

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 11, 2013

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Council File No. 13-1369

Council District: All

To: The City Council

From: Miguel A. Santana, City Administrative Officer *MSA
MSW*

Reference: Transmittal from the Board of Police Commissioners dated October 15, 2013;
information received through December 10, 2013

Subject: **2013 INTELLECTUAL PROPERTY ENFORCEMENT PROGRAM GRANT**

SUMMARY

The Los Angeles Police Department (LAPD) requests authority to accept the 2013 Intellectual Property (IP) Enforcement Program Grant (Grant) from the United States Department of Justice, Bureau of Justice Assistance (BJA). The Grant award is \$200,000, with a term of October 1, 2013 through September 30, 2014. The Grant will fund Sworn overtime for LAPD investigators to implement strategies and tactics for reducing IP crimes. No matching funds are required.

BACKGROUND

The LAPD created the Anti-Piracy Unit (APU) in July 2004 in response to the increasing amount of counterfeit and pirated products manufactured and sold in the City. The APU handles investigations involving the enforcement of middle to high-level organized manufacturing and distribution rings of counterfeit DVDs and CDs. The APU is also responsible for the enforcement of IP crimes at retail/wholesale locations that are involved in the sale of counterfeit items including jewelry, purses, wallets, clothing, food and drugs. The grant will provide \$200,000 in Sworn overtime funding for five Detectives, one Police Officer and one Lieutenant assigned to the APU.

The LAPD was a recipient of the FY 2009, 2010 and 2011 Intellectual Property Enforcement Program Grants. The Department was not awarded the FY 2012 Grant. Based on feedback provided by the BJA, the LAPD submitted an excellent proposal in 2012; however, the Department was advised that they needed to provide more specific performance targets and that a more thought-out implementation plan was needed. The LAPD incorporated this feedback into their FY 2013 Grant application, and was awarded the FY 2013 IP Enforcement Program Grant.

The LAPD reports that as a result of the grant funding in prior years, the Department gained a deeper understanding of the counterfeit goods landscape and has been able to dramatically strengthen its efforts in combatting the proliferation of counterfeit goods; enforcing copyright, trademark and patent laws; and deterring organized counterfeit manufacturing and distribution rings.

The BJA will reimburse the City for Sworn overtime for investigators in the LAPD's APU to fund the *Closing Intellectual Property Enforcement and Prevention Gaps in the LAPD Program*. The Department states that it intends to use a two-prong "supply and demand" approach to close the IP

enforcement and prevention gaps to implement strategies and tactics in fighting highly-organized and upwardly mobile repeat offenders associated with IP crimes. The LAPD estimates that approximately 75 percent of IP crime arrestees have prior violations. As such, the LAPD proposes to use the Grant funds to: 1) address the supply side of IP crimes by increasing intelligence gathering in high IP areas by tracking probationers and parolees who have previously engaged in IP crimes; and, 2) to address the demand side of IP crimes by influencing public opinion through educating youth, consumers and business owners. Grant funding will be used to develop IP Public Service Announcements to be shown on television and in movie theaters with additional in-kind assistance from Crime Stoppers and the Los Angeles Police Foundation. In addition, the LAPD's APU will provide training and technical assistance and share IP crime information with other local and regional law enforcement agencies in order to develop stronger enforcement partnerships.

Further details on the grant are provided in the correspondence from the Board of Police Commissioners dated October 15, 2013 (Transmittal). Subsequent to the release of the Transmittal, the LAPD submitted more recent IP statistical information. The updated IP data is summarized by calendar year in the table below:

	2009	2010	2011	2012	2013 (Year to Date)
Search Warrants Served	22	28	27	40	23
Arrests	46	124	140	109	47
Undercover Operations	39	90	102	107	46
Buy/Bust Operations	0	42	64	69	24
Cash Value of Counterfeit Goods Removed	\$15,123,754	\$29,885,582	\$26,945,035	\$14,258,924	\$18,085,678

Source: LAPD

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the Chief of Police, or designee to accept the 2013 Intellectual Property Enforcement Program Grant from the United States Department of Justice, Bureau of Justice Assistance in the amount of \$200,000 for the period of October 1, 2013 through September 30, 2014;
2. Authorize the Los Angeles Police Department (LAPD) to submit grant reimbursement requests to the grantor and deposit grant receipts into the Police Department Grant Trust Fund No. 339, Department 70;
3. Authorize the LAPD to spend up to the grant amount of \$200,000 in accordance with the grant award agreement;

4. Authorize the Controller to:

- a. Establish a grant receivable in Fund 339 in the amount of \$200,000 and establish an appropriation account, account number to be determined, within Fund No. 339, Department 70 for the receipt and disbursement of grant funds;
- b. Increase appropriations on an as-needed basis as follows:

From:	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXXX	<u>Account Name</u> 2013 Intellectual Property Enforcement Grant	<u>Amount</u> \$140,000
To:	<u>Fund/Dept</u> 100/70	<u>Account No.</u> 001092	<u>Account Name</u> Sworn Overtime	<u>Amount</u> \$140,000

5. Instruct the City Clerk to place on the City Council agenda on July 1, 2014 or the first meeting day thereafter the following instructions:

Authorize the Controller to increase appropriations on an as-needed basis as follows:

From:	<u>Fund/Dept</u> 339/70	<u>Account No.</u> 70XXX	<u>Account Name</u> 2013 Intellectual Property Enforcement Grant	<u>Amount</u> \$60,000
To:	<u>Fund/Dept</u> 100/70	<u>Account No.</u> 001092	<u>Account Name</u> Overtime Sworn	<u>Amount</u> \$ 60,000

- 6. Authorize the LAPD to prepare Controller's instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize and instruct the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

The FY 2013 Intellectual Property Enforcement Program Grant will fully reimburse the City for Sworn overtime associated with the Program. There is no impact on the General Fund. This action complies with the City's Financial Policies in that one-time revenue is supporting one-time expenditures.