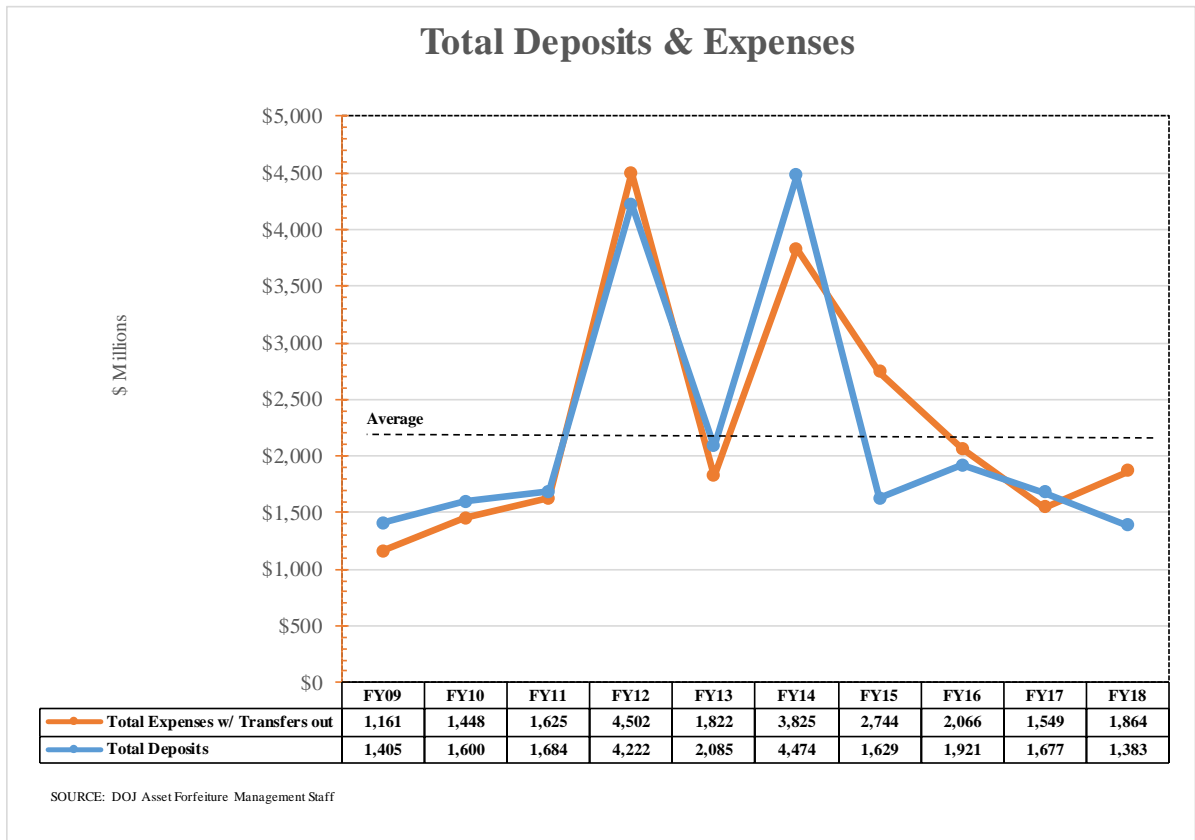
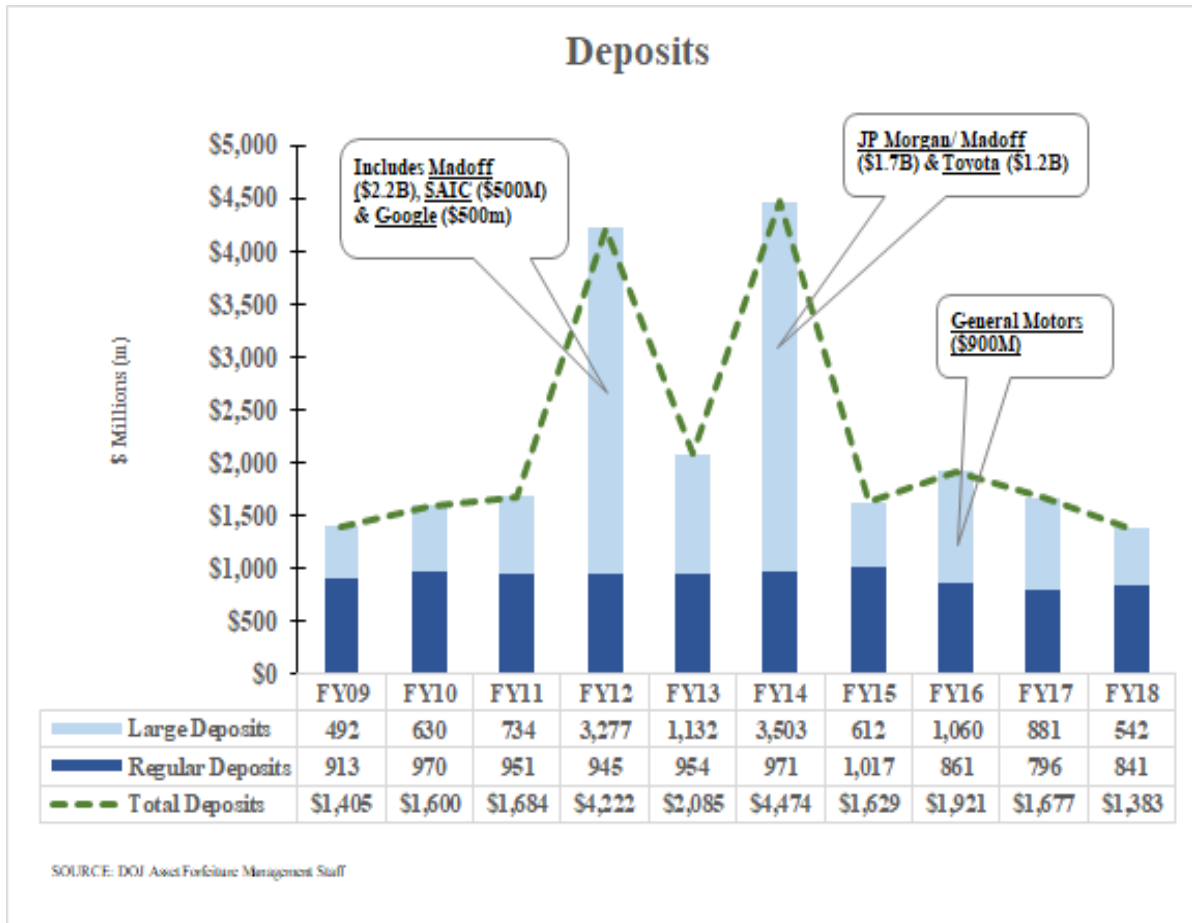


## 10-yr Summary of Financial Report Data



The ten-year average of Assets Forfeiture Fund (AFF) fund activity is about \$2.2 billion dollars per year in deposits *and* associated expenses. Even though the AFF is a revolving account with continuously changing balances, annual deposits and expenses generally mirror each other. After victim claims and other normal operating expenses are paid, any large surplus balances may be spent to help fund other law enforcement-related priorities. For the past five years Congress, has significantly limited the Attorney General’s discretion by limiting or rescinding this authority and directing some surplus AFF balances be deposited into the United States Treasury General Fund and other amounts be transferred to support the cost of federal prisoner detention operations.

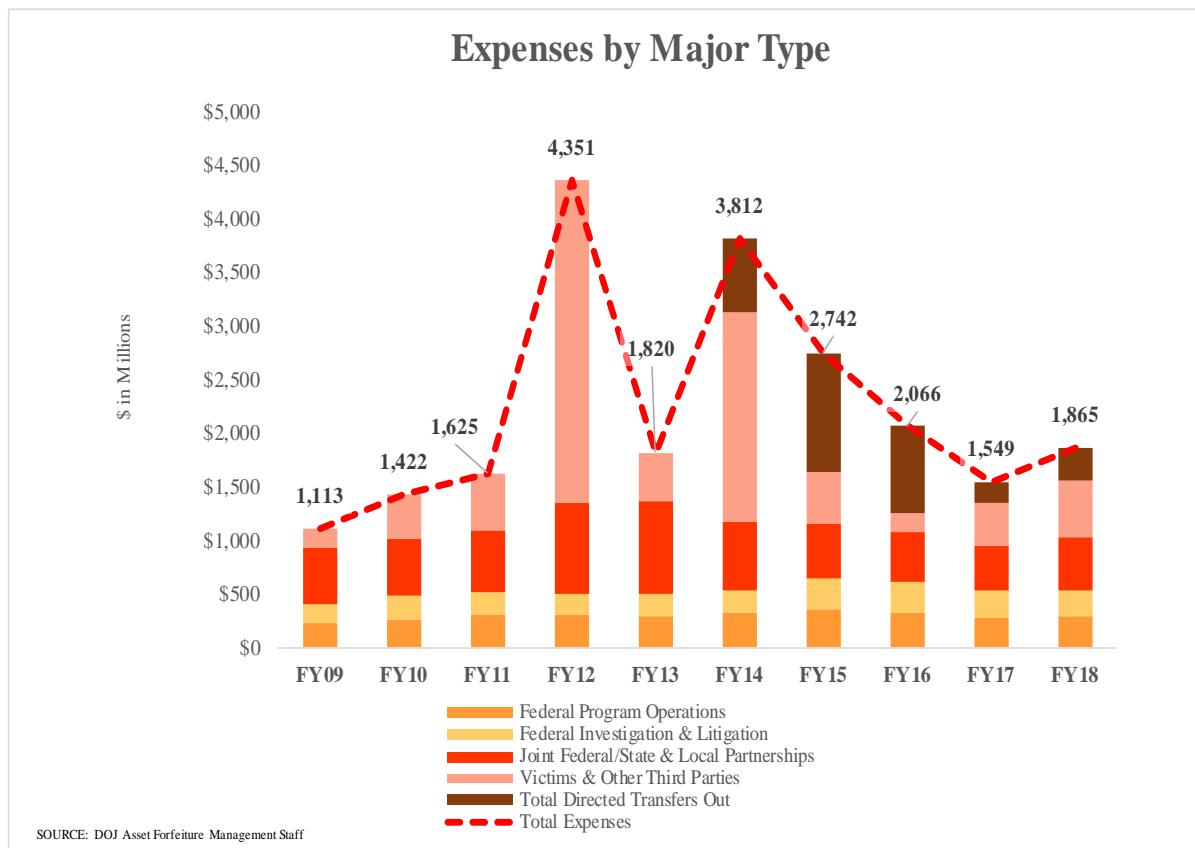
## Six Big Cases Produced 48% of All Forfeiture Revenue During Past Seven Years



Regular annual deposits (under twenty million dollars per case) into the AFF are remarkably consistent each year. However, a handful of very large case settlements (those exceeding twenty million dollars each) accounted for some unusual spikes in FY 2012 and FY 2014, with most of the settlement funds being used to compensate crime victims. In addition to the five cases noted above next to these spikes, the Poker Stars case resulted in \$1.4 billion in forfeitures over several of these years.

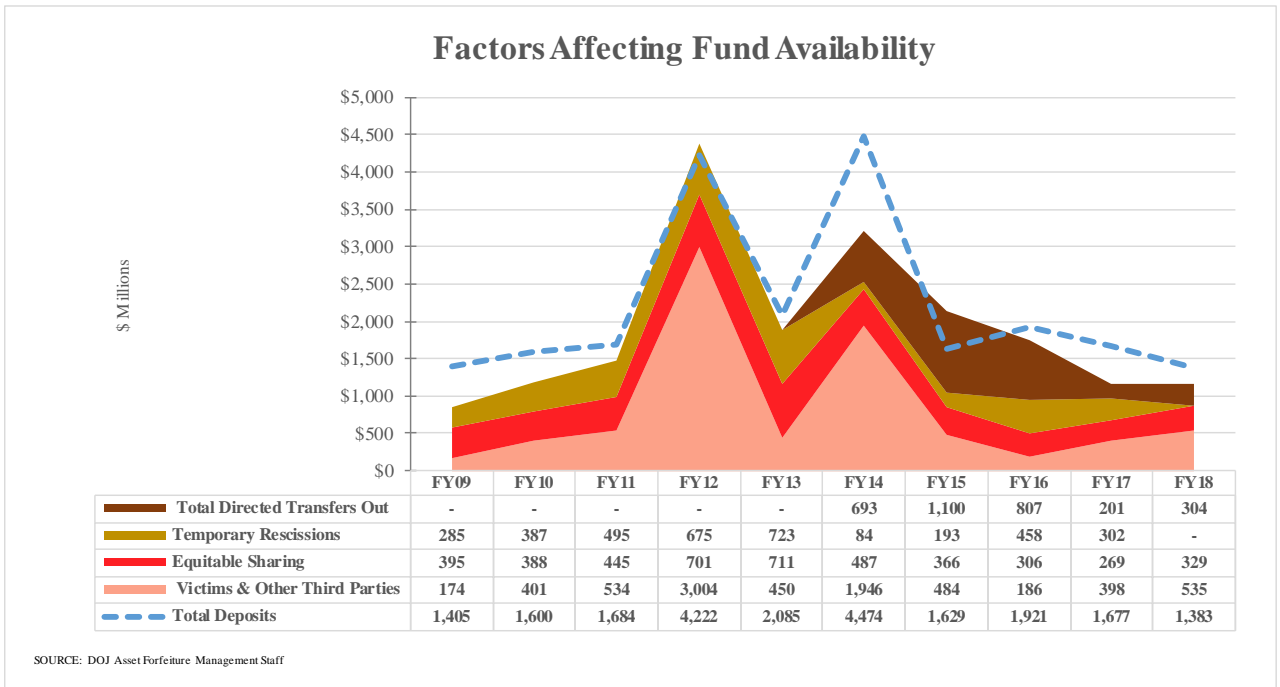
As illustrated on the following chart, most often these large case deposits are offset by corresponding victim liabilities and/or congressionally directed transfers of those funds to another account.

## Victims Payments and Congressional Transfers Accounted for 55% of All Forfeiture Spending During Past Five Years



Again, the annual expenses for any given year are heavily impacted by a few large cases. Those cases generally carry corresponding obligations to compensate victims of the fraud schemes. A classic example is the Madoff case, in which the AFF deposited a combined amount of more than \$4 billion dollars during fiscal years 2012 and 2014. However, this fraud scheme caused many times that amount in financial losses to the victims and the Department’s set aside of all Madoff proceeds will only partially compensate victims.

Very large portions of annual expenses are payments to our valued State and local law enforcement partners. These payments partially reimburse them for their participation in joint federal law enforcement operations targeting violent crime, including gang activities, organized crime, illegal drug activities, gun violence, and fugitive apprehensions. Expenses here include all obligations of the AFF, whereas financial statements reflect only actual expenses incurred during a year.

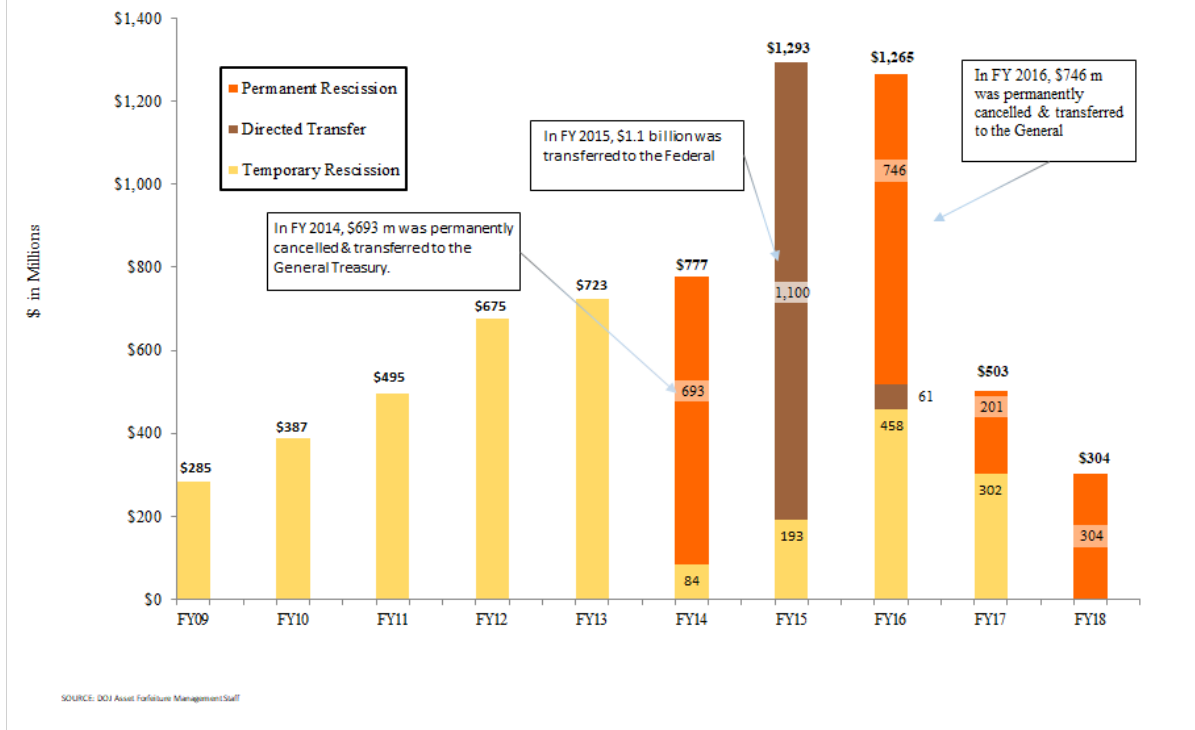


This chart helps illustrate that three factors primarily limit the amount of AFF resources available to fund federal law enforcement operations in any given year:

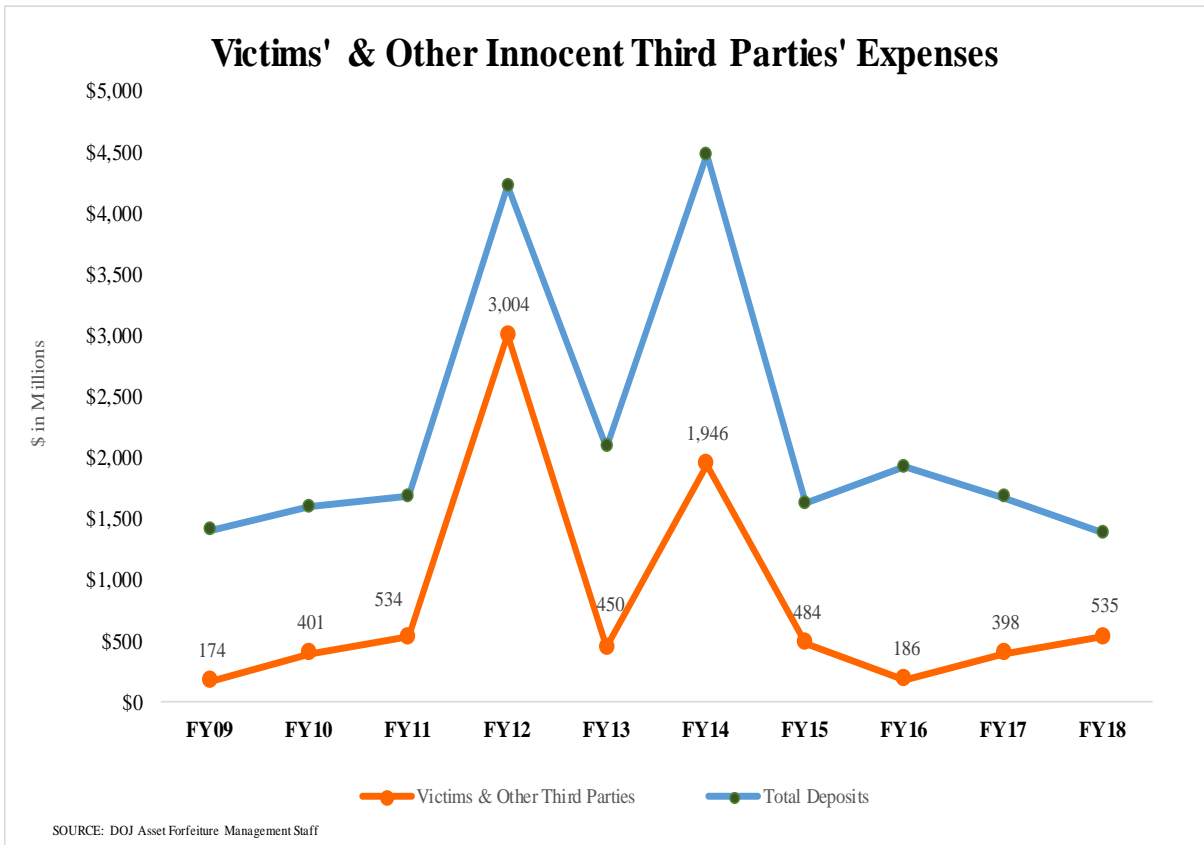
- (1) the responsibility to help compensate victims and other innocent third parties with proceeds from forfeited assets;
- (2) the need to equitably share proceeds with State and local partners for their valuable participation in federal law enforcement crime reduction measures; and
- (3) the annual level of congressionally-mandated spending limitations set each year.

During each of the past five fiscal years shown above, Congress has directed certain amounts be permanently transferred out of the AFF.

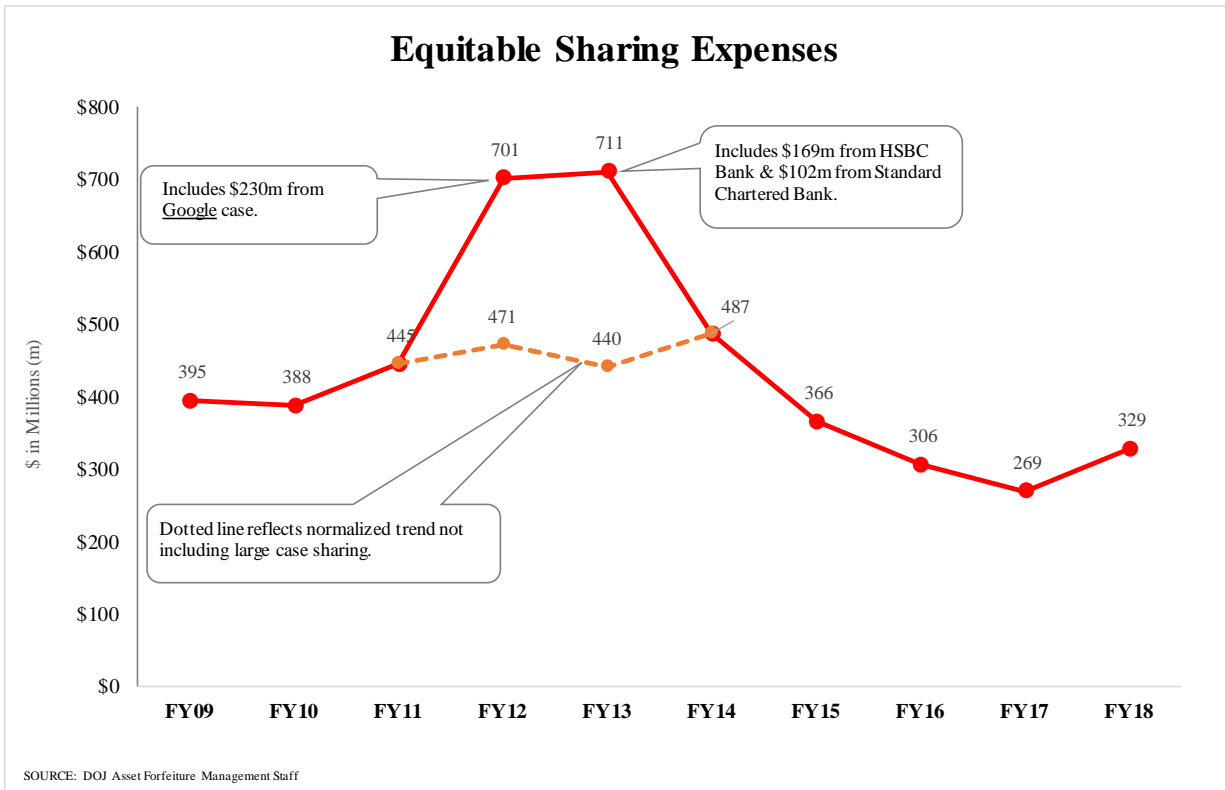
## Permanent & Temporary Rescissions and Directed Transfers Out



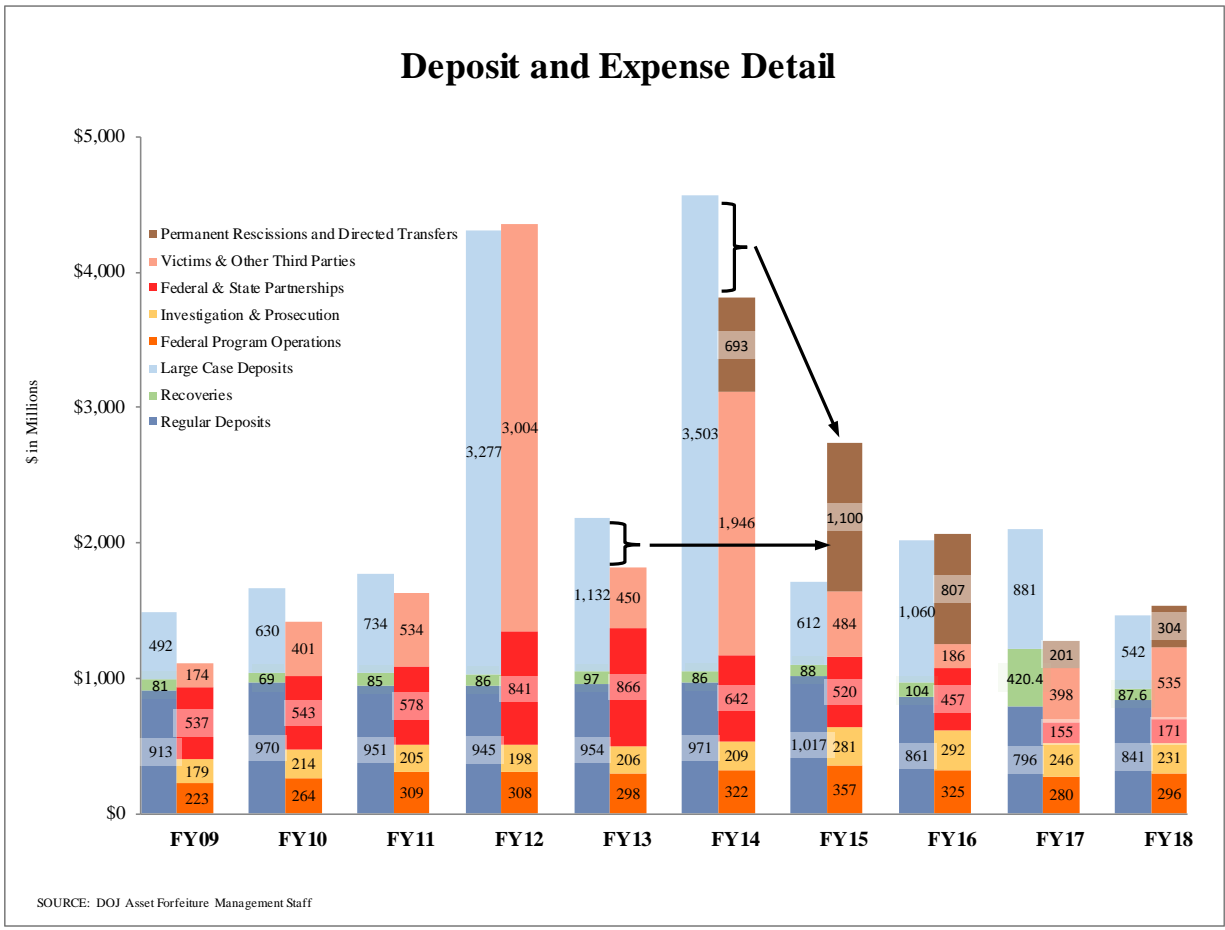
To help address potential surplus balances in the AFF arising from large deposits that do not carry corresponding victim liabilities, Congress has routinely rescinded AFF spending authority during the last decade. Typically, this is in the form of a temporary rescission and the level of those rescissions is re-adjusted each year. Given some very large deposits into the AFF in recent years, Congress decided to permanently transfer certain amounts out of the AFF. Two of these directed transfers were to help cover the costs of federal prisoner detention operations and the other three were permanent transfers into the General Fund of the U.S. Treasury, where the amounts are now available for distribution through normal appropriations processes.



As one would expect, payments to help compensate victims and other innocent third parties directly correlate with forfeitures where those parties have suffered financial loss.



Equitable sharing payments to State and local law enforcement partners are strictly dependent upon the level of participation they had in the joint law enforcement operations that resulted in forfeitures. Of course, no equitable sharing payments are made until after any victims or other innocent third party claims are satisfied. Also, some equitable sharing payments are delayed into subsequent years. For example, nearly \$19 million in equitable sharing payments related to the Banamex case were delayed from fiscal year 2017 into fiscal year 2018. Accounting for these delays, equitable sharing has remained flat at roughly \$300 million during each of the past three years.



The chart illustrates the wisdom of Congress in creating a revolving fund to help address the unpredictability and complexities associated with law enforcement efforts to punish and deter criminal activity by depriving criminals of property used or acquired through illegal activities. Recent year trends show how Congress maintains close control by taking action to reduce those AFF balances whenever it appears deposits will greatly exceed normal operating expenses for the authorized law enforcement activities Congress specified in the AFF statute. For instance, once it became apparent there would be potentially excess balances caused by large case deposits during fiscal years 2013 and 2014, Congress directed those surpluses be permanently transferred out in fiscal year 2015. Congress has already earmarked the FY 2017 balance for rescission during FY 2019.