

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

---

Date: November 16, 2023

CAO File No. 0220-04537-0016

Council File No. 23-1236

Council District: --

To: The Mayor and Council

From: Matthew W. Szabo, City Administrative Officer

Reference: Board of Police Commissioners Transmittal dated October 25, 2023

Subject: **2023 INTELLECTUAL PROPERTY ENFORCEMENT PROGRAM GRANT**

---

**RECOMMENDATIONS**

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

1. Authorize the Chief of Police, or his designee to:
  - a. Retroactively apply for and accept the grant award for the Fiscal Year 2023 Intellectual Property Enforcement Program (FY 2023 IPEP) in the amount of \$375,000 for the period of October 1, 2023 through September 30, 2025, from the United States Department of Justice, Bureau of Justice Assistance;
  - b. Negotiate and execute the grant award agreement, subject to the approval of the City Attorney as to form;
2. Authorize the Los Angeles Police Department to:
  - a. Spend up to the total grant amount of \$375,000 in accordance with the grant award agreement;
  - b. Submit grant reimbursement requests to the grantor and deposit grant receipts in the Police Department Grant Fund No. 339, Department No. 70;
  - c. Prepare Controller instructions for any technical adjustments as necessary to implement Mayor and Council intentions, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions;
3. Authorize the Controller to:
  - a. Establish a grant receivable and appropriate \$375,000 to an appropriation, account name, and account number to be determined, within Fund No. 339, Department No. 70, for the receipt and disbursement of the FY 2023 IPEP grant funds; and,

- b. Transfer appropriations for the FY 2023 IPEP grant, in the amount of \$120,288, from Fund No. 339, Department No. 70, to Fund No. 100, department numbers, account numbers, account names, and amounts as follows:

**TRANSFER FROM:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
339/70	TBD	TBD	\$ 120,288

**TRANSFER TO:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/70	001092	Overtime Sworn	\$ 73,400
100/70	001090	Overtime General	\$ 2,340
100/70	TBD	Related Costs	\$ 7,048
100/12	001010	Salaries General	\$ 26,118
100/12	RSC 5346	Related Costs	\$ 11,382
<b>Total</b>			<b>\$ 120,288</b>

4. Instruct the City Clerk to:

- a. Place the following action relative to the FY 2023 IPEP grant on the City Council agenda on July 1, 2024, or the first meeting day thereafter:

That the City Council, subject to the approval of the Mayor, authorize the Controller to transfer appropriations for the FY 2023 IPEP grant, in the amount of \$213,102, from Fund No. 339, Department No. 70, to Fund No. 100, department numbers, account numbers, account names, and amounts as follows:

**TRANSFER FROM:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
339/70	TBD	TBD	\$ 213,102

**TRANSFER TO:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/70	001092	Overtime Sworn	\$ 146,786
100/70	001090	Overtime General	2,340
100/70	TBD	Related Costs	13,975
100/12	001010	Salaries General	34,825
100/12	RSC 5346	Related Costs	15,176
<b>Total</b>			<b>\$ 213,102</b>

- b. Place the following action relative to the FY 2023 IPEP grant on the City Council agenda on July 1, 2025, or the first meeting day thereafter:

That the City Council, subject to the approval of the Mayor, authorize the Controller to transfer appropriations for the FY 2023 IPEP grant, in the amount of \$41,610, from Fund No. 339, Department No. 70, to Fund No. 100, department numbers, account numbers, account names, and amounts as follows:

**TRANSFER FROM:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
339/70	TBD	TBD	\$ 41,610

**TRANSFER TO:**

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/70	001092	Sworn Overtime	\$ 26,600
100/70	TBD	Related Costs	\$ 2,511
100/12	001010	Salaries General	\$ 8,705
100/12	RSC 5346	Related Costs	\$ 3,794
<b>Total</b>			<b>\$ 41,610</b>

**SUMMARY**

The Los Angeles Police Department (LAPD) is seeking retroactive approval to apply for and accept a \$375,000 grant award for the Fiscal Year 2023 Intellectual Property Enforcement Program (FY 23 IPEP) from the United States Department of Justice, Bureau of Justice Assistance. The grant award has a performance period of October 1, 2023, through September 30, 2025. No matching funds are required.

The LAPD has been an annual recipient of the IPEP grant since FY 2009 with the exception of FY 2012 and 2015 when the LAPD did not apply for the grant. Through this grant funding, the LAPD has been able to strengthen its efforts in combating the proliferation of counterfeit goods; enforcing copyright, trademark, and patent laws; and, deterring organized counterfeit manufacturing and distribution rings.

Through this grant award, the LAPD Commercial Crimes Division's Intellectual Property Crime Unit (IPCU) will continue its multi-faceted approach to reduce and prevent Intellectual Property (IP) crime in Los Angeles through enforcement, analytical strategies, and enhanced public awareness of IP crime. Specifically, the proposed effort aims to implement strategies to reduce and prevent the spread of counterfeit/illicit pharmaceutical drugs and electronics/ automobile parts throughout the Los Angeles region and to expand the efforts of the City Attorney by using California Unfair Competition Laws to seek restrictive injunctions and significant financial penalties to abate counterfeit goods that threaten public health and safety and deprive intellectual property (IP) owners the fruits of their labor. The IPCU will implement strategies and tactics in fighting highly organized and upwardly mobile repeat offenders. These investigative efforts represent a large potential in curbing the rise of counterfeit products in Southern California. The grant award will enable the LAPD to augment anti-piracy efforts on a broader and deeper scale by providing hours to conduct more in-depth and additional investigations on an overtime basis. The IPCU will also expand efforts to organize and participate in training classes and public education campaigns, primarily through producing and distributing public service announcements over television and radio.

### ***IPEP Grant Award Program Expenses***

A summary of the 2021 IPEP grant award expense categories is provided in the chart below:

<b>Expense Category</b>	<b>Amount FY 2023</b>	<b>Amount FY 2024</b>	<b>Amount FY 2025</b>	<b>Total Amount FY 2023-2025</b>
Overtime Sworn	\$73,400	\$146,786	\$26,600	\$246,786
Overtime General	2,340	2,340	--	\$4,680
Related Costs *	7,048	13,975	2,511	\$23,534
Salaries General	26,118	34,825	8,705	\$69,648
Related Costs	11,382	15,176	3,794	\$30,352
<b>Total</b>	<b>\$120,288</b>	<b>\$213,102</b>	<b>\$41,610</b>	<b>\$375,000</b>

*\*Total Related Costs of \$23,534 is comprised of Overtime Sworn (\$23,298) and Overtime Civilian (\$236).*

The LAPD will allocate \$246,786 for LAPD sworn overtime and \$23,298 for associated related costs to proactively address newly identified intellectual property (IP) crimes to national and international terrorism organizations. The City Attorney's Office has been allocated \$69,648 for salary costs and \$30,352 for associated related costs to partially fund a Deputy City Attorney II position. Grant funds are also allocated to civilian overtime (\$4,680), and associated related costs (\$236) to provide grant administrative support within LAPD. The Deputy City Attorney II position assigned to the Intellectual Property program is included in the City Attorney's Personnel Authority Resolution. Although no matching funds are required for this grant, the City must cover the remaining salary costs. The City Attorney Consumer Protection Trust Fund will provide the balance of the position costs. These costs are already included in the Adopted Budget and do not represent any additional General Fund impact.

### ***Key Program Performance Measures***

In compliance with the terms and provisions of the grant award, the LAPD is required to collect and maintain data that measure the performance and effectiveness of work under this award. Among the data collected for this program, the key Performance Measures developed for this program are provided below:

- Number of shipments intercepted;
- Number of IP crime offenders;
- Number of repeat offenders; and,
- Number of cases prosecuted at local, state and federal level;
- Value of assets seized;
- Number of educational outreach activities;
- Number of groups/participants targeted and reached;
- Collect and analyze criminal organizations involved;
- Number of reports on social media.

## **FISCAL IMPACT STATEMENT**

Approval of the recommendations within this report will have no additional impact to the General Fund and will allow for the expenditure of the Fiscal Year 2023 Intellectual Property Enforcement Program grant award totaling \$375,000 from the United States Department of Justice, Bureau of Justice Assistance. No matching funds are required for this grant.

## **FINANCIAL POLICIES STATEMENT**

The recommendations stated in this report comply with the City's Financial Policies in that, to the extent possible, current operations will be funded by current revenues.

*MWS:LMP:04240052*