



JOHN L. SCOTT, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169
A Tradition of Service



May 13, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

55 June 17, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION ON
LOS ANGELES HIGH INTENSITY FINANCIAL CRIMES AREA
FINANCIAL INVESTIGATIVE/SEIZURE TEAMS (FIST) TASK FORCE
(ALL DISTRICTS) (3 VOTES)

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) seeks approval of a Memorandum of Understanding (MOU) for participation on the Los Angeles High Intensity Financial Crimes Area Financial Investigative/Seizure Teams (FIST) Task Force, which is funded by the Department of Homeland Security (DHS), United States Immigration and Customs Enforcement (ICE), and Homeland Security Investigations, Los Angeles (HSI).

IT IS RECOMMENDED THAT THE BOARD:

- 1. Delegate authority to the Sheriff, as an agent for the County, to execute the attached MOU for participation on the FIST Task Force. The Department may receive reimbursement for overtime costs incurred by Department personnel who provide full-time support to the FIST Task Force in an amount not to exceed \$15,000 per year.
2. Delegate authority to the Sheriff to execute all amendments and modifications to the MOU, as necessary, for the effective participation on the FIST Task Force.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department seeks to enter into the attached MOU for participation on the FIST Task Force, a multi-agency task force led by HSI. The objective of the FIST Task Force is to combat money laundering efforts in California, by assisting with criminal investigations and asset forfeitures

involving the movement of illicit cash; into, out of, or through financial institutions within the United States. The FIST Task Force will prioritize high-yield criminal investigations aimed at disrupting and/or dismantling criminal organizations engaged in large scale and recurring money laundering financial crimes with emphasis on the arrest and criminal prosecution of its individual members, as well as the identification, location, seizure, and forfeiture of its assets.

Participating members of the FIST Task Force include HSI, the United States Attorney's Office, Secret Service, Postal Service, the Internal Revenue Service, and the Los Angeles Police Department.

Implementation of Strategic Plan Goals

This MOU relates to the County's Strategic Plan, Goal 3, Integrated Services Delivery, by leveraging resources from the Department and other law enforcement agencies to enhance public safety service.

FISCAL IMPACT/FINANCING

The Department may recover overtime salary costs directly related to work performed in an official investigation as part of the FIST Task Force. HSI may provide reimbursement to the Department to defray the Department's overtime costs associated with the FIST Task Force only for Department personnel assigned full-time to the FIST Task Force.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the MOU commences upon execution by HSI and at least one other participating member agency, and continues indefinitely until the participating agencies enter into a new agreement, revise, or rescind this MOU and dissolve the FIST Task Force. Participating agencies may withdraw their participation from the FIST Task Force and the MOU with a 90 day written notice.

Each participating member agency agrees that it shall be responsible for any liability arising from its own employees' conduct. While Department personnel serve under the supervision of the FIST Task Force, all Department personnel assigned to the FIST Task Force shall be accountable to, and remain under the legal, administrative, and disciplinary purview of the Department.

The Department shall assign at least one detective for the purpose of initiating and assisting with FIST Task Force investigations and activities on a full-time basis. The Department shall also assign on a part-time basis, one lieutenant, sergeant, and an operations assistant. The Department will be responsible for the base-salaries, benefits, vacation, sick leave, vehicles, and other compensation for its personnel with the exception of certain overtime costs from the Department's personnel assigned full-time to the FIST Task Force. HSI may reimburse the Department for overtime costs up to \$15,000 per year for Department personnel assigned full-time on the FIST Task Force. Overtime reimbursement would be subject to the availability of funds from the United States Department of Treasury Forfeiture Fund.

Board approval is required for this MOU as the term of the Agreement is indefinite and the amount of the Agreement may exceed the authority previously delegated by the Board to the Sheriff on May 16, 2000.

County Counsel has reviewed and approved the attached MOU as to form.

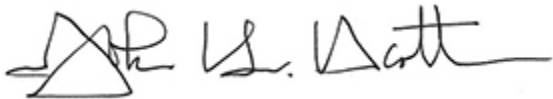
IMPACT ON CURRENT SERVICES (OR PROJECTS)

None. The Department will provide the personnel and resources required for participation on the FIST Task Force.

CONCLUSION

Upon Board approval, it is requested that the Clerk of the Board return one original adopted Board letter to the Department's Contract Law Enforcement Bureau.

Sincerely,

A handwritten signature in black ink, appearing to read "John L. Scott". The signature is written in a cursive style with a large, stylized initial "J".

JOHN L. SCOTT
Sheriff

JLS:RTM:RZ:rz

Enclosures

**MEMORANDUM OF UNDERSTANDING
THE LOS ANGELES HIGH INTENSITY FINANCIAL CRIMES AREA
FINANCIAL INVESTIGATIVE / SEIZURE TEAMS (F.I.S.T.) TASK FORCE**

1. PARTIES

The parties to this Memorandum of Understanding (MOU) are participating agencies in the Los Angeles (LA) High Intensity Financial Crimes Area (HIFCA) Task Force, hereinafter, Financial Investigative / Seizure Teams (FIST) Task Force, multi-agency action teams composed of federal, state, and local enforcement authorities, prosecutors, and financial regulators, led by the Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations, Los Angeles (HSI). Participating agencies will be classified as a full-time or part-time member based upon their commitment of personnel. A full-time member will provide at least one employee on a full-time basis under the direct supervision of the FIST-Task Force. Part-time members will provide personnel as needed to support a specific investigation or enforcement effort under the direct supervision of FIST- Task Force.

2. AUTHORITIES

The Homeland Security Act of 2002, Pub. L. No. 107-296, codified in Title 6, U.S. Code.

Title 19, U.S. Code.

The Money Laundering and Financial Crimes Strategy Act of 1998, P.L. 105-310, codified in Chapter 53 of Title 31, U.S. Code.

The 2007 National Money Laundering Strategy.

Nothing in this MOU is intended to conflict with current law, regulation or policy. Further, nothing in this MOU is intended to restrict the authority of any party to act as provided by law or regulation, or to restrict any agency from enforcing any laws within its authority or jurisdiction. If any term of this MOU is inconsistent with law, regulation or other authority, then that term shall be invalid, but the remaining terms and conditions of this MOU shall remain in full force and effect.

3. PURPOSE

a. Introduction and Background

The Money Laundering and Financial Crimes Strategy Act (Act) of 1998, Public Law 105-310 (October 30, 1998), calls for the designation of certain areas as areas in which money laundering and related financial crimes are extensive or present a substantial risk as an element of the national strategy for combating money laundering and related financial crimes (National Strategy) developed pursuant to the Act. These high risk areas, designated HIFCAs, were first announced in the 1999 National Strategy and were conceived in the Act as a means of

concentrating law enforcement efforts at the federal, state, and local levels in high intensity money laundering zones. The HIFCA program is therefore intended to concentrate law enforcement efforts at the federal, state, and local level to combat money laundering in designated high-intensity money laundering zones.

b. Mission and Role

The greater Los Angeles metropolitan area, comprising the following counties: Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura, has been designated as a high-risk money laundering and related financial crime area ("HIFCA California Southern District"). The objective of the FIST-Task Force is to spearhead a coordinated federal, state, and local anti-money laundering effort in the Central District of California and surrounding area. Specifically, the FIST-Task Force will work to develop and assist with criminal investigations and asset forfeitures involving the movement of illicit cash or cash equivalent proceeds into, out of, or through the United States, or into, out of, or through United States financial institutions. The FIST-Task Force will prioritize high-yield criminal investigations aimed at disrupting and/or dismantling criminal organizations engaged in large-scale and/or recurring money laundering and related financial crimes, with an emphasis on the arrest and criminal prosecution of its individual members, as well as the identification, location, seizure, and forfeiture of its assets.

All FIST-Task Force investigations will be opened and pursued with the expectation that they will lead to federal prosecution, and therefore must comply with federal legal standards and prosecution guidelines. However, to effectively utilize all resources and authorities at the FIST-Task Force's disposal, where FIST-Task Force investigations uncover a violation of state law, cases declined for federal prosecution may be referred for prosecution to a state or county having jurisdiction over the offense.

4. OVERSIGHT AND LEADERSHIP

An HSI Assistant Special Agent in Charge (ASAC) shall be designated to serve as the FIST-Task Force Director. The United States Attorney's Office for the Central District of California (USAO/CDC) shall designate a FIST-Task Force Lead Attorney. The investigative groups comprising the FIST-Task Force shall be operationally directed and supervised by the Group Supervisors as first line supervisors and the FIST- Task Force Director as the second line supervisor.

The FIST- Task Force shall consist of not fewer than three (3) investigative groups. The groups shall be co-located within the HSI Offices in the Federal Building located at 300 N. Los Angeles Street, Los Angeles, California. Whenever possible, it will be the general policy of each of the participating agencies to encourage the co-mingling of agency personnel among the investigative groups.

5. RESPONSIBILITIES

a. Jurisdiction.

All participating agencies will maintain the jurisdictional authority of their respective geographical and subject matter areas. This MOU supersedes any other current MOU or Memorandum of Agreement (MOA) between agencies relating to their participation in the HIFCA program in the HIFCA California Southern District. It is understood that all participating agencies will support and provide assistance to other members of the FIST-Task Force regardless of the geographical and jurisdictional area in which they normally operate.

Any participating agency can bring investigative leads, sources of information, investigations or missions for the FIST- Task Force to evaluate and pursue. The FIST- Task Force will maintain the discretion to assist based on the standing priorities of FIST-Task Force established by the FIST-Task Force Director and Group Supervisors, or the workload and resources available. The initiating agency will remain the lead under the auspice of the FIST-Task Force regardless of location, unless it is jointly decided that the case, task or mission is better suited to a particular allied agency based on resources, investigative authorities, experience or expertise.

Each participating agency agrees that it shall be responsible for any liability arising from its own employees' conduct and retain immunity and all defenses available to it pursuant to federal and state law. The participating agencies also do not agree to insure, defend or indemnify another agency.

b. Investigative Procedure

The use of technical investigative aids and investigative techniques, including, but not limited to handling of evidence, undercover operations, controlled deliveries and handling of both current and former confidential informants and cooperating witnesses and defendants, will be consistent with federal guidelines and HSI's policies and procedures.

c. Personnel

Each participating agency agrees to provide salaried sworn or civilian personnel, as described in Part 6. Each agency will be responsible for the base-salaries, benefits, vacation, sick leave, vehicles, and other compensation, except overtime of their own members assigned to the FIST-Task Force; overtime will be reimbursed as described in Part 5d. FIST-Task Force personnel may be required to undergo a background check and/or obtain a security clearance in order to maintain a workspace and be granted unescorted access in HSI sensitive information facilities.

Each participating employee shall remain accountable to his or her employing agency within the policies and procedures of that agency. While employees will serve under the direct daily control of the FIST- Task Force supervision, they remain under the legal, administrative and disciplinary purview of their home agency and home agency supervision. Participating

employees assigned to the FIST- Task Force will abide by and adhere to all policies and procedures regarding conduct promulgated by their respective parent agencies, except that sworn state and local officers cross-designated with Title 19 federal Customs Officer authority, as provided in Part 6e, will be subject to all guidelines, directives and instructions of HSI in performing the duties of a Customs Officer.

Personnel assigned to the HIFCA- Task Force shall be designated as full time or part time in accordance with an agreement with their respective Departments. It is understood that personnel assigned to the Task Force may continue to have duties (Training, Administrative Duties, Qualifications, Etc.) that are linked to their respective Departments.

d. Overtime Reimbursement

HSI may reimburse the overtime of those state and local partners who are assigned full-time to the FIST- Task Force in accordance with the provisions of the individual MOUs entered into with each agency. In general, this reimbursement may include up to \$15,000 per officer, per year and would be reimbursed to the agency. Overtime reimbursement would be subject to the availability of the U.S. Department of the Treasury (Treasury) Forfeiture Fund (TFF) monies; however HSI LA would attempt to allocate an appropriate reserve to cover the yearly activities of the FIST- Task Force.

e. Asset Sharing

During the course of its enforcement and investigative activity, the FIST- Task Force will attempt to identify and seize assets that may be forfeited under state and federal civil and criminal statutes, although all seizures and forfeitures must adhere to federal forfeiture guidelines, and whenever possible assets seized during the course of the FIST- Task Force investigations will be forfeited under federal law. The Director of the FIST-Task Force will determine which agency among those participating in the investigation shall be responsible for the seizure and forfeiture of assets on a case by case basis.

To the extent permitted by law, regulation and policy, forfeited property, or net proceeds from forfeited property, will be distributed among the participating agencies in proportion to the direct participation of each agency in the law enforcement action resulting in forfeiture, as determined by the FIST- Task Force Director on a case-by-case basis.

f. Cross-Designation

Sworn state and local law enforcement officers assigned to the FIST- Task Force full-time may be cross designated by HSI with Title 19 federal Customs Officer authority. The cross-designation requires successful completion of a two-day training session in the Los Angeles commuting area, which includes sections on legal authority, such as border search, ICE Use Of Force and Firearms Policy and an ICE Office of Professional Responsibility ("OPR") briefing. Upon successful completion of the course, Title 19 federal Customs Officer cross-designation will be provided for the duration of an officer's full-time assignment to the FIST- Task Force. The cross-designation only conveys status as a federal agent with Customs Officer authority, and is subject to the endorsements and limitations on ICE Form 73-001, issued upon

completion of the cross-designation course. This authority will be revoked upon withdrawal from full-time participation in the FIST- Task Force by the officer or officer's parent agency.

g. Documentation of Investigations and Activity

To ensure de-confliction, provide a uniformed reporting procedure and ensure accurate and detailed monitoring of statistics, the FIST- Task Force shall utilize the Treasury Enforcement Communications System (TECS) to capture and report details of investigations, subject, vehicle and business records, enforcement activity and other pertinent information or intelligence. Where appropriate and required, duplicate reports will be completed by assigned FIST- Task Force members in their home agency systems to ensure necessary requirements are met.

The FIST- Task Force will utilize the Los Angeles Clearing House ("LA CLEAR") as its primary local de-confliction mechanism. FIST- Task Force supervisors are responsible for ensuring these procedures are strictly adhered to.

The FIST- Task Force will provide a detailed briefing and summary of active cases, accomplishments and significant activities to participating agencies as necessary to meet an individual agency's reporting requirements.

Information that is provided to and maintained by federal agencies will become records for the purpose of the Privacy Act and Freedom of Information Act. No participating agency will disclose another participating agency's records or any other information that is privileged or confidential, law enforcement sensitive or otherwise prohibited from disclosure by law, regulation, or policy, without the permission of the originating agency.

Throughout the course of investigations and enforcement activities, legal advice may be obtained from the assigned prosecutors and/or participating agency counsel as required by law and policy; however, the parties agree to advise HSI counsel of each court proceeding in which the validity of their Title 19 cross-designated Customs Officer search, seizure or arrest authority becomes an issue, and to permit HSI counsel to provide legal memoranda, or other assistance in such cases when desired by HSI.

h. Equipment

Facilities, vehicles and equipment provided by member agencies that are utilized in support of the FIST- Task Force operations, remain the property of the contributing agency. Maintenance, replacement and other costs associated with equipment assigned to the FIST- Task Force will remain the responsibility of the owning agency, unless otherwise provided for by the FIST- Task Force. At the discretion of each agency and upon 30 days written notice to the FIST- Task Force Director, upon withdrawal of an agency from FIST- Task Force, or upon dissolution of the FIST- Task Force, all equipment will be returned to the owning agency.

6. PARTICIPATION

The following federal law enforcement agencies will assign personnel to the FIST- Task Force during its inception: HSI; the Internal Revenue Service – Criminal Investigations (IRS-CI); USAO/CDC; the United States Secret Service (USSS); the United States Postal Service (USPS).

In addition, the following state and local agencies will participate and assign personnel to the FIST-Task Force: the Los Angeles Police Department (LAPD); the Los Angeles Sheriff's Department (LASD); the Los Angeles County District Attorney's Office (LADA), and other agencies.

a. HSI

In addition to providing an ASAC to serve as the FIST-Task Force Director, as specified in Part 4, HSI shall also assign a supervisory special agent to serve as a Group Supervisor, providing day-to-day supervision of a FIST-Task Force investigative group. This supervisory special agent shall have prior experience in conducting and leading criminal investigations involving money laundering and other related financial crimes. Additionally, HSI shall assign at least six (6) Special Agents for the purpose of initiating or assisting with the FIST-Task Force investigations and activities on a full-time basis. HSI will assign at least one (1) Intelligence Research Specialist or Criminal Research Specialist to provide analytical support to the FIST-Task Force investigative and intelligence functions. HSI will also assign at least one (1) Investigative Assistant (IA) and at least one (1) Mission Support Specialist (MSS) for daily and overall administrative support of the FIST-Task Force. HSI shall provide a facility to house FIST-Task Force, which will be located within the HSI Offices in Los Angeles, as specified in Part 4. All of the normal office equipment for the FIST- Task Force facility, i.e. desktop computers and printers, copy machines, office supplies, will also be provided by HSI and/or purchased with funds resulting from assets seized and forfeited by the FIST-Task Force, except as necessary for participants to access their home agency data systems.

HSI will also provide an on-call attorney to provide legal advice regarding Title 19 Customs Officer authority and other issues such as border search, maritime, summons and subpoena, use of force, provision of testimony, and other legal and policy issues.

b. IRS-CI

IRS-CI shall provide at least three (3) Special Agents, one (1) Investigative Analysts, _____ Auditors, and _____ Forensic Financial Analysts, for the purpose of initiating or assisting with the FIST-Task Force investigations and activities on a full-time basis. IRS-CI will also provide a supervisory special agent to serve as a Group Supervisor, providing day-to-day of the FIST-Task Force investigative group. This supervisory special agent shall have prior experience in conducting and leading criminal investigations involving money laundering and other related financial crimes

c. USAO/CDC

The USAO/CDC shall provide at least one (1) Assistant United States Attorneys or Special Assistant United States Attorneys to the FIST- Task Force on a full-time basis, one of whom shall be designated as the Lead FIST- Task Force Attorney.

d. Los Angeles County Sheriff's Department (LASD)

LASD shall assign at least one (1) Detective for the purpose of initiating or assisting with the FIST-Task Force investigations and activities on a full-time basis, as well as to coordinate the FIST-Task Force activities with uniformed LASD assets. LASD will also assign one (1) Lieutenant part-time, one (1) Sergeant part-time and (1) Operations Assistant part-time. These part-time personnel will not necessarily be housed at the Task Force's main office.

e. Los Angeles Police Department (LAPD)

LAPD shall provide at least two (2) Detectives for the purpose of initiating or assisting with the FIST-Task Force investigations and activities on a full-time basis, as well as to coordinate the FIST-Task Force activities with uniformed LAPD assets.

7. INTERNAL INVESTIGATIONS/MISCONDUCT/CRITICAL INCIDENTS

All complaints, allegations, or information relative to misconduct or breaches of integrity involving the FIST- Task Force personnel, regardless of their parent agency, while in the performance of the FIST-Task Force duties, will be investigated in accordance with the rules and guidelines of the parent agency, except that TFOs cross designated by HSI with Title 19 federal Customs Officer authority will cooperate with ICE OPR investigators in all matters relating to the TFO's use of his/her federal Customs Officer authority. Any allegation of misconduct unrelated to a participating employee's use of his/her federal Customs Officer Authority will be investigated by the employee's parent agency in conformance with its rules and regulations. In all other instances, the FIST-Task Force personnel and participating agencies agree to cooperate with internal affairs or professional conduct/responsibility investigators of participating agencies in accordance with the policy of the employee's parent agency.

8. POINTS OF CONTACT

The point of contact and recipient for all required notices shall be the following:

a. HSI

Assistant Special Agent in Charge, LA Public Safety Division
300 N. Los Angeles Street, Los Angeles, Room 7661
Los Angeles, CA 90012
(213) 633-2701

b. IRS-CI

9. EFFECTIVE DATE, TERMINATION, AND MODIFICATION.

The terms of this MOU shall become effective upon the signature of HSI and at least one other member agency, shall apply to HSI and all participating agencies who have signed this MOU without regard to the status of any other agencies that have yet to sign this MOU, and shall continue in force until modified or terminated.

This MOU will remain in effect until such time as the participating agencies enter a new MOU, revise this MOU, or rescind this MOU and dissolve the FIST-Task Force. A participating agency may withdraw from this MOU and the FIST-Task Force with 90-days prior written notice.

10. NO PRIVATE RIGHT CREATED

This MOU is an internal MOU and does not create or confer any right or benefit on any other person or party, private or public.

11. PRESS RELEASES / MEDIA RELATIONS

The FIST-Task Force Director and Group Supervisors will coordinate dissemination of all information or press releases relating to the FIST-Task Force activities and investigations. Time permitting, all member agencies will be notified prior to any press releases. The FIST-Task Force press releases will incorporate the joint and collaborative nature of the FIST-Task Force and if possible an opportunity for participating agencies to make a comment or statement will be attempted.

Media releases relating to ongoing prosecutions, crime alerts or other matters concerning operations shall be made through the FIST-Task Force Director or his/her designee.

No information pertaining to the FIST-Task Force investigations, operations or activities with other law enforcement agencies will be released to the media without the prior approval of all member agencies with an immediate investigative or prosecutorial interest in the case. Media releases may be made jointly by all participating agencies. Media releases shall not include information regarding confidential investigative sources, techniques, privileged information or information protected from disclosure by law or policy.

12. SIGNATORIES

This MOU is agreed to by the official signatures of member agencies as set forth below. Each signatory warrants that he or she is authorized to bind his or her agency to this MOU.

SIGNED AND AGREED UPON:

DATE:

Claude Arnold
Special Agent in Charge
Homeland Security Investigations, Los Angeles

DATE:

Joel Garland
Acting Special Agent in Charge
Internal Revenue Service, Criminal Investigations
Los Angeles Field Office

DATE:

André Birotte Jr.
United States Attorney
Central District of California

DATE:

Joseph Beaty
Special Agent in Charge
United States Secret Service
Los Angeles Field Office

DATE:

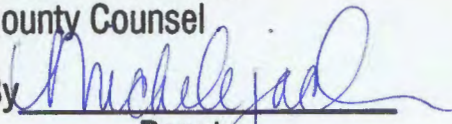
Charlie Beck
Chief of Police
Los Angeles Police Department

DATE:

John L. Scott
Sheriff
Los Angeles County Sheriff's Department

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
Deputy