



**Tax Recovery and Criminal Enforcement  
Task Force Executive Board Meeting  
621 Capitol Mall, Room 2114, Sacramento, CA 95814  
April 20, 2016**

Meeting called to order at 10:01 a.m. by Raymond Greenlee, Chairman, TRaCE Executive Board

**Members Present:**

Raymond Greenlee, Chairman, Assistant Special Agent in Charge, DHS  
Dan Gonzalez, Vice Chairman, Chief, FTB Investigations  
Richard Cutler, Deputy Attorney General, DOJ  
James Biscailuz, Special Agent in Charge, DOJ  
Eric Hirata, Deputy Division Chief, ABC  
Greg Robins, Supervisory Special Agent, IRS  
David Montoya, Chief, EDD

**Members Absent:**

Randy Silva, Chief, BOE, Gina Fong, Business Taxes Administrator III, BOE, Proxy  
Manual Alvarez, Assistant Special Agent in Charge, FBI, Bob Tripp, Special Agent Supervisor, FBI,  
Proxy

**Discussion Items:**

- February 17, 2016 Minutes
  - James Biscailuz motioned to approve the February 17, 2016 Minutes. Motion was seconded by Richard Cutler.
  - Vote: 8 in favor, 0 opposed  
**Resolved: Motion Carried**
- New Executive Board Member, David Montoya, Chief, EDD
  - Eric Hirata motioned to approve David Montoya, Chief, EDD as a new Executive Board Member. Motion was seconded by Richard Cutler.
  - Vote: 8 in favor, 0 opposed
- Election of TRaCE Executive Board Chairman / Vice Chairman
  - Gina Fong motioned to defer election of TRaCE Executive Board Chairman / Vice Chairman to the June 15, 2016 meeting. Motion was seconded by James Biscailuz.
  - Vote: 9 in favor, 0 opposed  
**Resolved: Motion Carried**
- Local Law Enforcement Discussion
  - Major concern is the confidentiality of Federal Tax Information (FTI)

- Could this be alleviated by mandating confidentiality/disclosure training to all task force agents on TRaCE
  - Each of the taxing agencies would provide disclosure training to all task force staff at each task force location
    - IRS concurs that this would be good
  - The main issue is the Tax Return Information itself
    - Not the banking information received via subpoena
  - Is a solution to have all task force agents cross designated with the IRS?
    - It would be helpful, less worry about disclosure issues
    - Greg Robin to look into the possibility
  - Charges involving FTI and other charges are together on a search warrant
    - Some of that information is disclosed to those on search warrant (local police receiving a copy)
  - Disclosure to TRaCE DAG, or prosecuting attorney, is fine
    - Confidential information cannot be passed from DAG to task force agents for other use
  - When using 1099 information showing income on a search warrant, must get permission via disclosure office with a 30 day notice.
  - IRS does not think there is an ex parte order in California
    - FTB and IRS will look into that
  - Reminder Financial Information (FINcen, Bank Accounts via subpoena) is not the issue; Federal Taxpayer Information is (AGI, Deductions etc.)
  - Adding locals to task force signing on with Exhibit D (Confidentiality Agreement) via Regional Board approval (when applicable)
  - Ratify with the observance of caveats mentions and follow up on issues
    - Disclosure Training from each of the taxing agencies
    - Potential cross designation with IRS
- LA TRaCE MOU, Santa Ana Police Department
  - James Biscailuz motioned to approve the LA TRaCE MOU, Santa Ana Police Department. Motion was second by Greg Robins.
  - Vote: 9 in favor, 0 opposed
  - Resolved: Motion Carried**
- LA TRaCE MOU, Department of Motor Vehicles
  - Department of Motor Vehicles signature page was amended to show the correct Chairman and Vice Chairman of the TRaCE Executive Board.
  - Richard Cutler motioned to approve the LA TRaCE MOU, Department of Motor Vehicles. Motion was second by Eric Hirata.
  - Vote: 9 in favor, 0 opposed
  - Resolved: Motion Carried**
- The approval for LA TRaCE MOU, Alcohol, Tobacco and Firearms is deferred to the June meeting as the MOU was not turned in and ratified by the Regional Board before this meeting
- Amend LA MOU Section VIII, Annual Report
  - Richard Cutler motioned to approve the Amend LA MOU Section VIII, Annual Report. Motion was second by Eric Hirata.
  - Vote: 9 in favor, 0 opposed
  - Resolved: Motion Carried**

- TRaCE Fiscal Year 2016/2017 Training Plan
  - A handout was provided with a list of recommended training for task force personnel by Task Force Commander Susan Gorsuch.
- TRaCE Fiscal Year 2016/2017 Cost of Investigation Budget Plan
  - A handout was provided with the balance of the TRaCE Cost of Investigation Budget Plan by Task Force Commander Susan Gorsuch.
- Federal Employer Identification Number (FEIN) for task force locations
  - Need to define the structure of Investigative Cost Funds for LA TRaCE as well as future expansion into San Diego and Bay Area
    - One account for each task for location
    - One account for all locations, tracked separately in Sacramento
  - Is there a requirement to file taxes?
    - Informational Return only
    - Cost of investigation is reimbursement, stronger argument that it is not income
      - Or is it considered unearned income
  - What is the authority to obtain Cost of Investigation?
    - All state agencies have it written into the sections
    - Hours expended on TRaCE Task Force Cases or TRaCE Prosecuted Cases
  - James Biscailuz will look into the issue with DOJ
- Reimbursement to TFC Gorsuch for monies expended for lunch at extended hour search warrant on March 9, 2016
  - Dan Gonzalez motioned to approve the reimbursement to TFC Gorsuch for monies expended for lunch at extended hour search warrant on March 9, 2016. Motion was seconded by James Biscailuz.
  - Vote: 9 in favor, 0 opposed  
**Resolved: Motion Carried**
- **Status Report**
  - Quarterly Accomplishments Report
    - A handout was provided reflecting the TRaCE program activities completed and in progress for January through March 2016
  - Outreach
    - Gina Fong and Susan Gorsuch presented TRaCE enforcement model to Congresswoman Linda Sanchez and several staff.
      - Committee representative on the Ways and Means Committee
      - Open to carrying federal legislation
      - Had a follow up meeting with her representative
        - Looking at AB 576 to use some language in the federal legislation
    - International Anti-Counterfeiting Coalition
      - Met with Travis Johnson and gave a presentation
      - IACC represents many private brands
      - Showed interest in carrying legislation
      - IACC hold conferences each year
        - Would like a TRaCE presentation from the tax and law enforcement perspective

- Following up on type of presentation IACC would like presented
- Investigative Consultants
  - Working with Kris Buckner for upcoming training in Sacramento
  - Law Enforcement Counterfeit Training Course will be held at Franchise Tax Board on April 19, 2016
  - No Cost training, with POST Credit
  - Multiple presenters will be at the training
  - Susan Gorsuch and Gina Fong will give TRaCE presentation
  - BOE Chairman Jerome Horton will be presented an award
    - Media coverage expected
- **Acknowledgements**
  - Award presented to Raymond Greenlee, HSI for his participation on the TRaCE Executive Board

Next Meeting is scheduled for June 15, 2016 at 10:00 a.m., at 621 Capitol, Mall Room 2114.

Open session meeting adjourned at 11:10 a.m. by Raymond Greenlee, Chairman, TRaCE Executive Board.