

U.S. Department of Justice

Asset Forfeiture Program

FY 2023 PERFORMANCE BUDGET

Congressional Justification

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I. Overview

A. Introduction

The Asset Forfeiture Program (AFP or the Program) touches every federal, state, tribal, and local law enforcement agency in the country and the related cases are handled by all 94 U.S. Attorney's Offices and the Department of Justice's (DOJ or the Department) Criminal Division. Through joint partnerships among law enforcement at all levels, domestically and internationally, the AFP's mission is to use asset forfeiture consistently and strategically in order to deter, disrupt, and dismantle criminal enterprises by depriving criminals of the fruits and instrumentalities of their illicit activity. Whenever possible, the program seeks to restore property to innocent victims of crime.

For FY 2023 the Department estimates expenses totaling \$1,440,453,000 for the Program, which includes \$78,367,000 and 36 direct FTEs assigned to the Justice Management Division's Asset Forfeiture Management Staff.

Electronic copies of the Department'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/cj>.

B. Explanation of the Assets Forfeiture Fund

The Assets Forfeiture Fund (AFF or the Fund) has a unique role and statutory authority in supporting and expanding the use of forfeiture throughout the federal law enforcement community. The Comprehensive Crime Control Act of 1984 (P.L. 98-473), codified in 28 U.S.C. § 524(c), established the AFF as a special fund within the Treasury to receive the proceeds of forfeitures pursuant to any law enforced or administered by the Department. The law authorizes the Attorney General to use the Fund to finance expenses associated with the execution of asset forfeiture functions and, with specific limitations, certain general investigative costs. Prior to the Fund, forfeiture was widely recognized as a powerful law enforcement tool for disrupting and dismantling well-funded criminal enterprises, but many agencies were reluctant to commit scarce appropriated monies to an expensive and often uncertain forfeiture process, where achieving success in seizing assets also meant increased costs for storing, maintaining, and perfecting the Government's interest in the seized property. As a self-funded resource, the AFF ensured that law enforcement effectiveness remained the paramount consideration of agents and prosecutors in choosing to pursue forfeiture under a national program framework. Today, the resources provided by the AFF make the multibillion dollar Asset Forfeiture Program possible.

The AFF uses its statutory authority to support a wide variety of law enforcement programs that would not exist but for the Fund. For instance, the AFF provides funding for state and local police operating as part of a joint law enforcement task force with federal agencies. These state and local officers, often deputized as federal agents, act as a critical force multiplier in helping to achieve the law enforcement mission of our federal agencies. The AFF pays for officer overtime and a variety of critical equipment needs, including life-saving ballistic shields and helmets necessary to ensure officer safety.

In addition to directly funding state and local participation in joint task forces, the federal government also invests in these same agencies through the Equitable Sharing Program. Equitable sharing payments to state and local law enforcement partners are strictly dependent on the level of participation they had in the joint law enforcement operations that resulted in forfeitures. There are approximately 6,000 state and local law enforcement agencies that participate in the Equitable Sharing Program, which allows those agencies to reinvest in law enforcement training and equipment, including body armor and rescue equipment.

Since 2000, DOJ has returned over \$9 billion in assets to victims of financial fraud and theft. In 2008, for example, Bernard Madoff was arrested for a massive financial fraud and Ponzi scheme orchestrated over several decades. By moving quickly to seize, forfeit, and sell the assets tied to the Madoff Ponzi scheme before they dissipated, the AFP ensured the recovery of more than \$4.1 billion for victims. Over \$3.7 billion of these funds have been distributed to victims, with additional distributions anticipated in calendar year 2022.

The Fund has three types of spending authority:

The Mandatory Budget Authority is primarily used to help defray the costs of forfeiture-related activities, compensate victims and other innocent third parties, equitably share proceeds with state and local partners, and support state and local law enforcement participation in joint federal law enforcement operations.

The Discretionary Budget Authority is used to fund certain non-forfeiture related activities. The funding available under this authority is established by annual appropriations and is funded by program receipts. These activities fall under three expense categories: Purchase of Evidence, Equipping of Conveyances, and Awards for Information.

Excess Unobligated Balances represent funds remaining from the prior fiscal year's operations that the Attorney General is authorized to use without fiscal year limitation, subject to Congressional notification, for any federal law enforcement, litigative/prosecutive, and correctional activity, or any other authorized purpose of the Department of Justice.

C. Mission

The Asset Forfeiture Program has four primary goals:

- 1) To punish and deter criminal activity by depriving criminals of property used in or acquired through illegal activities.
- 2) To promote and enhance cooperation among federal, state, local, tribal, and foreign law enforcement agencies.
- 3) To recover assets that may be used to compensate victims when authorized under federal law.
- 4) To ensure the Program is administered professionally, lawfully, and in a manner consistent with sound public policy.

To achieve these goals, the Department of Justice uses asset forfeiture to the fullest extent possible to investigate, identify, seize, and forfeit the assets of criminals and their organizations while

ensuring that due process rights of all property owners are protected. Asset forfeiture plays a critical role in disrupting and dismantling illegal enterprises, depriving criminals of the proceeds of illegal activity, deterring crime, and restoring property to victims. The effective use of both criminal and civil asset forfeiture is an essential component of the Department’s efforts to combat the most sophisticated criminal actors and organizations—including terrorist financiers, cyber criminals, fraudsters, human traffickers, and transnational drug cartels.

D. AFP Participants

The Criminal Division’s Money Laundering and Asset Recovery Section (MLARS) has been delegated general policy and oversight functions for the Program, including litigation support to the U.S. Attorneys’ Offices, international asset recovery, and victim compensation. The Justice Management Division’s Asset Forfeiture Management Staff (AFMS) provides the administrative management and oversight of the Fund, including review and evaluation of all AFF-resourced Program activities. AFMS manages all budgeting, financial management, and contracting operations related to the AFF. AFMS oversight and management controls help ensure consistency and transparency of AFF resource allocations across the entire Asset Forfeiture Program. The U.S. Marshals Service (USMS) is the primary custodian of seized property for the Program and manages and disposes of the majority of property seized for forfeiture.

Other DOJ participants include the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Drug Enforcement Administration (DEA), the Executive Office for United States Attorneys (EOUSA), the Federal Bureau of Investigation (FBI), and the Organized Crime Drug Enforcement Task Forces (OCDETF).

Non-DOJ participants include the U.S. Department of Agriculture, Office of Inspector General (USDA); the U.S. Department of Defense, 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	AFMS	ATF	DCIS	DEA	BDS	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS
Investigation		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. Asset Forfeiture Program Budget

Revenue

The Program’s primary sources of revenue are from cash, financial instruments, and proceeds from the sale of property forfeited by criminals and criminal organizations; the DOJ AFF’s share of forfeitures deposited into the Treasury Forfeiture Fund; and interest earned on the investment of the balances of the AFF and the Seized Asset Deposit Fund.

Expenses

The mandatory expenses of the Fund are set in a relative priority order so that unavoidable or mandatory costs are met first. Payments and reimbursements are permitted in seven general categories of expense that are described in Section V. The categories are listed in order of priority below.

1. Asset Management and Disposal;
2. Case Related Expenses;
3. Victim and Other Third Party Payments;
4. Equitable Sharing Payments;
5. Joint Law Enforcement Operations;
6. Program Management Expenses - expenses incurred in administering a national asset forfeiture program that are not related to any specific asset or to any one specific seizure or forfeiture. These include the following:
 - a. Information Technology Systems and Applications;
 - b. Special Contract Services;
 - c. Training and Printing; and
 - d. Other Program Management.
7. Investigative Expenses (Mandatory) - expenses normally incurred in the identification, location and seizure of property subject to forfeiture. These expenses include:
 - a. Awards Based on Forfeiture;
 - b. Contracts to Identify Assets; and
 - c. Investigative Costs Leading to Seizure.
8. Storage, Protection, and Destruction of Controlled Substances.

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

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

PROGRAM OPERATIONS EXPENSES	AFMS	ATF	BDS	DCIS	DEA	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS	TOTAL
Asset Management and Disposal														
FY 2021	-	3,144	-	5	1,105	-	60	415	-	-	-	34,548	10	39,288
FY 2022	-	3,549	-	5	995	-	60	125	-	-	-	35,733	10	40,477
FY 2023	-	3,802	-	5	1,066	-	64	134	-	-	-	45,594	10	50,675
Victim & Other Third Party Payments														
FY 2021	-	10	-	-	-	-	20	-	-	-	-	782,583	-	782,613
FY 2022	-	9	-	-	36	-	20	-	-	-	-	285,000	-	285,065
FY 2023	-	10	-	-	23	-	20	-	-	-	-	285,012	-	285,065
Equitable Sharing Payments														
FY 2021	-	-	-	-	-	-	-	-	-	-	-	138,441	-	138,441
FY 2022	-	-	-	-	-	-	-	-	-	-	-	357,000	-	357,000
FY 2023	-	-	-	-	-	-	-	-	-	-	-	280,000	-	280,000
Case Related Expenses														
FY 2021	-	174	-	33	312	20,901	975	250	18,451	-	5	-	-	41,102
FY 2022	-	174	-	15	574	22,720	975	315	18,811	-	5	-	-	43,589
FY 2023	-	181	-	27	519	24,478	1,044	482	20,358	-	5	-	-	47,095
Joint Law Enforcement Task Operations														
FY 2021	-	17,976	-	-	46,509	-	49,405	450	-	25,118	165	43,392	-	183,014
FY 2022	-	19,316	-	-	55,175	-	50,411	450	-	34,100	175	50,373	-	210,000
FY 2023	-	18,100	-	-	55,175	-	50,000	450	-	34,100	175	52,000	-	210,000
Special Contract Services														
FY 2021	-	13,268	-	-	34,347	33,973	12,357	-	6,659	-	479	9,453	1,348	111,884
FY 2022	-	14,338	-	-	36,661	35,629	12,798	-	6,879	-	483	9,978	1,377	118,143
FY 2023	-	17,010	-	-	40,014	40,364	16,033	-	10,252	-	1,031	10,328	1,910	136,941
Storage, Protection, and Destruction of Controlled Substances														
FY 2021	-	62	-	-	8,382	-	-	-	-	-	-	-	-	8,444
FY 2022	-	50	-	-	9,759	-	-	-	-	-	-	-	-	9,809
FY 2023	-	52	-	-	10,101	-	-	-	-	-	-	-	-	10,152
Information Systems														
FY 2021	43,015	277	-	170	9,147	-	69	446	-	-	-	5,909	-	59,033
FY 2022	48,690	355	52	300	9,213	-	57	380	40	-	-	7,247	-	66,334
FY 2023	55,725	297	-	182	10,907	-	74	531	42	-	-	7,662	-	75,420
Training and Printing														
FY 2021	30	135	26	96	0	-	1,158	78	68	-	141	205	10	1,948
FY 2022	138	748	26	82	2,019	1,500	1,408	100	416	75	143	1,305	-	7,960
FY 2023	125	573	28	81	1,735	1,724	1,798	126	581	81	156	1,397	11	8,416
Other Program Management														
FY 2021	13,579	1,747	-	-	114	12,058	716	-	32,688	2,013	5	35,791	-	98,712
FY 2022	22,578	1,911	-	-	139	17,764	739	-	36,818	2,370	5	38,950	-	121,274
FY 2023	22,517	2,020	-	-	147	18,773	1,342	-	38,386	2,453	6	40,216	-	125,860
Contracts to Identify Assets														
FY 2021	-	11,740	1,901	5,934	17,741	2,340	21,223	8,862	3,433	10,530	269	-	15	83,989
FY 2022	-	11,960	1,996	1,000	19,110	3,418	22,928	8,849	3,484	10,982	274	-	16	84,017
FY 2023	-	12,576	2,036	5,600	19,779	3,538	23,730	9,159	3,576	11,418	290	-	17	91,719
Awards Based on Forfeiture														
FY 2021	-	16	-	-	6,855	-	1,000	-	-	-	-	-	-	7,871
FY 2022	-	10	-	-	12,500	-	1,000	-	-	-	-	-	-	13,510
FY 2023	-	17	-	-	14,997	-	1,071	-	-	-	-	-	-	16,086

Table Continued

PROGRAM OPERATIONS EXPENSES	AFMS	ATF	BDS	DCIS	DEA	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS	TOTAL
Investigative Costs Leading to Seizures														
FY 2021	-	400	-	120	64,925	-	3,065	-	-	-	50	-	-	68,561
FY 2022	-	400	-	105	71,450	-	3,000	-	-	-	50	-	-	75,005
FY 2023	-	428	-	129	78,687	-	3,214	-	-	-	53	-	-	82,510
Subtotal, Program Operations Expenses														
FY 2021	56,623	48,950	1,927	6,359	189,438	69,273	90,048	10,501	61,299	37,661	1,114	1,050,322	1,383	1,624,898
FY 2022	71,406	52,820	2,074	1,507	217,631	81,031	93,396	10,219	66,448	47,527	1,135	785,586	1,403	1,432,183
FY 2023	78,367	55,065	2,064	6,024	233,149	88,877	98,391	10,882	73,195	48,052	1,716	722,209	1,948	1,419,939
INVESTIGATIVE EXPENSES														
Purchase of Evidence														
FY 2021	-	1,104	-	-	3,969	-	3,209	215	-	-	-	-	-	8,497
FY 2022	-	1,083	-	-	5,074	-	3,209	215	-	-	-	-	-	9,581
FY 2023	-	1,083	-	-	5,074	-	3,209	215	-	-	-	-	-	9,581
Equipping of Conveyances														
FY 2021	-	-	-	-	-	-	-	20	-	-	-	130	-	150
FY 2022	-	-	-	-	-	-	-	20	-	-	-	145	-	165
FY 2023	-	-	-	-	-	-	-	20	-	-	-	145	-	165
Awards for Information														
FY 2021	-	118	-	-	4,793	-	4,687	15	-	-	-	43	-	9,656
FY 2022	-	118	-	-	5,807	-	4,687	15	-	-	-	141	-	10,768
FY 2023	-	118	-	-	5,807	-	4,687	15	-	-	-	141	-	10,768
Subtotal, Investigative Expenses														
FY 2021	-	1,222	-	-	8,762	-	7,896	250	-	-	-	173	-	18,303
FY 2022	-	1,201	-	-	10,881	-	7,896	250	-	-	-	286	-	20,514
FY 2023	-	1,201	-	-	10,881	-	7,896	250	-	-	-	286	-	20,514
GRAND TOTAL														
FY 2021	56,623	50,172	1,927	6,359	198,200	69,273	97,944	10,751	61,299	37,661	1,114	1,050,496	1,383	1,643,201
FY 2022	71,406	54,021	2,074	1,507	228,512	81,031	101,292	10,469	66,448	47,527	1,135	785,872	1,403	1,452,697
FY 2023	78,367	56,266	2,064	6,024	244,030	88,877	106,287	11,132	73,195	48,052	1,716	722,495	1,948	1,440,453

Unobligated Balances

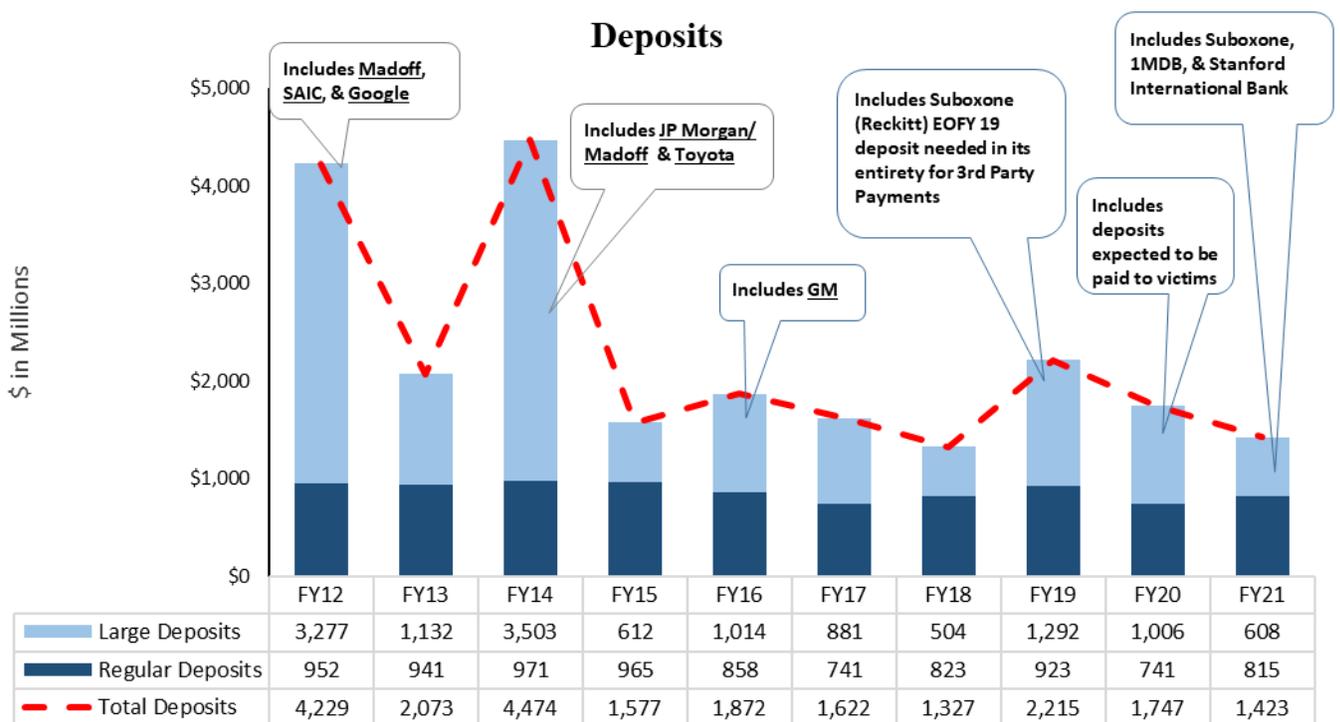
Due to the unpredictable timing of AFF revenue and expenses, unobligated balances are carried over from one fiscal year to the next to maintain the solvency of the AFF and to cover a variety of pending liabilities.¹ The amount of unobligated monies carried forward to maintain a successful transition into each new fiscal year for specific continuity requirements are estimated as follows:

- one quarter of the previous fiscal year's funding for Program-wide administrative and investigative support 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;
- 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;
- amounts for reasonably possible contingencies for Equitable Sharing and Victim & Other Third Party Payments to 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; and
- amounts set aside to meet operational needs in the next fiscal year.

² See 28 U.S.C. 524(c)(8)(D).

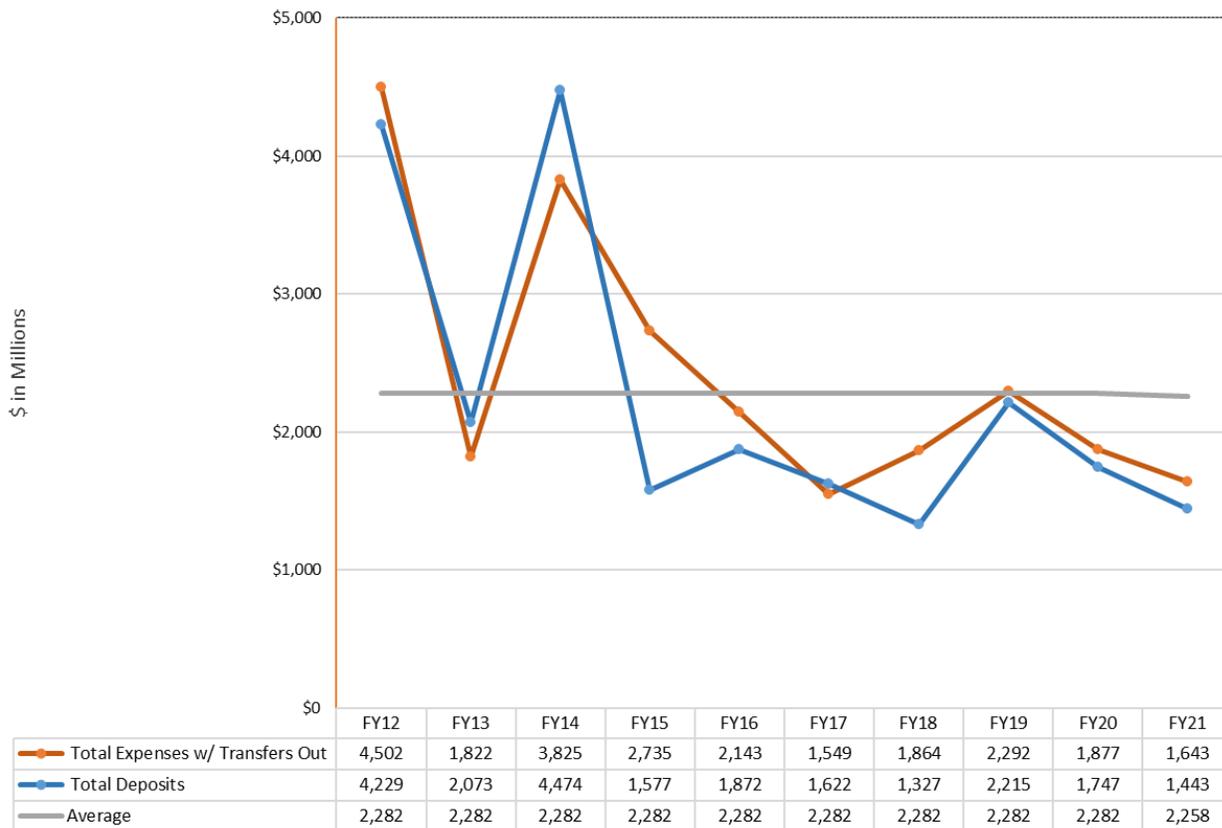
Trends

FY 2021 regular deposits into the AFF (defined as deposits of less than \$20 million) were below the historical average due to the impact of the COVID-19 pandemic on forfeiture revenue. A handful of very large case settlements (those exceeding \$20 million) accounted for some unusual spikes during the past several years. To put this in perspective, since FY 2015, seven large case settlements have accounted for roughly 70 percent of all large case AFF revenue.



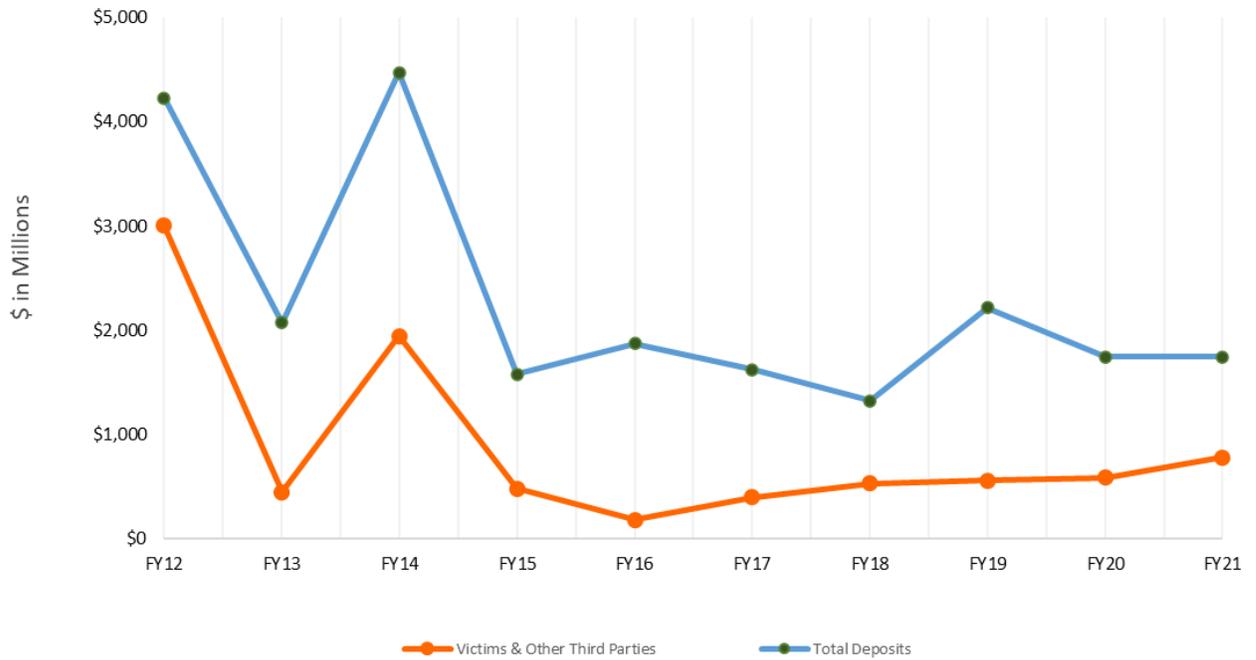
Even though the AFF is a revolving account with continuously changing balances, annual deposits and expenses generally mirror each other. As illustrated in the chart below, most often these large case deposits are offset by corresponding victim liabilities and equitable sharing payments. The ten-year average of Fund activity is roughly \$2.3 billion per year in deposits and associated expenses. The FY 2021 average of deposits is \$2.3 billion.

Total Deposits & Expenses

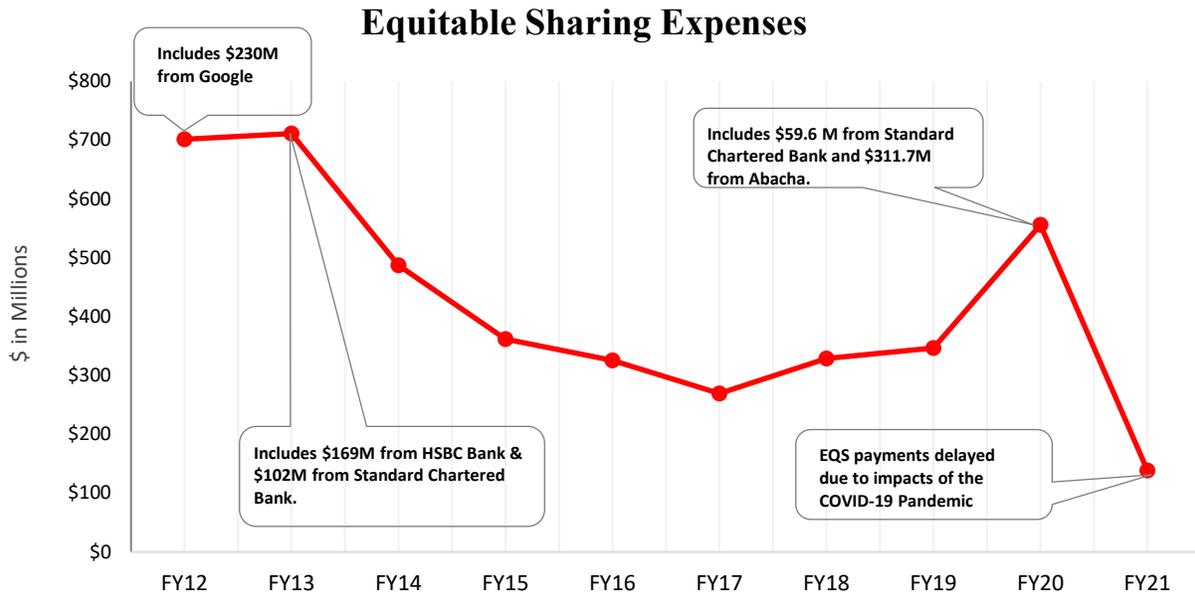


Payments to help compensate victims and other innocent third parties directly correlate with forfeitures where those parties have suffered financial loss. Generally, in cases where victims have been identified, a significant portion of the forfeited proceeds are paid to victims. As a portion of overall Program expenses, victims' payments represent 37 percent of all Program expenses incurred over the last 10 years.

Victims' & Other Innocent Third Parties' Expenses

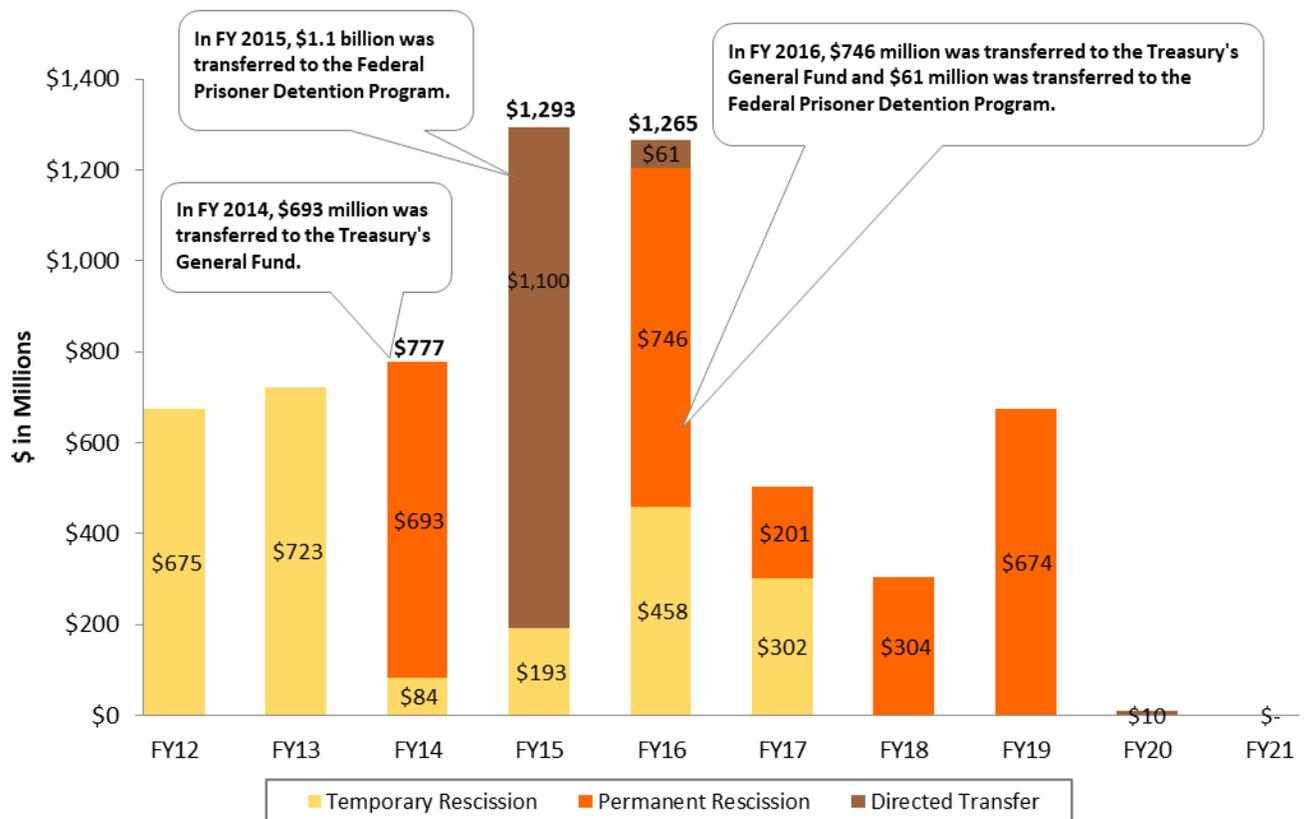


Equitable sharing payments represent another 17 percent of total Program expenses over the same 10-year period.



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. More recently, Congress has directed some surplus balances be deposited into the United States Treasury General Fund and also directed certain amounts be transferred to support the cost of federal prisoner detention operations. Once it became apparent there would be potential excess balances caused by large case deposits during fiscal years 2012 and 2014, Congress directed those surpluses be used to fund prisoner detention expenses in fiscal years 2015 and 2016. A total of \$10.4 million in surplus balances was identified at the end of FY 2019; of this amount, \$4.7 million was transferred to the Drug Enforcement Administration (DEA) and another \$5.3 million was transferred to the U.S. Marshals Service (USMS) Federal Prisoner Detention in FY 2020. There were no rescissions or transfers in FY 2021.

Permanent & Temporary Rescissions and Transfers Out



FY 2021 Highlights: Forfeiture revenue totaled approximately \$1.568 billion in revenue from regular receipts and large case receipts, reimbursable earnings, the net balance of prior year sequestration restored and current year sequestration, and recoveries. This is an increase of \$43.5 million from net collections, deposits, receipts, and recoveries estimates provided in the FY 2022 President’s Budget. The Extraordinary receipts for one time payments from large case deposits were received from the following cases: 1MDB for \$177 million, Stanford International Bank for \$150 million, Suboxone for \$22 million, and Madoff for \$0.1 million.

For FY 2021, actual expenses were \$1.643 billion for mandatory and discretionary expenses. The actual expenses included \$783 million for victim and other third party payments and \$138 million for equitable sharing payments. The equitable sharing payments were delayed due to impacts of the COVID-19 Pandemic. There were \$183 million in expenses for JLEO. The Fund was subject to a sequestration reduction of \$80 million in FY 2021.

FY 2022 Highlights: 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 2022. The program has suffered tremendous delays in processing forfeiture cases, which has therefore caused a deficit in our operational revenue. The AFP anticipates that a significant amount of these deposits, once processed, will be used to offset our increases in expenses. These impacts directly correlate to the COVID-19 pandemic, which has affected delays in forfeiture processing. The Suboxone case no longer has third party payments to distribute, and our current estimate for equitable sharing against that case is \$120 million.

The estimated revenue for FY 2022 includes regular and large case receipts, reimbursable earnings, the net balance of prior year sequestration restored and current year sequestration, and recoveries, which totals approximately \$1.094 billion. Mandatory and discretionary expenses in FY 2022 are forecast at \$1.453 billion, a decrease of \$190 million from FY 2021. The estimate includes \$285 million for victim and other third party payments and \$357 million for equitable sharing payments. Also included, provided that net receipts support this expense level, is \$210 million for JLEO.

The Fund is subject to a sequestration reduction currently estimated at \$54 million for FY 2022.

FY 2023 Highlights: Given the focus on forfeitures in CARES Act and other COVID 19 related fraud and financial crime cases, the Program expects deposits due to these crimes to continue into FY 2023. The AFP average monthly receipt targets are continuously monitored in comparison to the program's expenses to ensure respective obligations are met. Currently the estimated regular and large case receipts, reimbursable earnings, net balance of prior year sequestration restored and current year sequestration, and recoveries total approximately \$971 million in FY 2023.

Mandatory and discretionary expenses in FY 2023 are forecasted at \$1.440 billion, a decrease of \$12 million from FY 2022. The estimate includes \$285 million for victim and other third party payments and \$280 million for equitable sharing payments. Also included, provided that net receipts support this expense level, is \$210 million for JLEO.

The FY 2023 Financial Plan reflects a permanent rescission of \$100 million. Additionally, the Fund is subject to a sequestration reduction currently estimated at \$54 million for FY 2023.

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, and the internationalization of criminal organizations are only a few factors that impact the AFP and pose challenges that demand attention.

External

The globalization of economic and financial systems, the rapidly changing nature of technology, fraud related to the CARES Act and other economic assistance packages, and the growing sophistication of criminal organizations have increased the prevalence of economic crime. 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, technical, and data-intensive crimes. In recent years, the Program has focused increasing attention on building technical and operational capacity to investigate complex economic crime.

Internal

FY 2020 was a unique year for regular receipts due to the COVID-19 pandemic. A decline in receipts due to delays in the forfeiture process caused a decrease in revenue. This decline in receipts persisted into FY 2021, though the latter months showed gradual increases in regular receipts. The Program has had to use sporadic and unpredictable revenue from large forfeiture cases to cover normal operating expenses. As noted earlier, seven large case settlements accounted for roughly 70 percent of all asset forfeiture revenue since FY 2015. The Program is evolving towards a more agile AFF budget execution model in order to make strategic reductions, and investments in new areas where forfeiture is expected to play a major role in the future.

II. Summary of Program Changes

No program changes.

III. Appropriations Language and Analysis of Appropriations Language

Appropriations Language

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.

General Provisions

Sec. 221. Of the unobligated balances available in the Department of Justice Assets Forfeiture Fund, established by section 524 of title 28, United States Code, \$100,000,000 shall be permanently cancelled not later than September 30, 2023: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to a concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Analysis of Appropriations Language

Of the unobligated balances available under this heading, including from prior year appropriations, \$100,000,000 are hereby permanently cancelled.

IV. Program Activity Justification

Asset Forfeiture Program Total	Direct Pos.	Estimate FTE	Amount
2021 Enacted	428	409	1,643,201
2022 Annualized CR	431	414	1,452,697
Adjustments to Base and Technical Adjustments	0	2	54,406
2023 Current Services	431	416	1,507,103
2023 Program Increases	0	0	0
2023 Program Offsets	0	0	(66,651)
2023 Request	431	416	1,440,453
Total Change 2022-2023	0	2	-12,245

Mandatory, Indefinite Authority Total	Direct Pos.	Estimate FTE	Amount
2021 Enacted	428	409	1,624,899
2022 Annualized CR	431	414	1,432,183
Adjustments to Base and Technical Adjustments	0	2	54,406
2023 Current Services	431	414	1,486,590
2023 Program Increases	0	0	0
2023 Program Offsets	0	0	(66,651)
2023 Request	431	416	1,419,939
Total Change 2022-2023	0	2	-12,245

Appropriated, Definite Authority Total	Direct Pos.	Estimate FTE	Amount
2021 Enacted	0	0	20,514
2022 Annualized CR	0	0	20,514
Adjustments to Base and Technical Adjustments	0	0	0
2023 Current Services	0	0	20,514
2023 Program Increases	0	0	0
2023 Program Offsets	0	0	0
2023 Request	0	0	20,514
Total Change 2022-2023	0	0	0

V. FY 2023 Asset Forfeiture Program Estimates

Asset Forfeiture Program

1. Summary of Requirements by Financing (Dollars in Thousands)

<i>Financing</i>	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate	2022 - 2023 Total Change
Unobligated balance of receipts, start-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	284,382	330,326	356,888	26,562
Major Third Party Payment Reserves	873,400	0	0	0
RP Contingencies for Equitable Sharing	0	120,000	0	(120,000)
FY 2022 Operations	0	290,995	0	(290,995)
FY 2023 Operations	0	341,650	367,194	25,544
Unobligated balance of receipts, start-of-year	1,157,782	1,082,971	724,082	(358,889)
Collections/deposits/receipts/recoveries:				
Regular receipts	815,177	750,000	750,000	0
Extraordinary Receipts	258,355	225,000	225,000	0
Extraordinary receipts for one time payments	349,610	0	0	0
Total Receipts	1,423,142	975,000	975,000	0
Reimbursable Earnings/Receipts	19,582	18,264	20,739	2,475
Prior year sequestration restored	100,914	79,950	54,406	(25,544)
Recovery/Refunds of prior year obligations	104,702	75,000	75,000	0
Permanent Rescission	0	0	(100,000)	(100,000)
Sequestration	(79,950)	(54,406)	(54,406)	0
Collections/deposits/receipts/recoveries:	1,568,390	1,093,808	970,739	(123,069)
Total Direct resources available	2,706,590	2,158,515	1,674,082	(484,433)
Total resources available	2,726,172	2,176,779	1,694,822	(481,957)
Less: Unobligated balance of receipts, end-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	(330,326)	(356,888)	(254,369)	(102,519)
RP Contingencies for Equitable Sharing	(120,000)	0	0	0
FY 2022 Operations	(290,995)	0	0	0
FY 2023 Operations	(341,650)	(367,194)	0	(367,194)
Unobligated balance of receipts, end-of-year	(1,082,971)	(724,082)	(254,369)	(469,713)
Total Direct Obligations	1,623,619	1,434,433	1,419,713	(14,720)
Total Obligations	1,643,201	1,452,697	1,440,453	(12,244)
*Note: Amounts may not tie due to rounding. The regular receipts total include the reduction for refunds.				

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

	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate	2022 - 2023 Total Change
<i>Mandatory expenses: (indefinite authority)</i>				
Case support expenses:				
Asset Management and Disposal	39,288	40,477	50,675	10,198
Victim & Other Third Party Payments	782,613	285,065	285,065	0
Case Related Expenses	41,102	43,589	47,095	3,506
Special Contract Services	111,884	118,143	136,941	18,798
Investigative Costs Leading to Seizures	68,561	75,005	82,510	7,505
Contracts to Identify Assets	83,989	84,017	91,719	7,702
Awards Based on Forfeiture	7,871	13,510	16,086	2,576
Program support expenses:				
Information Systems	59,033	66,334	75,420	9,086
Training and Printing	1,948	7,960	8,416	456
Other Program Management	98,712	121,274	125,860	4,586
Other authorized expenses:				
Storage, Protection & Destruction of Controlled Substances	8,444	9,809	10,152	344
Equitable Sharing Payments	138,441	357,000	280,000	(77,000)
Joint Law Enforcement Operations	183,014	210,000	210,000	0
Subtotal: Mandatory Expenses	1,624,899	1,432,183	1,419,939	(12,244)
Investigative expenses				
Awards for Information	9,656	10,768	10,768	0
Purchase of Evidence	8,497	9,581	9,581	0
Equipping of Conveyances	<u>150</u>	<u>165</u>	<u>165</u>	<u>0</u>
Subtotal: Investigative Expenses	18,302	20,514	20,514	0
Total, Mandatory and Investigative Expenses	1,643,201	1,452,697	1,440,453	(12,244)
Surplus Reductions - Shortfall to Meet Solvency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Obligations	1,623,620	1,434,433	1,419,714	(14,719)
Total Obligations	1,643,201	1,452,697	1,440,453	(12,244)

A. Asset Forfeiture Program - Program Expense Descriptions

a. MANDATORY EXPENSES, INDEFINITE AUTHORITY

1. Asset Management and Disposal

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$39,288,000	\$40,477,000	\$50,675,000	\$10,198,000

Asset management and disposal expenses are incurred in connection with the seizure, inventory, appraisal, packaging, movement, storage, maintenance, security, and disposition of seized and forfeited assets located domestically and abroad, including the destruction of contraband. Asset management expenses may also include payment of contract services to operate and manage properties or provide other specialized services as necessary to manage and/or dispose of such properties. The increase in FY 2023 includes inflationary and additional expenses for firearms and ammunition destruction.

2. Victim & Other Third Party Payments

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$782,613,000	\$285,065,000	\$285,065,000	\$0

This category of expense is primarily used to return property to qualifying victims. Other qualified third party interests are those expenses incurred in the payment of valid liens, secured mortgages, and debts owed to qualified general creditors pursuant to court orders or favorable rulings on petitions for remission or mitigation. This includes the restoration of proceeds of sales pursuant to court orders or administrative determinations.

3. Equitable Sharing Payments

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$138,441,000	\$357,000,000	\$280,000,000	(\$77,000,000)

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. These amounts reflect the relative degree of participation in the law enforcement effort resulting in the forfeiture, considering the total value of all property forfeited and the total law enforcement effort with respect to the violation of law on which the forfeiture is based. No equitable sharing payments are made until after victims or other innocent third party claims are satisfied. The decrease of \$77 million from the FY 2023 estimate reflects one time payments from large cases expected to be made in FY 2022.

4. Case Related Expenses

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$41,102,000	\$43,589,000	\$47,095,000	\$3,506,000

Case related expenses are those expenses that are incurred in connection with normal proceedings undertaken to perfect the United States' interest in seized property through forfeiture. This includes fees and other costs of advertising, translation, court and deposition reporting, expert witness, courtroom exhibit services, employment of attorneys or other specialists in state real estate law by the U.S. Marshals Service, travel and subsistence related to a specific proceeding, and other related items. In addition, the Deputy Attorney General may approve expenses for the retention of foreign counsel. The increase in FY 2023 is inflationary.

5. Joint Law Enforcement Operations

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$183,014,000	\$210,000,000	\$210,000,000	\$0

Under Joint Law Enforcement Operations (JLEO), the Fund pays for costs incurred by state and local law enforcement officers while directly involved in a joint law enforcement operation with the federal government, as authorized by 28 U.S.C. 524(c)(1)(I).

6. Special Contract Services

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$111,884,000	\$118,143,000	\$136,941,000	\$18,798,000

This expense category finances contract personnel to manage the administrative aspects of the Program, including data entry and analysis, file control and review, quality control, case file preparation, and other process support functions. In addition to administrative functions, Special Contract Services also supports the technical aspects of the asset forfeiture process, including the seizure, management, disposition, and post-disposition of assets; and case closure. The increase in FY 2022 and FY 2023 is based on an effort to ramp up forfeiture processing to include hiring additional contractors. The increase also includes inflation in contract rates.

7. Storage, Protection, and Destruction of Controlled Substances

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$8,444,000	\$9,809,000	\$10,152,000	\$344,000

These resources fund DEA in the storage, protection, and destruction of controlled substances. These activities include the incineration of bulk quantities of controlled

substances, 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, and support of the Domestic Cannabis Eradication/Suppression Program. The fund also supports the phased repair and replacement of aging narcotics safes in ATF field offices. The increase in FY 2023 is inflationary.

8. Information Systems

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$59,033,000	\$66,334,000	\$75,420,000	\$9,086,000

These resources primarily support the centralized operations and development of forfeiture-related systems and applications used by law enforcement officers and prosecutors to account for assets seized from criminal enterprises. 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 FY 2023 estimate includes \$12 million for the CATS Lifecycle Refresh project, and additional increases are inflationary.

9. Training and Printing

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$1,948,000	\$7,960,000	\$8,416,000	\$456,000

This category is used to finance necessary training expenses directly related to the AFP. Generally, this will include any training necessary to maintain the competency of federal and contract personnel dedicated to performing federal forfeiture functions (e.g., trial advocacy for asset forfeiture attorneys, training on agency computers for contract employees); any exclusively asset forfeiture training program that is conducted for other personnel, for whom asset forfeiture is an ancillary duty, to enable them to be more effective in performing asset forfeiture program functions; and that portion of a broader law enforcement training program that is directly related to the identification, tracking, evaluation, seizing, processing, accounting for, management or disposition of property subject to forfeiture. It also funds printing expenses associated with forfeiture training and the performance of forfeiture functions. The increase in FY 2023 is inflationary.

10. Other Program Management

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$98,712,000	\$121,274,000	\$125,860,000	\$4,586,000

This category includes several types of expenses that are important to the overall management of the Program including program review and evaluation, requirements analysis, policy development, the annual audit of the Fund's financial statements by

an independent accounting firm, and special assessments and reviews designed to improve program performance. This category also finances the salaries and expenses of the government employees assigned to AFMS, litigation and program oversight units of MLARS, the USMS Asset Forfeiture Financial Investigator (AFFI) program, and government personnel in member agencies who provide core asset forfeiture program management functions. The FY 2023 increase includes a 4.6% Pay Raise assumption and inflationary costs.

11. Contracts to Identify Assets

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$83,989,000	\$84,017,000	\$91,719,000	\$7,702,000

This category funds the costs of contracting for a cadre of Senior Financial Investigators to support complex financial investigations within the Investigative Agencies to trace the proceeds of crime into assets subject to seizure. It also provides related support such as commercial database subscription services to nationwide public record data systems and the acquisition of specialized assistance to reconstruct seized financial records. The increase in FY 2023 is inflationary.

12. Awards Based on Forfeiture

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$7,871,000	\$13,510,000	\$16,086,000	\$2,576,000

These expenses are for the payment of awards for information or assistance leading to a civil or criminal forfeiture involving any federal agency participating in the Fund. For instance, 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 drug trafficking investigations 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 greatly assisted by informants. The increase in FY 2023 is inflationary.

13. Investigative Costs Leading to Seizures

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$68,561,000	\$75,005,000	\$82,510,000	\$7,505,000

Investigative costs leading to seizure (ICLS) are incurred in the identification, location, and seizure of property to be forfeited. ICLS expenses typically fall into three main categories: (1) investigative expenses in specific cases where the agency has a reasonable belief will lead to forfeitures, (2) investigative techniques that are a substantial factor in asset seizures,

and (3) equipment that has a similarly substantial and measurable nexus to seizures. The FY 2023 increase results from the Program’s strategy to apply additional resources in the identification of assets for seizure of property in both FY 2022 and FY 2023 and includes some inflationary cost increases.

b. INVESTIGATIVE EXPENSES

Definite, Appropriated (discretionary) Authority

1. Purchase of Evidence

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$8,497,000	\$9,581,000	\$9,581,000	\$0

Funding in this category is limited to the purchase of evidence directly related to violations of the Controlled Substances Act, the Controlled Substances Import and Export Act, the Racketeer Influenced and Corrupt Organizations Act, and criminal money laundering laws.

2. Equipping of Conveyances

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$150,000	\$165,000	\$165,000	\$0

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

3. Awards for Information

FY 2021 <u>Actual</u>	FY 2022 <u>Estimate</u>	FY 2023 <u>Estimate</u>	Increase/Decrease <u>FY 2022 to FY 2023</u>
\$9,656,000	\$10,768,000	\$10,768,000	\$0

These expenses are for awards for information or assistance directly relating to violations of the criminal drug laws of the United States or of 18 U.S.C. Chapter 77, 18 U.S.C. § § 1956 and 1957, 31 U.S.C. § § 5313 and 5324, and Section 6050I of the Internal Revenue Code of 1986. The Justice for Victims of Trafficking Act of 2015 (P.L. 114–22) also authorized the use of this funding for human trafficking investigations as defined by 18 U.S.C. Chapter 77.

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 dismantling of high priority criminal organizations and not merely on the conviction of individuals and forfeiture of their personal property.

A. Performance Plan and Report for Outcomes

The FY 2023 Performance Plan will reflect 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, SharePoint Services, and Business Objects 100 percent of the time. 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. Similarly, the AFP reimburses the Criminal Division for FTEs associated with the litigation and program oversight units of MLARS and reimburses various DOJ member agencies for government personnel who provide core asset forfeiture program management functions. AFMS has 36 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. As 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 provide administrative and management support of 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 2021 and 2023 the estimated total number of core supported hours is approximately 3,000 a year. The goal is to provide 99.8 percent availability to customers.

PERFORMANCE AND RESOURCES TABLE

Decision Unit: Assets Forfeiture Fund (AFF)^A

RESOURCES (\$ in thousands)			Target		Actual		Target		Changes		Requested (Total)	
			FY 2021		FY 2021		FY 2022		Current Services Adjustments and FY 2023 Program Changes		FY 2023 Request	
Total Costs and FTE			FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0
(Reimbursable: FTE are included, but costs are bracketed and not included in totals)			409	1,261 [\$20]	348	1,623 [\$20]	414	1,434 [\$18]	2	-12	416	1,420 [\$21]
TYPE	STRATEGIC OBJECTIVE	PERFORMANCE	FY 2021		FY 2021		FY 2022		Current Services Adjustments and FY 2023 Program Changes		FY 2023 Request	
			FTE	\$0	FTE	\$0	FTE ^C	\$0	FTE	\$0	FTE	\$0
Program Activity		Management of the AFF	409	1,261 [\$20]	348	1,623 [\$20]	414	1,434 [\$18]	2	-14 [\$3]	416	1,420 [\$21]
APG Measure:	N/A	N/A										
KPI:	N/A	N/A										
Output												
Performance Measure:	2.2, 2.3, 2.4	Percent of time CATS is accessible in support of forfeiture agency operations	100%		99.80%		99.90%				99.90%	
Performance Measure:	2.5	Percent of time SharePoint Services is accessible in support of forfeiture agency operations	100%		99.80%		99.90%				99.90%	
Performance Measure:	3.4	Percent of time Business Objects is accessible of forfeiture agency operations	100%		99.80%		99.90%				99.90%	

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.

C The FTE increases to 414 in FY 2022 and 416 in FY 2023

Strategic Obj	Performance		FY 2021	FY 2022	FY 2023
			Actual	Target	Target
N/A	Agency Priority Goal Measure	N/A			
N/A	Key Performance Indicator	N/A			
2.2, 2.3, 2.4	Performance Measure	Percent of time CATS is accessible in support of forfeiture agency operations	99.80%	99.90%	99.90%
2.5	Performance Measure	Percent of time SharePoint Services is accessible in support of forfeiture agency operations	99.80%	99.90%	99.90%
3.4	Performance Measure	Percent of time Business Objects is accessible of forfeiture agency operations	99.80%	99.90%	99.90%

VIII. EXHIBITS