

Task force targets underground economy

Enforcement agencies band together for comprehensive approach

For more than a year, a band of seven law enforcement agencies has been joining forces to combat the underground economy in California – an illegal black market of goods and services estimated to be worth between \$60 to \$140 billion annually.

Investigating complex crimes like human trafficking, counterfeiting of goods and labor violations, The Tax Recovery and Criminal Enforcement Task Force (TRaCE) represents an innovative approach that allows streamlined investigations with harsher penalties.

“What TRaCE does better than any other type of enforcement is that it brings together lots of investigative experience, procedural experience and the resources of all the agencies,” said Randy Silva, Chief of Investigations for the Board of Equalization, a task force member.

The collaboration was formed from the passage of AB 576 that went into effect in

January 2014 and allows agencies to share data and resources to combat the underground economy. Since then, the task force has successfully investigated dozens of cases including two sex trafficking rings and numerous counterfeiters of goods including DVDs and cigarettes. It also investigates issues of illegal contracting in the construction industry.

The joint approach allows the task force to pursue multiple charges on different legal fronts- such as combining tax evasion charges with the criminal offenses. That often results in higher penalties.

“Most people are engaged in criminal activity are not just engaged in one aspect of criminal activity,” pointed out Silva.

TRaCE includes the Board of Equalization, Department of Alcoholic Beverages

Control, Department of Justice, Employment Development Department, Federal Bureau of Investigation, Franchise Tax Board and Homeland Security Investigations.

