



**Date:** October 19, 2013

**To:** Thomas J. Bonfield, City Manager  
**Through:** Bo Ferguson, Deputy City Manager  
**From:** Jose L. Lopez, Sr., Chief of Police  
**Subject:** 2014 Financial Crimes Task Force Grant

**Executive Summary**

The City of Durham, through the Durham Police Department, has been awarded funding through The Treasury Forfeiture Fund Act of 1992, which provides for the reimbursement of certain expenses of local, county, and state law enforcement agencies incurred as participants in joint operations/task forces with a Department of the Treasury law enforcement agency. A Durham Police Department Criminal Investigator from the Fraud Unit will join the Financial Crimes Task Force that focuses on the monetary aspect of significant crimes and criminal organizations. The government agrees to reimburse the City for overtime wages and other expenses for the investigator assigned to this task team up to but not to exceed \$23,500 and the City's cost will be a match of \$3,860, in the form of benefits provided for these wages.

**Recommendation**

To authorize the City Manager to accept the U.S. Department of Treasury "2014 Financial Crimes Task Force," Grant by executing the grant documents; and

To adopt the "2014 Financial Crimes Task Force" Grant Project Ordinance, in the amount of \$27,360.

**Background**

The purpose of the Financial Crimes Task Force is to safeguard financial systems from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. These types of crimes would be investigated under violations of the Money Laundering Control Act of 1986, the Bank Secrecy Act and section 6050(1) of the Internal Revenue Code.

The U.S. Department of Treasury has offered the Durham Police Department an opportunity to join a federal task force that focuses on the monetary aspect of significant crimes and criminal organizations. An Investigator from the Durham Police Department will be assigned to the task force and cross sworn as a Federal IRS Criminal Investigator. This Investigator will focus on these types of crimes that impact Durham and they would also provide immediate assistance to other Durham Police Investigators who are investigating

major crimes like narcotics organizations, organized retail theft groups, or human trafficking organizations that are hiding large amounts of currency.

**Issues/Analysis**

Currently, local law enforcement cannot properly and completely investigate large scale criminal organizations for financial crimes because they are federal violations and do not exist in North Carolina State criminal law. The Department of Treasury is tasked with investigating a broad range of financial crimes yet they are grossly understaffed for carrying out this vast caseload. Durham citizens and businesses will be more directly served by having a Durham Police Investigator assigned to the Financial Crimes Task Force to investigate these types of crimes.

**Alternatives**

The Durham Police would not investigate federal financial crimes that occur in Durham or involve Durham citizens and they will continue to be investigated by the Department of Treasury.

**Financial Impact**

The City Council has approved the FY 2014 Police Department’s general fund budget that appropriates the \$3,860 required local match. There will be no further financial impact on the City of Durham’s general fund by accepting this award. The Department of Treasury will reimburse the City of Durham for the following:

Budget Items	Amount
Overtime	\$15,000
Investigator Vehicle Lease	\$ 7,000
Training	<u>\$ 1,500</u>
Total Reimbursement	\$23,500

**SDBE Summary**

This item does not require review by the office of Equal Opportunity/Equity Assurance.