

July 31, 2015

RN 15 52970

MEMBER'S RESOLUTION

By the Honorable Jim Cooper, 9th Assembly District;

Relative to the

TAX RECOVERY AND CRIMINAL ENFORCEMENT TASK FORCE

WHEREAS, California's ranking as the eighth largest economy in the world makes it a prime target for individuals and businesses that conceal their illicit activities, evade their tax liabilities, and gain an unfair advantage over law-abiding businesses by operating in the "underground economy"; also known as the "informal economy," "shadow economy," or "cash economy," California's underground economy is estimated at as much as \$140 billion annually; and

WHEREAS, California's underground economy steals revenues from the State's coffers that provide public services and fund infrastructure, and California's citizens are further victimized by the underground economy through false representations and inferior or tainted products, layoffs, lost

job opportunities, and diminished employer market share; and

WHEREAS, California's tax agencies identified the need to improve communications and collaboration among enforcement agencies to more effectively combat the serious issue of the growing underground economy in California, and using existing resources, the Department of Justice, the State Board of Equalization, the Franchise Tax Board, the Department of Alcoholic Beverage Control, and the Employment Development Department entered into an agreement that resulted in the creation of the Tax Recovery and Criminal Enforcement (TRaCE) Task Force; and

WHEREAS, As criminal investigations of underground economic activities often cross state borders, national borders, or both, the Federal Bureau of Investigation and Homeland Security Investigations joined the TRaCE Task Force to facilitate criminal prosecutions, creating a unique federal and state collaboration that leverages federal enforcement; and

WHEREAS, The TRaCE Task Force has developed and implemented an innovative central intake system for the public to report crimes related to criminal tax evasion, human trafficking, counterfeiting and piracy, and other crimes to collaboratively combat illegal business activities that rob California of public funds and its citizens of public services; the central intake system allows the TRaCE Task Force to

electronically triage a multiagency criminal lead to collaborate investigative resources in an efficient, expeditious manner; and

WHEREAS, The TRaCE Task Force encourages and facilitates collaboration among state and federal agencies, labor organizations, local governments, and business groups to promote a unified front in reducing the underground economy; provides for a quicker response to organized efforts to defraud the state, consumers, and businesses; reduces its prosecutorial costs by prosecuting cross-program violations as one case to fully capture the severity of the crimes and impose stiffer penalties on convicted violators; and helps to improve the health of California's economy by combating organized criminal activity while increasing California's tax revenue stream; now, therefore, be it

RESOLVED BY ASSEMBLY MEMBER JIM COOPER, That the Tax Recovery and Criminal Enforcement Task Force be recognized for its excellent public service in combating the underground economy in California.

Dated this 6th day of August, 2015.

Honorable Jim Cooper
9th Assembly District