

Memorandum

To: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner (Ret), Second District
Honorable John Chiang, State Controller

Date: May 15, 2012

From: Jaime Garza, Deputy Director
External Affairs Department



Subject: **Presentation of Underground Economy Educational Materials**

The External Affairs Department has developed a number of educational materials to educate the public about the negative effects of the Underground Economy. We have produced a brochure and three posters that have a light, edgy, and a hard tone, respectively.

- Brochure: Describes the Underground Economy and how you can make a difference.
- “Young Adults” Poster: This educational approach is a positive way to raise awareness, change consumer behavior and empower those with disposable cash to be part of the “solution” by not buying counterfeit products that are sold in the underground economy.
- “Wanted” Poster: Same audience, but slightly edgier and more thought provoking. It was designed to help consumers/taxpayers understand how their actions may contribute to criminal activity that negatively impacts legitimate businesses, workers and consumers.
- “Al Capone” Poster: Draws parallels between organized crime of yesterday and today. It emphasizes how the underground economy steals our tax dollars to finance criminal activity resulting in lost services and resources. The message: Government is getting organized to fight organized crime.

Please contact the External Affairs Department with any questions at 916-327-8988.

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Approved:



Kristine Cazadd
Executive Director

Did You Know?

An estimated \$8 billion in owed corporate, personal, and sales and use taxes goes uncollected in California each year.

It hurts everyone!

- ◆ Tax revenues supporting California's services are lost.
- ◆ Workers are forced to go without basic employment protections.
- ◆ Legitimate businesses are confronted with unfair competition.
- ◆ It allows human traffickers to operate and victimize individuals trapped in forced labor conditions.

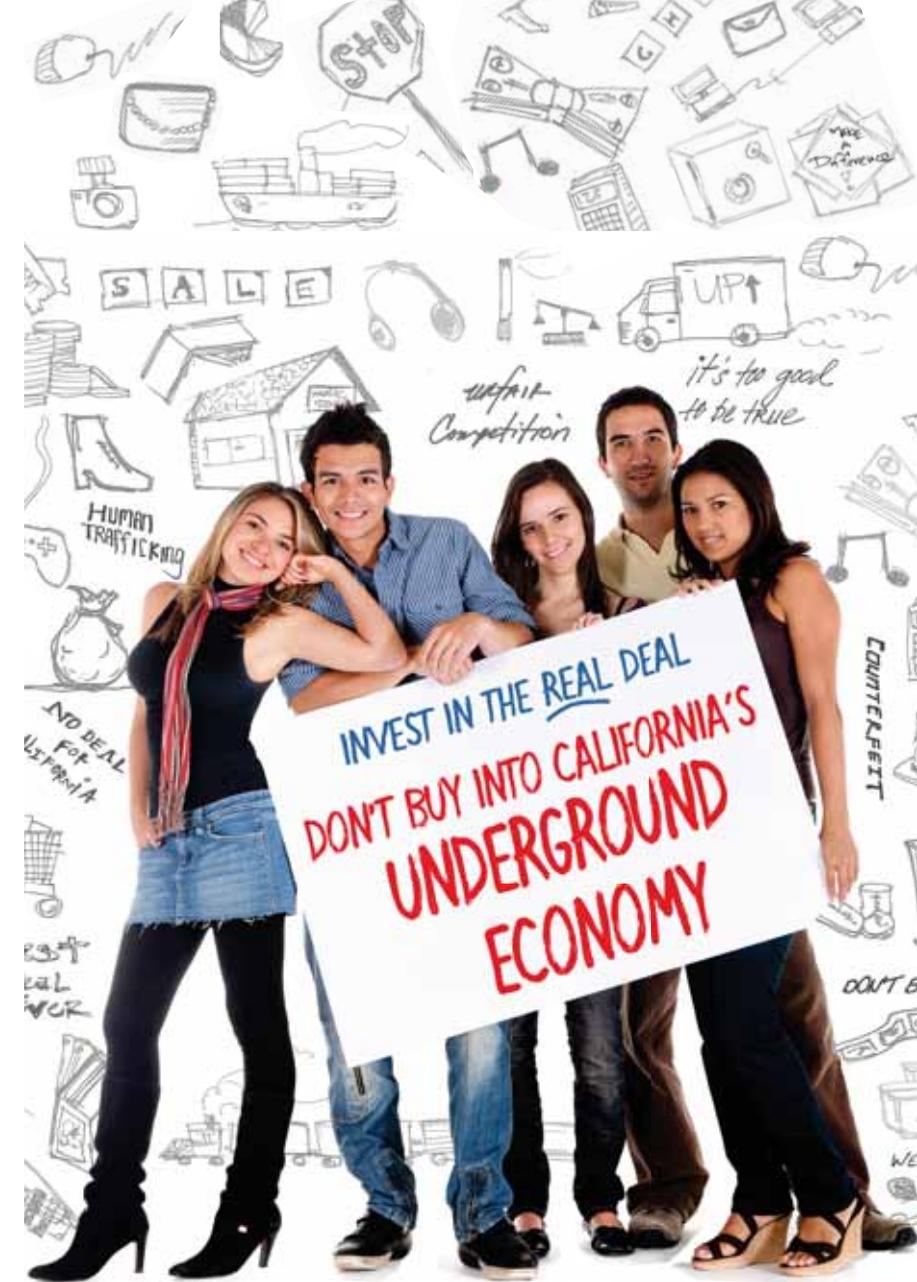


What Can I Do to Be Part of the Solution?

- ◆ Don't buy counterfeit products.
- ◆ Don't pay for work "under the table."
- ◆ Pay your taxes.
- ◆ Recognize signs of human trafficking.
- ◆ Ask questions.

Anonymously report tax evasion, fraud, and counterfeit products

- 888-334-3300
- www.boe.ca.gov/info/icomplaint.htm



What is the Underground Economy?

The underground economy refers to people who steal, make counterfeit products, use victims of human trafficking, and hide what they owe in taxes.



Frequently, businesses that deal in cash and use other schemes to conceal their activities, identities, and their tax liabilities are working in the underground economy.

It offers an unfair and illegal advantage to those who do not comply with California's tax laws. It may even affect a business or someone you know.

Why Should I Care?

The underground economy impacts all Californians. The people who operate in the underground economy are taking money out of your pocket.



When you buy a knock-off purse, it affects designers, and ultimately steals their ideas.



When you buy a pirated DVD, it hurts actors and other jobs on a movie set.



When you buy black-market drugs, it damages your health.



When you pay for services "under the table" it may be supporting human trafficking.

By not operating legitimately, there is less money to support:

- ◆ Schools
- ◆ Social Services
- ◆ Public Safety
- ◆ Parks
- ◆ Hospitals
- ◆ Roads
- ◆ Our Economy

Invest in the Real Deal!

Be alert—Ask questions about the businesses with which you are working.

Be aware—Know that paying under the table is not a better deal.

Be informed—Buy only products that are legitimate, not counterfeit.

Know the difference—If a deal sounds too good to be true, it probably is!

Be the solution!

For more information, go to www.boe.ca.gov



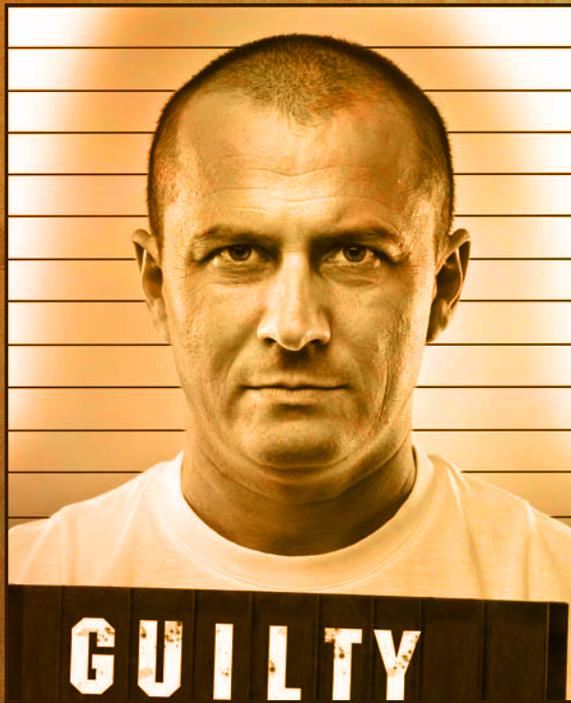
It's no deal for California.

It's no deal for you.

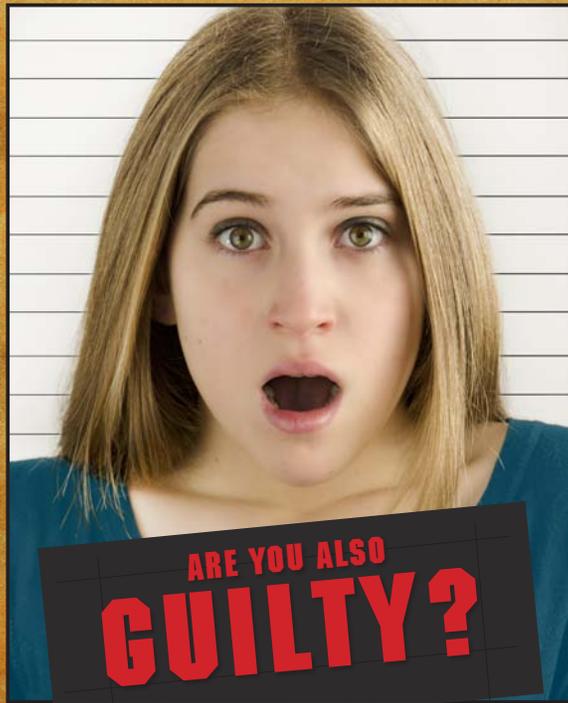
Be the solution!

WANTED

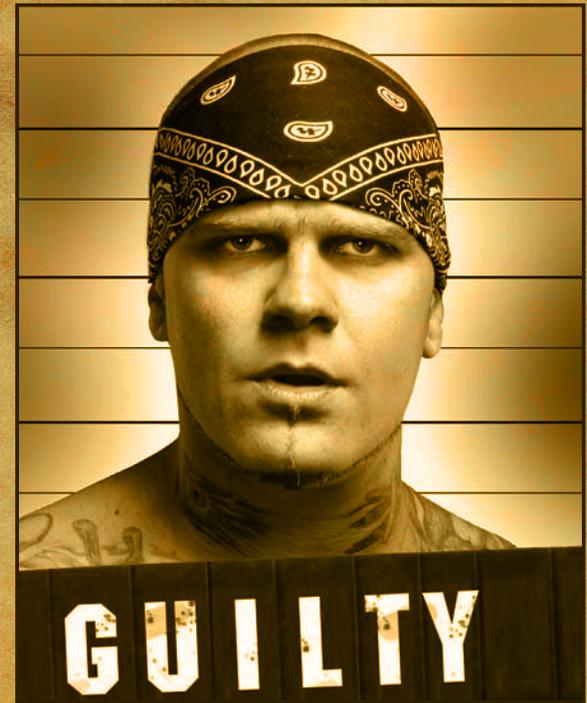
For Crimes Against Californians



Creating Unfair Competition
Forcing Businesses to Shut Down



Buying Counterfeit Products—
Movies, Clothing, Accessories



Smuggling Illegal Goods and
Supporting Human Trafficking

Don't Buy Into California's Underground Economy

Anonymously Report Tax Evasion, Fraud, and Counterfeit Products at 888-334-3300



Mobster
Al Capone

0725
1/18/29

GUILTY THEN
Tax Evasion



GUILTY NOW:
Stealing Our Tax Dollars to
Finance Criminal Activity

ARRESTING THE UNDERGROUND ECONOMY
RECAPTURING LOST REVENUE



SCHOOL LABS



FIRE



HOSPITALS



POLICE



CHILDCARE



HIGH SCHOOL
SCHOOLS



LIBRARIES

SERVICES AND RESOURCES
ROBBED

Anonymously Report Tax Evasion and Fraud

888-334-3300