

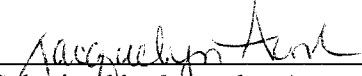


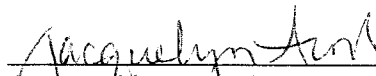
City of Carson

Report to Mayor and City Council

August 6, 2013
New Business Consent

SUBJECT: CONSIDERATION OF RESOLUTION 13-079 SUPPORTING AB 576 - A BILL TO COMBAT THE UNDERGROUND ECONOMY


Submitted by Jacquelyn Acosta
Acting City Manager


Approved by Jacquelyn Acosta
Acting City Manager

I. SUMMARY

This item is on the agenda at the request of Councilmember Gipson.

Assembly Bill 576 (V. Perez) would create a multi-agency partnership also referred to as the Centralized Intelligence Partnership (CIP) comprised of representatives from various agencies. This Partnership would be tasked with combatting illegal underground economic activity related to underreporting of state tax obligations and other violations of state law. Tonight, the City Council is asked to consider Resolution No. 13-079.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT Resolution No. 13-079, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, SUPPORTING ASSEMBLY BILL 576 CREATING A CENTRALIZED INTELLIGENCE PARTNERSHIP TO COMBAT THE UNDERGROUND ECONOMY."
2. DIRECT staff to transmit an executed copy of the resolution to Assistant Majority Floor Leader V. Manual Perez, Senator Ted Lieu, Assemblymember Isadore Hall and Senator Rod Wright and County Supervisor Mark Ridley-Thomas.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The proposed CIP would be comprised of representatives from the Board of Equalization (BOE), Franchise Tax Board (FTB) and the Employment Development Department (EDD).

The underground economy refers to those individuals and businesses that deal in cash and/or use other schemes to conceal their activities, identities and their true tax liability. Activities range from the sale of stolen or counterfeit products to the exploitation of human trafficking victims.

Current Law:

Currently, various joint agency enforcement programs have been established to combat the underground economy. These include the Joint Enforcement Strike Force and the Economic and Employment Enforcement Coalition (EEEC). In January 2012, the EEEEC was consolidated into the Department of Industrial Relations to form the Labor Enforcement Task Force (LETf). Additional individual agency efforts include the BOE's Statewide Compliance and Outreach Program and the Contractor State License Board's Statewide Investigative Fraud Team.

Proposed Law:

AB 576 proposes a Centralized Intelligence Partnership (CIP) creating a central intake process and an organizational structure to document, review and evaluate data and complaints associated with this activity.

The proposed CIP includes the BOE, FTB, and EDD and serves as a centralized information intake center for strategic planning, as well as data sharing and analysis. The CIP would investigate organized criminal entities and/or serial offenders for violation of labor, tax, and other laws.

An advisory committee comprised of one representative each from the BOE, FTB, and EDD will direct the CIP activities. Each participating agency or department will appoint an advisory committee representative to serve at the pleasure of the appointing authority. The advisory committee provides guidance regarding the activities and operations of the CIP. Agencies participating in an advisory capacity can provide an advisory committee representative to offer guidance and advice to the partnership. Additionally, this bill will:

- Establish a processing center to receive and analyze data, share complaints, and research leads from the input of each impacted agency.
- Allow authorized partnership representatives to exchange intelligence, data, documents, information, complaints, or lead referrals, related to illegal underground operations, notwithstanding any other law.
- Provide participating and nonparticipating entities value-added investigative leads to collaborate on felony-level criminal investigations.
- Allow each participating and nonparticipating agency to retain jurisdictional authority over investigations. Each agency determines whether to pursue partnership strategies or collaborative investigative leads.
- Provide that participating entities document and provide intake data analysis, analytic data findings, referrals, emerging evasion trends, lessons learned, as well as additional enforcement, administrative, and legislative opportunities.
- Require the CIP to report to the Legislature on or before July 1, 2015, and annually thereafter, on its activities and accomplishments. All participating

agencies will receive the report.

- Require the CIP to provide a report to the Legislature by December 1, 2017, on the number of complaints processed and cases investigated or prosecuted. This measure also calls for the advisory committee to the CIP to:
- Determine the appropriate agency to house the central intake and processing center, and
- Hire an administrator and staff. However, funding is not provided in this bill. The scope of activities and projects undertaken will be consistent with the funds appropriated by the Legislature.

This proposed statute would sunset on January 1, 2019. The Bill is currently in the Senate Appropriations Committee.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Resolution No. 13-079. (pgs. 4-5)

Document16

Prepared by: Lisa Berglund, Principal Administrative Analyst

TO: Rev06-19-2013

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council

Date _____ Action _____

RESOLUTION NO. 13-079

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARSON, CALIFORNIA, SUPPORTING AB 576 - A BILL TO
COMBAT THE UNDERGROUND ECONOMY

WHEREAS, the underground economy refers to those individuals and businesses that deal in cash and/or use other schemes to conceal their activities, identities and their true tax liability. Activities range from the sale of stolen or counterfeit products to the exploitation of human trafficking victims; and

WHEREAS, Assembly Bill 576 (V. Perez) would create a multi-agency partnership referred to as the Centralized Intelligence Partnership (CIP) comprised of representatives from various agencies; and

WHEREAS, the proposed CIP would be tasked with combatting illegal underground economic activity related to underreporting of state tax obligations and other violations of state law; and

WHEREAS, the proposed CIP would be comprised of representatives from the Board of Equalization, Franchise Tax Board and the Employment Development Department; and

WHEREAS, Assembly Bill 576 proposes the creation of a central intake process and an organizational structure to document, review and evaluate data and complaints associated with this activity; and

WHEREAS, additionally this bill would allow authorized partnership representatives to exchange intelligence, data, documents, information, complaints, or lead referrals, related to illegal underground operations, notwithstanding any other law; and

WHEREAS, Assembly Bill 576 will also provide participating and non-participating entities value-added investigative leads to collaborate on felony-level criminal investigations.

NOW THEREFORE, BE IT RESOLVED, the City Council hereby supports the passage of Assembly Bill 576.

EXHIBIT NO. 01

[MORE]



PASSED, APPROVED and ADOPTED this 6th day of August, 2013.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney