Department of Justice
Criminal Division

Performance Budget

FY 2027 Congressional Submission

Table of Contents

Exhibits

I. Overview of the Criminal Division

Mission Statement

The Criminal Division serves to protect the American people from serious crimes, including harm caused by transnational criminal organizations, violent gangs, drugs, cybercrime, child exploitation, fraud, and money laundering. The Division's sole mission is to keep Americans safe. It accomplishes this by fulfilling three unique roles:

1. The Division delivers elite criminal prosecutions in the most serious, complex cases across the country,

2. It serves the U.S. Attorney's Offices and all federal law enforcement by providing subject matter expertise and help for the most serious crimes and challenging areas of criminal law, and,

3. It acts as the sole touchpoint on the international stage for all legal requests to and from other countries, including extraditions and law enforcement assistance requests.[1]

The importance of the Division's centralized expertise and role has been recognized for decades: former Attorney General Robert H. Jackson noted that the Criminal Division is vital "to promote uniformity of policy and action," in federal law, to establish standards of performance across national legal practice, and "to make available specialized help" to U.S. Attorney's Offices and law enforcement in all 50 states. Simply put, the Criminal Division does something no other division, office, or agency can do. It fulfills the Administration's top priorities and the values of justice every day.

To sustain mission needs, the Criminal Division requests a total of 910 permanent positions (601 attorneys and 1 agent), 839 direct Full-Time Equivalent work years (FTE), and $282,807,000 in its Salaries and Expenses appropriation for Fiscal Year (FY) 2027.

Division Priorities

The Criminal Division has identified the following key strategic goals to address our country's most critical justice priorities, which align with the Administration's top priorities:

- Disrupting and dismantling transnational criminal organizations and networks that act across state and national boundaries and that threaten our country through narcotics trafficking, human trafficking and smuggling, violence, acts of terrorism, and money laundering operations;

- Ensuring the stability and security of domestic and global markets, as well as the integrity of government programs, by reducing fraud, waste, and abuse;

- Combating cyber-based threats and attacks that threaten national security;

- Protecting children from sexual predators;

- Prosecuting violations of federal tax laws;

[1] 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: https://www.justice.gov/doj/budget-and-performance

- Promoting the rule of law around the world through the training, assistance, and support of key international partners and their developing legal systems;

- Assisting law enforcement partners in obtaining evidence in the United States;

- Providing key guidance and facilitating the authorization process for death penalty eligible federal cases; and

- Supporting crime-fighting efforts across all levels of government: federal, state, and local.

Program Activities

The Criminal Division engages in several program activities to achieve its mission:

- Investigating and prosecuting cases;

- Providing expert guidance, advice, and assistance to our prosecutorial and law enforcement partners;

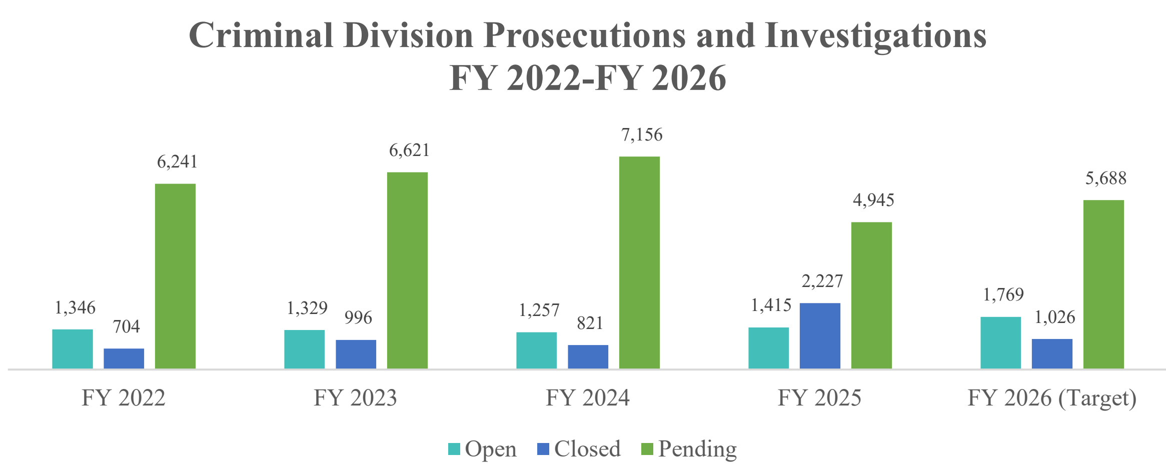
- Reviewing and approving the use of sensitive law enforcement tools; and

- Engaging with domestic partners and foreign counterparts to enforce the law, advance public safety, and achieve justice.

Activity: Investigating and Prosecuting Cases

- Investigating and prosecuting the most significant cases and matters; and

- Coordinating a wide range of criminal investigations and prosecutions that span jurisdictions and involve multiple law enforcement partners.



The Criminal Division fulfills its mission through responsible and thorough criminal investigation and prosecution. The Division undertakes complex cases, including those involving multiple jurisdictions and international components. In addition, for certain criminal statutes, the Division approves all federal charging instruments filed throughout the United States to ensure a consistent and coordinated approach to the nation's law enforcement priorities. The Division holds a leadership role and comprehensive view of violent crime, organized crime, narcotics, money laundering, fraud, cybercrime, human trafficking and smuggling, violent crime, and other criminal activities. Consequently, the Division is uniquely positioned to ensure that the crimes that occur, both in the United States and abroad, do not go undetected and are vigorously prosecuted.

Accomplishments: Investigating and Prosecuting Cases

Money Laundering, Narcotics and Forfeiture Section (MNF) – MNF secured numerous wins against cartels, including a 35-year prison sentence for Jaime Gonzalez-Duran, a violent member of the Los Zetas cartel, who was also ordered to forfeit $792 million, for conspiring to manufacture and distribute large quantities of cocaine and marijuana knowing that the drugs would be unlawfully imported into the United States. MNF also aggressively prosecuted Chinese Money Laundering Organizations, securing indictments and guilty pleas for laundering tens of millions in narcotics proceeds through shell companies, bulk cash pickups, and trade-based schemes.

Child Exploitation and Obscenity Section (CEOS) – CEOS prosecuted an extensive caseload of child exploitation offenses, spanning production and distribution of child sexual abuse material (CSAM), sex trafficking of minors, online enticement and coercion, and sexual abuse of children abroad. Notable results included: a 210-year sentence for a defendant who sexually abused boys at an orphanage in Haiti over two decades; a 600-month sentence for years-long sexual abuse and recording of a child; a 405-month sentence for a basketball coach's decades-long pattern of sexual abuse of school-age girls; a 50-year sentence for trafficking in CSAM on the dark web.

Fraud Section (FRD) – In June 2025, FRD charged 324 defendants – including 96 licensed medical professionals – across 50 federal districts and 12 state jurisdictions, in the largest National Health Care Fraud Takedown in history. The schemes involved an intended loss exceeding $14.6 billion. Law enforcement seized over $245 million in cash, luxury vehicles, cryptocurrency, and other assets. CMS prevented more than $4 billion in fraudulent payments and suspended or revoked billing privileges of 205 providers. The Takedown included Operation Gold Rush (a $12 billion transnational scheme exploiting over one million stolen American identities) and wound care, telemedicine, opioid diversion, and addiction treatment fraud schemes.

Tax Section (TAX) – In May 2025, TAX obtained a corporate resolution with Credit Suisse Services AG pleading guilty to conspiracy to aid and abet false income tax returns and agreeing to pay $510,608,909 in total — including penalties, restitution, and forfeiture — for maintaining over $2 billion in undeclared U.S. accounts. This corporate prosecution required unraveling complex offshore banking structures used to help U.S. taxpayers conceal assets from the IRS.

Violent Crime and Racketeering Section (VCRS) – In December 2025, VCRS convicted Eduardo Ravelo, a former FBI Ten Most Wanted Fugitive, of RICO Conspiracy, three counts of VICAR Murder, narcotics conspiracy, and money laundering for his participation in the Barrio Azteca transnational criminal organization allied with the Juárez Cartel. His crimes included the March 10, 2010 murder of U.S. consulate employees in Juárez, Mexico. He was extradited from Mexico in February 2025 and pleaded guilty to counts carrying a mandatory life sentence.

Capital Case Section (CCS) – CCS handled several high-profile matters in FY 2025, filing notices of intent to seek the death penalty in cases involving the murder of a U.S. Border Patrol agent, the murder of a federal task force officer, a serial sex offender who killed by crushing a victim with a vehicle, and a dangerous prisoner who murdered a fellow inmate at ADX Florence.

Appellate Section (APP) – APP secured significant victories at both the Supreme Court and the Courts of Appeals in FY 2025. At the Supreme Court, APP prevailed in eight cases spanning issues including the definition of "crime of violence" under firearms statutes, the scope of wire fraud, the Fourth Amendment's use-of-force analysis, habeas corpus procedures, First Step Act resentencing, the emergency-aid exception to the warrant requirement, cumulative sentencing under Section 924, and criminal restitution under the Ex

Post Facto Clause. In the Courts of Appeals, APP affirmed convictions across a wide range of cases involving cyberstalking, child sexual abuse abroad, felon-in-possession challenges under the Second Amendment, drug trafficking conspiracies, MS-13 gang violence, securities and mail fraud pyramid schemes, market manipulation through spoofing, motorcycle gang racketeering, extortion by a media figure, and violent street gang activity.

Activity: Providing Expert Guidance and Legal Advice

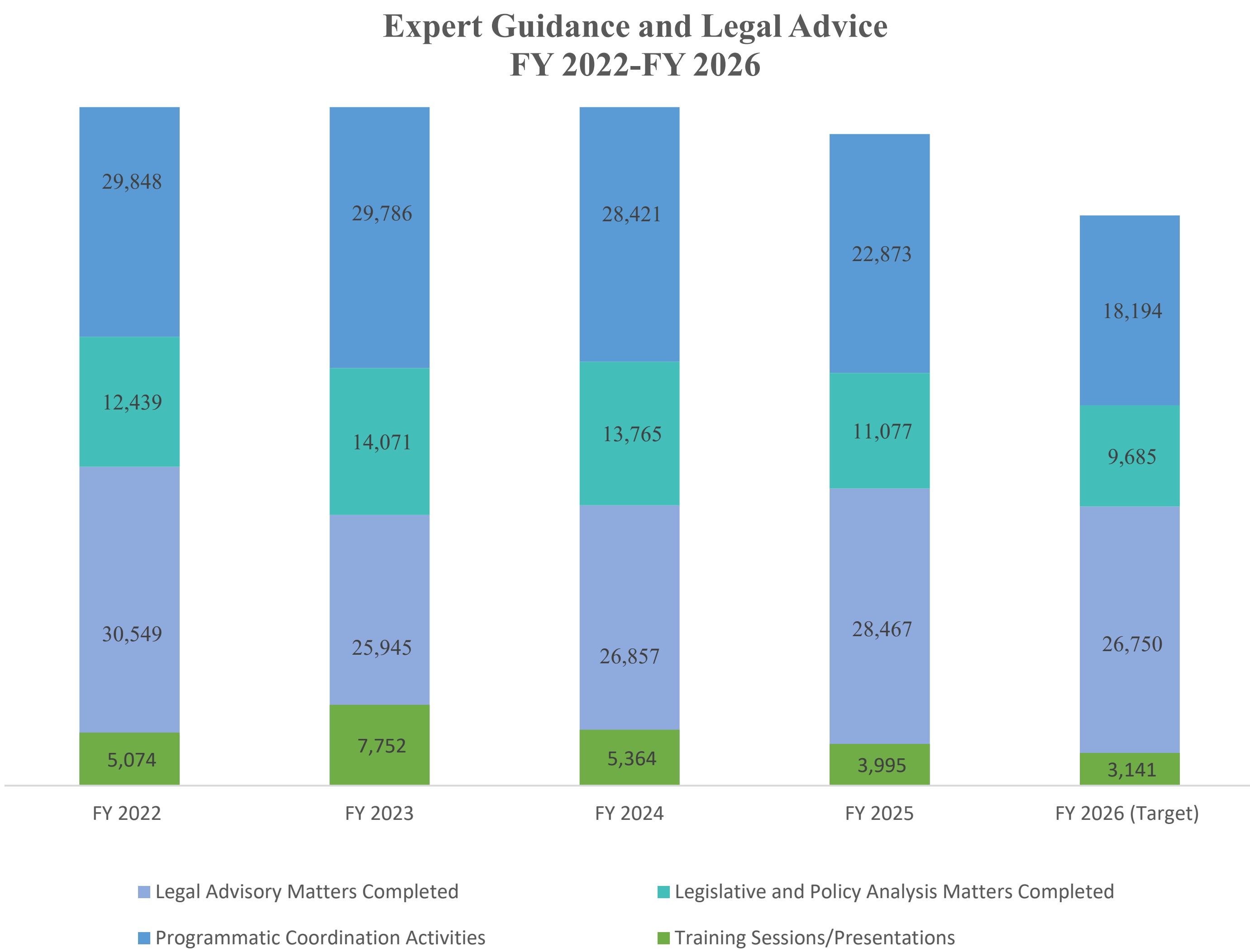
- Developing and supporting effective crime reduction strategies and programs;
- Leading policy, legislative, and regulatory reforms; and
- Providing expert counsel and training in criminal enforcement matters to state, local, federal, and foreign enforcement partners.

The Criminal Division serves as the strategic hub of legal and enforcement expertise in the fight against national and global criminal threats. Its expert guidance and advice are crucial throughout the country. The Division leads the national effort to address emerging criminal trends, including the increasingly international scope of criminal activity. The guidance provided to U.S. Attorneys' Offices (USAOs) and other federal law enforcement partners promotes coordination, consistency, and the efficient use of resources while leveraging expertise and furthering the Department's mission to ensure justice.

During 2025, the Criminal Division's role in providing expert counsel and legal advice expanded to include criminal tax matters with the addition of the Tax Section.[2] Beyond its direct prosecution docket, Tax serves as a force multiplier for USAOs by providing expert guidance, legal advice, and prosecutorial assistance on employment tax fraud and other complex tax enforcement matters. Tax maintains a repository of institutional knowledge about tax law developments, evolving fraud schemes, and sentencing trends and serves as a resource for all Department prosecutors across the country. Without Tax Section support and expert guidance, these cases often would not be prosecuted at all, leaving millions in stolen refunds and unpaid taxes unrecovered. The Tax Section provides this expertise through direct consultation, co-counseling arrangements, and training, ensuring that USAOs across the country can bring these cases even when they lack in-house tax specialists.

Separately, Tax performs a unique gatekeeping and quality-control function, supervising virtually all federal criminal proceedings arising under the internal revenue laws to ensure that the federal government speaks with one voice on criminal tax policy across all 94 judicial districts. In practice, this means that every IRS criminal referral flows through Tax attorneys, who review the evidence, assess the legal theories, evaluate policy considerations, and either authorize or decline prosecution, and before any USAO in any district can seek an indictment, file an information, enter a plea agreement, or even obtain a search warrant in a tax case. This centralized review process serves several critical functions: it ensures uniform enforcement standards nationwide; it provides prosecutors with expert guidance and legal advice regarding potential charges and evidentiary issues; and it prevents weak or legally flawed cases from going forward.

[2] The Tax Section is comprised of three Criminal Enforcement Sections that were formerly in the Tax Division.



Accomplishments: Providing Expert Guidance and Legal Advice

Capital Case Section (CCS) – During FY 2025, CCS has done significant work to advance the Department's efforts to restore the federal death penalty highlighted in the Attorney General's February 5, 2025 Memorandum, "Reviving the Federal Death Penalty and Lifting the Moratorium On Federal Executions,"[3] including by implementing the Capital Case Review protocol to assess dozens of cases and by providing critical support to the cases that are currently authorized for capital prosecution. These include cases against Payton Gendron, a white supremacist who fatally shot 10 Black customers in a grocery store in Buffalo, New York, and Monroe Merrell, who participated in an abduction and murder, following a dispute over a $40 drug debt, and then abetted the murders of two witnesses to the homicide.

CCIPS – The CCIPS Cybercrime Lab provided expert guidance and witness testimony in criminal prosecutions across the country. For example, in the case against Mirela Todorova, a CCIPS expert testified about forensic data recovered from third party cloud productions and encrypted messaging databases. Todorova, a citizen of the US, Canada, and Bulgaria, ran a tech-savvy drug trafficking ring where she provided phones and narcotics to delivery drivers, including counterfeit oxycodone pills containing

[3] https://www.justice.gov/ag/media/1388561/dl?inline

fentanyl, resulting in near fatal drug overdoses. She continued to operate this trafficking ring during visits to Mexico. Todorova was convicted and faces a sentence of between 20 years to life imprisonment.

OIA – OIA's critical role in providing expert guidance and legal advice to federal prosecutors across the country is often demonstrated in complex international fraud investigations. In *United States v. Hatipoğlu et al.* (D.D.C.), a federal grand jury indicted Turkish national Bahadır Hatipoğlu, the owner of Hatcon İnşaat, and Ralf Grynow, a senior NATO official, for a years-long bribery and fraud scheme that corrupted NATO procurement processes to secure military construction contracts funded in part by U.S. taxpayers through the U.S. Army Corps of Engineers and the Defense Logistics Agency. Throughout the investigation, OIA provided expert guidance and legal advice to FRD attorneys on the execution of a search warrant in Poland and on conducting interviews with witnesses located in multiple countries, including Turkey, Cyprus, and elsewhere. OIA's support was instrumental in enabling investigators to gather evidence across multiple jurisdictions, reflecting the office's ability to navigate complex international legal frameworks in furtherance of the Criminal Division's mission to hold accountable those who defraud U.S.-funded programs abroad.

TAX – The expert guidance that TAX brings to the Criminal Division was on display in FY 2025 with TAX attorneys securing convictions across the country and recovering hundreds of millions of dollars in tax losses. In *United States v. McPhee*, a case brought in the District of Colorado, TAX attorneys prosecuted McPhee for a nationwide abusive-trust tax shelter that operated from 2018 through 2023, in which McPhee coached roughly 200 clients to funnel income through sham trusts and a private family foundation. This prosecution required TAX's specialized knowledge and expertise to navigate complex issues related to trust taxation that the U.S. Attorney's Office for the District of Colorado did not have within its own ranks. McPhee was convicted and received a 151-month sentence and was ordered to pay approximately $45 million in restitution to the IRS and over $6 million to defrauded investors.

Activity: Reviewing the Use of Sensitive Law Enforcement Tools

- Approving and overseeing the use of the most sophisticated investigative tools in the federal arsenal.

The Criminal Division serves as the Department's "nerve center" for many critical legal and operational matters. It is the Division's responsibility to ensure that investigators are effectively and appropriately using available sensitive law enforcement tools.

These tools include Title III wiretaps, electronic evidence-gathering authorities, sensitive subpoenas, and the Witness Security Program. The Division handles numerous requests for approval from U.S. Attorneys' Offices to use sensitive law enforcement techniques in conjunction with criminal statutes. Internationally, and as the designated Central Authority for the United States, the Division manages the Department's relations with foreign counterparts and coordinates all prisoner transfers, extraditions, and mutual legal assistance requests. In these ways, the Division serves a critical and unique role in ensuring consistency across districts and continuity over time, as well as the even-handed application of statutes.

Accomplishment: Reviewing the Use of Sensitive Law Enforcement Tools

Office of Enforcement Operations (OEO) – OEO's work supports countless investigations and prosecutions nationwide, including those relating to key Department initiatives, like Joint Task Force Alpha and the Violent Crime and Racketeering Section's (VCRS) Violent Crime Initiatives. During Fiscal Year 2025, OEO reviewed over a thousand matters in cases that directly further Administration priorities, such as cases against cartels and other transnational criminal organizations. These matters include requests for Title III wiretaps, waivers of the Department's dual prosecution (Petite) policy, attorney searches and subpoenas, process directed to members of the press, and requests to initiate, renew, or modify special administrative measures (which are intended to limit communications of high-risk federal inmates that are likely to facilitate serious acts of violence or terrorism), and resolved over a thousand Freedom of Information Act (FOIA) requests while handling over one hundred FOIA litigation matters.

Activity: Engaging with Domestic Partners and Foreign Counterparts

- Helping international law enforcement partners build capacity to prosecute and investigate crime within their borders by providing training and assistance; and

- Coordinating with international criminal enforcement authorities to foster operational cooperation.

The Criminal Division's prosecutors and other personnel are embedded in countries around the world. International posts are maintained to foster relationships and participate in operations with international law enforcement and prosecutors—effectively growing the rule of law worldwide. Two of the Division's Sections, the International Criminal Investigative Training Assistance Program (ICITAP) and the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), strengthen cooperation in transnational criminal matters and build partnerships with other nations to provide modern professional law enforcement services based on American principles, from investigations to evidence gathering, to prosecutions.

The Office of International Affairs (OIA) also plays a critical role in strengthening U.S. partnerships with foreign countries, which is essential to ensuring justice in individual criminal cases with American victims and protecting our national security. In the past few years, OIA has given increased attention to requests from foreign counterparts seeking electronic records. Attorneys from OIA's specialized Cyber Unit provide critical support to partner countries seeking electronic records from the United States by training prosecutors and investigators on applicable U.S. legal standards.

Accomplishments: Engaging with Domestic Partners and Foreign Counterparts to Enforce the Law, Advance Public Safety, and Achieve Justice

OIA – OIA achieved historic breakthroughs in international fugitive transfers and extraditions in 2025: the first-ever extradition from Guinea-Bissau to the United States; the first extradition of an Ecuadorian national from Ecuador (Los Choneros leader "Fito"); and critical terrorism-related extraditions from Canada, Pakistan, and India, including convicted 2008 Mumbai attacks facilitator Tahawwur Hussain Rana. Most significantly, OIA facilitated three unprecedented transfers of high-priority fugitives from Mexico pursuant to Mexico's National Security Law, bringing 92 fugitives to face justice in the United States. Among the cartel leaders, violent criminals, and terrorists were Rafael Caro Quintero, who organized the 1985 murder of DEA Special Agent Enrique Camarena, and top leaders of CJNG, Los Zetas, Los Cuinis, and the Sinaloa Cartel.

Notable Accomplishments in Priority Areas

In FY 2025, the Division made significant impact in several priority areas for the Department, to include:

- Violent Crime
- Immigration
- Ransomware and Cybercrime
- Drugs, including Fentanyl

Examples of successful prosecutions in administration priority areas include the following:

Violent Crime – VCRS made substantial progress in dismantling violent criminal organizations and prosecuting violent crime across the nation in 2025. VCRS obtained RICO convictions and lengthy sentences against members of MS-13, the Aryan Brotherhood, the Bandidos Motorcycle Gang, Sex Money Murder (Bloods), the Unknown Vice Lords, the Highs gang, the Gangster Disciples, and the Barrios Azteca cartel—including Eduardo Ravelo, who pleaded guilty to participating in the 2010 murder of U.S. consulate employees in Juarez, Mexico. In September 2025, as part of Operation Take Back America, VCRS secured convictions of eight MS-13 gang members who pleaded guilty to a multi-year racketeering conspiracy. These defendants carried out brutal murders, killing victims with machetes, baseball bats, and their bare hands, and then sending photos of the victims' bodies to MS-13 leaders in El Salvador. Through its Violent Crime Initiatives in Memphis, Houston, St. Louis, and Miami, VCRS prosecuted carjackings, armed robberies, drug trafficking, and gang-related murders. VCRS secured multiple mandatory life sentences for VICAR murders and obtained trial convictions with sentences totaling hundreds of years.

Immigration – The Human Rights and Special Prosecutions Section (HRSP) demonstrated strong impact in prosecuting alien smuggling, deterring illegal immigration and securing our borders. Notable accomplishments in this area include obtaining a 120-month prison sentence for Enil Edil Mejia-Zuniga, also known as Chino, who was convicted for his role in a massive alien smuggling conspiracy that spanned three years and involved thousands of aliens from over 11 different countries. Mejia-Zuniga admitted to smuggling between 2,500 to 3,000 aliens into the United States in just two years and that he made $30,000 for every ten illegal aliens who made it to the Rio Grande River and another $30,000 if those ten illegal aliens made it to San Antonio.

Ransomware and Cybercrime – In FY 2025, CCIPS disrupted major ransomware operations—including LockBit, Conti, Robbinhood, Nefilim, and ALPHV BlackCat—and dismantled cybercrime marketplaces, botnets, and information-stealing malware services such as LummaC2, BreachForums, and Cracked. For example, in March 2025, CCIPS and OIA secured the extradition of Rotislav Panev, a Russian-Israeli national, from Israel to the United States to face charges for his participation in a conspiracy to deploy LockBit ransomware against thousands of victims in the U.S. and worldwide, extracting at least $500 million in ransom payments and causing billions of dollars in other losses. LockBit has been one of the most destructive ransomware groups in the world, attacking more than 2,500 victims in at least 120 countries, including 1,800 in the United States. CCIPS also pursued a variety of cybercrimes: CCIPS prosecuted cryptocurrency investment fraud schemes totaling hundreds of millions of dollars, including the largest-ever seizure of funds related to crypto confidence scams ($225 million). In one notable case, CCIPS, FRD, and MNF joined forces to dismantle a multinational criminal network that stole more than $36.9 million from victims of cryptocurrency investment fraud scams carried out from call centers in Cambodia and laundered the proceeds through shell companies, international bank accounts, and digital asset wallets. The cross-division team convicted five individuals and obtained sentences totaling 202 months and restitution orders exceeding $34 million.

Drugs – The Money Laundering, Narcotics and Forfeiture Section (MNF)[4] achieved landmark results in combatting narcoterrorism, highlighted by guilty pleas from three of the most significant cartel leaders in history: Ismael Zambada Garcia ("El Mayo"), co-founder of the Sinaloa Cartel, who pleaded guilty to a continuing criminal enterprise carrying a mandatory life sentence; Ovidio Guzman Lopez and Joaquin Guzman Lopez, two of the "Chapitos" who led the Sinaloa Cartel following their father El Chapo's extradition. MNF also sentenced CJNG's former second-in-command to life plus 30 years, and secured lengthy prison terms for leaders of Los Zetas, Los Cuinis, Los Viagras, Barrio Azteca, and other major trafficking organizations.

Challenges to Achieving Outcomes

Many factors, both external and internal, affect the Criminal Division's capacity to accomplish its goals. While some of these factors are beyond its control, the Division strives to navigate these obstacles successfully, with an effort to minimize the negative impact these factors have on the Division's critical mission.

External Challenges

External Challenge - Cross-Border Law Enforcement: The Criminal Division is on the frontlines of the administration's fight to eliminate transnational criminal organizations, secure our nation's borders, and restore safety and security to our communities by taking violent criminals off the streets here and disrupting their networks abroad. To accomplish these goals, the Department of Justice must commit resources to support cross-border law enforcement—specifically, to ensure that notorious, violent kingpins, and leaders of criminal organizations face justice in American courtrooms, to remove foreign fugitives and criminals from the United States, and to work with foreign counterparts to investigate and prosecute illicit enterprises before their crimes ever reach American shores.

The Criminal Division's Office of International Affairs (OIA) is the tip of the spear of the Department of Justice's cross-border law enforcement efforts. OIA has a critical role in every important international case and is responsible for extraditions, mutual legal assistance, and sensitive overseas operations across the full range of criminal, terrorism, and national security cases. OIA is called upon to assist with matters whose complexity cannot be overstated, often involving cyber criminals who operate seamlessly and remotely across borders to engage in a variety of crimes from unknown or masked locations, relying upon cryptocurrency to quickly move and conceal their criminal proceeds. OIA not only provides expert support to all federal prosecutors and agents, but also to state and local authorities, as well as foreign prosecutors with requests for extradition and mutual legal assistance.

As the administration surges resources to combat transnational criminal organizations, the number of prosecutors and government agencies calling upon OIA's expertise has multiplied. As these requests grow in number and complexity, OIA's work has become more time-intensive, risking longer response times to both domestic and foreign partners. OIA's capacity to handle a high volume of complex requests defines the speed of the Department of Justice's efforts to disrupt criminal activities, remove violent criminals from the country, and counter national security threats. Despite increased demands on its resources, OIA's accomplishments during the first year of the administration have been nothing short of extraordinary.

First, OIA has been at the center of the Department's efforts to obtain the return of notorious, violent criminals to face justice in American courtrooms for their crimes committed against the United States:

- **Facilitating Mexico's National Security Transfers**. OIA oversaw three unprecedented transfers for a total of 92 high-priority criminals from Mexico to the United States under Mexico's National

[4] During Fiscal Year 2026, the Money Laundering and Asset Recovery Section (MLARS) was merged with the Narcotic and Dangerous Drug Section (NDDS) to form the Money Laundering, Narcotics and Forfeiture Section (MNF).

Security law.[5] The first transfer of 29 criminals from Mexico occurred in February 2025, followed by a second transfer of 26 fugitives in August 2025, and a third transfer of 37 criminals in January 2026. Transferred fugitives included Rafael Caro Quintero, who organized the torture and killing of Drug Enforcement Administration (DEA) Special Agent Enrique "Kiki" Camarena-Salazar and Abdual Karim Conteh, the leader of an organization responsible for smuggling migrants from Asia, Africa, and the Middle East.

- **Securing the United States' Northern Border**. OIA—working with Joint Task Force Alpha—secured the surrender from Canada of two dual U.S. and Canadian citizens to stand trial in the Northern District of New York for charges related to an alien smuggling venture that resulted in the tragic death of a family of migrants, including two young children, who drowned in the St. Lawrence River while attempting to cross the United States' northern border.[6]

- **Targeting Foreign Scam Operatives**. OIA facilitated the extradition from Ghana of Nigerian national Emmanuel Adebayo to stand trial in the Central District of California after he and his co-conspirators tricked an elderly American citizen into traveling to Ghana as part of a romance scam. Upon her arrival in Ghana, Adebayo and his co-conspirators held the victim hostage and extorted money from the victim's family to secure her release. The hostage-takers assaulted the victim, threatened to kill her, and drove her to attempt suicide. The FBI coordinated with Ghanaian law enforcement to rescue the victim. OIA worked closely with prosecutors to secure Adebayo's extradition.

Second, OIA has sought to extradite or remove fugitives wanted by foreign law enforcement. These cases are a critically important part of OIA's mission to protect public safety. This work involves complex litigation, with fugitives attempting to turn extradition proceedings into mini trials, delaying extraditions, and prolonging justice for the victims. Despite these obstacles, OIA has successfully litigated for the removal of violent criminals so that they will face justice in the jurisdiction where prosecutors are able to bring the strongest possible charges against them:

- **Extradition of Tren de Aragua (TdA) Fugitives**. The United States extradited several accused TdA members to face prosecution in Chile for an array of vicious felonies committed before the fugitives illegally entered the United States.[7]

- **Extradition of Organizer of Mumbai Terrorist Attacks**. OIA obtained the extradition of Tahawwur Hussain Rana to India to stand trial on charges of conspiracy, murder, commission of a terrorist act, and forgery, related to his alleged involvement in the 2008 Mumbai terrorist attacks committed by Laskhar-e-Tayyiba (LeT), a designated foreign terrorist organization, which killed 160 victims, including six Americans.[8]

Third, OIA has responded to foreign requests to obtain U.S.-based evidence and other mutual legal assistance—a critical responsibility not only to ensure reciprocity from our foreign partners, but to protect the American people by ensuring that transnational crime is addressed overseas too:

- **Assistance to Sweden for ISIS Terrorists Osama Krayem**. OIA coordinated the in-person testimony of key witnesses in furtherance of Sweden's prosecution of ISIS terrorist Krayem for crimes involving his role in the capture and execution of a Royal Jordanian Air Force pilot who

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[5] https://www.justice.gov/opa/pr/26-fugitives-wanted-violent-and-serious-crimes-returned-united-states-mexico-including-0; https://www.justice.gov/opa/pr/26-fugitives-wanted-violent-and-serious-crimes-returned-united-states-mexico-including-0; https://www.justice.gov/opa/pr/37-mexican-nationals-wanted-serious-crimes-transferred-united-states-mexico-including

[6] https://www.justice.gov/opa/pr/member-deadly-human-smuggling-organization-extradited-canada; https://www.justice.gov/opa/pr/member-deadly-human-smuggling-organization-extradited-canada-0.

[7] https://www.justice.gov/opa/pr/united-states-extradites-three-alleged-members-tren-de-aragua-chile-face-prosecution-murder

[8] https://www.justice.gov/opa/pr/us-extradites-alleged-co-conspirator-2008-mumbai-terrorist-attacks-face-charges-india

had been shot down over Syria, put in a metal cage, set on fire, and murdered. As a result of OIA's critical support, the Swedish court convicted Krayem of terrorism and war-crime offenses and sentenced him to life imprisonment.

- **Assistance to France for Drug Baron Mohamed Amra ("The Fly")**. OIA executed dozens of mutual legal assistance requests on behalf of France for over 175 electronic accounts for their criminal investigation of the notorious French drug baron Mohamed Amra and his associates, who had murdered two French officials during Amra's escape from custody while being transported from jail to a court hearing in Rouen, France. With OIA's invaluable help, French and Romanian police arrested Amra and 10 accomplices for murder, prison escape, and related offenses.

Fourth, OIA—unique among Criminal Division components—has assisted state and local law enforcement and prosecutors that seek justice for violent crime victims. In FY 2025, OIA facilitated the return of 112 fugitives to state jurisdictions, 90% of whom were charged in matters involving violent crimes such as homicide, sexual assault, and crimes against children:

- **Return of FBI Top 10 Most Wanted Fugitive to Face Capital Charges**. OIA facilitated India's deportation of one of the FBI's Top 10 Most Wanted Fugitives, Cindy Rodriguez Singh, to Texas, where she now faces a capital murder charge in connection with the death of her six-year-old disabled son.[9]

- **Extradition of Alleged Murderer from Canada**. OIA facilitated the extradition of U.S. citizen Ashley Keenan from Canada to stand trial in Ohio for the shooting death of her mother, after which she drove to a police station in Canada where she confessed to the murder.

Fifth, OIA has administered the International Prisoner Transfer program to transfer convicted foreign nationals to their home countries to serve their sentences of incarceration.[10] This treaty-based transfer saves the federal and state prison systems the cost of continuing to incarcerate the transferred prisoner. The same treaties permit American nationals incarcerated abroad to apply to transfer to the United States.

However, despite OIA's efforts to achieve efficiencies with its workload, OIA cannot keep up with the ever-growing demand and the additional litigation required to successfully resolve increasingly complex international cases.

External Challenge - Fentanyl Chain: An unprecedented scourge of addiction and death, propelled by the illicit trafficking of fentanyl and other synthetic opioids, grips almost every community across the United States. This epidemic kills approximately 300 Americans daily. Between April 2022 and April 2023 alone, 111,355 people died from drug overdoses, with fentanyl and other synthetic opioids involved in nearly 70 percent of those deaths. This wave of the fentanyl crisis is part of a three-wave opioid battle the U.S. has been fighting since the 1990s. Statistics alone—no matter how sobering—fail to capture the complexity of the epidemic. The crisis manifests itself on American streets and weakens our national security, and these scenes of devastation are the inevitable result of a $500 billion illicit distribution chain operated by transnational criminal organizations (TCOs). Disrupting the criminal networks that endanger Americans through fentanyl distribution and related crimes is a key priority of the Criminal Division, and particularly its Money Laundering, Narcotics and Forfeiture Section (MNF).

As a 2019 Financial Crimes Enforcement Network (FinCEN) Advisory notes, fentanyl trafficking in the U.S. generally follows two pathways: either (1) the "direct purchase of fentanyl from China by U.S.

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[9] https://www.fbi.gov/contact-us/field-offices/dallas/news/fbi-ten-most-wanted-fugitive-cindy-rodriguez-singh-located-in-india-and-returned-to-united-states

[10] https://www.justice.gov/opa/pr/united-states-department-justice-transfers-14-mexican-nationals-drug-or-firearm-convictions; https://www.justice.gov/opa/pr/united-states-department-justice-transfers-14-mexican-nationals-drug-convictions-mexico; https://www.justice.gov/opa/pr/united-states-department-justice-transfers-13-mexican-nationals-drug-convictions-mexico

individuals for personal consumption or domestic distribution," or (2) the "cross-border trafficking of fentanyl from Mexico by TCOs and smaller criminal networks." TCOs engaged in this drug trafficking and money laundering exploit all tools for their criminal efforts, including the latest encrypted communication, digital assets, weaponry, recruitment, and transportation methods.

Recognizing the magnitude of this threat, on December 15, 2025, President Trump signed Executive Order 14367, designating illicit fentanyl and its core precursor chemicals as weapons of mass destruction (WMD). The Executive Order recognizes that illicit fentanyl is "closer to a chemical weapon than a narcotic" – with just two milligrams constituting a lethal dose – and directs the Attorney General to immediately pursue investigations and prosecutions into fentanyl trafficking, including through criminal charges, sentencing enhancements, and sentencing variances. The WMD designation ensures the full weight of the federal government is mobilized to confront this crisis and underscores the urgency of the Criminal Division's mission.

The Criminal Division leads the Department's efforts to disrupt and dismantle these networks. CRM advanced this leadership in 2025 by creating the Money Laundering, Narcotics and Forfeiture Section (MNF), which integrated dedicated cartel prosecutors from the Narcotic and Dangerous Drug Section (NDDS) and the Money Laundering and Asset Recovery Section (MLARS), which leads money laundering and forfeiture prosecution for the Department. MNF is using all tools to disrupt the full infrastructure supporting fentanyl trafficking, including through prosecution of the command-and-control elements of significant cartels and TCOs, investigation and prosecution of the money laundering networks that support these organizations, forfeiture of their criminal assets, and coordination with interagency and USAO partnerships. CRM leads the country in sophisticated proactive and historical investigations and indictments against the established and emerging leadership of nearly every major cartel operating in Latin America, including the Cartel de Jalisco Nueva Generación and the Sinaloa Cartel.

For example, in 2025, CRM prosecutors secured convictions of Ismael Zambada Garcia ("El Mayo"), cofounder of the Sinaloa Cartel, and Joaquin Guzman Lopez, a son of the Cartel's other cofounder, both of whom pleaded guilty to multiple charges and admitted to leading the Cartel's deadly fentanyl manufacturing and trafficking networks. These cases are just two of many in CRM. CRM's successes also include the convictions of the Sinaloa Cartel's other cofounder, Joaquin Guzman Loera ("El Chapo"), and another of El Chapo's sons and an alleged Cartel leader, Ovidio Guzman Lopez; the indictment of Ceferino Espinoza Angulo, also known as "Koy," a high-ranking member of the Sinaloa Cartel responsible for manufacturing and trafficking large quantities of fentanyl and other drugs; and the ongoing prosecution of one of the Cartel's alleged lead sicarios, Néstor Isidro Pérez Salas ("El Nini"). In August 2025, CRM also announced charges against five high-ranking members of the United Cartels, which flood the United States with methamphetamine and fentanyl.

Additionally, over the past several years, CRM has become a leader in the investigation and prosecution of precursor chemicals, an essential link in the fentanyl supply chain, as well as money laundering organizations, including Chinese Money Laundering Organizations, that allow these TCOs to profit off the sale of fentanyl.

The breadth of the fentanyl epidemic cannot be overstated. With just one sale, TCOs can create buyers for life, as the very makeup of fentanyl requires users to continuously feed their habit. This creates a market limited only by the dire consequences for users (overdoses) and our ability to disrupt these criminal networks. To meet this challenge, CRM has dedicated significant resources. But while the market is limitless, resources are not. The resources requested in FY 2027 will enable the Criminal Division to continue to confront this crisis head on and strike at the heart of the criminal organizations that profit off death and addiction in American communities.

External Challenge - Gaps in Legislation: As the Criminal Division fulfills its mission of investigating and prosecuting cases and providing expert guidance and advice, it identifies shortcomings of existing laws and the need for legislative changes to strengthen the Department's ability to seek justice for the American people.

One prominent example is the Division's efforts to combat illicit fentanyl trafficking, which include developing a series of legislative proposals designed to give the United States the additional tools it needs to better detect and defeat fentanyl. These proposals include closing key loopholes that drug traffickers exploit and expanding penalties for those who engage in trafficking deadly fentanyl into our communities. These proposals are designed to give the United States the additional tools it needs to better detect and defeat illicit fentanyl—a drug so deadly that it is now deemed a weapon of mass destruction. These legislative changes would:

- Increase penalties for manufacturing and distributing materials used to make fentanyl to mirror those related to methamphetamine. (21 U.S.C. § 843)

- Make violations of the Foreign Narcotics Kingpin Designation Act, by which the U.S. government designates and imposes sanctions on some of the most significant international drug traffickers, a predicate offense for federal money laundering charges. (18 U.S.C. § 1956)

- Expand the reach of federal law to cover international drug traffickers who attempt to evade the United States' regulations governing precursor chemicals used to manufacture illicit drugs. (21 U.S.C. § 959)

- Reduce confusion in litigation by more clearly defining fentanyl analogues. (21 U.S.C. § 802)

Similarly, the Division drafted several legislative proposals that were included in the July 2025 Report of the President's Working Group on Digital Asset Markets. These proposals would enhance the ability of the Department and U.S. federal law enforcement authorities to hold accountable criminal actors who misuse digital assets to victimize Americans and exploit the legitimate financial sector. Specifically, these proposals would:

- Address and prevent gaps in statutes that criminalize making false statements to financial institutions. These gaps allow transnational criminal organizations, cartels, terrorists, and other criminals to access to the U.S. financial system to move the money and digital assets that fuel their crimes. (18 U.S.C. § 1014)

- Clarify that digital assets are covered property for purposes of the federal interstate theft statute. (18 U.S.C. §§ 2311, 2314, 2315)

- Update the anti-tip-off statute to include virtual asset service providers and drug and human trafficking offenses to safeguard the integrity of sensitive ongoing law enforcement investigations. (18 U.S.C. § 1510)

- Close a loophole that allows drug traffickers and other bad actors to impede the government from seizing digital assets linked to criminal activity by treating digital assets like cash and other currency. (18 U.S.C. § 984)

The Division is working with Congress to improve the substantive tools available in other areas as well. For example, as new and dangerous threats to children emerge – including financially motivated sextortion and sadistic online exploitation – the Criminal Division has been working with legislators on both sides of the aisle to explore ways to close existing statutory loopholes and ensure that federal prosecutors have the legislative tools necessary to prosecute child sex offenders and keep children safe.

In addition to these substantive gaps in criminal enforcement, there are multiple areas where procedural provisions hamper the Division's efficiency in holding criminals accountable. In the past year, the Criminal

Division took a lead role in continuing the cross-Administration legislation push to improve many of these procedures, including by drafting bills that would improve existing procedures used to combat transnational crime. These include proposals to:

- Apply the same rules to preserve and recover illicit domestic assets, including proceeds of U.S. crimes, to assets located abroad. (21 U.S.C. § 853(f); 18 U.S.C. § 981(b)(3))
- Modernize the venue rules for extraterritorial offenses by eliminating the "first brought" requirement and permitting prosecution in the appropriate district, which would save the United States and our allies both time and money. (18 U.S.C. § 3238)
- Clarify the process for suspending the statute of limitations when the government is seeking to obtain and review evidence located in a foreign country. (18 U.S.C. § 3292)

And the Division continues to develop proposals to address the myriad other gaps, large and small, that hamper federal prosecutors' ability to hold criminals to account. Some prominent examples of the gaps include:

- The scope of statutes like the Armed Career Criminal Act (18 U.S.C. § 924(e)) that are designed to increase punishments on the most dangerous and violent armed offenders, but which have been repeatedly narrowed by the Supreme Court over the past decade.
- Jurisdictional limitations in human-rights statutes, such as the torture statute (18 U.S.C. § 2340A), that do not include U.S. jurisdiction over the torture of U.S. persons outside the United States (unless the torturer is later present in the U.S.).
- In the context of human smuggling crimes, changing the statute that permits enhanced penalties for the smuggling of known and suspected terrorists and serious criminals (8 U.S.C. § 1327) that is premised on discretionary administrative immigration-law determinations that are a poor fit for the criminal context.

Achieving many of the Department and Division's priorities depends on legislation being enacted, which is time and resource intensive for everyone involved in the legislative process. Therefore, one persistent external challenge that the Division faces, and invests significant time and effort to address, is limited statutory tools.

Internal Challenge

Managing Data and Network Risk: Internal and external demands on CRM's information technology (IT) storage, systems, and staff have and will continue to rapidly increase. These demands include:

- Ever-growing cybersecurity requirements from multiple federal sources;
- Recruiting and retaining key federal IT positions and contractors in a high paying IT economy;
- Emerging software and service capabilities to meet evolving mission and e-litigation requirements;
- Upgrading mission-critical, antiquated legacy systems that lack efficiency and pose cybersecurity risks; and
- Managing end-state cybersecurity issues through a robust and mature privacy program.

Meeting these growing demands has become increasingly difficult for the Criminal Division, as data storage and tech capabilities are necessary and very expensive. IT costs are growing at an average of 10 - 12% year after year. The Division recently analyzed IT data to understand changes in this area; it showed a steady increase in IT data since 2018, with an expectation of continued growth at a fast pace. The Division's IT expenses as a share of base funding were 26% in FY 2024, up from 14% in FY 2018. This dramatic increase in IT costs is driven primarily by an explosion of litigation data and the cost of maintaining a modern, secure IT infrastructure.

Challenge Drivers

The first driver – the dramatic increase in the Division's data and subsequent need for additional IT storage – is the result of more investigations and prosecutions, and much larger data sets associated with each case. This includes the numbers of devices and the data size of these devices. For example, laptop and phone storage has increased from a standard of 64 - 256GB to Terabytes. The increase in data per case and file is a direct result of large increases in social, mobile and cloud data, as well as audio and video files (e.g. body cameras). The larger data set trend will only continue, as it is a natural byproduct of the ever-technologically driven world we live in.

The second driver of this exponential cost increase, which is multifaceted, is IT modernization and security. Maintaining a secure and modern infrastructure is more expensive now than ever due to many factors, including increased costs of compliance and security, labor, and raw materials, in addition to AI capability demands and supply chain challenges that further drive costs up. As an example, CRM is tasked with implementing recent DOJ and Cybersecurity and Infrastructure Security Agency (CISA) guidance for contractor IT security. While these will steer the Division into a more secure state across hardware, software, and services, compliance comes at a price. Services contractors, including litigative consultants and expert witnesses, have reported significant costs in implementing new IT security policies, while other vendors have opted to not do business with DOJ, limiting marketplace competition and DOJ's ability to obtain the best value for the government. Budgetary impacts from this – including large cost increases in IT security-related contracts – are already being realized and are likely to continue.

Increased Challenges Going Forward

Some of the Department's initiatives include adoption of cloud-based technology and modernization of mission-critical applications to ensure the most effective software and hardware portfolios are being used. CRM's use of cloud storage is currently limited to software-as-a-service applications. As part of the Government's "cloud first" approach to infrastructure and platform services, CRM will be required to make substantial investments into cloud storage over the next several years that will significantly increase the percentage of CRM's budget spent on IT expenses.

Additionally, the Division has several vital, high-impact systems that must be replaced in the coming years. The limited capabilities of these systems are increasingly failing to meet the needs of the Division, resulting in progressively complex data management, excessive problem resolution times, delays in service provisioning, and an insufficient ability to modernize and respond quickly to mission requirements. Maintaining and securing outdated systems requires intensive resources, leaving fewer resources to pursue new systems. The Division has had successes in this area, developing and implementing a new Division-wide case management system in FY 2022, and a system to replace a 20-year-old system for its Office of International Affairs (OIA) in FY 2025.

The rapidly increasing costs of information technology, driven largely by the growing data storage and IT security and modernization needs of the Division, have become a significant concern. In FY 2022, Congress gave the Division the authority to carry over its existing information technology funding across fiscal years, rather than requiring those funds to be spent or lost within a single year. Although this did not provide any additional funding, the budgetary flexibility has been significantly helpful in keeping evolving IT needs funded in the short term.

Even with this authority, this ongoing challenge is only projected to become more difficult in the coming years given the current technology and cybercrime landscape. Despite this, the Division will continue to manage its resources, as well as achieve efficiencies where it can, to address these challenges, while at the same time working to devise novel solutions to this serious and growing problem.

Addition of Artificial Intelligence to IT Challenges

Lastly, while it is a critical part of CRM's IT modernization efforts, the use of Artificial Intelligence (AI) and other cloud-based solutions to improve current Automated Litigation Support (ALS) software has also presented new challenges for the Division. Attorneys must utilize ALS software to successfully navigate massive data sets to investigate matters and prosecute cases; however, as data sets become increasingly large and complex, software capabilities must improve. AI tools can speed up data processing significantly. Failing to keep up with technology in this space threatens attorneys' ability to analyze electronic evidence, which undermines their ability to present cases effectively. New technology would allow the Division to better utilize its limited IT resources and keep pace with the explosion of litigation data that will only continue to grow. Unfortunately, IT costs that continue to consume a greater percentage of the Division's base budget each year could limit investment in AI technology needed to meet more complex mission demands.

Artificial Intelligence: Artificial intelligence (AI) has emerged as one of the most powerful technologies of our time and the rapid advance of AI's sophisticated capabilities has raised concerns about the possibility that these technologies will pose significant challenges to federal agencies.

To fulfill its mission, the Criminal Division must keep up with fast-changing technologies. The Division, like so many other organizations across the Federal government, is only starting to understand the rapidly evolving technology in this space, as well as the technology that investigators and prosecutors need to inhibit federal crimes, and the evidence that such systems create. CRM is also working to understand the scope of resources – both funding and people – that it will need to be responsive to AI technology evolution.

Irresponsible and criminal use of AI technology is already impacting the Department's efforts to combat cybercrime and other emerging threats to national security. The Division has previously observed the rapid adoption by criminals of new technologies and expects AI to be no exception. As criminals gain access to increasingly sophisticated tools and technologies, our investigations must keep pace with the new disruptive trends and anonymizing technologies to keep our communities safe.

Several sections in the Division face the many challenges posed by this emerging technology. The Computer Crime and Intellectual Property Section (CCIPS) is already collaborating with domestic and international law enforcement partners, and AI providers, to better understand and mitigate early trends in criminal use of AI such as the creation of "deepfake" images in furtherance of various fraud schemes, or the use of AI trading bots to commit investment scams. The Division's Child Exploitation and Obscenity Section (CEOS) has prosecuted cases in which AI was utilized to produce sexually explicit depictions of children and other AI-generated child sexual abuse material. Offenders are using AI platforms to create child sexual abuse material (CSAM) – both in the form of "deepfake" images and AI CSAM images that look like a child is engaged in sexually explicit conduct but does not involve a real child. This trend is becoming increasingly problematic as more offenders are creating more sophisticated, photo-realistic and graphic imagery. Offenders are also using AI to sextort children by generating realistic looking deepfakes involving targeted children and then threatening to release that imagery unless the victims pay the offenders money or accede to some other demand. Grave concerns also exist over the use of AI to cause significant problems for child-rescue efforts, insofar as would-be rescuers seek to identify, locate, and safeguard the children depicted in CSAM when those children do not, in fact, exist.

CEOS is working to address these threats in several ways including through federal investigation and prosecution of high-value offenders; training investigators and prosecutors to identify, target, and prosecute offenders; ensuring awareness about the illegality of AI CSAM under federal law and how AI CSAM harms children; assisting States in developing or improving their legislation to address AI CSAM; and working with the industry to develop preventative measures.

CRM has contributed to the investigation and prosecution of cases in which AI has played a major role. For example, in July 2025, the Fraud Section (FRD), in partnership with the U.S. Attorney's Office for the Central District of California, secured the guilty plea of Vincent Anthony Mazzotta Jr. to money laundering charges related to a $13 million Ponzi scheme. Mazzotta defrauded investors by falsely promising high-yield profits from investments in cryptocurrency markets using automated trading robots powered by AI.

The Criminal Division also participated in the shaping of an international governance framework for AI. CCIPS, for instance, has contributed to the development of international AI policy, by playing a critical role in the negotiation of the Council of Europe Framework Convention on AI, Human Rights, Democracy, and Rule of Law, an international legally binding treaty that aims to ensure that activities within the lifecycle of AI systems are fully consistent with human rights, democracy and the rule of law.

Access to AI technology would prove beneficial to the Criminal Division's efforts to fulfill its mission. Responsible use of AI, for instance, could assist the Division's Office of Enforcement Operations (OEO) and its Freedom of Information Act/Privacy Act (FOIA/PA) Unit in several ways. AI could also augment CRM's responses to data breaches impacting the Division, through automatic detection of personally identifiable information (PII) in material subject to a breach.

II. Summary of Program Changes

Item Name	Description	Positions	FTE	Amount ($000)	Page
Targeting Transnational Criminal Organizations' Misuse of Variable Interest Entities	The Division requests these resources for the Fraud Section (FRD) to enhance its efforts in addressing manipulation by, and in connection with, the securities of foreign-adversary companies listed on U.S. exchanges, including the misuse of variable interest entities.[11] These schemes are sophisticated, transnational in scope, and specifically engineered to exploit structural features of VIE-based listings and gaps in the regulatory architecture governing foreign issuers on U.S. exchanges. They weaponize the trust that American investors place in SEC-registered entities, NASDAQ listing standards, and the perceived legitimacy of U.S.-listed securities. The conspirators operate from abroad, use foreign-based brokerage accounts to execute and receive the proceeds of their fraud, and actively seek to expatriate stolen funds beyond the reach of U.S. law enforcement. Absent sustained and adequately resourced criminal enforcement, these actors will continue to treat U.S. capital markets as a venue for systematic theft from American investors.	5	3	$1,609	22

[11] The Fraud Section's first two charged matters in this area illustrate the breadth and severity of the threat. In United States v. Lai Kui Sen and Yan Zhao (E.D. Va., September 2025), the co-CEO of NASDAQ-listed Ostin Technology Group and a financial advisor were indicted for orchestrating a "ramp and dump" scheme that placed over 70 million freely tradable shares into co-conspirators' hands and enabled the sale of more than $100 million worth of stock to unwitting investors; the Department also seized nearly $10 million in assets from co-conspirators' brokerage accounts to prevent funds from being expatriated. In United States v. Guanhua "Michael" Su (D.D.C., November 2025), the managing director of a Hong Kong-based financial services business was charged for filing false and deceptive forms with the SEC to register at least 10 sham entities as investment advisers, which were then used to induce investors into purchasing stock of a NASDAQ-listed, Cayman Islands-based company with business operations in China that used a VIE structure — a scheme that generated as much as $211 million in gross proceeds for co-conspirators before the stock collapsed approximately 88%.

Targeting Trade Fraud Schemes by Transnational Criminal Organizations	The Division requests these resources to strengthen FRD's efforts to lead the Department's criminal investigation and prosecution of trade fraud cases, particularly those involving large-scale trade fraud schemes carried out by transnational criminal organizations. Criminal trade fraud represents a direct and growing attack on the integrity of the U.S. trade system and the revenues owed to the American public. These schemes deprive the United States of hundreds of millions of dollars in lawful tariff revenue, undercut American businesses that comply with trade laws and pay required duties, and undermine the trade policies enacted to protect the American economy from unfair foreign competition.[12]	5	3	$1,409	25
Combat Financially Motivated Sextortion and Online Exploitation of Children	The Criminal Division requests these resources to meaningfully enhance our efforts to combat two expanding, evolving, and devastating crimes of online child exploitation: financially motivated sextortion and sadistic online exploitation. The Division, and the Department of Justice more generally, are committed to identifying and prosecuting offenders who commit these offenses. Support for this program increase will allow the Division's prosecutors to better address these crimes of online child sexual exploitation and abuse.	4	2	$639	28

III. Appropriations Language and Analysis of Appropriations Language

The Criminal Division is part of the General Legal Activities (GLA) sub-appropriation in the Department of Justice's appropriation. General Legal Activities language is displayed in the GLA rollup budget submission.

IV. Program Activity Justification

This budget demonstrates how the Criminal Division's resources directly support the achievement of the Department's priorities, both nationally and internationally. It is intended to meet the requirements of the Office of Management and Budget (OMB) Circular A-11, Part 6, Section 240 *Annual Performance Planning*. The Division reports all resources under its only decision unit, "Enforcing Federal Criminal Law." Total costs represent both direct and indirect costs, including administrative functions and systems.

Enforcing Federal Criminal Law	**Direct Positions**	**Estimated FTE**	**Amount ($000)**
2025 Enacted	899	672[13]	$225,312

[12] FRD's first trade fraud cases were brought against MGI International, a corporate declination, and its former Chief Operating Officer David Guimond. The investigation revealed that MGI International, LLC and its subsidiaries Global Plastics LLC and Marco Polo International LLC, a plastic resin distributor, engaged in a scheme to falsify Country of Origin declarations to avoid duties owed on products of Chinese origin. The company previously paid $6.8 million to resolve civil liability under the False Claims Act for knowingly failing to pay customs duties on certain plastic resin imported from China, and the Department credited that amount as part of a declination. Guimond pleaded guilty to conspiracy to smuggle goods into the United States, admitting he instructed subordinates to misrepresent the manufacturer and country of origin on paperwork submitted to U.S. Customs and Border Protection in order to avoid paying required duties. This case represents only the beginning of FRD's trade fraud enforcement effort. Many of these matters target repeat offenders who have, for years, taken fraudulent steps to evade tariffs — particularly for goods shipped from China. As the enforcement pipeline built by the Trade Fraud Task Force continues to develop and generate referrals, FRD's capacity to investigate, charge, and prosecute these cases must scale accordingly.

[13] FTE is actual.

2026 Enacted	806	762	$234,350
Adjustments to Base and Technical Adjustments	90	69	$44,800
2027 Current Services	896	831	$279,150
2027 Program Increases	14	8	$3,657
2027 Request	910	839	$282,807
Total Change 2026-2027	**104**	**77**	**$48,457**

Enforcing Federal Criminal Law – Information Technology Breakout	**Direct Positions**	**Estimated FTE**	**Amount ($000)**
2025 Enacted	19	19	$65,081
2026 Enacted	24	24	$74,635
Adjustments to Base and Technical Adjustments	0	0	N/A
2027 Current Services	24	24	$85,000
2027 Program Increases	0	0	$0
2027 Request	24	24	$85,000
Total Change 2026-2027	**0**	**0**	**$10,365**

Enforcing Federal Criminal Law

Program Description

The Criminal Division's mission is to protect the American people from serious criminal activity, including transnational criminal organizations, cybercrime, child exploitation, fraud, gangs, and money laundering. The Division's specialized prosecution units develop and enforce federal criminal laws that target complex, international, and multi-district crime. The Criminal Division is headquartered in Washington, D.C. to work in partnership with both domestic and international law enforcement. While U.S. Attorneys and state and local prosecutors serve a specific jurisdiction, the Criminal Division addresses the need for centralized coordination, prosecution, and oversight nationwide.

The Division complements the work of its foreign and domestic law enforcement partners by centrally housing subject matter experts in all areas of federal criminal law, as reflected by the 18 Sections and Offices that make up the Division's Decision Unit "Enforcing Federal Criminal Laws." The concentration of formidable expertise, in a broad range of critical subject areas, strengthens and shapes the Department's efforts in bringing a broad perspective to areas of national and transnational criminal enforcement and prevention.

Office of the Assistant Attorney General (OAAG)

Appellate Section (APP)

Capital Case Section (CCS)

Child Exploitation and Obscenity Section (CEOS)

Computer Crime and Intellectual Property Section (CCIPS)

Fraud Section (FRD)

Human Rights and Special Prosecutions Section (HRSP)

International Criminal Investigative Training Assistance Program (ICITAP)

Money Laundering, Narcotics and Forfeiture Section (MNF)

Office of Administration (ADM)

Office of Enforcement Operations (OEO)

Office of International Affairs (OIA)

Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT)

Office of Policy and Legislation (OPL)

Public Integrity Section (PIN)

Tax Section (TAX)

Violent Crime and Racketeering Section (VCRS)

V. Program Increases by Item

Item Name:	**Targeting Transnational Criminal Organizations' Misuse of Variable Interest Entities**
Budget Decision Unit:	Enforcing Federal Criminal Laws
Organizational Program:	Criminal Division
Program Increase:	Positions 5 Agt/Atty 5 FTE 3 Dollars $1,609,000

Description of Item

The Division is requesting 5 positions (5 attorneys), 3 FTE and $1,609,000 for the Fraud Section to enhance its efforts in addressing manipulation by, and in connection with, the securities of foreign-adversary companies listed on U.S. exchanges, including the misuse of variable interest entities (VIEs). The Department is focused on Making America Safe Again by combatting the most significant threats to our country: transnational criminal organizations (TCOs), including cartels, foreign terrorist organizations, and hostile nation states. One aspect of this top priority for the Department is holding accountable foreign-based actors who defraud vulnerable American retail investors and undermine the strength of U.S. capital markets. Specifically, one of the most sustained attacks on American investors and markets is by foreign-based actors who effectuate manipulative securities schemes in connection with predominantly Chinese-based corporations whose securities are listed on NASDAQ (many of which use the variable interest entity structure). The Division's Fraud Section is leading the Department's effort to address these attacks.

Justification

As highlighted in the America First Investment Policy issued on February 21, 2025 (National Security Presidential Memorandum-3 ("NSPM-3")), the Administration has prioritized protecting the savings of U.S. investors to ensure they are channeled into American growth and prosperity, particularly from threats posed by foreign adversary entities listed on U.S. exchanges.[14] NSPM-3 directed a review by the Attorney General and others of "the variable interest entity and subsidiary structures used by foreign-adversary companies to trade on United States exchanges, which limit the ownership rights and protections for United States investors, as well as allegations of fraudulent behavior by these companies."

America's investment policy is critical to national and economic security. While having an open investment environment is important, the Department is mindful of foreign adversaries, including the People's Republic of China (PRC), who systematically direct and facilitate investment in United States' companies and assets to obtain cutting-edge technologies, intellectual property, and leverage in strategic industries. The PRC pursues these strategies in diverse ways, both visible and concealed, and often through partner companies or investment funds in third countries, including the use of VIEs.

Their actions can weaken the U.S. economic security which is a threat to national security, as reflected in NSPM-3: "Those Chinese companies [supporting the PRC's military industrial complex] also raise capital by: selling to American investors securities that trade on American and foreign public exchanges; lobbying United States index providers and funds to include these securities in market offerings; and engaging in other acts to ensure access to United States capital and accompanying intangible benefits. In this way, the PRC exploits United States investors to finance and advance the development and modernization of its military."

The Fraud Section has taken the lead for the Department in addressing the threats posed to U.S. investors and markets considering the concerns raised in NSPM-3. In evaluating the misconduct, the Fraud Section

[14] America First Investment Policy – The White House

has identified a significant surge in manipulative activity in connection with and surrounding VIEs, and other similarly structured foreign companies. The Fraud Section is combatting the manipulative market schemes in connection with these foreign adversary companies, including VIEs, in which U.S. investors are lured into VIE companies before affiliates are given substantial shares that they subsequently dump onto the market at the expense of the victim U.S. investors. The prolific nature of the investor harm is staggering. Market surveillance indicates that there has been more than $1.2 billion in illicit profits made in connection with such fraud schemes. Foreign issuers repeat this fraud and new, similarly structured entities – ripe for abuse – continue to IPO and become listed on NASDAQ each month.

Since Spring 2025, in close coordination with USAOs, the SEC, and the Financial Industry Regulatory Authority (FINRA), the Fraud Section has launched many investigations focused on these manipulative schemes, including cases involving foreign adversary issuers and related traders engaged in "ramp and dump"[15] schemes surrounding NASDAQ stocks, their executives and insiders, and other third parties who are essential to carrying out these fraud schemes, including brokers, investment advisors, and stock promoters, among others.

For example, the Fraud Section recently moved quickly on an investigation into a Chinese-based company that was misleading shareholders about its corporate offerings and facilitating ramp-and-dump trading by certain affiliated investors. In September 2025, the Fraud Section indicted two men for orchestrating a securities fraud scheme utilizing Ostin Technology Group Co. Ltd. (OST) stock to target American retail investors. The charged scheme netted over $100 million for the defendants and their co-conspirators, who siphoned OST shares in non-bona fide securities transactions and then dumped their stock amidst a coordinated social media campaign to pump OST's share price from April to June 2025. Based on the prosecution team's hard work, the United States seized nearly $10 million in fraud profits from the traders on the day after the stock dump, including millions that were slated to be expatriated to China.

In November 2025, the Fraud Section indicted a Hong Kong businessman for filing false SEC advisor forms on behalf of sham companies used in ramp and dump schemes. The false forms gave the impression that the entities were legitimate financial advisers, though they were sham entities. At least two of these false entities were then used to induce retail investors through social media and WhatsApp chats to purchase the stock of Chinese companies listed on NASDAQ.

In addition to the existing docket, the Fraud Section has triaged dozens of potential leads and, with more resources, will open additional investigations to replicate the above successes. Moreover, the Fraud Section has developed a real-time monitoring system to surveil the market for dramatic price movements in foreign adversary companies and VIEs, which provides another source for fast-paced monitoring for investigation leads. This modest enhancement will provide vital resources needed to address this emerging threat resulting in a return on the investment in terms of impacts to the markets and protecting American investors from victimization. An example of harm caused by these cases can be seen in the pump and dump scheme mentioned above that resulted in the September 2025 indictment. Unwitting investors suffered significant losses when, on June 26, 2025, OST lost over $950 million in market capitalization, representing over 94% of its value. As demonstrated by the case indicted in September 2025, these cases are fast moving, with money expatriated by fraudsters quickly. With more resources, the Fraud Section will be able to move more quickly on cases it identifies in real time to attempt to seize money before it is moved offshore, in addition to opening significantly more matters in this priority area.

Impact on Performance

Foreign-based fraudsters have historically viewed themselves as outside of the reach of U.S. law enforcement by operating in non-extraditable countries. By prosecuting these cases, and seizing assets before they move abroad, the Division holds fraudsters accountable and prevents their profits. With each

[15] Regulatory Notice 22-25 | FINRA.org

added attorney (and accompanying support), the Fraud Section will charge more defendants, seize more investor funds, and better protect the American economy and investors.

Funding

1. **Base Funding**

FY 2025 Enacted				FY 2026 Enacted				FY 2027 Current Services			
Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)
5	5	5	$870	5	5	5	$1,214	5	5	5	$1,343

2. **Personnel Increase Cost Summary**

Type of Position/Series	FY 2027 Request ($000)	Positions Requested	Full Year Modular Cost per Position ($000)	Annualizations ($000)			
				2nd Year	3rd Year	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Attorneys (0905)	$809	5	$289	$144	0	$718	0
Total Personnel	**$809**	**5**	**$289**	**$144**	**0**	**$718**	**0**

3. **Non-Personnel Increase/Reduction Cost Summary**

This request includes 3 contract paralegal positions and additional litigation support.

Non-Personnel Item	FY 2027 Request ($000)	Unit Cost ($000)	Quantity	Annualizations ($000)	
				FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Contract Paralegals	$300	$100	3	0	0
Litigation Support	$500	N/A	N/A	0	0
Total Non-Personnel	**$800**			**0**	**0**

4. **Justification for Non-Personnel Annualizations**: Not applicable

5. **Total Request for this Item**

Category	Positions			Amount Requested ($000)			Annualizations ($000)	
	Count	Agt/ Atty	FTE	Personnel	Non-Personnel	Total	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Current Services	5	5	5	$1,343	0	$1,343	0	0
Increases	5	5	3	$809	$800	$1,609	$718	0
Grand Total	**10**	**10**	**8**	**$2,152**	**$800**	**$2,952**	**$718**	**0**

6. **Affected Crosscuts**

Cybercrime
Transnational Crime
White Collar Crime

Item Name: **Targeting Trade Fraud Schemes by Transnational Criminal Organizations**

Budget Decision Unit: Enforce Federal Criminal Laws

Organizational Program: Criminal Division

Program Increase: Positions 5 Agt/Atty 5 FTE 3 Dollars $1,409,000

Description of Item

The Criminal Division requests 5 positions (5 attorneys), 3 FTE and $1,409,000 to strengthen the Fraud Section's efforts to lead the Department's criminal investigation and prosecution of trade fraud cases, particularly those involving large-scale trade fraud schemes carried out by transnational criminal organizations (TCOs). The Fraud Section is focused on investigating and prosecuting the most egregious cases, with conduct spanning multiple years and resulting in hundreds of millions of unpaid tariffs owed to the United States. The Fraud Section also prioritizes cases involving illegal trade and tariff evasion by corporate executives, at lower loss amounts. Many of these matters target repeat offenders who have taken fraudulent steps to evade tariffs *for years*, particularly for goods shipped from China. The requested resources will expand the Fraud Section's continued work in this space, which is vital to safeguarding the United States from illegal tariff evasion schemes, as illuminated in the America First Trade Policy.

Justification

Analysts estimate that fraudsters collectively evade over $100 billion in tariffs and duties each year. Traditionally, these fraudsters risked only civil penalties with these crimes, something they discount merely as the cost of doing business. No real risk and criminal liability existed to deter these criminals. With the requested resources, the Fraud Section will change this unchecked tariff fraud by prosecuting those criminally who flagrantly commit these ever larger and complex law violations.

In early 2025, the Fraud Section formed a task force to prosecute individuals and companies perpetuating these schemes, as part of the Division's dedication to defending American jobs, the public fisc, and the Administration's agenda. The Fraud Section allocated significant prosecutorial resources to large-scale trade fraud schemes carried out by TCOs, particularly those shipping goods from China into our country.

As of today, the Fraud Section has already charged one individual and resolved a criminal trade fraud corporate investigation with MGI International, LLC, a plastic resin distributor, as part of its initiative.[16] The Fraud Section also has vetted various leads, opened many investigations, and provided subject-matter expertise to investigators and other components on this priority issue. For example, a number of these investigations concern the undervaluation and misclassification of goods from Chinese importers that are fraudulently marked and valued to avoid paying hundreds of millions of dollars in tariffs, many of which end up sold to U.S. customers.

Each week, the Fraud Section intakes leads from law enforcement partners, U.S. Attorney's Offices, the Civil Division, voluntary corporate self-disclosures, and industry referrals. Through its work, the Fraud Section built the foundation for developing high-impact, large-scale prosecutions of trade fraudsters. Now, the requested resources will elevate and expand the existing framework that succeeds.

Simply put, the Fraud Section is a key leader in and member of the Department's Trade Fraud Task Force, announced on August 29, 2025. The Task Force will leverage skills and expertise from both the Civil and Criminal Divisions (specifically, the Fraud Section), as well as the Department of Homeland Security, to aggressively pursue enforcement actions against any parties who seek to evade tariffs and other duties, as well as smugglers who seek to import prohibited goods into the American economy.

Impact on Performance

By prosecuting these fraudsters, the Fraud Section supports and protects American consumers, as well as the United States' efforts to create jobs, to protect existing American jobs and industries from unfair foreign competition, and to increase investment in U.S. businesses. Prosecutions also provide the Department the ability to pursue evaded tariff and duty funds owed to the United States, which could result in both substantial recovery for the Treasury and significant deterrence of bad actors contemplating engaging in these schemes. The Fraud Section has prioritized opening cases with significant deterrent value, including cases with loss amounts over $100 million and cases involving misconduct by corporate executives. The average estimated loss for the cases currently being investigated by the Fraud Section to date is over $250 million. But the import of this work goes beyond the potential recovery of evaded tariffs. By working these cases in parallel with the civil authorities, the Fraud Section is able to maximize deterrent impact: no longer is it the case that civil penalties are simply the cost of doing business. The January 2026 guilty plea of a corporate executive[17] that occurred after a civil False Claims Act resolution highlights the importance of criminal enforcement in addition to civil remedies. With each added attorney and support, the Fraud Section will pursue more investigations, charge more defendants, recover more funds, and maximize the deterrence impact across industries.

[16] https://www.justice.gov/opa/pr/justice-department-resolves-criminal-trade-fraud-investigation-plastic-resin-distributor
[17] https://www.justice.gov/usao-nh/pr/new-london-man-pleads-guilty-conspiring-smuggle-chinese-goods-united-states-avoid

Funding

1. **Base Funding**

FY 2025 Enacted				FY 2026 Enacted				FY 2027 Current Services			
Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)
5	5	5	$870	5	5	5	$1,214	5	5	5	$1,343

2. **Personnel Increase Cost Summary**

Type of Position/Series	FY 2027 Request ($000)	Positions Requested	Full Year Modular Cost per Position ($000)	Annualizations ($000)			
				2nd Year	3rd Year	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Attorneys (0905)	$809	5	$289	$144	0	$718	0
Total Personnel	**$809**	**5**	**$289**	**$144**	**0**	**$718**	**0**

3. **Non-Personnel Increase/Reduction Cost Summary**

The request includes additional litigation support as well as 2 contract paralegals.

Non-Personnel Item	FY 2027 Request ($000)	Unit Cost ($000)	Quantity	Annualizations ($000)	
				FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Litigation Support	$400	N/A	N/A	0	0
Contract Paralegals	$200	100	2	0	0
Total Non-Personnel	**$600**			**0**	**0**

4. **Justification for Non-Personnel Annualizations**: Not applicable

5. **<u>Total Request for this Item</u>**

Category	Positions			Amount Requested ($000)			Annualizations ($000)	
	Count	Agt/ Atty	FTE	Personnel	Non-Personnel	Total	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Current Services	5	5	5	$1,343	0	$1,343	0	0
Increases	5	5	3	$809	$600	$1,409	$718	0
Grand Total	**10**	**10**	**8**	**$2,152**	**$600**	**$2,752**	**$718**	**0**

6. **<u>Affected Crosscuts</u>**

Transnational Crime

Item Name: **<u>Combat Financially Motivated Sextortion and Online Exploitation of Children</u>**

Budget Decision Unit(s): <u>Enforce Federal Criminal Laws</u>

Organizational Program: <u>Criminal Division</u>

Program Increase: Positions <u>4</u> Agt/Atty <u>2</u> FTE <u>2</u> Dollars <u>$639,000</u>

<u>Description of Item</u>

The Criminal Division requests 4 positions (2 attorneys), 2 FTE and $639,000 to meaningfully enhance efforts to combat two expanding, evolving, and devastating crimes of online child exploitation: financially motivated sextortion and sadistic online exploitation. The Division, and the Department of Justice more generally, are committed to identifying and prosecuting offenders who commit these offenses. Support for this program increase will increase prosecutions of online child sexual exploitation crimes.

<u>Justification</u>

The Criminal Division's Child Exploitation and Obscenity Section (CEOS) serves as the Department's leading expert in identifying and prosecuting those who exploit and abuse children, including those who exploit children online. Among the numerous types of child exploitation offenses on which CEOS focuses, two recent and rapidly expanding threats stand out for needing additional resources: financially motivated sextortion (FMS) and sadistic online exploitation (SOE).

Financially Motivated Sextortion

In the typical FMS fact-pattern, an offender—usually an adult male—targets a minor victim—usually an early-to-mid teenage boy. The offender adopts a peer's persona (usually a girl) of the targeted minor, engages the minor over social media, moves the minor to a messaging application, and persuades the minor to send a sexually explicit image of himself to the offender. Once the minor sends the image, the offender reveals himself to be an extortionist and, through an aggressive crushing fear and pressure campaign, threatens to release the imagery to the minor's friends, family, school, etc., unless the minor sends the offender money. For many minors, panic ensues. In scores of cases, minors have committed suicide in response.

The FBI has reported an alarming increase in FMS,[18] as has the National Center for Missing and Exploited Children (NCMEC). In 2022, NCMEC received 10,731 FMS-related CyberTips.[19] That number rose to 26,718 in 2023, or more than 50 per day.[20] That number again rose in 2024, with NCMEC reporting the receipt of nearly 100 FMS-related CyberTips per day.[21] In the first six months of 2024, there were 13,842 FMS-related CyberTips. In the first six months of 2025, there were 23,593.[22] CRM also believes that, due to the nature of the offense and victimization, these reported numbers understate the scope of the problem.

FMS has devastating consequences for child victims. As of March 2025, more than 36 teenagers in the United States died by suicide as a direct result of being victims of FMS.[23] CRM knows from its own case work that more boys have taken their lives since then. And countless other victims have suffered deeply.

FMS presents especially unique and extremely difficult investigative and prosecutorial challenges, as the majority of offenders are part of organized criminal syndicates located in Côte d'Ivoire (which does not extradite its citizens) and Nigeria, among other countries.[24] The offenders are computer savvy, employ numerous online personas and accounts, and skillfully hide their true identities. Identifying these offenders is extremely resource-intensive: they require numerous search warrants, other legal processes, and involve obtaining and reviewing voluminous digital pieces of evidence from geographically separate victims' phones, social media providers, other online providers, and financial providers (*e.g.*, Cash App). Critical to success is a deep understanding of the various technological platforms and what evidence those platforms can provide. All these sources must be analyzed and cross referenced to have any hope of identifying offenders operating overseas. Digital Investigative Analysts, often called computer forensic experts, are therefore essential to any investigative team. And the investigations reach globally, as the schemes often involve offenders located abroad and co-conspirators (*e.g.*, "money mules") in the United States.

Depending on the facts, there are several federal criminal statutes that reach FMS offenses, including statutes criminalizing the production of child sexual abuse material, online enticement and coercion of children, cyberstalking, and interstate threats. Other offenses, including fraud, money laundering, and computer-crime may also be brought to bear. In addition, the recently enacted TAKE IT DOWN Act, Pub. L. 119-12 (May 19, 2025), criminalizes the publication or threatened publication of certain intimate visual depictions of minors.

Department attorneys—led by a CEOS trial attorney—have played a critical role in prosecuting these offenders. Since 2023, CEOS has been working dozens of FMS investigations across the United States where U.S.-based children were targeted. In the course of this work, CEOS has prioritized all known FMS cases where a U.S. victim has died by suicide. Because the cases are multi-jurisdictional with victims across the country, involve complex extradition issues, and have overlapping offenders, centralized Criminal Division resources are vital to prosecutions. Examples include the following:

- In September 2024, a superseding indictment was filed in Delaware charging six men involved in an FMS and money laundering scheme being run out of Côte d'Ivoire. In January 2025, a seventh man pleaded guilty to conspiracy to engage in money laundering for his role. CEOS and the U.S.

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[18] https://www.fbi.gov/how-we-can-help-you/scams-and-safety/common-frauds-and-scams/sextortion

[19] https://www.missingkids.org/blog/2024/ncmec-releases-new-sextortion-data

[20] https://www.missingkids.org/blog/2024/ncmec-releases-new-sextortion-data

[21] https://www.ncmec.org/gethelpnow/cybertipline/cybertiplinedata

[22] https://www.missingkids.org/blog/2025/spike-in-online-crimes-against-children-a-wake-up-call

[23] https://www.congress.gov/119/meeting/house/118066/witnesses/HHRG-119-IF17-Wstate-SourasY-20250326.pdf

[24] https://info.thorn.org/hubfs/Research/Thorn_TrendsInFinancialSextortion_June2024.pdf?_gl=1*1qkh5kg*_gcl_au*MjY3NTI1NjEyLjE3NDg5NjYwODk.

Attorney's Office for the District of Delaware are prosecuting the case and have received assistance from the Office of International Affairs and the government of Côte d'Ivoire.[25]

- In January 2025, a CEOS trial attorney, together with federal agents, a CEOS DIA, and others, presented seven separate FMS investigations to law enforcement in Côte d'Ivoire, many of which involved FMS schemes that resulted in the suicide of American victims. As a direct result of these presentations, the Ivorians arrested three individuals in February 2025, one of whom is thought to be directly connected to a U.S. suicide. Later, in April 2025, Côte d'Ivoire authorities arrested another four men in connection with an international FMS scheme that targeted thousands of victims in several countries, including a teenage victim in the United States who committed suicide. In September 2025, another man, also connected to a suicide death of an American child, was arrested by Ivorian authorities. The arrest and related prosecution resulted from close coordination between authorities in the United States and Côte d'Ivoire.[26]

- In April 2025, the FBI announced the results of Operation Artemis, which was a global operation to combat FMS schemes operating out of Nigeria.[27] The operation, closely supported by CEOS, resulted in the arrest of 22 Nigerian FMS offenders, roughly half of whom were directly linked to victims who took their own lives. The operation also resulted in the January 2025 extradition of a Nigerian citizen to the United States, where he has been charged with engaging in an FMS scheme that caused the victim, the 17-year-old son of a South Carolina lawmaker, to commit suicide.[28]

Sadistic Online Exploitation

Sadistic Online Exploitation (SOE) presents a related but separate threat to U.S. children. In the SOE context, the offenders—usually boys and men—target victims—usually vulnerable, minor girls—and persuade, induce, entice, or coerce them into engaging in various types of degrading, humiliating, and violent acts, including, for example, carving the offender's name (or alias) into their skin with a knife; producing sexually explicit material of themselves; harming themselves, pets, family members, and others; and committing suicide.

As with FMS, SOE offenses are committed entirely online, so successful investigations require trained digital forensic analysts who can follow the digital trail across the country and around the world. SOE offenders often operate in concert with others in structured groups where they provide advice to one another, encourage one another, and share photos and videos of the degrading, humiliating, and violent conduct committed by their victims. These communities act like hives for SOE offenders. Like FMS, the problem is global and rapidly expanding. In 2024, NCMEC received more than 1,300 CyberTips with a nexus to SOE—a more than 200% increase over 2023 numbers.[29] The number of reports from the first six months of 2025 is double that from the first six months of 2024, rising from 508 CyberTips to 1,093.[30]

SOE is a relatively new threat, and CEOS is focused on stopping it. CEOS provides crucial guidance to prosecutors around the country on investigations and prosecutions involving SOE offenders. This guidance is informed by CEOS's own casework in this area.

[25] https://www.justice.gov/archives/opa/pr/delaware-man-pleads-guilty-participation-international-sextortion-and-money-laundering
[26] https://www.justice.gov/opa/pr/ivorian-men-arrested-international-sextortion-and-money-laundering-scheme-resulting-minors
[27] https://www.fbi.gov/news/press-releases/fbi-surges-resources-to-nigeria-to-combat-financially-motivated-sextortion
[28] https://www.justice.gov/usao-sc/pr/nigerian-man-extradited-us-after-being-indicted-sextortion-scheme-caused-death-sc-teen
[29] https://www.ncmec.org/content/dam/missingkids/pdfs/cybertiplinedata2024/2024-CyberTipline-Report.pdf
[30] https://www.missingkids.org/blog/2025/spike-in-online-crimes-against-children-a-wake-up-call

- For example, CEOS and the U.S. Attorney's Office for the District of New Jersey are currently prosecuting a defendant for child exploitation offenses that involved blackmailing minor victims to produce child sexual abuse material, some of which included acts of self-degradation.[31]

- In August, CEOS obtained an indictment against a resident and citizen of Ireland for his coercion of a young teen to produce and send imagery of herself engaged in extreme acts of degradation, including bestiality and urophagia.[32]

- In September 2026, CEOS entered into a plea agreement involving two counts of coercion and enticement of children. The defendant, who worked in schools as a teacher and soccer coach, coerced the children to produce imagery of themselves engaged in sexually explicit conduct. One victim was also coerced into producing an image of herself cutting her breasts with a knife.[33]

- CEOS is also actively building a multi-defendant child exploitation enterprise case that involves more than six federal districts and offenders and victims throughout the country.

<u>Need for Additional Resources</u>

CEOS has never before seen a form of child exploitation with the lethality of FMS and SOE, let alone two such threats rapidly spreading at the same time. These offenses present grave and growing threats to the health, safety, physical, and mental well-being of U.S. children, and the Department—with CEOS in the lead—is steadfastly committed to doing all we can to investigate and prosecute FMS and SOE offenders.

But as noted, that work is highly complex and extremely resource intensive, and it involves expertise in obtaining and reviewing electronic evidence, collaborating with foreign governments, and engaging with victims, among other things. And because FMS and SOE—horrific as they are—present only two of many ways in which wrongdoers exploit and abuse children—only one federal prosecutor (a CEOS trial attorney) works full-time on FMS cases, and no federal prosecutor to our knowledge works full-time on SOE cases.

Additional resources would meaningfully enhance the Division's ability to investigate and prosecute FMS and SOE offenders and protect victims. In particular, the addition of two prosecutors and two DIAs—who would work FMS and SOE cases full time—would allow for more and quicker investigations, arrests, and prosecutions, both in the U.S. and abroad.

<u>Impact on Performance</u>

Providing two additional prosecutors and two additional DIAs to work FMS and SOE cases full-time would be fully in keeping with the priorities of this administration. For example, in her opening statement at her confirmation hearing, Attorney General Bondi listed "stopping child predators" as one of the "basics" that lie at the Department's "core mission of keeping Americans safe."[34]

Similarly, in connection with Operation Restore Justice—a coordinated effort to arrest child sex predators announced in May 2025—Attorney General Bondi stated: "The Department of Justice will never stop fighting to protect victims—especially child victims—and we will not rest until we hunt down, arrest, and prosecute every child predator who preys on the most vulnerable among us."[35] Similarly, FBI Director Kash Patel stated that our children are "the priority of this Department of Justice and this FBI," and he warned: "If you harm our children, you will be given no sanctuary ... There is no place we will not look for you. …

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[31] https://www.justice.gov/usao-nj/pr/hudson-county-man-charged-production-distribution-and-possession-child-pornography-and

[32] https://www.justice.gov/opa/pr/grand-jury-charges-irishman-sadistic-exploitation-child

[33] https://www.whio.com/news/local/man-facing-federal-child-porn-charges-stay-jail-before-trial-new-details-revealed/UCKEDUVT5NDGXPM4EQOFHUREKA/

[34] https://www.judiciary.senate.gov/imo/media/doc/2025-01-15_-_opening_statement_-_bondi.pdf

[35] https://www.justice.gov/opa/pr/justice-department-announces-results-operation-restore-justice-205-child-sex-abuse-offenders

The prioritization of this administration and General Bondi has made it abundantly clear to child predators: You will be hunted down, and you will be prosecuted."[36]

The Criminal Division is steadfast in its commitment to support the Department's effort to fulfill its sacred obligation to protect children from sexual exploitation and abuse. The Department is responding to the rapidly evolving FMS and SOE threats with aggressive, high-impact investigations and prosecutions that deploy cutting-edge investigative techniques and strategies. Support for this request will ensure the Division is even better positioned to fulfill its mission to enforce the nation's laws protecting children from sexual exploitation.

Funding

1. **Base Funding**

FY 2025 Enacted				FY 2026 Enacted				FY 2027 Current Services			
Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)	Pos	Agt/ Atty	FTE	Amount ($000)
2	2	2	$464	2	2	2	$482	2	2	2	$487

2. **Personnel Increase Cost Summary**

Type of Position/Series	FY 2027 Request ($000)	Positions Requested	Full Year Modular Cost per Position ($000)	Annualizations ($000)			
				2nd Year	3rd Year	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Attorneys (0905)	$324	2	$289	$144	0	$287	0
General Investigative (1800-1899) – Expert Professionals	$266	2	$231	$110	$38	$219	$76
Total Personnel	**$590**	**4**	**$520**	**$254**	**$38**	**$506**	**$76**

[36] https://www.fbi.gov/news/speeches-and-testimony/director-patel-remarks-at-operation-restore-justice-press-conference

3. **<u>Non-Personnel Increase/Reduction Cost Summary</u>**

The request includes additional funding for litigation support.

Non-Personnel Item	FY 2027 Request ($000)	Unit Cost ($000)	Quantity	Annualizations ($000)	
				FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Litigation support	$50	N/A	N/A	0	0
Total Non-Personnel	**$50**			**0**	**0**

4. **<u>Justification for Non-Personnel Annualizations</u>**: Not applicable

5. **<u>Total Request for this Item</u>**

Category	Positions			Amount Requested ($000)			Annualizations ($000)	
	Count	Agt/ Atty	FTE	Personnel	Non-Personnel	Total	FY 2028 (net change from 2027)	FY 2029 (net change from 2028)
Current Services	2	2	2	$487	0	$487	0	0
Increases	4	2	2	$589	$50	$639	$506	$76
Grand Total	**6**	**4**	**4**	**$1,076**	**$50**	**$1,126**	**$506**	**$76**

6. **<u>Affected Crosscuts</u>**

Crimes Against Children
Cybercrime
Transnational Crime
Violent Crime