

Congressional Submission

U.S. Department of Justice

Asset Forfeiture Program

FY 2015 PERFORMANCE BUDGET

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*N/A = Not Applicable

I. Overview for the Asset Forfeiture Program

A. Introduction

The Department of Justice is estimating \$1,371,302 for expenses of the Asset Forfeiture Program (AFP) for FY 2015 to support the Department's Strategic Goal 2: prevent crime, protect the rights of the American people, and enforce Federal law. AFP spending also supports the President's management agenda to improve financial performance and expand electronic government (e-gov) (e.g., in security and cost savings), and the Attorney General's Management agenda to streamline, eliminate or consolidate duplicative functions and utilize technology to improve Government efficiency and effectiveness.

B. Mission

The primary mission of the Department of Justice Asset Forfeiture Program is to employ asset forfeiture authority in a manner that enhances public safety and security. This is accomplished by removing the proceeds of crime and other assets relied upon by criminals and their associates to perpetuate their criminal activity against our society. Asset forfeiture has the power to disrupt or dismantle criminal organizations that would continue to function if we only convicted and incarcerated specific individuals.

The AFP is a coordinated effort that leverages the work of multiple federal law enforcement agencies in order to support a consolidated forfeiture program. Inter-departmental cooperation and standardization of policies and procedures produce significant benefits, not only from a program management perspective, but also from the perspective of preserving the due process rights of citizens. A less aggressive and decentralized forfeiture program would mean that law enforcement agencies would be forced to use limited base resources to support the forfeiture process against criminal organizations that have hundreds of millions of dollars more in their coffers to support their illicit operations each year. Without a central AFP, agency funds would be seriously taxed to maintain and preserve seized assets, and liquidate forfeited assets. Law enforcement operations supported by the Program would occur at reduced levels, would not be undertaken at all, or would have to compete with limited funding from other sources. In addition, the AFP is able to support aggressive Program related training, case evaluations, funds management, and contract support to produce an Asset Forfeiture Program that provides the greatest benefit to our society.

By establishing standardized forfeiture policies and procedures, the AFP fosters inter-departmental cooperation and effective program management oversight that continues to produce significant law enforcement results while preserving the due process rights of citizens. In FY 2013, the Program recorded total net forfeiture deposits of \$2.0 billion as a result of AFP's coordinated forfeiture support services and the law enforcement efforts of the Program's participating member agencies.¹

¹ Participating law enforcement agency members of the AFP include the Asset Forfeiture Management Staff, Justice Management Division (AFMS), Asset Forfeiture and Money Laundering Section, Criminal Division (AFMLS), Bureau of Alcohol Tobacco Firearms & Explosives (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Organized Crime Drug Enforcement Task Forces (OCDETF), U.S. Marshals Service (USMS), INTERPOL Washington (USNCB), Executive Office for United States Attorneys (EOUSA), Defense Criminal Investigative Service (DCIS), State Department Bureau of Diplomatic Security (BDS), Food and Drug Administration Office of Criminal Investigations (FDA OCI), US Postal Inspection Service (USPIS), and US Department of Agriculture Office of Inspector General (USDA OIG).

These results would not be possible without the AFP’s specialized support capabilities in the areas of contract management, IT systems, policy formulation, financial management, and program evaluation.

The AFP not only represents an effective law enforcement tool against criminal organizations, but also provides financial support to federal law enforcement efforts, remuneration and restitution to victims, and an additional source of funding for state and local law enforcement partners. In FY 2013, the AFP paid out over \$450 million to victims and \$865.6 million to state and local law enforcement partners participating in federal investigations.

Without the AFP, agencies would be left to organize and fund forfeiture operations with limited base resources. Furthermore, the inherent economic disincentives that once severely limited the use of this powerful and highly effective law enforcement tool, may once again limit coordinated forfeiture operations at the federal level.

C. Explanation of the Fund

The AFP is supported by the Assets Forfeiture Fund (AFF), which was created by the Comprehensive Crime Control Act of 1984 (P.L. 98-473, dated October 12, 1984) to be a repository of the proceeds of forfeitures under any law enforced and administered by the Department of Justice (see 28 U.S.C. 524(c)).

The primary purpose of the Fund is to provide a stable source of resources to cover the costs of an effective AFP, including the costs of seizing, evaluating, inventorying, maintaining, protecting, advertising, forfeiting, and disposing of property seized for forfeiture. Prior to the creation of the Fund in 1985, the costs of these activities had to be diverted from agency operational funds. The more effective an agency was in seizing property, the greater the drain on its appropriated funds. The creation of the Fund is responsible, in large measure, for the growth in the Department’s Asset Forfeiture Program over the past decade. The Program in turn has supported the increase of seized assets through coordinated investigative efforts and effective asset management. Increases in resources have permitted the AFP to remove more assets essential to criminal activity.

Table 1 displays the functional activities of the participating agencies. For the full names of the participating agencies, see footnote 1. These agencies investigate or prosecute criminal activity under statutes, such as the Comprehensive Drug Abuse Prevention and Control Act of 1970, the Racketeer Influenced and Corrupt Organizations statute, the Controlled Substances Act, and the Money Laundering Control Act, or provide administrative support services to the program.

Table 1: Asset Forfeiture Program Participants by Function														
Function	AFMLS	OCDETF	AFMS	ATF	DCIS	DEA	DS	EOUSA	FBI	FDA	INTERPOL-W	USDA	USMS	USPS
Investigation		X		X	X	X	X		X	X	X	X		X
Litigation	X							X						
Custody of Assets				X		X			X				X	
Management of Assets	X		X											

As an outcome of the Homeland Security Act of 2002, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) joined the Program on January 25, 2003. In addition, the Act transferred the forfeiture functions of the Immigration and Naturalization Service to the Department of Homeland Security (DHS) on March 31, 2003. On October 1, 2004, the Bureau of Diplomatic Security, Department of State (DS), joined the AFP. The Fund subsequently includes seizures and forfeitures resulting from investigations of passport and visa fraud. In 2007, the Defense Criminal Investigative Service (DCIS) became a participant. DCIS is the criminal investigative arm of the Inspector General of the Department of Defense and devotes investigative resources to terrorism, product substitution, computer crimes, illegal technology transfers, and public corruption. In addition, INTERPOL Washington joined the Fund in 2012.

D. Trends, Issues, and Outcomes

The Program's budget is integrated with the Department's Strategic Goals and Objectives. Although the Program's mission and objectives will not change in FY 2015, the challenges it faces will.

Over the past seven years, there has been a significant growth in the value of deposits into the AFP driven by several large fraud and economic crime forfeiture cases. Given the focus on forfeitures in corporate fraud and other financial crime cases, the Program expects deposits to continue at a similar rate. It is anticipated that a significant amount of these deposits will be returned to the victims of the underlying offenses.

Following is a brief summary of the Department's Strategic Goals and Objectives, in which the Program plays a role.

DOJ Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law:

- Combat the threat, incidence, and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest, and prosecute violent offenders and illegal firearms traffickers (2.1)
- Disrupt and dismantle major drug trafficking organizations to combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs (2.3)
- Investigate and prosecute corruption, economic crimes, and transnational organized crime (2.4)

E. Full Program Costs

The Program's expenses are funded by forfeitures and receipts. Receipts are available to pay program operation expenses, including asset management and disposal, the equity of innocent third parties and lien holders; program investigative expenses, such as the efforts of state and local law enforcement agencies that helped produce the forfeitures; and other authorized expenses of the Program.

For FY 2015, the Department is estimating \$1.371 billion for mandatory and discretionary expenses. Included in this amount is \$13.7 million in reimbursable funds from other agencies. Also included in this amount, providing net receipts support this expense level, is \$154.7 million to

pay overtime expenses and other costs of state and local law enforcement officers engaged in joint operations with federal law enforcement agencies participating in the Program. The Department's authority to incur program operations expenses, including recognition of the equity interests of others and the efforts of law enforcement agencies, is limited only by the level of receipts deposited into the Fund. The Program's first priority is to fund operational expenses. To the extent that receipts exceed the amounts necessary for mandatory program expenses, funds are used for payments to state and local law enforcement agencies for their degree of participation in forfeiture cases (also known as equitable sharing) and third party expenses, including payment to victims. Funds are then used for forfeiture-related investigative expenses. Lastly, funds may be used for non-forfeiture related investigative expenses and other authorized law enforcement purposes. AFP funding levels for certain non-forfeiture activities are discretionary and established by annual appropriations.

F. Unobligated Balances

Unobligated balances are carried over from one fiscal year to another and are used to cover a variety of pending liabilities to maintain the solvency of the AFF.² These reserves are generally set aside for third party payments to the victims of crime and equitable sharing payments to state and local law enforcement agencies. Unobligated monies are also carried forward in order to maintain a successful transition into each new fiscal year for specific continuity requirements and are estimated as follows:

- one quarter of the previous year's funding for administrative and professional contracts.
- one quarter of the previous year's funding to cover pending expenses with state and local law enforcement agencies that participated in joint law enforcement operations with a federal agency.
- half of the previous year's funding for the information system CATS.
- half of the previous year's expenses for government salaries that have been approved by the Attorney General.

The estimates depend on what the AFP anticipates the liabilities will be for the following fiscal year and are subject to change.

G. Performance Challenges

The challenges that impact achievement of Program goals are complex and dynamic. New legislation and case law, technological developments, changing demographics, political decisions, and the internationalization of criminal organizations are only a few factors that impact AFP and pose challenges that demand attention. The following situations are challenges that the Program is facing.

² See 28 U.S.C.524(c)(8)(D)

External Challenges

International money laundering and forfeiture investigations continue to target hundreds of millions of dollars in illegal proceeds that have been secreted overseas. Indeed, every major forfeiture case has had international aspects to it as criminals increasingly hide their criminal proceeds by placing them off-shore. Occasionally, prosecutors are able to negotiate agreements in which criminals or account holders are willing to repatriate foreign based criminal wealth, and foreign authorities sometimes permit such repatriations to occur. However, the most accepted method to obtain foreign assets subject to forfeiture is to obtain the enforcement of U.S. restraining orders and final forfeiture judgments by foreign courts. Due in large part to the international efforts of the Department's Asset Forfeiture Program over the last 25 years, this preferred method is becoming commonplace.

In order to further facilitate forfeiture cooperation and aid in the investigation and prosecution of criminals outside of the U.S., the United States currently has Mutual Legal Assistance Treaties or Agreements with about 80 countries. In addition, more than 188 countries are parties to the U.N. Vienna Drug Convention, 179 countries are parties to the U.N. Convention against Transnational Organized Crime, and 170 countries are parties to the U.N. Convention Against Corruption. The U.S. is a party to all of these conventions, which also contain forfeiture cooperation provisions and encourage jurisdictions to have mechanisms for asset sharing and/or asset repatriation.

Since 1989, the Department has recognized forfeiture-related cooperation by other jurisdictions through its international asset sharing program, under which a portion of assets forfeited in U.S. actions are transferred to foreign governments to encourage their further cooperation in transnational forfeiture cases resulting in the sharing of \$248 million with 43 countries. In calendar year 2013 DOJ shared a total of \$2.1 million with 10 countries – three of them for the first time. In the first half of 2014, the AFP anticipates sharing an additional \$12.4 million with seven countries – two of them for them for the first time. The Program also anticipates sharing at least a portion of a record \$36.3 million with the Republic of Panama. This funding will be steered toward improving serious deficiencies in the anti-money laundering and counter-terrorist financing system in this strategically important jurisdiction. Finally, the international asset sharing program is greatly enhanced by the existence of 20 permanent bilateral forfeiture cooperation and sharing agreements that the Asset Forfeiture and Money Laundering Section negotiated with key foreign jurisdictions since 1992.

Internal Challenges

The Program faces many internal challenges in FY 2015, primarily in enhancing its financial and property management capabilities.

- **Data Quality:** The FY 2013 AFF/Seized Asset Deposit Fund (SADF) financial statements received an unmodified opinion, although improvements will be forthcoming in the analysis of accounting data, revenue recognition, and review of journal vouchers.

The AFMS is implementing the Unified Financial Management System (UFMS). UFMS is a financial system that incorporates standard capabilities, business processes, business rules, reference data, interfaces, and reports that will be used throughout the department.

UFMS will benefit the Department of Justice by addressing material weaknesses in the Department's financial system and accounting operations and enhance system security.

The Asset Forfeiture Management Staff (AFMS) is also working with program participants to establish and enforce corrective actions related to property management in a timely manner. Progress is being monitored on a monthly basis to ensure that processes are followed and reported correctly.

II. Appropriations Language and Analysis of Appropriations Language

Appropriations Language

(Including Cancellation)

For expenses authorized by subparagraphs (B), (F), and (G) of section 524(c)(1) of title 28, United States Code, \$20,514,000, to be derived from the Department of Justice Assets Forfeiture Fund.

Of the unobligated balances available under this heading, \$193,000,000 are hereby permanently cancelled. (Department of Justice Appropriations Act, 2014.)

Analysis of Appropriations Language

No substantive changes are proposed.

III. Decision Unit Justification
Asset Forfeiture Program

Asset Forfeiture Program TOTAL	Direct Pos.	Estimate FTE	Amount
2013 Enacted with Rescissions and Sequestration	23	21	1,809,846
2014 Enacted	23	23	3,233,046
Adjustments to Base and Technical Adjustments	0	0	14
2015 Current Services	0	0	3,233,060
2015 Program Increases	0	0	0
2015 Program Offsets	0	0	(1,875,468)
2015 Request	23	23	1,357,592
Total Change 2014-2015	0	0	(1,875,454)

Mandatory, Indefinite Authority Total	Perm. Pos.	FTE	Amount
2013 Enacted with Rescissions and Sequestration	23	21	1,790,386
2014 Enacted	23	23	3,212,546
Adjustments to Base and Technical Adjustments	0	0	0
2015 Current Services	0	0	3,212,546
2015 Program Increases	0	0	0
2015 Program Offsets	0	0	(1,875,468)
2015 Request	0	0	1,337,078
Total Change 2014-2015	-23	-23	(1,875,468)

Appropriated, Definite Authority Total	Perm. Pos.	FTE	Amount
2013 Enacted with Rescissions and Sequestration	0	0	19,460
2014 Enacted	0	0	20,500
Adjustments to Base and Technical Adjustments	0	0	14
2015 Current Services	0	0	20,514
2015 Program Increases	0	0	0
2015 Program Offsets	0	0	0
2015 Request	0	0	20,514
Total Change 2014-2015	0	0	14

IV. FY 2015 Asset Forfeiture Program Estimates

Asset Forfeiture Program

1. Summary of Requirements by Financing

(Dollars in Thousands)

Financing	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Estimate	2014 - 2015 Total Change
Unobligated balance of receipts, start-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	145,726	146,252	146,300	48
Set aside for additional rescission/sequestration	0	139,684	0	(139,684)
Major Equitable Sharing and Third party Payment Reserves	511,403	582,362	503,715	(78,647)
Unappropriated balance of receipts, start-of-year	657,129	868,298	650,015	(218,283)
Collections/deposits/receipts/recoveries:				
Regular receipts	922,062	904,090	901,290	(2,800)
Extraordinary Receipts	1,131,500	2,180,000	480,000	(1,700,000)
Reimbursable Earnings/Receipts	19,590	15,910	13,710	(2,200)
Prior year rescissions restored	675,000	722,697	83,600	(639,097)
Prior year sequestration restored	0	70,312	0	(70,312)
Recovery/Refunds of prior year obligations	78,205	70,000	60,000	(10,000)
Current year rescission	(723,131)	(83,600)	0	83,600
Proposed rescission - Temporary	0	0	(193,000)	(193,000)
Permanent rescission	0	(693,000)	0	693,000
Sequestration	(70,312)	(155,736)	0	155,736
Collections/deposits/receipts/recoveries:	2,032,914	3,030,673	1,345,600	(1,685,073)
Total Direct resources available	2,670,453	3,883,061	1,981,905	(1,901,156)
Total resources available	2,690,043	3,898,971	1,995,615	(1,903,356)
Less: Unappropriated balance of receipts, end-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	(146,252)	(146,300)	(146,300)	0
Set aside for additional rescission/sequestration	(139,684)	0	0	0
Major Equitable Sharing & Third Party Payments	(582,362)	(503,715)	(478,013)	25,702
Unappropriated balance of receipts, end-of-year	(868,298)	(650,015)	(624,313)	25,702
Total Direct Obligations	1,809,544	3,233,046	1,357,592	(1,875,454)
Total Obligations	1,821,745	3,248,956	1,371,302	(1,877,654)

*Extraordinary receipts in FY 2014 includes a one-time deposit of \$1.7 billion from JPMorgan Chase associated with the Bernard Madoff fraud case and designated for victim payments.

Asset Forfeiture Program
2. Obligations by Type of Expense
(Dollars in Thousands)

	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Estimate	2014 - 2015 Total Change
<i>Mandatory expenses: (indefinite authority)</i>				
Case support expenses:				
Asset Management and Disposal	70,126	87,400	87,400	0
Third Party Payments	450,085	2,096,531	350,000	(1,746,531)
Case Related Expenses	45,383	43,800	43,800	0
Special Contract Services	144,101	149,800	153,545	3,745
Investigative Expenses Leading to Seizure	71,022	64,400	64,400	0
Contracts to Identify Assets	53,009	53,700	55,043	1,343
Awards for Information Leading to a Forfeiture	17,083	15,200	15,200	0
Program support expenses:				
Automated Data Processing	32,511	39,900	39,900	0
Training and Printing	3,346	4,800	4,800	0
Other Program Management	38,726	58,468	58,000	(468)
Other authorized expenses:				
Storage, Protection & Destruction of Controlled Substances	9,447	9,400	9,400	0
Equitable Sharing Payments	711,121	450,000	314,600	(135,400)
Joint Federal/State and Local Law Enforcement Operations	154,440	154,700	154,700	0
Undistributed	<u>2,187</u>	<u>0</u>	<u>0</u>	0
Subtotal: Mandatory Expenses	1,802,587	3,228,099	1,350,788	(1,877,311)
<i>Investigative expenses: (definite authority)</i>				
Awards for Information	11,040	12,572	12,586	14
Purchase of Evidence	7,814	7,618	7,618	0
Equipping of Conveyances	<u>304</u>	<u>310</u>	<u>310</u>	<u>0</u>
Subtotal: Investigative Expenses	19,158	20,500	20,514	14
Total, Mandatory and Investigative Expenses	1,821,745	3,248,599	1,371,302	(1,877,297)
Super Surplus amounts obligated	<u>0</u>	<u>357</u>	<u>0</u>	<u>(357)</u>
Total Direct Obligations	1,809,544	3,233,046	1,357,592	(1,875,454)
Total Obligations	1,821,745	3,248,956	1,371,302	(1,877,654)

3. Program Expense Description

A. Mandatory Expenses, Indefinite Authority

1. Management and Disposal of Seized Assets

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$87,400,000	\$87,400,000	\$0

The primary purpose of the Fund is to ensure an adequate and appropriate source of funding for the management and disposal of property seized for forfeiture, as well as forfeited assets, activities which would otherwise be paid from agencies' operating budgets. Asset management expenses include those incurred in connection with the seizure, inventory, appraisal, packaging, movement, storage, maintenance, security, and disposition of property. In addition, funding is provided for the assessment, containment, removal and destruction of hazardous materials seized for forfeiture, and hazardous waste contaminated property seized for forfeiture. The costs of administrative personnel directly related to the property management functions of the forfeiture program are also included in this category.

2. Other Asset Specific Expenses

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$2,140,331,000	\$393,800,000	-\$1,746,531,000

This category includes third party payments and case related expenses. Third party payments are payments to satisfy third-party interests, including lien holders and other innocent parties, pursuant to 28 U.S.C. § 524(c)(1)(D); payments in connection with the remission and mitigation of forfeitures, pursuant to 28 U.S.C. § 524(c)(1)(E); and direct expenses incurred in perfecting the forfeiture. Case related expenses are expenses associated with the prosecution of a forfeiture case or execution of a forfeiture judgment, such as court and deposition reporting, courtroom exhibit services, and expert witness costs.

3. Special Contract Services

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$149,800,000	\$153,545,000	\$3,745,000

The Department of Justice Asset Forfeiture Program uses contract personnel to manage the massive paper flow associated with forfeiture, including data entry, data analysis, word processing, file control, file review, quality control, case file preparation and other process support functions. Without this contract support, it would be impossible to maintain the automated databases, process the tens of thousands of equitable sharing requests, and maintain the tens of thousands of forfeiture case files.

4. Investigative Expenses Leading to Seizure

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$64,400,000	\$64,400,000	\$0

Investigative expenses are those normally incurred in the identification, location, and seizure of property subject to forfeiture. These include payments to reimburse any federal agency participating in the Program for investigative costs leading to seizures.

5. Contracts to Identify Assets

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$53,700,000	\$55,043,000	\$1,343,000

Investigative agencies use these funds for subscription services to nationwide public record data systems, and for acquisition of specialized assistance, such as reconstruction of seized financial records.

6. Awards for Information Leading to Forfeiture

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$15,200,000	\$15,200,000	\$0

Section 114 of Public Law 104-208, dated September 30, 1996, amended the Justice Fund statute to treat payments of awards based on the amount of the forfeiture the same as other costs of forfeiture.

7. Automated Data Processing (ADP)

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$39,900,000	\$39,900,000	\$0

The resources are primarily for the CATS (Consolidated Asset Tracking System). CATS enables access for more than a thousand locations to a central database to perform full asset forfeiture lifecycle tasks more efficiently. It eliminates redundant data capture and provides consistency and standardization for agencies performing similar functions. The system provides current information to field personnel on the status of cases, integrates financial analysis capabilities into the inventory management process, provides the estimation of program income and expenses, and provides the capability for agency and Department managers to review and assess program activity.

8. Training and Printing

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$4,800,000	\$4,800,000	\$0

This category funds expenses for training personnel on aspects of the federal forfeiture program as well as other training necessary to maintain the competency of federal and contractor personnel dedicated to performing federal forfeiture functions.

9. Other Program Management Expenses

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$58,468,000	\$58,000,000	-\$468,000

This category includes several types of expenses that are important to the overall management of the Asset Forfeiture Program: management analysis, performance assessment, problem analysis, requirements analysis, policy development, and other special projects designed to improve program performance. Other activities funded under this heading include the annual audit of financial statements of the Assets Forfeiture Fund and the Seized Asset Deposit Fund by an independent accounting firm and special assessments and reviews. This category also finances the salaries of the Justice Management Division's Asset Forfeiture Management Staff, and units of the Criminal Division's Asset Forfeiture and Money Laundering Section, and other government personnel in agencies that are members of the Fund for activities directly related to the asset forfeiture mission.

10. Storage, Protection, and Destruction of Controlled Substances

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$9,400,000	\$9,400,000	\$0

These expenses are incurred to store, protect, and/or destroy controlled substances. In FY 2015, provided sufficient receipts are available, \$9.4 million is proposed for this expense category.

11. Equitable Sharing Payments

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$450,000,000	\$314,600,000	-\$135,400,000

These funds are reserved until the receipt of the final forfeiture orders that result in distributions to the participants. Equitable sharing payments represent the transfer of portions of federally forfeited cash and proceeds from the sale of forfeited property to state and local law enforcement agencies and foreign governments that directly assisted in targeting or seizing the property. Most task force cases, for example, result in property forfeitures whose proceeds are shared among the participating agencies.

12. Joint Federal/State and Local Law Enforcement Operations

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$154,700,000	\$154,700,000	\$0

Public Law 102-393, referred to as the 1993 Treasury Appropriations Act, amended Title 28 U.S.C. 524(c) by enacting new authority for the Fund to pay for "overtime, travel, fuel, training, equipment, and other similar costs of state or local law enforcement officers that are incurred in a joint law enforcement operation with a federal law enforcement agency participating in the Fund." Such cooperative efforts significantly benefit federal, state, and local law enforcement efforts.

B. INVESTIGATIVE EXPENSES

Definite, Appropriated (discretionary) Authority

1. Awards for Information and Purchase of Evidence

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$20,190,000	\$20,204,000	\$14,000

Awards payable from the Fund directly support law enforcement efforts by furthering the cooperation and assistance of informants. The Program also uses funds to purchase evidence of the violations of drug laws, Racketeering Influenced and Corrupt Organizations (RICO), and criminal money laundering laws.

2. Equipping of Conveyances

<u>FY 2014 Estimate</u>	<u>FY 2015 Estimate</u>	<u>Increase/Decrease</u>
\$310,000	\$310,000	\$0

This category provides funding to equip vehicles, vessels or aircraft for law enforcement purposes.

Decision Unit: Asset Forfeiture Program^A

RESOURCES			Target		Actual		Projected		Changes		Requested (Total)	
			FY 2013		FY 2013		FY 2014		Current Services Adjustments and FY 2015 Program Changes		FY 2015 Request	
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)			FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
			23	\$1,809,846	21	\$1,809,846	\$23	\$3,233,046		[]	\$23	\$ 1,357,592
TYPE	STRATEGIC OBJECTIVE	PERFORMANCE ^B	FY 2013		FY 2013		FY 2014		Current Services Adjustments and FY 2015 Program Changes		FY 2015 Request	
			FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Program Activity	2.1, 2.3, 2.4	Management of the AFF Provide financial support, control, and guidance to Fund participants in accordance with the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.	23	\$1,809,846	21	\$1,809,846	23	\$3,233,046		[]	23	\$1,357,592
Performance Measure: Output	2.1, 2.3, 2.4	Percent of time CATS is accessible in support of forfeiture agency operations.	99.8%		99.8%		99.8%				99.8%	
Performance Measure: Efficiency	2.1, 2.3, 2.4	Percent of time Business Objects is accessible in support of forfeiture agency operations.	99.8%		99.8%		99.8%				99.8%	
Performance Measure: Efficiency	2.1, 2.3, 2.4	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	99.8%		99.9%		99.8%				99.8%	
Performance Measure: Outcome	2.1, 2.3, 2.4	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%		100%		100%				100%	

^A The performance by and resources allocated to the AFP participants are indicated in their respective budgets.

^B Only the performance by the AFMS in the financial management of the AFF is indicated.

PERFORMANCE MEASURE TABLE										
Decision Unit: Asset Forfeiture Program										
Strategic Objective	Performance Report and Performance Plan Targets		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013		FY 2014	FY 2015
			Actual	Actual	Actual	Actual	Target	Actual	Target	Target
	2.1, 2.3, 2.4	PERFORMANCE MEASURE	Percent of time CATS is accessible in support of forfeiture agency operations.	99.9%	100%	99.9%	99.8%	99.8%	99.8%	99.8%
2.1, 2.3, 2.4	PERFORMANCE MEASURE	Percent of time Business Objects is accessible in support of forfeiture agency operations.	N/A	N/A	100%	99.8%	99.8%	99.8%	99.8%	99.8%
2.1, 2.3, 2.4	PERFORMANCE MEASURE	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	N/A	N/A	99.9%	99.8%	99.8%	99.9%	99.8%	99.8%
2.1, 2.3, 2.4	PERFORMANCE MEASURE	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%	100%	100%	100%	100%	100%	100%	100%
N/A = Data unavailable										

Data Definitions

FTE. The AFP reimburses the USMS for the salaries of administrative personnel responsible for the AFP's property custodial functions, but their associated FTE reside in the USMS accounts. Similarly, the AFP reimburses the Criminal Division for AFMLS FTE. AFMS has 23 FTE, which are paid directly from the AFP's mandatory account.

Funding. The source of AFP funds is from the receipts realized by the AFF in the respective years. Because the AFF is a permanent indefinite fund it may fund Program activities from the unobligated balances carried forward from prior years.

Performance. One of the tasks of the Program managers is to project Program activities. As a result of a reevaluation of the Program's performance measures, in 2001 the indicators were changed to more accurately reflect the activities of the Program administrators rather than the Program participants.

Performance Measure 1, 2 and 3. CATS, Business Objects, and SharePoint services are available to participating AFP customers from 8:00 a.m. to 8:00 p.m., Eastern Standard Time, Monday through Friday, excluding all federal holidays and/or local government closures. Normally scheduled maintenance outages are conducted during non-operational hours (weekends, holidays, and off-hours). Emergency outages and system failures occurring during the core operational hours will impact availability to its customer base, affecting all three performance measures. For fiscal years 2014 and 2015, the estimated total number of core supported hours is approximately 3,000. The goal is to provide 99.8 percent availability to customers.

2015 Performance Plan. The 2015 plan entails supporting law enforcement authorities in the application of specific forfeiture statutes to prevent and reduce crime by the efficient and timely allocation of resources to cover the costs of an effective Asset Forfeiture Program.

2. Performance, Resources, and Strategies

The Program contributes to the Department's Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law.

To better manage resources, the Asset Forfeiture Program's strategic approach will continue to (1) require a strong intelligence function that provides all-source information on target organizations to permit the assessment of vulnerabilities and the identification of key structural assets; (2) transcend specific cases to coordinate and target enforcement actions against the vulnerabilities of the underlying criminal organization; and (3) focus on removal of the assets that are key to the functionality and viability of the criminal organization. Special emphasis is placed on innovative ways to use the proceeds of asset forfeiture, in conjunction with other funds available to our investigative and prosecutive offices, to support operations that focus on the disruption and destruction of criminal organizations and not merely on the conviction of individuals and forfeiture of their personal property.

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Table, the performance measure addresses performance only by the AFMS. While the performance measure is internal to the AFMS, Strategic Goal 2 is the Program's supra-objective. Through stakeholder meetings,

employee meetings, and internal reviews, the Program has identified many of the issues that must be addressed to enable it and the Nation's law enforcement community to meet emerging challenges. Continued progress towards implementation will enable the Program to improve the Nation's effectiveness in disrupting and dismantling criminal organizations.

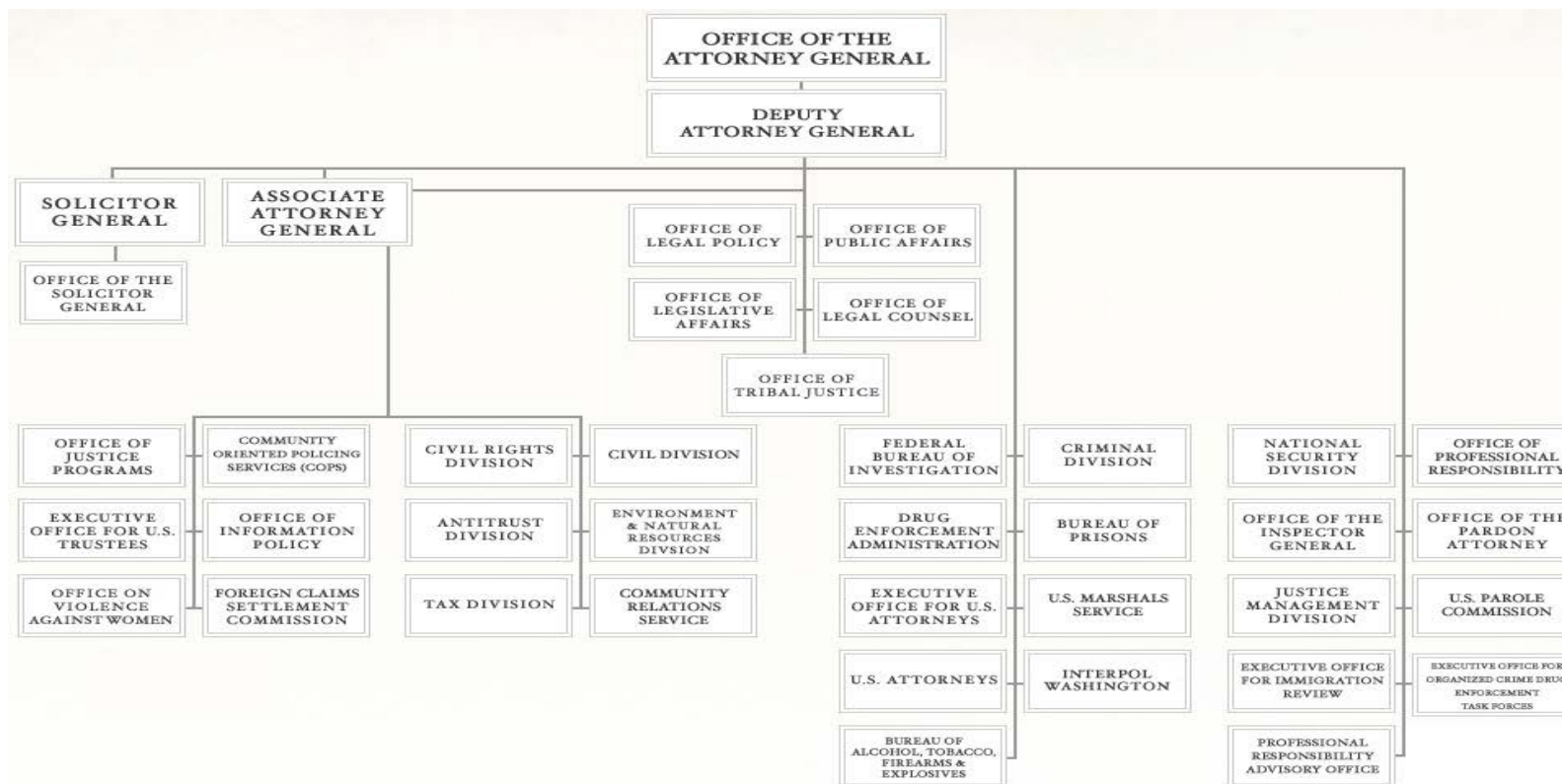
The challenge of using the asset forfeiture sanction more fully requires the dedication of greater human resources to the development of the financial aspects of criminal operations. Continuing education in conducting financial investigations, tracing assets, presenting financial evidence in court, and managing and disposing of sophisticated properties is needed to develop and support experienced law enforcement professionals capable of dismantling criminal enterprises. The increasing use of sophisticated technology by criminals and the relative ease of operating across international boundaries also present special challenges for law enforcement that must be met if the power of the asset forfeiture sanction is to be realized. The Department will continue to seek opportunities to use the Assets Forfeiture Fund to advance the ability of our investigators, prosecutors, and other professionals to meet these challenges successfully.


b. Strategies to Accomplish Outcomes

The performance indicators are for the AFMS, the participant with management control of the Fund. In its role, AFMS supports law enforcement authorities in their seizure and forfeiture activities by providing funding for their accessibility to CATS. The Asset Forfeiture Program is executed by its member agencies and their performance is reported under their leadership's guidance.

V. EXHIBITS

A: Organizational Chart



Approved by  Date 11/26/12
 ERIC H. HOLDER, JR.
 Attorney General

D. Resources by DOJ Strategic Goal and Strategic Objective

Resources by Department of Justice Strategic Goal/Objective

Asset Forfeiture Program
Salaries and Expenses
(Dollars in Thousands)

Strategic Goal and Strategic Objective	2013 Enacted with Rescissions and Sequester		2014 Enacted		2015 Current Services		2015 Increases		2015 Offsets		2015 Total Request	
	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount	Direct/ Reimb FTE	Direct Amount
Goal 2 Prevent Crime, Protect the Rights of the American People, and enforce Federal Law												
2.1 Combat the threat, incidence, and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest, and prosecute violent offenders and illegal firearms traffickers	1	54,295	1	96,991	1	40,728	0	0	0	0	1	40,728
2.3 Disrupt and dismantle major drug trafficking organizations to combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs	15	1,212,597	15	2,166,141	15	909,587	0	0	0	0	15	909,587
2.4 Investigate and prosecute corruption, economic crimes, and transnational organized crime	7	542,954	7	969,914	7	407,278	0	0	0	0	7	407,278
Subtotal, Goal 2	23	1,809,846	23	3,233,046	23	1,357,592	0	0	0	0	23	1,357,592
TOTAL	23	1,809,846	23	3,233,046	23	1,357,592	0	0	0	0	23	1,357,592

The AFF distributes its resources annually at the rate of 3, 67, and 30 percent among objectives 2.1, 2.3, and 2.4, respectively

F. Crosswalk of 2013 Availability

Crosswalk of 2013 Availability

Asset Forfeiture Program
Salaries and Expenses
(Dollars in Thousands)

Program Activity	FY 2013 Collections and Receipts*			Supplementals			Balance Rescission			Sequester			Reprogramming/Transfers			Carryover	Recoveries/Refunds	2013 Actual		
	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Direct Pos.	Actual FTE	Amount	Amount	Amount	Direct Pos.	Actual FTE	Amount
Mandatory Expenses, Indef Auth	23	21	2,707,614	0	0	0	0	0	0	0	0	-69,258	0	0	0	657,129	78,205	23	21	3,373,690
Investigative expenses, Def Auth	0	0	20,948	0	0	0	0	0	-434	0	0	-1,054	0	0	0	0	0	0	0	19,460
Unobligated Balance Rescission	0	0	0	0	0	0	0	0	-722,697	0	0	0	0	0	0	0	0	0	0	-722,697
Total Direct	23	21	2,728,562	0	0	0	0	0	-723,131	0	0	-70,312	0	0	0	657,129	78,205	23	21	2,670,453
Reimbursable FTE		0			0			0			0			0						0
Total Direct and Reimb. FTE		21			0			0			0			0						21
Other FTE:																				
LEAP		0			0			0			0			0						0
Overtime		0			0			0			0			0						0
Grand Total, FTE		21			0			0			0			0						21

* Includes FY 2013 collections and the prior year restored rescission.

Carryover:

Unobligated Balances. Funds in the amount of \$657,129 were carried over from FY 2012 from the 15X5042 account. The carried forward balances consist primarily of restricted funds and balances for specific expenses.

Recoveries/Refunds:

Recoveries and refunds in the amount of \$78,205 have been realized through September 30, 2013. These monies will be used to pay for the operating expenses associated with forfeiture.

G. Crosswalk of 2014 Availability

Crosswalk of 2014 Availability
 Asset Forfeiture Program
 Salaries and Expenses
 (Dollars in Thousands)

Program Activity	FY 2014 Collections and Receipts*			Balance Rescission/Cancellation			Sequester			Reprogramming/Transfers			Carryover	Recoveries/Refunds	2014 Availability		
	Direct Pos.	Estim. FTE	Amount	Direct Pos.	Estim. FTE	Amount	Direct Pos.	Estim. FTE	Amount	Direct Pos.	Estim. FTE	Amount	Amount	Amount	Direct Pos.	Estim. FTE	Amount
Mandatory Expenses, Indef Auth	23	23	3,856,599	0	0	0	0	0	-155,736	0	0	0	868,298	70,000	23	23	4,639,161
Investigative expenses, Def Auth	0	0	20,500	0	0	0	0	0	0	0	0	0	0	0	0	0	20,500
Unobligated Balance Rescission		0	0	0	0	-83,600	0	0	0	0	0	0	0	0	0	0	-83,600
Permanent Cancellation	0	0	0	0	0	-693,000	0	0	0	0	0	0	0	0	0	0	-693,000
Total Direct	23	23	3,877,099			-776,600	0	0	-155,736	0	0	0	868,298	70,000	23	23	3,883,061
Reimbursable FTE		0															0
Total Direct and Reimb. FTE		23															23
Other FTE:																	
LEAP																	0
Overtime																	0
Grand Total, FTE		23									0		0				23

* Includes FY 2014 collections, prior year rescission, and restored sequestration.

Carryover:

Unobligated Balances. Funds in the amount of \$868,298 were carried over from FY 2013 from the 15X5042 account. The carried forward balances consist primarily of restricted funds and balances for specific expenses.

Recoveries/Refunds:

Recoveries and refunds in the amount of \$70,000 are anticipated through September 30, 2014. These monies will be used to pay for the operating expenses associated with forfeiture.

H. Summary of Reimbursable Resources

Summary of Reimbursable Resources

Asset Forfeiture Program

Salaries and Expenses

(Dollars in Thousands)

Collections by Source	2013 Actual			2014 Planned			2015 Request			Increase/Decrease		
	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount
TEOAF	0	0	9,823	0	0	13,232	0	0	13,232	0	0	0
CBP	0	0	28	0	0	28	0	0	28	0	0	0
USSS	0	0	99	0	0	28	0	0	28	0	0	0
USPIS	0	0	228	0	0	0	0	0	0	0	0	0
AFMLS (Estimated RAs by Case)	0	0	0	0	0	719	0	0	423	0	0	-296
DOJ Debt Collections	0	0	0	0	0	3	0	0	0	0	0	-3
Prior Year Collection	0	0	9,413	0	0	1,901	0	0	0	0	0	-1,901
Budgetary Resources	0	0	19,590	0	0	15,910	0	0	13,710	0	0	-2,200

Obligations by Program Activity	2013 Actual			2014 Planned			2015 Request			Increase/Decrease		
	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount	Reimb. Pos.	Reimb. FTE	Amount
TEOAF	0	0	11,327	0	0	13,232	0	0	13,232	0	0	0
CBP	0	0	28	0	0	28	0	0	28	0	0	0
USSS	0	0	99	0	0	28	0	0	28	0	0	0
USPIS	0	0	228	0	0	0	0	0	0	0	0	0
AFMLS (Estimated RAs by Case)	0	0	420	0	0	719	0	0	423	0	0	-296
DOJ Debt Collections	0	0	0	0	0	3	0	0	0	0	0	-3
Prior Year Collection	0	0	99	0	0	1,901	0	0	0	0	0	-1,901
Budgetary Resources	0	0	12,201	0	0	15,910	0	0	13,710	0	0	-2,200

I. Detail of Permanent Positions by Category

Detail of Permanent Positions by Category

Asset Forfeiture Program

Salaries and Expenses

(Dollars in Thousands)

Category	2013 Enacted with Rescissions & Sequestration		2014 Enacted		2015 Request				
	Direct Pos.	Reimb. Pos.	Direct Pos.	Reimb. Pos.	ATBs	Program Increases	Program Offsets	Total Direct Pos.	Total Reimb. Pos.
Personnel Management (200-299)	12	0	12	0	0	0	0	12	0
Clerical and Office Services (300-399)	1	0	1	0	0	0	0	1	0
Accounting and Budget (500-599)	4	0	4	0	0	0	0	4	0
Information Technology Mgmt (2210)	6	0	6	0	0	0	0	6	0
Total	23	0	23	0	0	0	0	23	0
Headquarters (Washington, D.C.)	23	0	23	0	0	0	0	23	0
U.S. Field	0	0	0	0	0	0	0	0	0
Foreign Field	0	0	0	0	0	0	0	0	0
Total	23	0	23	0	0	0	0	23	0

Footnotes:

K. Summary of Requirements by Object Class

Summary of Requirements by Object Class

Asset Forfeiture Program

Salaries and Expenses

(Dollars in Thousands)

Object Class	2013 Actual		2014 Availability		2015 Request		Increase/Decrease	
	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount	Direct FTE	Amount
11.1 Full-Time Permanent	23	26,872	23	3,000	23	3,000	0	0
11.3 Other than Full-Time Permanent	0	254	0	0	0	0	0	0
11.5 Other Personnel Compensation	0	1,199	0	0	0	0	0	0
<i>Overtime</i>	0	0	0	0	0	0	0	0
<i>Other Compensation</i>	0	1,199	0	0	0	0	0	0
11.8 Special Personal Services Payments	0	5	0	0	0	0	0	0
Total	23	28,330	23	3,000	23	3,000	0	0
Other Object Classes								
12.0 Personnel Benefits		9,284		10,000		10,000		0
13.0 Benefits for former personnel		0		0		0		0
21.0 Travel and Transportation of Persons		3,964		4,000		4,000		0
22.0 Transportation of Things		2,069		2,000		2,000		0
23.1 Rental Payments to GSA		16,081		17,000		17,000		0
23.2 Rental Payments to Others		3,043		3,000		3,000		0
23.3 Communications, Utilities, and Miscellaneous Charges		6,930		7,000		7,000		0
24.0 Printing and Reproduction		497		0		0		0
25.1 Advisory and Assistance Services		91,634		97,000		97,000		0
25.2 Other Services from Non-Federal Sources		1,554,203		2,966,046		1,090,592		-1,875,454
25.3 Other Goods and Services from Federal Sources		61,495		91,000		91,000		0
25.4 Operation and Maintenance of Facilities		488		0		0		0
25.5 Research and Development Contracts		0		0		0		0
25.6 Medical Care		0		0		0		0
25.7 Operation and Maintenance of Equipment		19,648		21,000		21,000		0
25.8 Subsistence and Support of Persons		1,387		0		0		0
26.0 Supplies and Materials		2,066		2,000		2,000		0
31.0 Equipment		4,496		4,000		4,000		0
32.0 Land and Structures		0		0		0		0
41.0 Grants, Subsidies, and Contributions		0		0		0		0
42.0 Insurance Claims and Indemnities		99		0		0		0
43.0 Interest and Dividends		3,830		6,000		6,000		0
Total Obligations		1,809,544		3,233,046		1,357,592		-1,875,454
Subtract - Unobligated Balance, Start-of-Year		-657,129		-868,298		-650,015		218,283
Subtract - Transfers/Reprogramming		0		0		0		0
Subtract - Recoveries/Refunds		-78,205		-70,000		-60,000		10,000
Add - Unobligated End-of-Year, Available		868,298		650,015		624,313		-25,702
Add - Unobligated End-of-Year, Expiring		0		0		0		0
Total Direct Requirements	0	1,942,508	0	2,944,763	0	1,271,890	0	-1,672,873
Reimbursable FTE								
Full-Time Permanent	0	12,201	0	15,910	0	13,710	0	-2,200
23.1 Rental Payments to GSA (Reimbursable)		0		0		0		0
25.3 Other Goods and Services from Federal Sources - DHS Security (Reimbursable)		0		0		0		0