indicated that DMV is part of the enforcement arm, and that they handle investigations pertaining to: fraudulent contract documents, identity theft, unlicensed sales-which contribute to the underground economy, internal affairs, and auto theft. DMV handles investigation of all licensees for criminal and administrative tax evasion issues and determines the appropriate course of action.

Chairman Orlando shared that he had previously worked joint investigations with DMV and found their casework interesting, and their investigative knowledge valuable.

Mr. Scattaglia further explained his agencies footprint is in one of three regions. Mr. Scattaglia is in region three, which includes Los Angeles, Ventura, Santa Barbara, and San Luis Obispo. Region three has 80-85 Investigators and 15-20 support staff. Paula Lucero, who was in attendance, is over the Valley Area Command; from the San Fernando Valley to Monterey County line. The role of secondary reviewer of documents under AB-60 legislation for undocumented immigrants is a large aspect of the DMV Investigator's work. DMV's vision is to work cases as a unit with the TRaCE Task Force, however, staff limitations only allow for the commitment of one full-time Investigator at this time.

Randy Silva, BOE Chief of Investigations, had questions for DMV regarding a Dismantler case involving several agencies such as, DMV, BOE, FTB and Cal ERA.

Mr. Scattaglia indicated there is not much distinction in the difference between unlicensed dismantlers and unlicensed dealers. The Dismantler Association wants all parts to go through DMV for enforcement. To avoid any duplication with efforts of DMV Investigators, TRaCE may need to focus on the licensing and tax evasion and multi-agency underground economy issues.

- Vice Chairman Biscailuz indicated that there have been TRaCE cases where DMV's assistance would have been extremely helpful, and he is pleased that we now will have additional investigative resources and tools. While welcoming DMV to the task force, Vice Chairman, Jim Biscailuz, suggested that each member agency introduce themselves and provide their role and area of expertise on the LA TRaCE Task Force. As such, all member agency representatives introduced themselves and gave a brief explanation of their role on the task force.
- Election of DMV Representative to L.A. Regional Board
 - John Reynolds motioned to elect Vito Scattaglia, Deputy Chief, DMV Investigations Division to the Regional Board representing DMV.
 - Motion was seconded by Vikram Mandla.
 - Vote: 7 in favor, 0 opposed

Resolved: Motion carried-pending approval by Northern California Regional Board.
- Case Referrals from Partner Agencies
 - Chairman Orlando opened the discussion for a procedure for each member agency to bring cases where there is a multi-agency impact to the LA TRaCE Task Force for consideration. He further explained that there has been a great deal of outreach that has occurred and diversifying cases will allow each member agency the ability to see the impact and benefit to their participation on the task force.
 - Chairman Orlando also stated the US Attorney's Office appointed an AUSA, James Hughes (Jim) who may be able to attend the next meeting to share some information in this regard. Vikram Mandla stated that Jim Hughes is in the General Crime Section. Consistency is an issue. Discovery is an ongoing issue with document intensive investigations. Jim role is to review cases to move forward or not.
 - Consensus: US Attorney's Office staff will be invited to the next Regional Board Meeting.
 - Chairman Orlando addressed the other agency representatives and requested information from each agency on how they refer cases to TRaCE.

- Chairman Orlando is looking for a more uniform process for presenting cases to the LA TRaCE Task Force Commander for consideration. Chairman Orlando opened this discussion with his own agency and their challenges with Title 26. IRS has a unique way to refer cases, and their process involves going to DOJ-Tax Division for authorization. Therefore, they cannot come directly to TRaCE in the same way non-tax matters can be referred.
- BOE is central but multi-jurisdictional areas should be enhanced. Randy Silva stated BOE has more cases than they can handle. Some are leveraged through TRaCE. MOUs in place put BOE in a good position. Other agencies must come on board. Cases are brought by different agencies, from outside sources and TRaCE hotline complaints, BOE Complaints may go to TRaCE and may need multi-jurisdictional consideration.
- One suggestion was to focus on a hand-full of different criminal areas to line the Task Force up for more success. Vikram Mandla inquired if this would include money laundering, which appears to be a viable option.
- John Reynolds stated a wide new net has been cast to get more leads and has been working well. Vice Chairman Biscailuz stated HSI has provided several new leads, and he agrees that the LA TRaCE needs to diversify.
- Gema Gonzalez indicated that FTB looks at unreported income and to see if BOE/EDD are affected. Some agencies may be left out. Reference is made to non-compliance, tax-evasion and unreported income cases. Chairman Orlando noted that not all agencies will be involved in every case. Some agencies fit with certain types of crimes and others do not. However, as long as there is a multi-agency element, cases should be referred. Vikram Mandla stated FTB cases are referred to the DA office. Rejected FTB cases are being forwarded to the AG office.
- Frank Waldschmitt mentioned cases from the administrative side. There have been a lot of leads from other agencies and DA. Potential TRaCE cases will be presented.
- Status Report
 - Outreach Report
 - No new information presented
 - Local Law Enforcement Participation
 - Vice Chairman Biscailuz stated Santa Ana PD would like to be a participating agency on TRaCE. Santa Ana PD has identified several multi-agency cases they would like to work jointly. Vikram Mandla attended a team meeting and is waiting for a signed MOU from Santa Ana PD. Santa Ana PD is willing to provide one full-time investigator on the LA TRaCE Task Force. The Vice Chairman further stated that ATF is also interested in becoming a member agency. ATF has an Agent assigned to all tobacco related investigations. In addition to TTB, they have a new agency spin-off from ATF. It is believed to be NTA-National Tobacco Agency. LASD and others were also mentioned as agencies interesting in becoming members of LA TRaCE.

Open Session meeting adjourned at 11:00 am by Anthony Orlando, Chairman, Los Angeles Regional TRaCE Executive Board.

The next meeting date and time is to be determined.