

U.S. Department of Justice

Asset Forfeiture Program

FY 2016 PERFORMANCE BUDGET

Congressional Justification

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I. Overview

A. Introduction

The Asset Forfeiture Program (the Program) is a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime.

For FY 2016, the Department of Justice estimates expenses totaling \$1,638,048,000 for the Program, which includes \$3,205,000 for 28 direct FTEs assigned to the Justice Management Division's Asset Forfeiture Management Staff.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

B. Explanation of the Assets Forfeiture Fund

The Comprehensive Crime Control Act of 1984 (P.L. 98-473), codified in 28 U.S.C. 524(c), established the Assets Forfeiture Fund (AFF or the Fund) as a special fund within the Department of the Treasury to receive the proceeds of forfeitures pursuant to any law enforced or administered by the Department. The law authorized the Attorney General to use the AFF to finance expenses associated with the execution of asset forfeiture functions and, with specific limitations, certain general investigative costs.

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 eliminated the inherent economic disincentives that once severely limited the use of this powerful and highly effective law enforcement tool and is responsible, in large measure, for the growth in the Department's Asset Forfeiture Program over the past decade.

The size of the AFF has grown considerably over the past 10 years. Annual net deposits increased from nearly \$580 million in FY 2005 to \$4.5 billion in FY 2014. Much of this growth can be attributed to a number of large fraud and economic crime forfeiture cases, especially cases where sizable assets have been seized and forfeited in order to compensate innocent victims of crime. In order to maximize the amount that can be recovered for these innocent parties, the program overhead expenses incurred by the forfeiture remission and restoration processes are not deducted from final payment amounts for victims. From FY 2010 to FY 2014, the Program returned over \$2.6 billion to victims.

Predicting the future value of the AFF remains a challenge due to the unknown timing and outcome of the judicial and related forfeiture processes that drive revenues and expenses. Likewise, the timing of payments to victims of crime or innocent third parties, particularly in large cases with complex disbursement schemes, often remains uncertain until a few weeks before the

money is to be distributed. Finally, even when the outcome of the forfeiture is known, the property disposal process may be subject to delays that cannot be easily anticipated.

C. Mission, Vision, and Strategic Objectives

Mission: The mission of the Program is to support the use of asset forfeiture consistently and strategically to disrupt and dismantle criminal enterprises, deprive wrongdoers of the profits and instrumentalities of criminal activity, deter crime, and restore property to victims of crime while protecting individual rights.

Vision: To ensure that crime does not pay, the Department of Justice Asset Forfeiture Program will lead law enforcement to make the tracing and recovery of assets an integral part of every Federal prosecution, as appropriate, for the benefit of the American people.

The following strategic objectives provide focus for achieving the Program's mission and vision:

- **Program Resources** – Obtain the funding and tools required to sustain and enhance asset forfeiture investigations, prosecutions, and program operations.
- **Case Development and Execution** – Integrate asset forfeiture in all appropriate investigations and cases.
- **Program Growth** – Expand partnerships with foreign, state, and local governments; regulatory agencies; and the private sector to increase the effectiveness of asset forfeiture as a law enforcement tool.
- **Communication** – Communicate the benefits and accomplishments of the Program to law enforcement leadership, government leaders, and the American public.

D. AFP Participants

The Asset Forfeiture and Money Laundering Section (AFMLS) is responsible for the coordination, direction, and general oversight of the Program while the Asset Forfeiture Management Staff (AFMS) is responsible for its administrative functions. Program participants represent agencies within and outside the Department of Justice. Other DOJ participants include the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF), the Drug Enforcement Administration (DEA), the Executive Office for United States Attorneys (EOUSA), the Federal Bureau of Investigation (FBI), INTERPOL Washington (USNCB), the Organized Crime Drug Enforcement Task Forces (OCDETF), and the U.S. Marshals Service (USMS).

Non-DOJ participants include the U.S. Department of Agriculture, Office of Inspector General (USDA); the U.S. Department of Defense, Criminal Investigative Service (DCIS); the U.S. Department of State, Bureau of Diplomatic Security (BDS); the U.S. Food and Drug Administration, Office of Criminal Investigations (FDA); and the U.S. Postal Inspection Service (USPIS).

Table 1 displays the functional activities of the participating agencies.

Table 1: Asset Forfeiture Program Participants by Function														
Function	AFMLS	AFMS	ATF	DCIS	DEA	BDS	EOUSA	FBI	FDA	USNCB	OCDETF	USDA	USMS	USPIS
Investigation	X		X	X	X	X		X	X	X	X	X		X
Litigation	X						X							
Custody of Assets			X		X			X					X	
Mgmt of Assets	X	X												

E. Strategic Goals

The Asset Forfeiture Program supports DOJ Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law. The Program does so through its efforts in executing the following objectives:

- 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) - State and Local officers, often deputized as federal agents, act as a critical force multiplier in helping to achieve the law enforcement mission of federal agencies. Under the Joint Law Enforcement Operations (JLEO), the Program pays for officer overtime and a variety of critical equipment needs, such as ballistic shields, helmets, and vehicles which are necessary to ensure officer safety. Operations supported in part by JLEO funding include FBI task forces associated with the Violent Gang and Violent Crime Safe Streets, Indian Country Safe Trails, Crimes Against Children, and Organized Crime initiatives, as well as Regional Computer Forensics Laboratories that serve more than 5,000 law enforcement agencies in 17 states. JLEO funding also helps to support the USMS's Fugitive Apprehension Task Forces and OCDETF Strike Forces.
- 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) – Support for DEA operations comprises one-third of the AFP's program expenses (excluding third party payments and equitable sharing). This includes support for DEA's Title III wiretaps and innovative investigative techniques at the Special Operations Division that help case agents leverage technology and level the playing field in the fight against sophisticated and well-funded criminal enterprises.
- Investigate and prosecute corruption, economic crimes, and transnational organized crime (2.4) - In recent years, the Program has focused increasing attention on building technical and operational capacity to investigate complex economic crime. Economic crime covers a vast array of fraud and other conduct intended to victimize individuals and entities financially through deception, deceit, concealment or violations of trust. The globalization of economic and financial systems, the rapidly changing nature of technology, and the increasing sophistication of criminal organizations have resulted in annual increases in the number of economic crimes. When foreign governments, terrorists, or well established international criminals are involved, the investigative techniques often require specialist teams, as well as analytical tools and methods to evaluate many variations of highly complex, immensely technical, and data-intensive crimes. The Program has funded both traditional infrastructure and operational needs while also investing in new techniques that expand asset forfeiture's impact across virtually every law the Department enforces or administers.

For example, by moving quickly to seize, forfeit, and sell the assets tied to the Madoff Ponzi scheme before they could be dissipated, the Program recovered more than \$2 billion for victims. The Program continues to support the full costs of seizure, storage, and disposition of assets in this case and is now facilitating the transfer of proceeds to victims by managing the contract with the Special Master overseeing disbursement and funding-related victim management expenses of the U.S. Attorney's Office for the Southern District of New York.

Further, the U.S. is party to the U.N. Convention against Transnational Organized Crime and the U.N. Convention against Corruption. The Department plays a key role in each of these efforts and both conventions contain forfeiture cooperation provisions and encourage jurisdictions to have mechanisms for asset sharing and/or asset repatriation.

F. Asset Forfeiture Program Budget

Revenue

The Program's primary sources of revenue are from forfeited cash and financial instruments, proceeds from the sale of forfeited property, and the DOJ AFF's share of Treasury Forfeiture Fund agency forfeitures.

Expenses

The Program's first priority is to fund operational expenses that are directly related to the execution of forfeiture functions. These forfeiture-related expenses constitute the substantial majority of all costs paid from the Fund and include:

- Contract services to identify and locate forfeitable property;
- Pre-seizure and post-seizure assessment of property to determine if forfeiture of the property should be pursued;
- Seizure of property subject to forfeiture;
- Investigative costs leading to seizure;
- Detention, storage, management, protection, and maintenance of Fund-related property;
- Notification, advertisement, transcripts, travel, and other case-related activities associated with accomplishing the legal forfeiture of the property;
- Compromise and satisfaction of valid liens, mortgages, third party payments, and the return of assets to the victims of crime through the remission and restoration processes, once forfeited;
- Disposition of the property; and

- Administration of a national asset forfeiture program including the costs of training, printing, information systems, accounting, audits, management, and other administrative matters.

To the extent that receipts exceed the amounts necessary for mandatory program expenses, a part of the net proceeds from forfeitures are distributed (through equitable sharing) to State and Local law enforcement agencies who directly contributed to the seizure or forfeiture of the property. Lastly, funds may be used for non-forfeiture related investigative expenses and other authorized law enforcement purposes. AFP funding levels for non-forfeiture related activities are discretionary and established by annual appropriations, but are funded by program receipts.

Table 2 shows participating agencies and their actual and projected spending by cost category.

Table 2: Summary of Full Year Obligations
(Dollars in Thousands)

PROGRAM OPERATIONS EXPENSES	AFMLS	OCDETF	DEA	EOUSA	FBI	USMS	USPIS	AFMS	ATF	FDA	USDA	BDS	DCIS	USNCB	Civil	TOTAL
Asset Management and Disposal																
FY 2014	-	-	3,416	-	456	67,947	10	-	3,825	-	1	-	5	-	-	75,660
FY 2015	-	-	2,633	-	456	51,169	10	-	5,926	-	1	-	5	-	-	60,200
FY 2016	-	-	2,712	-	456	52,112	10	-	6,104	-	1	-	5	-	-	61,400
Victim & Other Third Party Payments																
FY 2014	-	-	15	-	20	1,946,264	10	-	25	-	-	-	-	-	-	1,946,334
FY 2015	-	-	123	-	20	332,000	10	-	27	20	-	-	-	-	-	332,200
FY 2016	-	-	123	-	20	338,701	10	-	27	20	-	-	-	-	-	338,900
Equitable Sharing Payments																
FY 2014	-	-	-	-	-	487,243	-	-	-	-	-	-	-	-	-	487,243
FY 2015	-	-	-	-	-	500,238	-	-	-	-	-	-	-	-	-	500,238
FY 2016	-	-	-	-	-	475,743	-	-	-	-	-	-	-	-	-	475,743
Case Related Expenses																
FY 2014	10,800	2,345	18,141	18,603	985	-	500	-	225	995	155	-	190	-	-	52,939
FY 2015	21,241	2,029	18,799	11,516	1,323	-	500	-	192	995	155	-	250	-	-	57,000
FY 2016	21,409	2,090	19,770	11,516	1,323	-	500	-	192	995	155	-	250	-	-	58,200
Joint Law Enforcement Operations																
FY 2014	-	29,000	41,744	-	38,000	32,384	-	-	12,515	671	270	-	-	-	-	154,584
FY 2015	-	29,000	41,744	-	38,000	32,500	-	-	12,515	671	270	-	-	-	-	154,700
FY 2016	-	30,500	43,781	-	39,540	33,094	-	-	13,000	694	278	-	-	-	-	160,888
Special Contract Services																
FY 2014	9,661	-	42,237	26,535	33,445	16,525	1,553	-	13,279	-	790	-	-	252	-	144,277
FY 2015	10,779	-	42,199	28,288	36,085	17,300	1,335	-	14,832	-	799	-	-	283	-	151,900
FY 2016	10,779	-	48,995	27,758	34,319	17,300	1,335	-	14,832	-	799	-	-	283	-	156,400
Storage, Protection, and Destruction of Substances																
FY 2014	-	-	9,443	-	-	-	-	-	127	-	-	-	-	-	-	9,570
FY 2015	-	-	11,833	-	-	-	-	-	67	-	-	-	-	-	-	11,900
FY 2016	-	-	12,130	-	-	-	-	-	70	-	-	-	-	-	-	12,200
Information Systems																
FY 2014	162	-	4,666	-	50	4,631	-	26,077	588	324	-	-	30	-	-	36,528
FY 2015	255	-	13,985	-	107	5,850	-	34,855	768	450	-	-	30	-	-	56,300
FY 2016	263	-	6,435	-	110	6,026	-	31,685	791	464	-	-	30	-	-	45,803
Training and Printing																
FY 2014	265	103	1,079	859	275	565	157	8	964	96	32	-	111	-	-	4,514
FY 2015	320	59	1,663	1,219	657	875	6	10	933	75	137	-	111	35	-	6,100
FY 2016	330	61	1,713	1,256	677	901	6	20	968	77	141	-	114	36	-	6,300
Other Program Management																
FY 2014	18,021	1,454	204	9,648	345	10,647	-	10,191	1,080	-	54	-	-	-	-	51,644
FY 2015	26,029	1,453	2,709	9,968	3,494	44,891	-	13,298	3,443	-	15	-	-	-	-	105,300
FY 2016	26,810	1,497	2,790	10,267	3,599	45,079	-	13,697	3,546	-	15	-	-	-	-	107,300
Contracts to Identify Assets																
FY 2014	-	13,234	1,699	-	2,088	-	850	-	16,197	9,645	209	1,325	7,235	-	-	52,482
FY 2015	125	13,165	1,748	-	2,088	-	600	-	16,158	9,780	118	1,383	7,235	-	-	52,400
FY 2016	123	13,598	2,352	-	2,327	-	591	-	16,366	9,739	116	1,362	7,126	-	-	53,700
Awards Based on Forfeiture																
FY 2014	-	-	14,000	-	2,649	-	-	-	121	-	-	-	50	-	-	16,820
FY 2015	-	-	17,000	-	3,014	-	-	-	121	15	-	-	50	-	-	20,200
FY 2016	-	-	17,334	-	2,680	-	-	-	121	15	-	-	50	-	-	20,200

Table 2 Continued

PROGRAM OPERATIONS EXPENSES	AFMLS	OCDETF	DEA	EOUSA	FBI	USMS	USPIS	AFMS	ATF	FDA	USDA	BDS	DCIS	USNCB	Civil	TOTAL
Investigative Costs Leading to Seizures																
FY 2014	-	1,250	63,595	-	1,265	-	-	-	-	-	136	-	-	-	-	66,246
FY 2015	-	-	116,463	-	1,500	-	-	-	-	-	137	-	-	-	-	118,100
FY 2016	-	-	118,818	-	1,545	-	-	-	-	-	137	-	-	-	-	120,500
Other Expenses																
FY 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,466
FY 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal, Program Operations Expenses																
FY 2014	38,909	47,386	200,239	55,645	79,578	2,566,206	3,080	36,276	48,946	11,731	1,647	1,325	7,621	252	-	3,111,307
FY 2015	58,749	45,706	270,899	50,991	86,744	984,823	2,461	48,163	54,982	12,006	1,632	1,383	7,681	318	-	1,626,538
FY 2016	59,713	47,745	276,953	50,797	86,595	968,956	2,453	45,402	56,017	12,004	1,643	1,362	7,576	319	-	1,617,534
INVESTIGATIVE EXPENSES																
Purchase of Evidence																
FY 2014	-	-	4,210	-	2,636	-	40	-	1,083	162	-	-	-	-	-	8,131
FY 2015	-	-	4,015	-	2,600	-	40	-	1,083	162	-	-	-	-	-	7,900
FY 2016	-	-	4,015	-	2,600	-	40	-	1,083	162	-	-	-	-	-	7,900
Equipping of Conveyances																
FY 2014	-	-	-	-	-	168	-	-	-	77	-	-	-	-	-	245
FY 2015	-	-	-	-	-	213	-	-	-	77	-	-	10	-	-	300
FY 2016	-	-	-	-	-	213	-	-	-	77	-	-	10	-	-	300
Awards for Information																
FY 2014	-	-	6,866	-	4,542	426	20	-	118	8	-	-	20	-	-	12,000
FY 2015	-	-	7,091	-	4,542	515	20	-	118	8	-	-	20	-	-	12,314
FY 2016	-	-	7,091	-	4,542	515	20	-	118	8	-	-	20	-	-	12,314
Subtotal, Investigative Expenses																
FY 2014	-	-	11,076	-	7,178	594	60	-	1,201	247	-	-	20	-	-	20,376
FY 2015	-	-	11,106	-	7,142	728	60	-	1,201	247	-	-	30	-	-	20,514
FY 2016	-	-	11,106	-	7,142	728	60	-	1,201	247	-	-	30	-	-	20,514
GRAND TOTAL Regular Obligation																
FY 2014	38,909	47,386	211,315	55,645	86,756	2,566,800	3,140	36,276	50,147	11,978	1,647	1,325	7,641	252	-	3,131,683
FY 2015	58,749	45,706	282,005	50,991	93,886	985,551	2,521	48,163	56,183	12,253	1,632	1,383	7,711	318	-	1,647,052
FY 2016	59,713	47,745	288,059	50,797	93,737	969,684	2,513	45,402	57,218	12,251	1,643	1,362	7,606	319	-	1,638,048
SURPLUS																
Surplus Obligation																
FY 2014	-	-	-	9	-	-	-	-	-	-	-	-	-	-	338	347
FY 2015	-	-	-	-	-	1,100,000	-	-	-	-	-	-	-	-	-	1,100,000
FY 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL																
FY 2014	38,909	47,386	211,315	55,654	86,756	2,566,800	3,140	36,276	50,147	11,978	1,647	1,325	7,641	252	338	3,132,030
FY 2015	58,749	45,706	282,005	50,991	93,886	2,085,551	2,521	48,163	56,183	12,253	1,632	1,383	7,711	318	-	2,747,052
FY 2016	59,713	47,745	288,059	50,797	93,737	969,684	2,513	45,402	57,218	12,251	1,643	1,362	7,606	319	-	1,638,048

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.¹ 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 fiscal year's funding for administrative and professional contracts;
- full costs of the previous fiscal year's funding to cover pending expenses with State and Local law enforcement agencies that participated in joint law enforcement operations (JLEO) with a federal agency – this represents an increase from the percentage reflected in the FY 2015 President's Budget to ensure that sufficient funds are available for JLEO costs;
- half of the previous year's funding for the Consolidated Asset Tracking System (CATS), the Program's primary information system;
- full costs of the previous year's expenses for government salaries that have been approved by the Attorney General – this represents an increase from the percentage identified in the FY 2015 President's Budget to cover the anticipated annual cost.

In addition, beginning in FY 2014, the carryover calculation was changed to include amounts for reasonably possible contingencies for Equitable Sharing and Victims & Other Third Party Payments. This will ensure that sufficient funds will be available for liabilities that do not yet meet the criteria for an obligation, but are anticipated to do so in the future based on an analysis of prior year case data. This change was predicated by the marked growth in these expenses over the past 10 years.

Trends

FY 2014: Revenues including recoveries in FY 2014 exceeded \$4.5 billion, an increase of \$2.4 billion from the previous fiscal year and \$2.9 billion above the estimates provided in the FY 2014 President's Budget. The two major cases listed below accounted for \$2.9 billion in gross revenues and were not reflected in the original FY 2014 estimate:

- \$1.7 billion in deposits related to the JP Morgan Chase/Bernard Madoff case, and
- \$1.2 billion in deposits from the Toyota Motor Corporation case

Expenses in FY 2014 totaled \$3.1 billion, an increase of \$1.3 billion from FY 2013. Payments to victims and other third parties rose by nearly \$1.5 billion in FY 2014 as compared to FY 2013, primarily due to victims payments in the Madoff case. This increase over FY 2013 levels was offset by a \$224 million drop in equitable sharing payments to State and Local law enforcement partners due to a reduction in requests submitted and approved in FY 2014.

¹ See 28 U.S.C.524(c)(8)(D)

FY 2015: The Program forecasts a continued successful forfeiture program for FY 2015 with forfeiture revenue from cases, reimbursable earnings, and prior year obligation recoveries estimated at \$1.467 billion, an increase over the revenue projection included in the FY 2015 President's Budget of \$11.8 million. This is attributed to an increase in reimbursable earnings from other agencies.

For FY 2015, the Department is estimating \$2.720 billion for mandatory and discretionary expenses, an increase from the projection included in the FY 2015 President's Budget of \$1.358 billion. The revised total reflects a transfer of \$1.1 billion of excess unobligated balances to the Federal Prisoner Detention program as enacted in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). It includes estimated payments of \$332.2 million to victims and other third parties, a decrease from the projection included in the FY 2015 President's Budget of \$17.8 million. The updated FY 2015 figure reflects a refinement of the estimate based on the increased availability of data regarding known cases. FY 2015 expenses also include an estimated \$500.2 million in equitable sharing payments, an increase from the projection included in the FY 2015 President's Budget of \$185.6 million that also reflects more current data regarding known cases.

Other increases in expenses represent modest program growth targeted at enhancements for easily scalable programs, where one-time funding increases could, if necessary, be withdrawn in subsequent fiscal years with minimal impact.

FY 2016: Given the focus on forfeitures in corporate fraud and other financial crime cases, the Program expects deposits due to these crimes to continue into FY 2016. It is anticipated that a significant amount of these deposits will be returned to the victims of the underlying offenses. At this time, the Department estimates \$1.545 billion in revenue from forfeiture deposits, reimbursable earnings, and recoveries.

For FY 2016, the Department is estimating \$1.613 billion for mandatory and discretionary expenses, including \$338.9 million for victim and other third party payments and \$475.7 million for equitable sharing payments. Also included, provided that net receipts support this expense level, is \$160.9 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 FY 2016 Financial Plan reflects a permanent rescission of \$304 million. In addition, the Fund is subject to a sequestration reduction currently estimated at \$118.4 million.

G. Issues and 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.

External

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 common method of obtaining foreign assets subject to forfeiture in the U.S. is to obtain U.S. court orders restraining and forfeiting assets which are enforced 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 that facilitate forfeiture efforts. In addition, more than 188 countries are parties to the U.N. Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 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. 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. Two additional asset sharing agreements will come into force in 2015.

At present, foreign authorities hold hundreds of millions of dollars worth of forfeitable property abroad for U.S. forfeiture proceedings. Since 2011, the Department has forfeited in excess of \$480 million in high-level foreign corruption cases alone—some judgments are on appeal—where the recovered assets are located abroad and will be returned for the benefit of the people harmed by the abuse of public office. In addition, the Department has obtained U.S. court orders restraining approximately \$125 million of assets located in the United States for foreign forfeiture proceedings. 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 \$262 million with 46 countries. In calendar year 2014 DOJ shared a total of \$13.8 million with 10 countries – three of them for the first time. The Program anticipates sharing a significant portion of a record \$36.3 million with the Republic of Panama in 2015. This funding will be steered toward improving serious deficiencies in the anti-money laundering and counter-terrorist financing system in this strategically important jurisdiction.

Internal

The Program faces many internal challenges in FY 2016, including enhancing its financial and property management capabilities. As the Program continues to grow in size and complexity, AFMS has redoubled its efforts to safeguard and ensure the proper use of the Fund, validate internal controls and processes, and conduct comprehensive program performance evaluations to ensure the efficient and effective use of AFF resources. The FY 2014 audit of the AFF/Seized

Asset Deposit Fund (SADF) financial statements resulted in an unmodified opinion; however, the auditors identified several findings regarding the financial operations of the AFF/SADF that will be corrected in the current fiscal year. The AFMS is working with program participants to establish and enforce corrective actions in a timely manner. Progress is being monitored on a monthly basis to ensure that processes are followed and reported correctly.

Additionally, the Program has initiated a thorough review of the policies and practices currently in place related to equitable sharing. As a result, on January 16, 2015, the Attorney General issued an order limiting situations in which participants in the Program are authorized to adopt assets seized by state or local law enforcement under state law in order for the property to be forfeited under federal law. Pursuant to this order, agencies are only permitted to adopt assets seized by State and Local law enforcement agencies that directly implicate public safety concerns, namely firearms, ammunition, explosives, and property associated with child pornography. Any other property that a federal prosecutor or agency believes might fall under the public safety exception may only be adopted federally with the express approval of the Assistant Attorney General for the Criminal Division. The adoption of all other property, including, but not limited to, vehicles, valuables, and cash, is prohibited. The Department will also actively participate in the interagency Law Enforcement Equipment Working Group, established on January 16, 2015.

II. Summary of Program Changes

No program changes.

III. 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, \$304,000,000 are hereby permanently cancelled.

Analysis of Appropriations Language

No substantive changes are proposed.

IV. Program Activity Justification

Asset Forfeiture Program TOTAL	Direct Pos.	Estimate FTE	Amount
2014 Enacted with Sequester	23	20	3,116,348
2015 Enacted with Sequester	28	28	2,720,287
Adjustments to Base and Technical Adjustments	0	0	105,345
2016 Current Services	0	0	2,825,632
2016 Program Increases	0	0	0
2016 Program Decreases	0	0	(1,212,584)
2016 Request	28	28	1,613,048
Total Change 2015-2016	28	28	(1,212,584)

Mandatory, Indefinite Authority Total	Direct Pos.	Estimate FTE	Amount
2014 Enacted with Sequester	23	20	3,095,848
2015 Enacted with Sequester	28	28	2,699,773
Adjustments to Base and Technical Adjustments	0	0	105,345
2016 Current Services	0	0	2,805,118
2016 Program Increases	0	0	0
2016 Program Decreases	0	0	(1,212,584)
2016 Request	28	28	1,592,534
Total Change 2015-2016	0	0	(1,107,239)

Appropriated, Definite Authority Total	Direct Pos.	Estimate FTE	Amount
2014 Enacted with Sequester	0	0	20,500
2015 Enacted with Sequester	0	0	20,514
Adjustments to Base and Technical Adjustments	0	0	0
2016 Current Services	0	0	20,514
2016 Program Increases	0	0	0
2016 Program Decreases	0	0	0
2016 Request	0	0	20,514
Total Change 2015-2016	0	0	0

V. FY 2016 Asset Forfeiture Program Estimates

Asset Forfeiture Program

1. Summary of Requirements by Financing

(Dollars in Thousands)

Financing	FY 2014 Actuals	FY 2015 Estimate	FY 2016 Estimate	2015 - 2016 Total Change
Unobligated balance of receipts, start-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	146,252	306,528	313,581	7,053
Set aside for additional rescission/sequestration	139,684	122,496	167,801	45,305
Major Equitable Sharing and Third party Payment Reserves	582,362	0	0	0
RP Contingencies for Victims & Other Third Parties ²	0	205,406	212,916	7,510
RP Contingencies for Equitable Sharing ²	0	205,596	123,358	
Prior Surplus Balances Carried Forward	0	1,100,000	0	(1,100,000)
Unappropriated balance of receipts, start-of-year	868,298	1,940,026	817,656	(1,040,132)
Collections/deposits/receipts/recoveries:				
Regular receipts	970,790	900,000	910,000	10,000
Extraordinary Receipts	3,502,879	480,000	540,000	60,000
Reimbursable Earnings/Receipts	15,244	26,765	25,000	(1,765)
Prior year rescissions restored	722,697	83,600	193,000	109,400
Prior year sequestration restored	70,312	372,662	105,345	(267,317)
Recovery/Refunds of prior year obligations	71,098	60,000	70,000	10,000
Temporary Rescission	(83,600)	(193,000)	0	193,000
Proposed Rescission - Permanent	0	0	(304,000)	(304,000)
Permanent Rescission	(693,000)	0	0	0
Sequestration	(372,662)	(105,345)	(118,441)	(13,096)
Collections/deposits/receipts/recoveries:	4,203,758	1,624,682	1,420,904	(133,778)
Total Direct resources available	5,056,812	3,537,943	2,213,560	(1,324,383)
Total resources available	5,072,056	3,564,708	2,238,560	(1,326,148)
Less: Unappropriated balance of receipts, end-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	(306,528)	(313,581)	(313,581)	0
Set aside for additional rescission/sequestration	(122,496)	(167,801)	0	(167,801)
RP Contingencies for Victims & Other Third Parties	(205,406)	(212,916)	(212,916)	0
RP Contingencies for Equitable Sharing	(205,596)	(123,358)	(74,015)	
Surplus Balances Carried Forward	(1,100,000)	0	0	0
Unappropriated balance of receipts, end-of-year	(1,940,026)	(817,656)	(600,512)	(167,801)
Total Direct Obligations	3,116,224	2,720,287	1,613,048	(1,107,239)
Total Obligations	3,132,030	2,747,052	1,638,048	(1,109,004)

*Extraordinary receipts in FY 2014 include a one-time deposit of \$1.2 billion from the Toyota case and \$1.7 billion from JPMorgan Chase associated with the Bernard Madoff fraud case, and are designated for victim payments.

² See Federal Accounting Standards Advisory Board Handbook, *SFFAS No. 12: Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS No. 5, Accounting for Liabilities of the Federal Government*, June 2013, p. 7 for Reasonably Possible (RP) Contingencies.

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

	FY 2014 Actuals	FY 2015 Estimate	FY 2016 Estimate	2015 - 2016 Total Change
Mandatory expenses: (indefinite authority)				
Case support expenses:				
Asset Management and Disposal	75,660	60,200	61,400	1,200
Victim & Other Third Party Payments	1,946,334	332,200	338,900	6,700
Case Related Expenses	52,939	57,000	58,200	1,200
Special Contract Services	144,277	151,900	156,400	4,500
Investigative Costs Leading to Seizures	66,246	118,100	120,500	2,400
Contracts to Identify Assets	52,482	52,400	53,700	1,300
Awards Based on Forfeiture	16,820	20,200	20,200	0
Program support expenses:				
Information Systems	36,528	56,300	45,803	(10,497)
Training and Printing	4,514	6,100	6,300	200
Other Program Management	51,644	105,300	107,300	2,000
Other authorized expenses:				
Storage, Protection & Destruction of Controlled Substances	9,570	11,900	12,200	300
Equitable Sharing Payments	436,457	418,000	426,400	8,400
Equitable Sharing Payments - (Backlog)	50,786	82,238	49,343	(32,895)
Joint Law Enforcement Operations	154,584	154,700	160,888	6,188
Other Expenses	<u>12,466</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal: Mandatory Expenses	3,111,307	1,626,538	1,617,534	(9,004)
Investigative expenses: (definite authority)				
Awards for Information	12,000	12,314	12,314	0
Purchase of Evidence	8,131	7,900	7,900	0
Equipping of Conveyances	<u>245</u>	<u>300</u>	<u>300</u>	<u>0</u>
Subtotal: Investigative Expenses	20,376	20,514	20,514	0
Total, Mandatory and Investigative Expenses	3,131,683	1,647,052	1,638,048	(9,004)
Surplus amounts obligated	<u>347</u>	<u>1,100,000</u>	<u>0</u>	<u>(1,100,000)</u>
Total Direct Obligations	3,116,224	2,720,287	1,613,048	(1,107,239)
Total Obligations	3,132,030	2,747,052	1,638,048	(1,109,004)

3. Program Expense Descriptions

A. MANDATORY EXPENSES, INDEFINITE AUTHORITY

1. Asset Management and Disposal

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$75,660,000	\$60,200,000	\$61,400,000	+\$1,200,000

Asset management expenses include those incurred in connection with the seizure, inventory, appraisal, packing, movement, storage, maintenance, security, and disposition of seized and forfeited assets located domestically and abroad. 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.

In FY 2015, the salaries and non-personnel expenses (e.g., rent and administrative overhead) of USMS administrative personnel directly related to the property management functions of the forfeiture program were realigned from this cost category to Other Program Management in order to ease the tracking of human resources expenditures.

2. Victim & Other Third Party Payments (VTPP)

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$1,946,334,000	\$332,200,000	\$338,900,000	+\$6,700,000

These are expenses incurred in payment of valid liens, secured mortgages, return of property interest to qualifying victims, and debts owed to qualified general creditors pursuant to court orders or favorable rulings on petitions for forfeiture remission or mitigation. This includes the restoration of proceeds of sales pursuant to court orders or administrative determinations.

The sharp rise in VTPP in FY 2014 was the result of victims payments in the Bernard Madoff case. The modest increase in FY 2016 is based on current projections of future cases with associated victims expenses. Depending on the outcome of specific cases and other factors, these levels may be adjusted during the year.

3. Equitable Sharing Payments

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$487,243,000	\$500,238,000	\$475,743,000	-\$24,495,000

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 cash or property forfeitures whose proceeds are

shared among the participating agencies. These funds are reserved until the receipt of the final forfeiture orders that result in distributions to the participants.

The sharing of asset forfeiture proceeds with local law enforcement partners based on their relative degree of participation in federal investigations has long been recognized as an important factor in facilitating local relationships and investigative cooperation across the federal and state/local divide.

The FY 2016 amounts represent a refinement of the estimate based on the increased availability of data regarding known cases. Depending on the outcome of specific cases and other factors, these levels may be adjusted during the year.

4. Case Related Expenses

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$52,939,000	\$57,000,000	\$58,200,000	+\$1,200,000

These are expenses incurred in connection with normal forfeiture proceedings. They include fees, advertising costs, court reporting and deposition fees, expert witness fees, courtroom exhibit costs, travel, and subsistence costs related to a specific proceeding. If the case involves real property, the costs to retain attorneys or other specialists under state real property law are also covered. In addition, the Deputy Attorney General may approve expenses for retention of foreign counsel.

Program growth after FY 2014 reflects AFMLS' increased workload in claims administration to address the increased victim pool in the Bernard Madoff case and continuation of the PokerStars distribution. This cost category also provides contract services to DEA's Financial Investigation Teams to support post-seizure and pre-litigation investigations, and to conduct in-depth analyses of drug organizations' financial activities to assist the forfeiture-related aspects of DEA investigations.

5. Joint Law Enforcement Operations (JLEO)

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$154,584,000	\$154,700,000	\$160,888,000	+\$6,188,000

As authorized by 28 U.S.C. 524(c)(1)(I), this funding pays for the overtime, travel, fuel, training, equipment, and other similar costs of State or Local law enforcement officers operating as part of a joint law enforcement task force with federal agencies participating in the Fund. The Department proposes a four percent increase in JLEO funding beginning in FY 2016 to keep pace with the growth in task force operations.

6. Special Contract Services

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$144,277,000	\$151,900,000	\$156,400,000	+\$4,500,000

Special Contract Services are expenses for contract services directly related to the support of processing, data entry, and accounting for cases involving asset forfeiture. The Program uses contract personnel on a daily basis to manage the massive paper flow associated with asset forfeiture, including data entry and analysis, word processing, file control and review, quality control, case file preparation, and other process support functions. In addition to administrative functions, contract support is also provided to support the technical aspects of the asset forfeiture process, including the identification of specific assets for possible seizure; the seizure, management, disposition, and post-disposition of assets; and case closure. These technical tasks, which vary by participating agency, include investigative analysis, investigative support, and seized property analysis and support.

Program growth reflects the addition of contract support at various U.S. Attorneys' Offices and ATF's National Firearms and Ammunition Destruction Facility in Martinsburg, West Virginia starting in FY 2015.

7. Storage, Protection, and Destruction of Controlled Substances

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$9,570,000	\$11,900,000	\$12,200,000	+\$300,000

These resources fund DEA in the storage, protection, and destruction of controlled substances. These activities include the incineration of bulk quantities of marijuana, the security and transportation of evidence from DEA storage sites to approved incineration facilities, the storage of seized drug evidence in secured leased warehouses until the evidence can be destroyed, support of the Domestic Cannabis Eradication/Suppression Program, and a contract with a private security company to assist in the transportation and destruction of abandoned and other drug seizures made by the U.S. Border Patrol and turned over to DEA along the Texas, Arizona, and New Mexico borders. The fund also supports the phased repair and replacement of aging narcotics safes in ATF field offices.

8. Information Systems

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$36,528,000	\$56,300,000	\$45,803,000	-\$10,497,000

These resources primarily support a suite of operational and analytical applications used by the DOJ Asset Forfeiture community. The core business application is the Consolidated Asset Tracking System (CATS), along with approximately 20 separate applications that integrate with CATS, use CATS data or function as an external application supporting CATS.

The program growth in FY 2015 is primarily driven by the enhancements necessary to accommodate the steady growth in core application level processing while enabling participating agencies to adapt and customize standard CATS data for unique decision support and transaction processing needs. It also reflects the implementation of the

infrastructure required to support Business Intelligence capabilities for the community, allowing the existing communications infrastructure to host analytic tools that enable management-enhanced insight into each agency’s asset forfeiture portfolios. The cost of these efforts begins to decline in FY 2016.

9. Training and Printing

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$4,514,000	\$6,100,000	\$6,300,000	+\$200,000

This category funds expenses for training personnel on any aspect 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. It also funds printing expenses associated with forfeiture training and the performance of forfeiture functions.

10. Other Program Management

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$51,644,000	\$105,300,000	\$107,300,000	+\$2,000,000

This category includes several types of expenses that are important to the overall management of the 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 AFF and the SADF by an independent accounting firm, and special assessments and reviews. This cost 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.

Funded exclusively by the AFF under this cost category, the Asset Forfeiture Financial Investigator (AFFI) program empowers Deputy U.S. Marshals to investigate and satisfy outstanding court-ordered forfeiture money judgments, which in the past often went uncollected. By enforcing these judicial forfeiture orders, the AFFI program recovers millions of dollars of ill-gotten gains each year and ensures that crime does not pay.

Program growth from FY 2014 to FY 2015-2016 was driven by several factors. First, the salaries and non-personnel expenses of USMS administrative personnel were realigned to this cost category from the Asset Management and Disposal cost category beginning in FY 2015. Funding for additional attorneys, agents, analysts, and administrative costs were provided to AFMLS for support of the Kleptocracy Asset Recovery Initiative (KARI) that targets the assets of corrupt officials of foreign governments. Finally, resources were added beginning in FY 2015 for additional government employee positions to close identified gaps in the program’s administrative infrastructure.

11. Contracts to Identify Assets

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$52,482,000	\$52,400,000	\$53,700,000	+\$1,300,000

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

12. Awards Based on Forfeiture

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$16,820,000	\$20,200,000	\$20,200,000	+\$0

These expenses are for the payment of awards for information or assistance leading to a civil or criminal forfeiture. Award payments to Confidential Sources (CS) are critical to fulfillment of the primary DEA mission – to disrupt and dismantle drug trafficking organizations. CS award payments provide a tremendous incentive to individuals to assist in investigations of drug traffickers that result in the seizure and forfeiture of drug-related assets. Over the past several years, the FBI has pursued more substantial forfeitures due to the increased size and scope of criminal schemes in white collar crime, organized crime, and narcotics trafficking. The realization of these forfeitures was largely made possible by informants.

13. Investigative Costs Leading to Seizures

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$66,246,000	\$118,100,000	\$120,500,000	+\$2,400,000

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.

The program growth in this cost category reflects several enhancements including an initiative to upgrade and retrofit four DEA regional wire rooms in FY 2015 and four more in FY 2016. The upgrades, which consist primarily of the installation of modern telecommunications and information systems equipment, are critical to maintaining the effectiveness of DEA's Title III intercept operations. It also fully funds linguist/translation services for Title III wire intercepts, the majority of which are foreign language wires, and enhances DEA's ability to lawfully intercept internet-based voice and text communications services provided by off-shore companies.

B. INVESTIGATIVE EXPENSES

Definite, Appropriated (discretionary) Authority

1. Purchase of Evidence

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$8,131,000	\$7,900,000	\$7,900,000	+\$0

The Program uses the Fund to purchase evidence of the violations of drug laws, Racketeering Influenced and Corrupt Organizations (RICO), and criminal money laundering laws. For instance, DEA purchases evidence from drug traffickers to further develop cases and for the physical evidence in court proceedings. The availability of AFF resources allows DEA to penetrate drug trafficking organizations through undercover purchase. Likewise, the FBI purchases drug evidence that supports its efforts in identifying and addressing potential counterterrorism activities, criminal enterprises, public corruption, money laundering, violent gangs, and the growing violence along the Southwest Border.

2. Equipping of Conveyances

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$245,000	\$300,000	\$300,000	+\$0

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

3. Awards for Information

FY 2014 <u>Actual</u>	FY 2015 <u>Estimate</u>	FY 2016 <u>Estimate</u>	Increase/Decrease <u>FY 2015 to FY 2016</u>
\$12,000,000	\$12,314,000	\$12,314,000	+\$0

These expenses are for awards for information or assistance directly relating to violations of the criminal drug laws of the United States or 18 U.S.C. 1956 and 1957, 31 U.S.C. 5313 and 5324, and section 6050I of the Internal Revenue Code of 1986. There is no requirement that the information provided has any relationship to a civil or criminal forfeiture under federal law. Awards payable from the Fund directly support law enforcement efforts by furthering the cooperation and assistance of informants.

VI. Performance, Resources, and Strategies

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 DOJ's 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

The performance indicators outlined in the following tables are internal to the performance of the AFMS in its support of DOJ's Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law. The FY 2016 Performance Plan reflects performance measures that have been identified through stakeholder meetings and internal reviews as being critical to the Program's continued success in helping the Nation's law enforcement community to disrupt and dismantle criminal organizations.

B. Strategies to Accomplish Outcomes

The performance indicators are for 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.

C. Data Definitions

FTE - The AFP reimburses the USMS for the salaries of administrative personnel responsible for the AFP's property custodial functions, but its associated FTEs reside in the USMS accounts. Similarly, the AFP reimburses the Criminal Division for AFMLS FTEs. AFMS has 28 FTEs, 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's managers is to project Program activities. As a result of a reevaluation of the Program's performance measures, the indicators were changed in 2001 to reflect more accurately the activities of the Program administrators rather than the Program participants.

Performance Measures 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 2015 and 2016, the estimated total number of core supported hours is approximately 3,000. The goal is to provide 99.8 percent availability to customers.

PERFORMANCE AND RESOURCES TABLE

Decision Unit: Asset Forfeiture Program^A

RESOURCES			Target		Actual		Projected		Changes		Requested (Total)	
			FY 2014		FY 2014		FY 2015		Current Services Adjustments and FY 2016 Program Changes		FY 2016 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
									[]			
TYPE	STRATEGIC OBJECTIVE	PERFORMANCE^B	FY 2014		FY 2014		FY 2015		Current Services Adjustments and FY 2016 Program Changes		FY 2016 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	\$3,116,348	20	\$3,116,348	28	\$2,720,287		[]	28	\$1,613,048
Performance Measure: Output	2.1, 2.3, 2.4	Percent of time CATS is accessible in support of forfeiture agency operations.	99.8%		99.9%		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%		99.9%		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 2010	FY 2011	FY 2012	FY 2013	FY 2014		FY 2015	FY 2016
			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.	100%	99.9%	99.8%	99.8%	99.8%	99.9%	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	100%	99.8%	99.8%	99.8%	99.9%	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	99.9%	99.8%	99.9%	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										

VII. Glossary of Terms

Administrative Forfeiture - Process by which property may be forfeited to the United States by the seizing investigative agency or bureau without judicial involvement.

Adoption - Federal forfeiture of property originally seized by a State or Local law enforcement agency.

Civil Forfeiture - In rem proceeding brought against the property itself, rather than against the wrongdoer personally. The property is forfeitable because of its connection to the offense, and any person with a legal interest in the property may contest the forfeiture.

Criminal Forfeiture - In personam proceeding seeking forfeiture of property instituted in conjunction with a criminal charge against a particular defendant. Criminal forfeiture must be alleged in the indictment or other charging document.

Controlled Substance - Drug, other substance, or immediate precursor, included in Schedule I, II, III, IV, or V of the federal Controlled Substances Act or corresponding scheduling scheme of a state. Does not include alcoholic beverages or tobacco.

Conveyance - An aircraft, a vehicle, or a vessel.

Disposition of Property - Sale, transfer, retention, or destruction of property.

Equitable Sharing - Transfer of a share of federally forfeited property to a requesting State or Local law enforcement agency or foreign government that has participated directly in any of the acts that led to the seizure or forfeiture of the property.

Equitable Sharing Program - Asset forfeiture has become one of the most powerful tools to combat and dismantle criminal enterprises by removing the proceeds and instrumentalities of the crime. The Equitable Sharing Program enhances cooperation among federal, State, and Local law enforcement agencies by sharing a portion of these proceeds with our State and Local partners in direct relation with their participation to the total law enforcement effort resulting in forfeiture. The Equitable Sharing Program was created in 1984, and continues to grow with more than 8,000 participating State and Local law enforcement agencies nationwide.

Forfeiture - Involuntary relinquishment of property without compensation as a consequence for such property's use in a manner contrary to the law. A forfeiture may be either administrative or judicial.

Informant - An undisclosed person who confidentially discloses material information of a law violation, thereby supplying a lead to officers for their investigation of a crime. This does not include individuals who supply information only after being interviewed by police officers, or who give information as witnesses during course of investigation. Also known as "confidential informant" or "CI," or "confidential source" or "CS."

Judicial Forfeiture - Forfeiture action adjudicated in the courts (civil or criminal), not processed administratively.

Kleptocracy - High-level, large-scale corruption, extortion, and theft of public money by or for public officials.

Kleptocracy Asset Recovery Initiative - The goal of KARI is to use the tools of the U.S. Government to identify and forfeit property derived from or involved in kleptocracy, and, when appropriate, return those assets to benefit the people of the countries harmed by the underlying corruption.

Lien - Claim upon the property of another as security for a debt.

Money Laundering - Term used to describe the conversion of illegally earned or otherwise tainted cash to one or more alternative forms that conceal its origin or ownership, often accomplished through steps taken to hide direct links to illegal activity and to allow the use of proceeds of illegal activity.

Net Proceeds - In the context of forfeiture, forfeited cash or gross receipts from the sale of forfeited property, less allowable asset management and case related expenses, third party interests, and any award based on the value of the forfeiture.

Proceeds - The Fraud Enforcement and Recovery Act (FERA), effective May 20, 2009, amended 18 U.S.C. § 1956(c) by defining “proceeds” as “any property derived from or obtained or retained, directly or indirectly, through some form of unlawful activity, including the gross receipts of such activity.”

Property - Assets of any kind capable of being owned or possessed. May include a controlled substance, raw material, product, container, equipment, money, real property, vessel, vehicle, or aircraft. In the context of equitable sharing, tangible personal and real property, other than cash.

Racketeer Influenced and Corrupt Organizations (RICO) Act - Law codified at 18 U.S.C. § 1961 et seq. that provides for criminal and civil penalties for those who engage in a “pattern of racketeering activity” or “collection of an unlawful debt” that has a special relationship to an “enterprise” affecting interstate commerce.

Real Property - Land, and generally whatever is erected, growing upon, or affixed to land. Also, rights issuing out of, annexed to, and exercisable within or about land. Real or immovable property consists of: land, that which is affixed to land, that which is incidental or appurtenant to land, and that which is immovable by law; except that for the purposes of sale, emblements, industrial growing crops, and things attached to or forming part of the land, which are agreed to be severed before sale or under the contract of sale, shall be treated as goods and be governed by regulating the sales of goods.

Seized Asset Deposit Fund (SADF) - Holding account administered by the U.S. Marshals Service for seized cash pending the resolution of forfeiture cases.

Seizure - Taking possession of person or property by legal process. A Fourth Amendment “seizure” occurs when there is some meaningful law enforcement interference with an individual’s possessory interest in his property.

Third Party Interest - Interest belonging to an individual or entity that is not a direct party to a matter between two other parties (primary parties). For example, in a forfeiture action, a lienholder has a third party interest.

Victim - Person who is the object of a crime or tort; for example, the victim of a robbery is the person robbed. The victim may be an individual, public or private corporation, government, partnership, or unincorporated association. For purposes of remission, any person who has suffered a pecuniary loss as a result of the defendant's criminal activities.

VIII. EXHIBITS