Treasury Forfeiture Fund

ACCOUNTABILITY REPORT

Fiscal Year 2022

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

THIS PAGE INTENTIONALLY LEFT BLANK

Message from the Director

I am pleased to present the fiscal year (FY) 2022 Accountability Report for the Treasury Forfeiture Fund (the Fund). While highlighting the Fund's financial and operational performance over the past year, this report also focuses on some of the significant investigative achievements of our participating law enforcement agencies this year. FY 2022 was another challenging year with a permanent rescission of $175 million as part of the Consolidated Appropriations Act of 2022 (P.L. 117-103). Also, $70.6 million was sequestered as part of the government-wide sequestration order. In terms of overall revenue, FY 2022 was another highly successful year for the law enforcement bureaus participating in the Treasury Forfeiture Fund, with total gross non-exchange revenues of $1.150 billion deposited to the Fund.

The continued high-impact performance of the Fund reflects the ongoing hard work of our law enforcement bureaus as well as Fund management's emphasis on major case initiatives, asset forfeiture program training, and a focused approach regarding our performance measure, which gauges revenue from high-impact cases. The mission of the Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by our law enforcement bureaus to disrupt and dismantle criminal enterprises. It is our view that the greatest damage to criminal enterprises can be achieved through large forfeitures; hence we have set a target level of 80 percent of our forfeitures to be high impact, i.e., cash forfeitures equal to or greater than $100,000. This target level is up from 75 percent set for FY 2010 and prior years. For FY 2022, our member bureaus exceeded the target with a performance level of 91 percent.

In FY 2022, we continued prioritizing the strategic use of forfeited funds to enhance our participating agencies' infrastructure and capabilities while supporting high-impact financial investigations. These capabilities are particularly critical for highly complex Third-Party Money laundering (3PML) investigations aimed at dismantling the financial networks of major criminal enterprises. The Fund's 3PML initiative supports the specific needs of 3PML investigations related to new technologies, cyber investigative capabilities, analytical tools, and professional services. Further, we also increased support for specific Southwest border initiatives to assist the affected member agencies in dealing with an unprecedented number of migrant families crossing the border throughout the year.

This fiscal year, the Fund continued to support our member agencies' efforts to combat criminal activities related to Covid-19. The agencies continued to face a spike in investigative work dealing with massive Covid-19 related fraud schemes and the sales of Covid-19 related counterfeit goods and pharmaceuticals online and via Darknet marketplaces. The Fund's support of investigations into Covid-19 fraud and criminal activities spanned the entire year and will continue in the next fiscal year.

This fiscal year, the Fund provided $96 million in Strategic Support funding to its member agencies for identified priority initiatives. This funding enables TFF agencies to advance operational capabilities, providing support for IT systems, cutting edge technology, data analysis tools, and for other critical law enforcement equipment needed to meet and respond to emerging criminal threats.

The Treasury Forfeiture Fund continues in its capacity as a successful multi-Departmental Fund representing the interests of law enforcement components of the Departments of the Treasury and Homeland Security. Member bureaus include the Internal Revenue Service's Criminal Investigation (IRS-CI), the U.S. Secret Service (USSS), Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP). The U.S. Coast Guard (USCG) continues its close working relationship with the legacy Customs bureaus. We look forward to another successful year in FY 2023.

September 30, 2022
John Farley, Director
Treasury Executive Office for Asset Forfeiture
U.S. Department of the Treasury

THIS PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Section I: Overview

Section II: Independent Auditor’s Report

Section III: Financial Statements and Notes

Section IV:

Section V:

THIS PAGE INTENTIONALLY LEFT BLANK

Treasury Forfeiture Fund
FY 2022 Management Overview

Profile of the Treasury Forfeiture Fund

The Treasury Forfeiture Fund (the Fund) is the receipt account for the deposit of non-tax forfeitures made pursuant to laws enforced or administered by law enforcement bureaus that participate in the Treasury Forfeiture Fund. The Fund was established in October of 1992 as the successor to the Forfeiture Fund of the United States Customs Service. The Fund is a "special receipt account." This means the Fund can provide money to other federal entities toward the accomplishment of a specific objective for which the recipient bureaus are authorized to spend money and toward other authorized expenses. The use of Fund resources is governed by law, policy and precedent as interpreted and implemented by the Department of the Treasury, which manages the Fund. A key objective for management is the long-term viability of the Fund to ensure that there are ongoing resources to support member-bureau seizure and forfeiture activities well into the future. The emphasis of Fund management is on high impact cases that can do the most damage to criminal infrastructure.

The Treasury Forfeiture Fund continues in its capacity as a multi-Departmental Fund, representing the interests of law enforcement components of the Departments of Treasury and Homeland Security. Our member bureaus include the Internal Revenue Service's Criminal Investigation (IRS- CI), the U.S. Secret Service, Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP). The U.S. Coast Guard continues its close working relationship with the legacy Customs bureaus and functions in a member-bureau capacity.

The Treasury Executive Office for Asset Forfeiture (TEOAF), which provides management oversight of the Fund, falls under the auspices of the Under Secretary for Terrorism and Financial Intelligence. TEOAF's organizational structure includes a Director, Deputy Director, Legal Counsel, and three Assistant Directors for: Financial Management, Policy & Administration, and Strategic Planning. Functional responsibilities are delegated to various team leaders. TEOAF is located in Washington, D.C., and currently has 27 authorized full time equivalent positions.

Strategic Mission

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus that participate in the Treasury Forfeiture Fund to disrupt and dismantle criminal enterprises.

Strategic Vision

Fund management works to focus the asset forfeiture program on strategic cases and investigations that result in high-impact forfeitures. Management believes this approach incurs the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal enterprises.

Case Highlights

The following case highlights are intended to give the reader an idea of the types of investigative cases worked by the Fund's law enforcement bureaus during FY 2022 that resulted in the seizure and forfeiture of assets. Such cases as those profiled below are consistent with the Strategic Mission and Vision of the Treasury Forfeiture Program, which is to use high-impact asset forfeiture in investigative cases to disrupt and dismantle criminal enterprises.

Homeland Security Investigations (HSI), Department of Homeland Security
Violation of the Consumer Product Safety Act leads to criminal enforcement action totaling $91 million dollars
Information included in the following forfeiture article is attributed to: DOJ news release dated October 29, 2021, entitled "Gree Appliance Companies Charged with Failure to Report Dangerous Dehumidifiers and Agree to $91 million Resolution," and from information provided by the HSI Liaison to TEOAF.

The Consumer Product Safety Act (CPSA) enacted in 1972 authorizes the Consumer Product Safety Commission to develop standards and product bans, and to pursue recalls under certain circumstances. In 2016, Homeland Security Investigations (HSI) received information from the U.S. Department of Justice, Consumer Protection Branch (DOJCPB) that Gree Electric Appliances imported and sold approximately 2.5 million defective dehumidifiers to US consumers. Gree Appliance, a global appliance manufacturer based in Zhuhai China, Hong Kong, Gree Electric Appliances Sales Co. Ltd, and their U.S. subsidiary Gree USA Inc, (collectively, the Gree Companies), sold the defective humidifiers fully knowing that their products failed to meet safety standards and were prone to catch fire.

During their investigation, HSI special agents served multiple grand jury subpoenas issued by DOJCPB to various targets. They also conducted interviews and learned that the dehumidifiers went through burn safety tests and all the samples failed to meet industry standards. Gree Companies failed to report knowledge of the fires to CPSC and continued to sell the defective humidifiers for another six months. They did not report the defects in the dehumidifiers for nine months and only issued a recall after a year as consumer complaints of fires and physical harm soared. HSI interviewed victims of the fires and learned that the defective humidifiers caused severe lung damage, partial to total home loss, and monetary damages ranging up to four million dollars. "Inferior goods represent a serious threat to the integrity of the consumer product supply chain that the public needs to rely on with confidence," said Los Angeles Special Agent in Charge David A. Prince, Homeland Security Investigations (HSI). "Defective products like these pose a dangerous threat to consumers, who assume the products they buy are safe and reliable. HSI will continue to work with our law enforcement partners to aggressively target and investigate those who knowingly jeopardize public safety in the name of profit."

On October 26, 2021, Gree Companies entered into a deferred prosecution agreement (DPA) and pled guilty to a criminal information that charged Gree Companies with failing to notify the Consumer Product Safety Commission. The resolutions were the first corporate criminal enforcement actions ever brought under the Consumer Product Safety Act. Under the terms of the DPA, Gree Companies agreed to a total monetary penalty of $91 million and agreed to provide restitution for any uncompensated victims of fires caused by the companies' defective dehumidifiers. "Companies and executives that purposefully delay reporting to maintain profits will be prosecuted. The Department of Justice will continue to work closely with the CPSC to ensure consumers' safety," said Acting Assistant Attorney General Brian M. Boynton of the Justice Department's Civil Division.

Figure1: Image of a defective dehumidifier

Figure 2: Photo of fire damage caused by a defective dehumidifier

Internal Revenue Service, Criminal Investigation (IRS-CI), Department of the Treasury
Multi-agency multi-year investigation nabs gold dealers for money laundering and firearm crimes
Information included in the following forfeiture article is attributed to: DOJ news release dated December 3, 2021, entitled "Gold Dealers Sentenced for Financial Crimes and Gun Crimes," and from information provided by the IRS-CI liaison to TEOAF.

Global Gold Exchange (GGEX) purchased and sold gold and other precious metals out of their San Diego office. GGEX and their managers also operated as a one stop shop for money laundering. Richard Owen, James Warren, and Jeffry Morrow laundered money from a number of illicit sources, including a Mexican cartel, and fraudulently documented the activity as gold transactions. IRS-CI working with the Border Crimes Task Force, FBI, and the United States Postal Inspection Service, unraveled millions of dollars of suspicious transactions at GGEX during a multi-year investigation. The defendants acted as an informal money transfer system, laundering money from a variety of sources with no regard to the legality of the funds and facilitated the transfer of money domestically and internationally. They also falsified invoices to mask the source of the funds from law enforcement and tax authorities. In one example, GGEX conducted a large cash transaction with a local cartel out of Mexico and, after taking their 10% fee, falsified the invoice to make the transaction look like a sale/purchase of precious metals. GGEX advised their clients to mail parcels filled with heavy substances to mimic the weight of gold to coincide with the false transaction records.

Following the guilty pleas, Owen received a 24-month sentence for money laundering and as a felon-in-possession of a firearm. Warren and Morrow received custodial sentences of 6 and 8 months, respectively, for operating an unlicensed money transmitting business. The defendants agreed to forfeit approximately $2 million in assets involved in the crimes and to provide restitution of $3,682,063. The results represent the ongoing efforts by both IRS-CI and Border Crimes Task Force, a partnership targeting unlawful transactions through the financial system. The task force brings together the combined expertise of federal, state, and local law enforcement. "Today's sentences demonstrate IRS Criminal Investigation's commitment to disrupting professional enablers, who facilitate the commission and concealment of financial crimes by veiling them behind legitimate business services," said Special Agent in Charge Ryan L. Korner of the Los Angeles Field Office.

United States Secret Service (USSS), Department of Homeland Security Small office makes big impact in combatting Transnational Organized Crime
Information was provided by the USSS liaison to TEOAF.

The Tyler, Texas, Resident Office of the US Secret Service is a small office with just five agents, but it has made a significant impact against international and domestic money laundering, specifically in the use of cryptocurrency to launder proceeds of criminal activity. In 2019, this office started an operation that targeted subjects using US financial payment systems and cryptocurrencies to launder proceeds of a variety of criminal activities, including Business Email Compromise scams, online romance scams, advanced fee fraud and CARES Act fraud. The operation focused on domestic launderers and transnational organized crime groups. In addition, the information gleaned from the cases during this operation has given USSS investigators significant insight into the use of cryptocurrencies to launder money obtained from these crimes that normally fall within the Secret Service's jurisdiction.

Tyler agents have partnered with multiple USSS field offices, USSS Criminal Investigative Division, the US Postal Inspection Service, and the State Department - Diplomatic Security Service, to further this operation. To date, the operation has seized over $3.6 million, issued 264 subpoenas, served 65 warrants, and conducted 223 interviews. More than $255 million in fraud losses have been prevented. 14 suspects have been indicted/arrested and some are currently awaiting sentencing. More than 150 victims have been identified in the cases currently.

Figure 1: Photo of 365 silver coins

Figure 2: Photo of $690k in victim's funds checks

Figure 3: Photo of 2019 Bentley GT Coupe

South Carolina lawyer charged in major SBA fraud
Information was provided by the USSS liaison to TEOAF.

In response the economic downturn from the Coronavirus, Congress passed the Coronavirus Aid, Relief, and Economic Security ("CARES") Act in March of 2020 to provide aid to Americans suffering from the economic impact of the pandemic. The CARES Act authorized $350 billion in potentially forgivable loans to small businesses for job retention and certain other expenses. The loans were made through the Paycheck Protection Program (PPP) and were backed by the Small Business Administration (SBA). By April 2020, Congress authorized an additional $300 billion for businesses that were affected by COVID-19. Secret Service has been investigating individuals that took advantage of the program for personal benefit.

The USSS Columbia, SC field office began an investigation based on information received from Allsouth Federal Credit Union, which began receiving COVID related loan deposits for "Little Mountain Farms" into an account that did not reflect that business name. The investigation revealed that a SC attorney was attempting to receive those funds. The SBA provided the USSS with the loan applications and determined that the attorney had applied for and received multiple loans for various businesses, including a law practice, a church, and an unnamed property management company. The attorney also applied for additional loans under his wife's and adult daughter's names. In total, between 2020-2021, the attorney received $1,483,550 in SBA funded loans. Most of the fraudulent loan applications that were submitted were for the various fictitious businesses.

Under questioning by USSS agents, the attorney admitted that he knew he was using false information to create sham businesses to apply for SBA loans and overinflating his two legitimate businesses' staff totals and revenue to receive larger loans. After accepting the funds, the attorney then started to transfer the money, in small dollar increments, from the fictious business accounts to his legitimate law firm's account. The attorney surrendered a cashier check of $1,283,535.76 and pled guilty to 18 USC 1343, wire fraud. He is currently awaiting sentencing and is facing up to 30 months in federal prison. The $1.2 million was seized 03/07/2022 and forfeited on 8/15/2022. Funds are expected to be returned to the Small Business Administration.

Secret Service recovered $286M in Fraudulent Economic Injury Disaster loans
Information included in the following forfeiture article is attributed to: USSS news release dated August 26, 2022, entitled "U.S. Secret Service Returns $286M in Fraudulently Obtained Funds to the Small Business Administration," and from information provided by the USSS liaison to TEOAF.

The COVID-19 Economic Injury Disaster Loan (EIDL) program was established to provide small businesses with low interest loans to recover from the economic impacts of the pandemic. EIDL loans were used for working capital and normal operating expenses. Like other COVID related aid, EIDL loans were targeted by individuals and criminal organizations trying to exploit the EIDL program and obtain loans using fraudulent information. To combat the threat of thieves, the Financial Crimes Enforcement Network (FINCEN), a Treasury Department Bureau, issued advisories and alerts to financial institutions on fraud indicators. Additionally, in April 2020, USSS launched a nationwide investigation into pandemic-related fraud that included the mobilization of resources from numerous USSS field offices, and over 40 cybercrime tasks forces.

Using the alerts from FINCEN, Green Dot Bank identified 15,325 potential fraudulent deposits which started an internal investigation. Green Dot then placed a voluntary hold on the accounts and contacted USSS for assistance. USSS launched a joint investigation with the SBA, Office of Inspector General, and confirmed that these deposits were fraudulent. USSS discovered that the deposits were EIDL loans based on fraudulent applications using synthetic identities, stolen Personal Identifiable Information (PII), and willing and unwilling money mules. During the investigation, USSS recovered $286 million in stolen EIDL loans and is continuing to investigate and reveal the owners of the accounts. "The Secret Service is dedicated to safeguarding the integrity of the nation's financial systems against fraud and holding those responsible to account for their criminal activity," said USSS Assistant Director of the Office of Investigations David Smith. All funds were returned to the Small Business Administration.

Customs and Border Patrol (CBP), Department of Homeland Security
Searches during the summer at the southwest border uncover large methamphetamine stashes
Information was provided by the CBP liaison to TEOAF.

In July 2022, Border Patrol Agents from the San Diego California Sector Predictive Intelligence Targeting Team received information on a narcotic load that had recently entered the United States through Otay Mesa, a small community in San Diego. After locating and following the vehicle, agents observed a swapping of drivers. CBP stopped and search the vehicle and recovered 148 packages of methamphetamine weighing 2,270 kilograms with an estimated street value of over $13 million.

Figure 1: Photo of 148 packages for methamphetamines found in the vehicle

Several days after the find in Otay Mesa, Border Patrol Agents working operations in Nogales, AZ observed a vehicle being loaded up with backpacks. The vehicle departed the area at a high-speed rate with agents following from a distance. Agents discovered the vehicle flipped on its side and conducted a search. Within the vehicle, agents found 10 backpacks containing 90.72 kilograms of methamphetamines hidden in plastic food containers that had an estimated street value of $400,000.

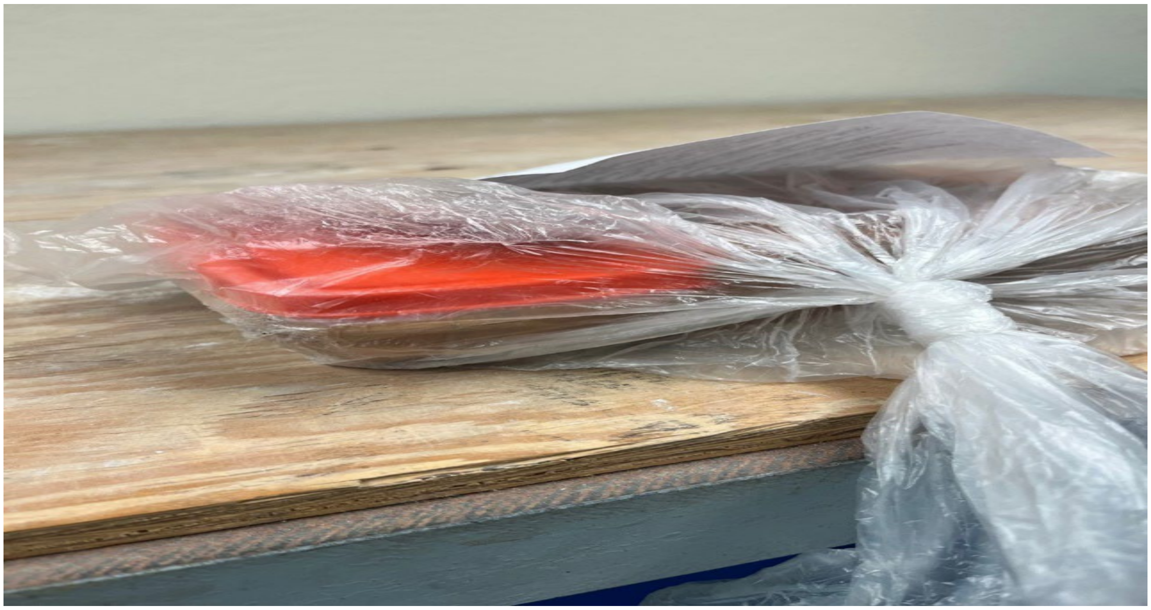
Figure 2: Photo of a single food container containing methamphetamines


Figure 3: Photo of all the containers containing methamphetamines weighing 90.72 kilograms

United States Coast Guard (USCG), Department of Homeland Security Coast Guard offloads a billion dollars of seized drugs after a successful deployment

Information included in the following forfeiture article is attributed to: Goodman, Joshua. “Coast Guard offloads 1 billion worth of cocaine, marijuana,” Associated Press, February 17, 2022. https://www.navytimes.com/news/your-navy/2022/02/17/coast-guard-offloads-1-billion-worth-of-cocaine-marijuana/, and information provided by the Coast Guard Liaison to TEOAF.

After a months-long deployment at sea, the Coast Guard Cutter James off loaded more than 30 metric tons of cocaine and marijuana worth one $1 billion at Port Everglades in Fort Lauderdale, Florida. Cutter James spent its deployment off the coast of South America. The record haul was the culmination of several drug interdictions at sea of boats carrying cocaine and marijuana destined to the US from Colombia, Peru, and Bolivia. While at sea, Cutter James used an assortment of tools that included drones and special cameras that can detect small vessels carrying cocaine. These US Coast Guard interdictions help decrease regional destabilization from transnational criminal organizations and reduce the amount of illegal drugs entering the United States.

Figure 1: Photo of federal officials and journalists standing along with members of the Coast Guard and other law enforcement agencies, as they view more than one billion dollars’ worth of seized cocaine and marijuana aboard Coast Guard Cutter James.

Program and Fund Highlights

The Treasury Forfeiture Fund is a "special receipt account." Such accounts represent federal fund collections earmarked by law for a specific purpose. The enabling legislation for the Treasury Forfeiture Fund (31 U.S.C. § 9705, Public Law 114-22) defines those purposes for which Treasury forfeiture revenue may be used. Once property or cash is seized, there is a forfeiture process. Upon forfeiture, seized currency, initially deposited into a suspense account, or holding account, is transferred to the Fund as forfeited revenue. Once forfeited, physical properties are sold, and the proceeds are deposited into the Fund as forfeited revenue. It is this forfeiture revenue that comprises the budget authority for meeting expenses of running Treasury's forfeiture program.

Expenses of the Fund are set in a relative priority so that unavoidable or "mandatory" costs are met first as a matter of policy. Expenses may not exceed revenue in the Fund. The Fund has several different spending authorities. Each of them is described below.

Mandatory Authority

The mandatory authority items are generally used to meet "business expenses" of the Fund, including expenses of storing and maintaining seized and forfeited assets, valid liens and mortgages, investigative expenses incurred in pursuing a seizure, information and inventory systems, and certain costs of local police agencies incurred in joint law enforcement operations. Following forfeiture, equitable shares are paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.

It is a strategic goal of the Fund to emphasize and monitor high impact forfeitures. To make significant forfeitures requires longer, more in-depth investigations. To this end, Fund management emphasizes the use of mandatory funding authorities that fuel large case initiatives. These authorities include the Purchase of Evidence and Information, expenses associated with Joint Operations, Investigative Expenses Leading to Seizure, and Asset Identification and Removal Groups. In recent years, funding provided to computer forensic investigative tools has yielded high impact results.

Secretary's Enforcement Fund

The Secretary's Enforcement Fund (SEF) is derived from equitable shares received from the Justice Department's Forfeiture Fund for work done by law enforcement bureaus participating in the Treasury Forfeiture Fund leading to Justice forfeitures. SEF revenue is available for federal law enforcement purposes of any Treasury law enforcement organization or law enforcement bureau that participates in the Treasury Forfeiture Fund. In FY 2022, the Fund expensed just under a net amount of $9 million in SEF authority as compared to just under $13 million in FY 2021, a decrease of $4 million.

Strategic Support

Strategic Support represents the remaining unobligated balance after an amount is reserved for Fund operations in the next fiscal year. Strategic Support can be used for any federal law enforcement purpose. In FY 2022, the Fund expensed $96.1 million in Strategic Support authority as compared to $360.5 million in FY 2021. It should be noted that $87.1m and $455.7million in Strategic Support funding were returned to the Fund in FY 2022 and FY 2021, respectively, from CBP.

Strategic View

Fund management continues to focus on strategic cases and investigations that result in high-impact forfeitures. We believe this approach affects the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal activity. Generally, significant forfeitures require longer, more in-depth investigations. To this end, Fund management emphasizes the use of mandatory funding authorities that fuel large case initiatives including Purchase of Evidence and Information, expenses associated with Joint Operations, Investigative Expenses Leading to Seizure, Asset Identification and Removal teams and state-of-the-art Computer Forensics capability.

FY 2022 was a successful revenue year by our member bureaus and was another successful year in equitable share deposits received from the Department of Justice (DOJ) forfeiture fund for forfeitures in which one or more of our member bureaus played a role. Equitable shares received totaled $8.9 million in FY 2022 as compared to $15.9 million in FY 2021. In addition, the Fund continues to support record levels of sharing of federal forfeitures with the state and local and foreign governments that contributed to the successful seizure and forfeiture activity of the Fund. The Fund expensed $86.1 million for state and local equitable sharing expenses in FY 2022, and the Fund shared $964 thousand with foreign governments in FY 2022. By comparison, the Fund expensed $104.9 million for state and local equitable sharing expenses in FY 2021; the Fund did not share with foreign governments in FY 2021. These are important resources afforded by policy of the Treasury Forfeiture Fund to protect and preserve the valuable working relationships between our federal law enforcement bureaus and the critically important state, local and foreign law enforcement agencies that work with them in an investigative capacity day-in and day-out.

Strategic Mission and Goal

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus to disrupt and dismantle criminal enterprises. The goal of the Treasury Forfeiture Fund is to support the Department of the Treasury's national asset forfeiture program in a manner that results in federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to disrupt and dismantle criminal activity. To achieve our mission and goal, the program must be administered in a fiscally responsible manner that seeks to minimize the administrative costs incurred, thereby maximizing the benefits for law enforcement and the society it protects.

Multi-Departmental Fund

The Treasury Forfeiture Fund continued in its capacity as a multi-Departmental Fund in FY 2022, representing the interests of law enforcement components of the Departments of the Treasury and Homeland Security. FY 2022 posed continued management challenges including oversight of significant general property contract expenses associated with an increasingly complex forfeiture program. In addition, commensurate with the successful revenue year, there were significant expenses incurred by the bureaus to run their programs. During this period of growth and change, the Fund's family of law enforcement bureaus continued their hard work of federal law enforcement and the application of asset forfeiture as a sanction to bring criminals to justice.

FY 2022 was another robust year with regular revenue of $1.150 billion from all sources, as compared with FY 2021 revenue of $807.8 million. As we enter FY 2023, the Fund remains focused on support for strategic investigative initiatives that will have the greatest impact on national and international criminal enterprise including valuable training and investigative expense funding which emphasizes high-impact cases.

Performance Measure

In FY 2022, the Fund measured performance using the following performance measure: Percent of forfeited cash proceeds resulting from high-impact cases. This measures the percentage of forfeited cash proceeds resulting from high-impact cases (those with currency seizures more than $100,000). Focusing on strategic cases and investigations which result in high-impact seizures will affect the greatest damage to criminal organizations while accomplishing the ultimate objective – to disrupt and dismantle criminal activity.

Results

The Fund performance measure and result for FY 2022 is as follows:

Performance Measure	FY 2021 Actual	FY 2022 Target	FY 2022 Actual
Percent of forfeited cash proceeds resulting from high-impact cases	90%	80%	91%

A target of 75 percent high-impact cases was set for FY 2010 and prior years since inception of the performance measure in FY 2002. However, for FY 2011, the target was increased to 80 percent, reflecting member bureaus' prior success in meeting the previous target. This is a fixed target for the Fund designed to afford our law enforcement bureaus the opportunity to undertake smaller seizure activity that is important to the overall federal law enforcement mission. The final percentage for FY 2022 was 91 percent, exceeding the new target set in 2011. This compares with our FY 2020 and FY 2021 performance of 83 percent and 90 percent, respectively.

The performance of our member bureaus is excellent and reflects Fund management's longstanding emphasis on high-impact forfeiture strategies as well as the use of Fund authorities to assist member bureaus with larger cases that may take longer or require additional resources not otherwise available. This measure was put into effect beginning with FY 2002, and in all but 3 years, member bureaus met the target for high-impact forfeitures.

This measure is calculated by dividing the total amount of forfeited cash proceeds from cases greater than $100,000 by the total amount of forfeited cash proceeds for all cases.

The following provides a brief explanation for each major section of the audited financial statements accompanying this report for the fiscal year ended September 30, 2022.

These statements have been prepared to disclose the financial position of the Fund, its net costs, changes in net position, and budgetary resources, pursuant to the requirements of the *Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 (GMRA).* While the financial statements have been prepared from the books and records of the Fund in accordance with the formats prescribed by the Office of Management and Budget, the statements are different from the financial reports used to monitor and control budgetary resources that are prepared from the same books and records and are subsequently presented in federal budget documents. Further, the notes to the financial statements and the independent auditor's opinion and reports on internal control over financial reporting, and compliance and other matters are also integral components to understanding fully the financial highlights of Fund operations described in this chapter.

Statements: Changes in Net Position

Follows are brief highlights from the Statements of Changes in Net Position for FY 2022 and 2021.

Net Position – End of Year. For FY 2022, the Net Position for the Fund at the end of the year, an indicator of the future capability to support ongoing operations of the Fund, totaled $1.8 billion versus $1.4 billion at the end of FY 2021. Both years closed with a strong and viable net position with which to commence the next fiscal year's operations.

Total Gross Non-Exchange Revenues. This line item on the *Statements of Changes in Net Position* is the best indicator of regular "business-type" income of the account on an annual basis. For FY 2022, the Fund closed with $1.150 billion in Gross Non-Exchange Revenues and a total of $807.8 million for FY 2021, reflecting two, highly successful revenue years for the Treasury Forfeiture Fund.

Proceeds from Participating with other Federal Agencies. This line item on the *Statements of Changes in Net Position* indicates revenue earned from the participation of Treasury Forfeiture Fund law enforcement bureaus in the seizures leading to forfeiture of bureaus that participate in the Department of Justice Assets Forfeiture Fund or with the forfeiture fund of the U.S. Postal Service (Postal Service).

As of the close of FY 2022, Treasury Forfeiture Fund bureaus earned a total of $8.9 million in revenue from participation in the seizures leading to forfeiture of the Justice and Postal Service forfeiture funds as compared to a total of $15.9 million during FY 2021. Fund management continues to work with the Department of Justice to identify delays and/or explain downward adjustments to percentages associated with equitable sharing payments owed to the Treasury Forfeiture Fund. This revenue affords Treasury management significant funding flexibilities for our participating agencies as the authority is broad and not confined to funding program costs; it can be used for any law enforcement purpose of our participating bureaus. The allocation of this type of revenue for FY 2021 and FY 2022 was restricted by the need to meet enacted budget rescissions, sequestrations, and permanent reductions.

Net Cost of Operations. For FY 2022, the Net Cost of Operations totaled $295.8 million, up from $279.9 million in FY 2021.

Investment Interest Income. The Fund is authorized to invest cash balances in Treasury securities. As of September 30, 2022, investments totaled $4.5 billion as compared with $4.7 billion invested as of September 30, 2021. During FY 2022, investment income totaled $26.4 million, as compared to $1.5 million in FY 2021.

Equitable Sharing with Federal, State and Local Governments, and Foreign Countries. Each year, the Fund pays tens of millions of dollars to state and local law enforcement agencies, and foreign governments, for their participation in seizures that lead to forfeitures of the Treasury Forfeiture Fund. State and local law enforcement agencies can use these resources to augment their law enforcement budgets to fight crime in their jurisdictions. Without these funds, budgets of the local municipalities would be taxed to provide these important resources, or the need would go unmet. During FY 2022, the Fund shared a total of $93.8 million with other federal, state, and local law enforcement agencies, and $964 thousand with foreign countries. This compares with $157.1 million shared with other federal, state, and local law enforcement agencies during FY 2021 and $0 with foreign countries.

Victim Restitution. During FY 2022, the Fund paid $136.8 million in restitution to victims as compared to $180.4 million in FY 2021. This line item can fluctuate materially from one fiscal year to the next.

Summary of Statements of Changes in Net Position. The Fund closed with a strong net position in FY 2022. Management will continue to emphasize high-impact cases by participating law enforcement bureaus. The FY 2022 performance with forfeiture revenue earnings of $1.150 billion from all sources, while exceeding the new higher performance measure target rate of high-impact cases, is truly a credit to the dedicated law enforcement personnel of our participating law enforcement bureaus.

<u>Statements: Net Cost</u>

Costs of the Forfeiture Program – Intra-governmental. After revenue is applied toward policy mandates such as equitable sharing, shown in the Statements of Changes in Net Position as negative revenue or applied non-exchange revenue, the remaining financing supports the law enforcement activities of the Fund and pays for the storage of seized and forfeited property and sales associated with the disposition of forfeited property.

On the Statements of Net Cost, the Net Cost of Operations totaled $295.8 million in FY 2022, up from $279.9 million in FY 2021.

Intra-governmental. This cost category totaled $211.4 million in FY 2022, up from $202.2 million in FY 2021. The amounts represent costs incurred by participating bureaus in running their respective forfeiture programs.

National Seized Property Contracts and Other. One of the largest program costs of the Fund is the storage, maintenance, and disposal of real and personal property. During FY 2022, general property was maintained by Amentum Services Inc. Real property was maintained by the CWS Asset Management & Sales Group, both contracts of the Department of the Treasury. In FY 2022, expenses of these contracts, which comprised over 64% of the total expenses for this line, including other contracts, totaled $67.8 million, up from $64.1 million expensed in FY 2021.

Statements: Budgetary Resources

As of the end of FY 2022, the Fund has estimated future expenditures and commitments of $805.4 million (reductions) which may need to be paid in future years. These reductions relate to remissions, victim restitution and equitable sharing. These future obligations will be funded from the unobligated balance of $876.3 million as reported on the SF-133 "Report on Budget Execution" for FY 2022. The unobligated balance less reductions would result in $70.9 million remaining at the end of FY 2022.

Balance Sheet

Assets, Liabilities and Net Position

Total assets of the Fund in FY 2022 were $5.5 billion, approximating the same $5.5 billion in FY 2021. If seized currency and other monetary assets, which are assets in the custody of the government but not yet owned by the government, are backed out of both figures, the adjusted total assets of the Fund increased to $2.9 billion in FY 2022, up from $2.1 billion in FY 2021. During FY 2022, total liabilities of the Fund were $3.6 billion, as compared to the $4 billion in FY 2021. If seized currency and other monetary assets, which are also shown as a liability because they are not yet owned by the government, are backed out of both figures, the adjusted total liabilities of the Fund increased to $1.1 billion in FY 2022, compared to $672.3 million in FY 2021.

With increasing asset amounts and increasing liabilities, the Cumulative Results of Operations, i.e., retained earnings, increased at the end of FY 2022 to a total of $1.8 billion, up from $1.4 billion at the end of FY 2021.

Financial and Program Performance - What is needed and planned. Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements,* requires that agencies include an explanation of what needs to be done and what is being planned to improve financial or program performance. In this regard, Fund management continues to work closely with member bureaus, through the financial planning process, to review revenue and expense projections during the operating year.

Auditor's Findings

FY 2022 Audit. The Fund's independent auditors have given the FY 2022 financial statements an Unmodified Opinion with no material weaknesses or significant deficiencies in internal control over financial reporting identified**.** The auditor's report on compliance and other matters disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*.

Summary of Financial Statement Highlights

Net Position. To summarize, Fund management concluded a highly productive FY 2022 "in the black," with the necessary resources to commence the business of the asset forfeiture program for FY 2023. Even though there was a rescission of $175 million and a sequestration of $70.6 million, Fund management was able to declare Strategic Support funding from FY 2022 operations and will work to recognize the work of our participating agencies in the allocation of these resources.

Fund management will continue to work with our large and diverse array of federal law enforcement bureaus as they undertake increasingly sophisticated methods and global efforts to secure the financial and commercial markets of the nation and the world given the interdependence of financial systems. Our bureaus support immigration enforcement that is designed to identify illegal smuggling to deter its impact on the nation's financial infrastructure and to ensure that human smugglers do not harm unsuspecting victims keen on seeking a new if illegal start in the United States. Investigative initiatives intended to interrupt the financial support for terrorism remains a critical part of the work of federal law enforcement. Emphasis will continue to be placed on ever-evolving state-of-the-art investigative techniques, high-impact major case initiatives, and training to support these areas of emphasis. This has and will continue to be the key to the growing success and law enforcement reach of the Treasury Forfeiture Fund.

Payment Integrity

Our FY 2022 Payment Integrity reporting includes information required by the *Payment Integrity Information Act* of 2019 (PIIA), Executive Order 13520, *Reducing Improper Payments and Eliminating Waste in the Federal Government*; Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement,* and OMB Circular A-136. PIIA rescinded the *Improper Payments Information Act* of 2002 (IPIA), the *Improper Payments Elimination and Recovery Act* of 2010 (IPERA), and *Improper Payments Elimination and Recovery Improvement Act* of 2012 (IPERIA), however many of the requirements for reporting Payment Integrity information remain in place.

Currently the Fund conducts an internal review and analysis for its major contracts. The contract activity is high dollar value for each payment with limited volume. This activity has low risk but based on the high dollar value requiring minimal resources, the Fund will continue to conduct these internal contract audits. Based on this analysis, the Fund has determined that performing recapture audit is not cost effective and will not be implementing them at this time. PIIA requires agencies to incorporate the Do Not Pay Initiative (DNP) to further reduce improper payments. The Fund uses the Death Master File and the System of Award Management as part of a continuous monitoring process and post payment review. During FY 2022 and 2021, the Fund reviewed 13,865 and 11,836 payments totaling $836 million and $631 million, and reports less than 0.07% and 0.19% respectively, of IPERA or DNP reportable improper payments.

Limitations of the Financial Statements. As required by OMB Circular A-136, Fund management makes the following statements regarding the limitations of the financial statements:

- The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 USC § 3515(b).

- While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records.

- The statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

SECTION II

INDEPENDENT AUDITOR'S REPORT

THIS PAGE INTENTIONALLY LEFT BLANK

Independent Auditor's Report

Deputy Inspector General
U.S. Department of the Treasury

Director
Treasury Executive Office for Asset Forfeiture

Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards*, we have audited the accompanying financial statements of the Department of the Treasury Forfeiture Fund (the Fund), which comprise the balance sheets as of September 30, 2022 and 2021, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of the Treasury Forfeiture Fund as of September 30, 2022 and 2021, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department of the Treasury Forfeiture Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements including omissions are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in Section I: Overview, and Section IV: Required Supplemental Information be presented to supplement the basic financial statements referred to in the first paragraph of this report. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the accountability report. The other information comprises the information in the Message from the Director, and Section V: Other Accompanying Information but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2022, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982.*

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements as of and for the year ended September 30, 2022, are free from material misstatement, we performed tests of the Fund's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 22-01.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This section is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GKA, P.C.

Washington, DC
October 31, 2022

SECTION III

FINANCIAL STATEMENTS AND NOTES

THIS PAGE INTENTIONALLY LEFT BLANK

Department of the Treasury Forfeiture Fund
BALANCE SHEETS
As of September 30, 2022, and 2021
(Dollars in thousands)

	2022	2021
Assets:		
Intragovernmental:		
Fund balance with Treasury (Note 21)	$ 44,718	$ -
Investments and related interest receivable (Note 3)	4,537,032	4,707,570
Total Intragovernmental	4,581,750	4,707,570
Other than intragovernmental/Public:		
Cash and other monetary assets (Note 5)	64,993	592,460
Accounts Receivable	4,984	1,029
	69,977	593,489
Forfeited property (Note 6)		
Held for sale, net of mortgages, liens and claims	837,710	156,684
To be shared with federal, state or local, or foreign governments	697	438
Total forfeited property, net of mortgages, liens and claims	838,407	157,122
Total Assets	$5,490,134	$5,458,181
Liabilities:		
Intragovernmental:		
Accounts payable	$ 193,303	$ 416,646
Total Intragovernmental	193,303	416,646
Other than intragovernmental/Public:		
Seized currency and other monetary instruments (Note 8)	2,541,477	3,371,198
Distributions payable (Note 10)		
State and local agencies and foreign governments	66,703	91,793
Accounts payable	5,634	6,742
Deferred revenue from forfeited assets (Note 6)	838,407	157,122
Total Liabilities	3,645,524	4,043,501
Commitments and contingencies (Note 15)	-	-
Net Position:		
Cumulative results of operations (Note 11)	1,844,610	1,414,680
Total Liabilities and Net Position	$5,490,134	$5,458,181

The accompanying notes are an integral part of these financial statements.

Department of the Treasury Forfeiture Fund
STATEMENTS OF NET COST
For the years ended September 30, 2022 and 2021
(Dollars in thousands)

	2022	2021
Program:		
ENFORCEMENT		
Intragovernmental:		
Seizure investigative costs and asset management	$ 129,513	$ 121,390
Other asset related contract services	9,279	22,125
Data systems, training, and others	72,654	58,653
Total Intragovernmental	211,446	202,168
With the Public:		
National contract services seized property and other	67,835	64,132
Joint operations	16,514	13,628
Total with the Public	84,349	77,760
Net Cost of Operations (Note 16)	$ 295,795	$ 279,928

The accompanying notes are an integral part of these financial statements.

Department of the Treasury Forfeiture Fund
STATEMENTS OF CHANGES IN NET POSITION
For the years ended September 30, 2022 and 2021
(Dollars in thousands)

	2022	2021
Net Position – Beginning of Year	$ 1,414,680	$ 1,216,879
Financing Sources (Non-Exchange Revenues):		
Intragovernmental		
Investment interest income	26,405	1,520
Public		
Forfeited currency and monetary instruments	929,773	607,733
Sales of forfeited property net of mortgages and claims	167,782	162,690
Proceeds from participating with other federal agencies	8,905	15,903
Value of property transferred in equitable sharing	(3,656)	2,294
Payments in lieu of forfeiture, net of refunds (Note 19)	13,456	8,720
Reimbursed costs	6,506	6,467
Other	944	2,509
Total Gross Non-Exchange Revenues	1,150,115	807,836
Less: Equitable Sharing		
Intragovernmental		
Federal	(7,608)	(52,160)
Public		
State and local agencies	(86,142)	(104,921)
Foreign countries	(964)	-
Victim restitution	(136,772)	(180,387)
	(223,878)	(285,308)
Total Equitable Sharing	(231,486)	(337,468)
Total Non-Exchange Revenues, Net	918,629	470,368
Transfers –In (Out)		
Intragovernmental		
Strategic support (Note 13)	(9,025)	95,181
Secretary's enforcement fund (Note 14)	(8,878)	(12,820)
Transfer to the general fund (Note 9)	(175,001)	(75,000)
Total Transfers-In (Out)	(192,904)	7,361
Total Financing Sources - Net	725,725	477,729
Net Cost of Operations	(295,795)	(279,928)
Net Results of Operations	429,930	197,801
Net Position – End of Year	$ 1,844,610	$ 1,414,680

The accompanying notes are an integral part of these financial statements.

Department of the Treasury Forfeiture Fund
STATEMENTS OF BUDGETARY RESOURCES
For the years ended September 30, 2022 and 2021
(Dollars in thousands)

	2022	2021
Budgetary Resources:		
Unobligated balance from prior year budget authority, net (Note 17)	$ 984,240	$ 1,180,712
Budget authority	1,038,446	696,035
Total Budgetary Resources	$ 2,022,686	$ 1,876,747
Status of Budgetary Resources:		
Obligations incurred	$ 1,146,353	$ 999,476
Unobligated balances – apportioned	$ 693,673	$ 855,460
Unobligated balances – unportioned	182,660	21,811
Unobligated balances – end of year (Note 17)	$ 876,333	$ 877,271
Total Budgetary Resources	$ 2,022,686	$ 1,876,747
Outlays, net		
Net Outlays	$ 761,543	$ 177,106

The accompanying notes are an integral part of these financial statements.

Note 1: Reporting Entity

The Department of the Treasury Forfeiture Fund (Treasury Forfeiture Fund or the Fund) was established by the Treasury Forfeiture Fund Act of 1992, Public Law 102-393 (the TFF Act), and is codified at 31 USC 9705. The Fund was created to consolidate all Treasury law enforcement bureaus under a single forfeiture fund program administered by the Department of the Treasury (Treasury). Treasury law enforcement bureaus fully participating in the Fund upon enactment of this legislation were the U.S. Customs Service (Customs); the Internal Revenue Service – Criminal Investigation (IRS-CI); the United States Secret Service (Secret Service); the Bureau of Alcohol, Tobacco and Firearms (ATF); the Financial Crimes Enforcement Network (FinCEN); and the Federal Law Enforcement Training Center (FLETC). FinCEN and FLETC contribute no revenue to the Fund, however in FY 2016, significant amounts of Strategic Support funds were allocated to FinCEN towards Bank Secrecy Act (BSA) Information Technology (IT) modernization, a tool used in the fight against money laundering and other criminal activity. The U.S. Coast Guard, formerly part of the Department of Transportation, now part of the Department of Homeland Security (DHS), also participates in the Fund. However, all Coast Guard seizures are treated as Customs seizures because the Coast Guard lacks forfeiture authority.

With enactment of the Homeland Security Act of 2002 (Homeland Security Act), law enforcement bureaus currently participating in the Fund are: the Internal Revenue Service - Criminal Investigation (IRS-CI) of Treasury, Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE) and the U.S. Secret Service (USSS) of DHS. The U.S. Coast Guard of DHS joins these bureaus. The Fund continues in its capacity as a multi-departmental fund, representing the interests of law enforcement components of the Departments of Treasury and Homeland Security.

The Fund is a special fund that is accounted for under Treasury symbol number 20X5697. From this no-year account, expenses may be incurred as authorized by Title 31 USC 9705, as amended. Expenses are limited only by the availability of resources in the Fund. The Fund is managed by Treasury's Executive Office for Asset Forfeiture (TEOAF).

The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus to disrupt and dismantle criminal enterprises. The goal of the Treasury Forfeiture Fund is to support the Treasury's national asset forfeiture program in a manner that results in federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to disrupt and dismantle criminal activity. Under a Memorandum of Understanding (MOU) with Treasury, CBP acts as the executive agent for certain operations of the Fund. Pursuant to that executive agent role, CBP's National Finance Center (NFC) is responsible for accounting and financial reporting for the Fund, including timely and accurate reporting and compliance with Treasury, the Comptroller General and the Office of Management and Budget (OMB) regulations and reporting requirements.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Fund began preparing audited financial statements in Fiscal Year 1993 as required by the Fund's enabling legislation, 31 USC 9705(f)(2)(H), and the Chief Financial Officers Act of 1990. Beginning with the Fiscal Year 1996 report, the Government Management Reform Act of 1994 (GMRA) requires executive agencies, including the Treasury, to produce audited consolidated accountability reports and related footnotes for all activities and funds.

The financial statements have been prepared from the accounting records of the Fund in conformity with accounting principles generally accepted in the United States of America (GAAP) and specified by OMB in OMB Circular A-136, *Financial Reporting Requirements (OMB Circular A-136)*. GAAP for federal entities is prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is designated the official accounting standards setting body of the Federal Government by the American Institute of Certified Public Accountants.

The preparation of financial statements in accordance with accounting principles generally accepted in the Unites States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain fiscal year 2021 balances may have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Allowable Fund Expenses

Most of the revenue recorded by the Fund is utilized for operating expenses or distributed to state and local law enforcement agencies, other federal agencies, and foreign governments, in accordance with the various laws and policies governing the operations and activities of the Fund. Under the TFF Act, the Fund is authorized to pay certain expenses using discretionary or mandatory funding authorities of the Fund.

Discretionary authorities include but may not be limited to: the payment of expenses for the purchase of awards for information or assistance leading to a civil or criminal forfeiture involving any law enforcement bureau participating in the Fund; purchase of evidence or information that meet the criteria set out in 31 USC 9705(a)(2)(B); payment for equipment for vessels, vehicles, or aircraft available for official use as described by 31 USC 9705(a)(2)(D) and (F); reimbursement of private persons for expenses incurred while cooperating with a Treasury law enforcement organization in investigations; publication of the availability of certain awards; and payment for training foreign law enforcement personnel with respect to seizure or forfeiture activities of the Fund. Discretionary expenses are subject to an annual, definite Congressional appropriation from revenue in the Fund.

Expenses from the mandatory authorities of the Fund include but are not limited to: all proper expenses of the seizure, including investigative costs and purchases of evidence and information leading to seizure, holding costs, security costs, etc., awards of compensation to informers under section 619 of the Tariff Act (19 USC 1619); satisfaction of liens against the forfeited property, and claims of parties with interest in forfeited property; expenses incurred by state and local law enforcement agencies in joint law enforcement operations with law enforcement agencies participating in the Fund; and equitable sharing payments made to state and local law enforcement agencies in recognition of their efforts in a Fund seizure leading to forfeiture. These mandatory expenses are paid pursuant to the permanent indefinite authorities of the Fund; are only limited by revenue in the Fund each year and do not require additional Congressional action for expenditure.

The Fund's expenses are either paid on a reimbursement basis or paid directly on behalf of a participating bureau. Reimbursable expenses are incurred by the respective bureaus participating in the Fund against their appropriation and then submitted to the Fund for reimbursement. The bureaus are reimbursed through Inter-Agency Transfers (SF-1081) or Intra-governmental Payments and Collection (IPAC) System. Certain expenses such as equitable sharing, liens, claims and state and local joint operations costs are paid directly from the Fund.

Further, the Fund is a component unit of the Treasury with participating bureaus in the DHS. As such, employees of both Departments may perform certain operational and administrative tasks related to the Fund. Payroll costs of employees directly involved in the security and maintenance of forfeited property are also recorded as expenses in the financial statements of the Fund (included in the line item "seizure investigative costs and asset management" in the statement of net cost.)

Revenue and Expense Recognition

Revenue from the forfeiture of property is deferred until the property is sold or transferred to a state, local or federal agency. Revenue is not recorded if the forfeited property is ultimately destroyed or cannot be legally sold.

Revenue from currency is recognized upon forfeiture. Payments in lieu of forfeiture (mitigated seizures) are recognized as revenue when the payment is received. Revenue received from participating with certain other federal agencies is recognized when the payment is received. Operating costs are recorded as expenses and related liabilities when goods are received, or services are performed. Certain probable equitable sharing liabilities existing at year end are accrued based on estimates.

As provided for in the TFF Act, the Fund invests seized and forfeited currency that is not needed for current operations. Treasury's Bureau of Fiscal Service invests the funds in obligations of, or guaranteed by, the United States Government. Interest is reported to the Fund and recorded monthly as revenue in the general ledger.

Funds from Dedicated Collections

Funds from dedicated collections are financed by specifically identified revenues, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the Government's general revenues. In accordance with SFFAS 43, *Funds from Dedicated Collections,* all of the TFF's revenue meets these criteria and constitutes funds from dedicated collections.

The Federal Government does not set aside assets to pay future benefits or other expenditures associated with funds from dedicated collections. The cash collected from funds from dedicated collections is deposited in the U.S. Treasury, which uses the cash for general government purposes. Treasury securities are issued to the TFF as evidence of its receipts. Treasury securities are an asset to the TFF and a liability to the U.S. Treasury. Because the TFF and U.S. Treasury are both parts of the government, these assets and liabilities offset each other from the standpoint of the government as a whole. For this reason, they do not represent an asset or a liability in the U.S. Government-wide financial statements. Treasury securities provide the TFF with authority to draw upon the U.S. Treasury to make future benefit payments or other expenditures. When the TFF requires redemption of these securities to make expenditures, the government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt or by curtailing other expenditures. This is the same way that the government finances all other expenditures.

Equitable Sharing (Assets Distributed)

Forfeited property, currency, or proceeds from the sales of forfeited property may be shared with federal, state and local law enforcement agencies or foreign governments, which provided direct or indirect assistance in the related seizure. In addition, the Fund may transfer forfeited property to other federal agencies, which would benefit from the use of the item. A class of asset distribution was established for victim restitution in 1995. These distributions include property and cash returned to victims of fraud and other illegal activity. Upon approval by Fund management to share or transfer the assets, both revenue from distributed forfeited assets and distributions are recognized for the net realizable value of the asset to be shared or transferred, thereby resulting in no gain or loss recognized. Revenue and /or expenses are recognized for property and currency, which are distributed to or shared with non-federal agencies, per SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*.

Entity Assets

Entity assets are used to conduct the operations and activities of the Fund. Entity assets comprise intragovernmental and non-intragovernmental assets. Intragovernmental balances arise from transactions among federal agencies. These assets are claims of a federal entity against another federal entity. Entity assets consist of cash or other assets, which could be converted into cash to meet the Fund's current or future operational needs. Such other assets include investments of forfeited balances, accrued interest on seized balances, receivables, and forfeited property, which are held for sale or to be distributed.

- **Fund Balance with Treasury** – This represents amounts on deposit with Treasury.

- **Investments and Related Interest Receivable** – This includes forfeited cash held by the Fund and seized currency held in the Customs Suspense Account that had been invested in short term U.S. Government Securities.

- **Accounts Receivables** – The values reported for other receivables are primarily funds due from the national seized property contractor for properties sold; the proceeds of which have not yet been deposited into the Fund. No allowance has been made for uncollectible amounts as the accounts recorded as a receivable at year end were considered to be fully collectible as of September 30, 2022 and 2021.

- **Cash and Other Monetary Assets** – This includes forfeited currency on hand not yet deposited and forfeited currency held as evidence.

- **Forfeited Property and Currency** – Forfeited property and currency is recorded in the respective seized property and forfeited asset tracking systems at the estimated fair value at the time of seizure. However, based on historical sales experiences for the year, properties are adjusted to reflect the market value at the end of the fiscal year for financial statement reporting purposes. Direct and indirect holding costs are not capitalized for individual forfeited assets. Forfeited currency not deposited into the Fund is included as part of Entity Assets - Cash and Other Monetary Assets.

Further, mortgages and claims on forfeited assets are recognized as a valuation allowance and a reduction of deferred revenue from forfeited assets when the asset is forfeited. The allowance includes mortgages and claims on forfeited property held for sale and a minimal amount of claims on forfeited property previously sold. Mortgages and claims expenses are recognized when the related asset is sold and is reflected as a reduction of sales of forfeited property.

Additionally, SFFAS No. 3, *Accounting for Inventory and Related Property*, requires certain additional disclosures in the notes to the financial statements, including an analysis of changes in seized and forfeited property and currency, for both carrying value and quantities, from that on hand at the beginning of the year to that on hand at the end of the year. These analyses are disclosed in Notes 7 and 8.

Non-entity Assets

Non-entity assets held by the Fund are not available for use by the Fund. Non-entity assets comprise intragovernmental and other assets. Intragovernmental balances arise from transactions among federal agencies. These assets are claims of a federal entity against another federal entity. Non-entity assets are not considered as financing sources (revenue) available to offset operating expenses, therefore, a corresponding liability is recorded and presented as governmental liabilities in the balance sheet to reflect the custodial/fiduciary nature of these activities.

- **Seized Currency and Property** – Seized Currency is defined as cash or monetary instruments that are readily convertible to cash on a dollar-for-dollar basis. SFFAS No. 3 requires that seized monetary instruments (cash and cash equivalents) be recognized as an asset in the financial statements and a liability be established in an amount equal to the seized asset value due to: (i) the fungible nature of monetary instruments, (ii) the high level of control that is necessary over these assets; and (iii) the possibility that these monies may be returned to their owner in lieu of forfeiture.

  Seized property is recorded at its appraised value at the time of seizure. The value is determined by the seizing entity and is usually based on a market analysis such as a third-party appraisal, standard property value publications or bank statements. Seized property is not recognized as an asset in the financial statements, as transfer of ownership to the government has not occurred as of September 30. Accordingly, seized property other than monetary instruments is disclosed in the footnotes in accordance with SFFAS No. 3.

- **Investments and Related Interest Receivable** – This balance includes seized cash on deposit in the Fund's suspense account held by Treasury, which has been invested in short term U.S. Government Securities.

- **Cash and Other Monetary Assets** – This balance represents the aggregate amount of the Fund's seized currency on deposit in the Fund's suspense account held by Treasury, seized cash on deposit held with other financial institutions and, cash on hand in vaults held at field office locations.

Liabilities Covered by Budgetary Resources

Liabilities covered by budgetary resources represent liabilities incurred, which are covered by available budgetary resources. The components of such liabilities for the Fund are as follows:

- **Distributions Payable** – Distributions payable to federal and non-federal agencies is primarily related to equitable sharing payments and payments to be made by the Fund to the victims of fraud.

- **Accounts Payable** – Amounts reported in this category include accrued expenses authorized by the TFF Act (See "Allowable Fund Expenses") for which payment was pending at year end.

- **Seized Currency** – Amounts reported in this category represent the value of seized currency that is held by the Fund which equals the amount of seized currency reported as an asset.

- **Deferred Revenue from Forfeited Assets** – At year end, the Fund held forfeited assets, which had not yet been converted into cash through a sale. The amount reported here represents the value of these assets, net of mortgages and claims.

Liabilities Not Covered by Budgetary Resources

The Fund does not currently have liabilities not covered by available budgetary resources.

Net Position

The components of net position are classified as follows:

- **Retained Capital** – There is no cap on amounts that the Fund can carry forward into Fiscal Year 2023. The cap was removed by the Fiscal Year 1997 Omnibus Appropriations Act (PL 104-208).

- **Unliquidated Obligations** – This category represents the amount of undelivered purchase orders, contracts and equitable sharing requests which have been obligated with current budget resources or delivered purchase orders and contracts that have not been invoiced. An expense and liability are recognized, and the corresponding obligations are reduced as goods are received or services are performed. A portion of the equitable sharing requests that were in final stages of approval are recognized as liabilities at year end. Prior experience with the nature of this account indicated that a substantial portion of these requests were certain liabilities at year end. (See also Distributions Payable at Note 10).

- **Net Results of Operations** – This category represents the net difference, for the activity during the year, between: (i) financing sources including transfers, and revenues; and (ii) expenses.

Note 3: Investments and Related Interest Receivable

All investments are intragovernmental short-term (35 days or less) non-marketable par value federal debt securities issued by, and purchased through Treasury's Bureau of the Fiscal Service, Federal Investments Branch. Investments are always purchased at a discount and are reported at acquisition cost, net of discount. The discount is amortized into interest income over the term of the investment. The investments are always held to maturity. They are made from cash in the Fund and from seized currency held in the Customs Suspense Account. The Customs Suspense Account became the depository for seized cash for the Fund following enactment of the TFF Act.

The following schedule presents the investments on hand as of September 30, 2022 and 2021, respectively (dollars in thousands):

Entity Assets

Description	Cost	Unamortized Discount	Investment, Net
September 30, 2022			
Treasury Forfeiture Fund -			
28 days 2.425% U.S. Treasury Bills	$2,047,941	($3,863)	$2,044,078
Interest Receivable			306
Total Investment, Net, and Interest Receivable			$2,044,384
Fair Market Value			$2,044,350
September 30, 2021			
Treasury Forfeiture Fund -			
28 days 0.045% U.S. Treasury Bills	$1,824,822	($64)	$1,824,758
Interest Receivable			-
Total Investment, Net, and Interest Receivable			$1,824,758
Fair Market Value			$1,824,726

Non-entity Assets

Description	Cost	Unamortized Discount	Investment, Net
September 30, 2022			
Treasury Forfeiture Fund – Seized Currency Suspense Account			
28 days 2.425% U.S. Treasury Bills	$2,497,358	($4,710)	$2,492,648
Fair Market Value			$2,492,980
September 30, 2021			
Treasury Forfeiture Fund – Seized Currency Suspense Account			
28 days 0.045% U.S. Treasury Bills	$2,882,913	($101)	$ 2,882,812
Fair Market Value			$ 2,882,762

Note 4: Analysis of Non-Entity Assets

The following schedule presents the non-entity assets as of September 30, 2022 and 2021, respectively (dollars in thousands):

	2022	2021
Seized currency:		
Intragovernmental Investments (Note 3)	$ 2,492,648	$ 2,882,812
Cash and other monetary assets (Note 5)	48,829	488,386
Total Non-Entity Assets	2,541,477	3,371,198
Total Entity Assets	2,948,657	2,086,983
Total Assets	$ 5,490,134	$ 5,458,181

Note 5: Cash and Other Monetary Assets

Entity Assets

Cash and Other Monetary Assets held on hand included forfeited currency not yet deposited, as well as forfeited currency held as evidence, amounting to $16.2 million and $104.1 million as of September 30, 2022 and 2021, respectively.

Non-Entity Assets

Cash and Other Monetary Assets included seized currency not yet deposited, as well as deposited seized currency, which is not invested in order to pay remissions, amounted to $48.8 million and $488.4 million as of September 30, 2022 and 2021, respectively.

Note 6: Forfeited Property/Deferred Revenue

The following summarizes the components of forfeited property (net), as of September 30, 2022 and 2021, respectively (dollars in thousands):

	2022	2021
Held for sale	$ 982,035	$ 183,207
To be shared with federal, State or local, or foreign government	697	438
Total forfeited property (Note 7)	982,732	183,645
Less: Allowance for liens and claims	(144,325)	(26,523)
Total forfeited property, net	$ 838,407	$ 157,122

Note 7: FY 2022 Analysis of Changes in Forfeited Property and Currency

The following schedule presents the changes in the forfeited property and currency balances from October 1, 2021 to September 30, 2022. (Dollar value is in thousands)

	10/1/21 Financial Statement Balance		Adjustments		10/1/21 Carrying Value		Forfeitures		Deposits/Sales		Disposals/Transfers	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.
Currency	$99,998	-	$-	-	$99,998	-	$805,069	-	$(1,020,682)	-	$ -	-
Other Monetary Instruments	4,076	-	-	-	4,076	-	3,697	-	(3,532)	-	-	-
Subtotal	**104,074**	**-**	**-**	**-**	**104,074**	**-**	**808,766**	**-**	**(1,024,214)**	**-**	**-**	**-**
Real Property	39,241	100	1,413	-	40,654	100	51,464	132	(30,013)	(56)	-	-
General Property	114,955	17,494	43,244	-	158,199	17,494	1,124,746	15,942	(45,551)	(1,854)	(7,369)	(1,296)
Vessels	3,818	217	1,283	-	5,101	217	3,964	405	(4,310)	(47)	-	-
Aircraft	2,800	17	277	-	3,077	17	2,216	19	(2,655)	(15)	(1)	(1)
Vehicles	22,831	4,256	9,808	-	32,639	4,256	71,144	10,862	(32,411)	(7,433)	(2,906)	(220)
Subtotal	**183,645**	**22,084**	**56,025**	**-**	**239,670**	**22,084**	**1,253,534**	**27,360**	**(114,940)**	**(9,405)**	**(10,276)**	**(1,517)**
Grand Total	**$287,719**	**22,084**	**$56,025**	**-**	**$343,744**	**22,084**	**$2,062,300**	**27,360**	**$(1,139,154)**	**(9,405)**	**$(10,276)**	**(1,517)**

	Victim Restitution		Destroyed		Other Adjustments		Value Change		2022 Carrying Value		Fair Market Value Adjustment		9/30/22 Financial Statement Balance	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.
Currency	$-	-	$-	-	$128,600	-	$(1,062)	-	$11,923	-	$-	-	$11,923	-
Other Monetary Instruments	-	-		-	-	-	-	-	4,241	-	-	-	4,241	-
Subtotal	**-**	**-**	**-**	**-**	**128,600**	**-**	**(1,062)**	**-**	**16,164**	**-**	**-**	**-**	**16,164**	**-**
Real Property	-	-	-	-	4,546	(17)	(625)	-	66,026	159	1,316	-	67,342	159
General Property	-	-	(28,014)	(11,946)	8,892	358	(3,178)	-	1,207,725	18,698	(327,035)	-	880,690	18,698
Vessels	-	-	(388)	(298)	1,074	(3)	(1,210)	-	4,231	274	(1,501)	-	2,730	274
Aircraft	-	-	(52)	(2)	14	-	(381)	-	2,218	18	(97)	-	2,121	18
Vehicles	-	-	(4,098)	(1,265)	(22,708)	(1,805)	(956)	-	40,704	4,395	(10,855)	-	29,849	4,395
Subtotal	**-**	**-**	**(32,552)**	**(13,511)**	**(8,182)**	**(1,467)**	**(6,350)**	**-**	**1,320,904**	**23,544**	**(338,172)**	**-**	**982,732**	**23,544**
Grand Total	**$-**	**-**	**$(32,552)**	**(13,511)**	**$120,418**	**(1,467)**	**$(7,412)**	**-**	**$1,337,068**	**23,544**	**$(338,172)**	**-**	**$998,896**	**23,544**

Note 7: FY 2021 Analysis of Changes in Forfeited Property and Currency

The following schedule presents the changes in the forfeited property and currency balances from October 1, 2020 to September 30, 2021.
(Dollar value is in thousands)

	10/1/20 Financial Statement Balance		Adjustments		10/1/20 Carrying Value		Forfeitures		Deposits/Sales		Disposals/Transfers	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.
Currency	$77,568	-	$-	-	$77,568	-	$440,292	-	$(589,738)	-	$ (34)	-
Other Monetary Instruments	2,543	-	-	-	2,543	-	1,706	-	(114)	-	-	-
Subtotal	**80,111**	**-**	**-**	**-**	**80,111**	**-**	**441,998**	**-**	**(589,852)**	**-**	**(34)**	**-**
Real Property	43,421	142	7,483	-	50,904	142	25,661	57	(37,077)	(99)	(499)	(2)
General Property	27,836	18,112	33,431	-	61,267	18,112	57,501	16,141	(18,667)	(3,023)	(6,264)	(907)
Vessels	4,075	193	530	-	4,605	193	3,423	253	(2,408)	(59)	(62)	(1)
Aircraft	3,690	18	65	-	3,755	18	2,544	14	(2,176)	(11)	(657)	(3)
Vehicles	12,508	3,142	11,051	-	23,559	3,142	52,759	10,613	(25,445)	(6,370)	(2,893)	(294)
Subtotal	**91,530**	**21,607**	**52,560**	**-**	**144,090**	**21,607**	**141,888**	**27,078**	**(85,773)**	**(9,562)**	**(10,375)**	**(1,207)**
Grand Total	**$171,641**	**21,607**	**$52,560**	**-**	**$224,201**	**21,607**	**$583,886**	**27,078**	**$(675,625)**	**(9,562)**	**$(10,409)**	**(1,207)**

	Victim Restitution		Destroyed		Other Adjustments		Value Change		2021 Carrying Value		Fair Market Value Adjustment		9/30/21 Financial Statement Balance	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.
Currency	$-	-	$-	-	$188,146	-	$(16,236)	-	$99,998	-	$-	-	$99,998	-
Other Monetary Instruments	-	-		-	(59)	-	-	-	4,076	-	-	-	4,076	-
Subtotal	**-**	**-**	**-**	**-**	**188,087**	**-**	**(16,236)**	**-**	**104,074**	**-**	**-**	**-**	**104,074**	**-**
Real Property	-	-	-	-	1,790	2	(125)	-	40,654	100	(1,413)	-	39,241	100
General Property	-	-	(24,805)	(12,118)	91,170	(711)	(2,003)	-	158,199	17,494	(43,244)	-	114,955	17,494
Vessels	-	-	(244)	(164)	(12)	(5)	(201)	-	5,101	217	(1,283)	-	3,818	217
Aircraft	-	-			(172)	(1)	(217)	-	3,077	17	(277)	-	2,800	17
Vehicles	-	-	(4,455)	(1,701)	(10,423)	(1,134)	(463)	-	32,639	4,256	(9,808)	-	22,831	4,256
Subtotal	**-**	**-**	**(29,504)**	**(13,983)**	**82,353**	**(1,849)**	**(3,009)**	**-**	**239,670**	**22,084**	**(56,025)**	**-**	**183,645**	**22,084**
Grand Total	**$-**	**-**	**$(29,504)**	**(13,983)**	**$270,440**	**(1,849)**	**$(19,245)**	**-**	**$343,744**	**22,084**	**$(56,025)**	**-**	**$287,719**	**22,084**

Note 8: FY 2022 Analysis of Changes in Seized Property and Currency

Seized property and currency result primarily from enforcement activities. Seized property is not legally owned by the Fund until judicially or administratively forfeited. Because of the fungible nature of currency and the high level of control necessary over these assets and the possibility that these monies may be returned to their owners in lieu of forfeiture, seized currency is reported as a custodial asset upon seizure. Seized property other than currency is reported as a custodial asset upon forfeiture. The following schedule presents the changes in the seized property and currency balances from October 1, 2021 to September 30, 2022. (Dollar value is in thousands)

	10/1/21 Financial Statement Balance		Seizures		Remissions		Forfeitures		Adjustments		Value Changes		9/30/22 Financial Statement Balance	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.
Currency	$3,342,351	-	$652,682	-	$(118,136)	-	$(805,069)	-	$(572,021)	-	$15,175	-	$2,514,982	-
Other Monetary Instruments	28,847	-	690	-	(46)	-	(3,697)	-	701	-	-	-	26,495	-
Subtotal	**3,371,198**	**-**	**653,372**	**-**	**(118,182)**	**-**	**(808,766)**	**-**	**(571,320)**	**-**	**15,175**	**-**	**2,541,477**	**-**
Real Property	294,305	421	338,758	250	(19,290)	(43)	(51,464)	(132)	(22,869)	(58)	(181,555)	-	357,885	438
General Property	1,928,826	32,115	8,161,937	24,820	(44,422)	(8,494)	(1,124,746)	(15,942)	(1,227,184)	(4,973)	(162,873)	-	7,531,538	27,526
Vessels	97,363	212	12,772	493	(2,355)	(28)	(3,964)	(405)	(844)	(16)	(2,277)	-	100,695	256
Aircraft	16,184	39	13,555	53	(2,150)	(7)	(2,216)	(19)	(343)	(13)	4,740	-	29,770	53
Vehicles	83,278	7,295	194,558	16,762	(87,530)	(4,820)	(71,144)	(10,862)	(32,506)	(1,599)	13,887	-	100,543	6,776
Subtotal	**2,419,956**	**40,082**	**8,721,580**	**42,378**	**(155,747)**	**(13,392)**	**(1,253,534)**	**(27,360)**	**(1,283,746)**	**(6,659)**	**(328,078)**	**-**	**8,120,431**	**35,049**
Grand Total	**$5,791,154**	**40,082**	**$9,374,952**	**42,328**	**$(273,929)**	**(13,392)**	**$(2,062,300)**	**(27,360)**	**$ (1,855,066)**	**(6,659)**	**$(312,903)**	**-**	**$10,661,908**	**35,049**

Note 8: FY 2021 Analysis of Changes in Seized Property and Currency

Seized property and currency result primarily from enforcement activities. Seized property is not legally owned by the Fund until judicially or administratively forfeited. Because of the fungible nature of currency and the high level of control necessary over these assets and the possibility that these monies may be returned to their owners in lieu of forfeiture, seized currency is reported as a custodial asset upon seizure. Seized property other than currency is reported as a custodial asset upon forfeiture. The following schedule presents the changes in the seized property and currency balances from October 1, 2020 to September 30, 2021. (Dollar value is in thousands)

	10/1/20 Financial Statement Balance		Seizures		Remissions		Forfeitures		Adjustments		Value Changes		9/30/21 Financial Statement Balance	
	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	**No.**	Value	No.
Currency	$2,003,390	-	$2,139,776	-	$(118,442)	-	$(440,292)	-	$(242,462)	-	$381	-	$3,342,351	-
Other Monetary Instruments	16,780	-	3,539	-	(72)	-	(1,706)	-	10,306	-	-	-	28,847	-
Subtotal	**2,020,170**	**-**	**2,143,315**	**-**	**(118,514)**	**-**	**(441,998)**	**-**	**(232,156)**	**-**	**381**	**-**	**3,371,198**	**-**
Real Property	363,977	377	84,187	208	(14,679)	(36)	(25,661)	(57)	(21,354)	(71)	(92,165)	-	294,305	421
General Property	611,234	32,231	1,534,344	23,360	(188,430)	(4,104)	(57,501)	(16,141)	24,278	(3,231)	4,901	-	1,928,826	32,115
Vessels	95,759	147	8,748	354	(2,032)	(15)	(3,423)	(253)	(488)	(21)	(1,201)	-	97,363	212
Aircraft	21,300	36	7,372	34	(7,617)	(17)	(2,544)	(14)	27	-	(2,354)	-	16,184	39
Vehicles	63,515	6,116	193,414	20,396	(100,633)	(7,279)	(52,759)	(10,613)	(22,444)	(1,325)	2,185	-	83,278	7,295
Subtotal	**1,155,785**	**38,907**	**1,828,065**	**44,352**	**(313,391)**	**(11,451)**	**(141,888)**	**(27,078)**	**(19,981)**	**(4,648)**	**(88,634)**	**-**	**2,419,956**	**40,082**
Grand Total	**$3,175,955**	**38,907**	**$3,971,380**	**44,352**	**$(431,905)**	**(11,451)**	**$(583,886)**	**(27,078)**	**$(252,137)**	**(4,648)**	**$(88,253)**	**-**	**$5,791,154**	**40,082**

Note 9: Permanent Reduction/Transfer to the General Fund

The unobligated balance is usually available to cover costs related to seizures and forfeitures and certain other law enforcement activities. The Consolidated Appropriations Act of 2022 permanently cancelled $175 million. This permanent reduction or cancellation means that the amount will never be used for its intended purposes. In fiscal year 2021, there was a permanent reduction of $75 million. The cancelled funds for fiscal year 2022 were transferred to the General Fund on August 31, 2022.

Note 10: Distributions Payable

Distributions Payable (state and local agencies and foreign governments) amounted to $66.7 million and $91.8 million as of September 30, 2022 and 2021, respectively. Fund management recognizes as a liability a portion (based on the average of historical pay-out percentage) of the equitable sharing requests, that were approved or in the final stages of approval on September 30, 2022 and 2021, respectively. Prior experience with the nature of this account indicated that a substantial portion of these requests were certain to be paid out by the Fund during the following fiscal year.

Note 11: Net Position

Cumulative Results of Operations

The following summarizes components of cumulative results of operations as of September 30, 2022 and 2021, respectively (dollars in thousands):

	2022	2021
Retained Capital	$ 538,497	$ 829,348
Unliquidated Obligations	876,183	387,531
Net Results of Operations	429,930	197,801
Cumulative Results of Operations	$ 1,844,610	$ 1,414,680

Unliquidated Obligations

The following summarizes the components of unliquidated obligations as of September 30, 2022 and 2021 respectively (dollars in thousands):

	2022	2021
Equitable Sharing	$ 239,687	$ 266,582
Mandatory	636,496	120,949
Unliquidated Obligations	$ 876,183	$ 387,531

Note 12: Related Party Transactions

The Fund reimbursed agencies for the purchase of certain capital assets. These assets are reported by the participating agencies in their financial statements.

Note 13: Strategic Support

31 USC 9705 (g)(4)(B) allows for the expenditure, without fiscal year limitation, after the reservation of amounts needed to continue operations of the Fund. This "Strategic Support" balance may be used for law enforcement activities of any federal agency.

Amounts distributed to other federal agencies for law enforcement activities under "Strategic Support" requirements amounted to $96.1 million and $361 million in fiscal years 2022 and 2021, respectively.

The following summarizes Strategic Support payments, net of Transfers-In for the years ended September 30, 2022 and 2021, respectively, (dollars in thousands):

	2022	2021
Transfers - Out	$ (96,083)	$ (360,531)
Transfers - In	87,058	455,712
Total	$ (9,025)	$ 95,181

Note 14: Secretary's Enforcement Fund

31 USC 9705(b)(5) is another category of permanent indefinite authority. These funds are available to the Secretary, without further action by Congress and without fiscal year limitation, for federal law enforcement purposes of Treasury law enforcement organizations. The source of Section 9705(b)(5) funds is equitable sharing payments received from the Department of Justice and the U.S. Postal Service (USPS) representing Treasury's share of forfeiture proceeds from Justice and USPS cases.

The net amounts distributed for federal law enforcement purposes of Treasury law enforcement organizations amounted to $8.9 million and $12.2 million in fiscal years 2022 and 2021, respectively.

The following summarizes Secretary's Enforcement Fund payments, net of Transfers-In for the years ended September 30, 2022 and 2021, respectively, (dollars in thousands):

	2022	2021
Transfers - Out	$ (10,803)	$ (14,677)
Transfers - In	1,925	1,857
Total	$ (8,878)	$ (12,820)

Note 15: Commitments and Contingencies

COMMITMENTS

The Fund is subject to equitable sharing claims from participating state and local law enforcement agencies. A portion of these claims that were in final stages of approval have been recognized as liabilities as of September 30 (See Note 10).

In addition to the amounts estimated above, there are other amounts, which may ultimately be shared, that are not identified at this time.

CONTINGENCIES

As of September 30, 2022, the Fund had future expenditures of $805.4 million (see Note 17) for refunds and equitable sharing matters, which are reasonably estimable. The future expenditures are based upon the best estimate of costs to be incurred for refunds considering the progress made by seizing agencies and the relevant United States Attorney's Offices in achieving a resolution to forfeitures. Additionally, part of the amount will soon be equitably shared with the Department of Justice pursuant to a long-standing memorandum of agreement.

In FY 2021, The Fund reported two litigation items concerning the Fund for U.S. Victims of State Sponsored Terrorism (USVSST Fund) that could have had a future material impact of $228 million. As of today, the risk of loss is $0. While one case is still pending, it no longer involves valid TFF/Treasury claims and no longer poses a financial risk to the TFF or Treasury, and the risk of loss is now categorized as remote.

There is a reportable matter concerning a prior IRS-CI forfeiture, in which it is expected that the civil branch of the IRS will seek a levy against the TFF for approximately $485,480.33. This amount was deposited to the Fund in 2019 pursuant to valid civil forfeiture order that the U.S. Attorney's Office (USAO) sought and obtained in the civil case, evidently unaware that the forfeiture order conflicted with a prior (May 2017) plea agreement that the USAO had entered into with a taxpayer/defendant in a tax case, which had no forfeiture, and in which the USAO agreed to use these funds towards the defendant's tax liability. The defendant's attorney recently realized the tax debt had not yet been satisfied and contacted the USAO to seek the funds. The IRS civil side has inquired with the TFF and USAO as well. TFF's Counsel is working with the USAO, TFF management, and IRS-CI to explore options to remedy the situation, and it is probable that the civil branch of the IRS will issue the levy, which would provide the only mechanism for the TFF to release the $485,480.33.

Note 16: Disclosures Related to the Statements of Net Cost

Gross costs and earned revenue related to Law Enforcement Programs administered by the Fund are presented in Treasury's budget functional classification (in thousands) as set out below:

	2022	2021
Gross Costs	$ 295,795	$ 279,928
Earned Revenues	-	-
Net Costs	$ 295,795	$ 279,928

The Fund falls under the Treasury's budget functional classification related to Administration of Justice.

Note 17: Disclosures Related to the Statements of Budgetary Resources

The Fund's budgetary obligations are fully covered by cash on hand in the Fund and Entity Investments. The Fund does not have borrowing or contract authority and, therefore, has no repayment requirements, financing sources for repayment, or other terms of borrowing authority. There are no legal arrangements, outside of normal government wide restrictions, specifically affecting the Fund's use of unobligated balances of budget authority.

Adjustments to budgetary resources available at the beginning of fiscal years 2022 and 2021 consist of the following (in thousands):

	2022	2021
Recoveries of Prior Year Unpaid Obligations	$ 22,136	$ 33,811
Other Changes in Unobligated Balance	84,833	455,448
Adjustments to Budgetary Resources Available	$ 106,969	$ 489,259

Adjusted unobligated balances available at the beginning of fiscal years 2022 and 2021 are as follows (in thousands):

	2022	2021
Prior Year Ending Unobligated Balance	$ 877,271	$ 691,453
Adjustments to Budgetary Resources Available	106,969	489,259
Unobligated Balance from Prior Year Budget Authority, Net	$ 984,240	$1,180,712

The Fund was required to change its methodology for recognizing remissions and equitable sharing obligations beginning in FY 2016. Under the newly adopted method, an obligation for refunds or remissions will be created only upon receipt of a Ruling Letter from the Department of Justice for judicial forfeiture cases or from Fund member agencies for administrative forfeitures. Additionally, obligations related to equitable sharing will be recognized upon TEOAF's approval of Fund member agencies' request for transfers and related distribution percentages and amounts on the Decision Form. Consequently, the Fund has future expenditures and commitments from remissions and equitable sharing that will be funded from the September 30, 2022 unobligated balance.

The following shows anticipated reductions to the unobligated balances of budget authority resulting from these future expenditures and commitments for fiscal years 2022 and 2021.

	2022	2021
Unobligated balance	$ 876,333	$ 877,271
Future expenditures (Note 15):		
Refund and remissions	(588,132)	(421,329)
Equitable sharing	(217,286)	(169,385)
Total future expenditures	(805,418)	(590,714)
Commitments (Note 15)	-	-
Total reductions to unobligated balance	(805,418)	(590,714)
Unobligated balance net of future expenditures, and commitments	$ 70,915	$ 286,557

Note 18: Dedicated Collections

The Fund is classified as a special fund. All its activities are reported as dedicated collections held for later use.

Note 19: Payments in Lieu of Forfeiture, Net of Refunds

The following summarizes Payments in Lieu of Forfeiture, Net of Refunds for the years ended September 30, 2022 and 2021, respectively (dollars in thousands):

	2022	2021
Payments in Lieu of Forfeiture	$ 14,094	$ 9,430
Refunds	(638)	(710)
Total	$ 13,456	$ 8,720

Note 20: Reconciliation of Net Cost of Operations to Net Budgetary Outlays

The reconciliation of Net Cost of Operations to Net Budgetary Outlays demonstrates the relationship between the Fund's proprietary (net cost of operations) and budgetary accounting (net outlays) information (in thousands):

September 30, 2022

	Federal	Non-Federal	Total
Net Cost	$211,446	$84,349	$295,795
Increase/(decrease) in assets:			
Investments and interest receivables	(170,538)	-	(170,538)
Cash, foreign currency, and other monetary assets	-	(527,634)	(527,634)
Other receivables, net	-	3,955	3,955
Other assets	-	681,451	681,451
(Increase)/decrease in liabilities:			
Other payables		26,199	26,199
Other intra-governmental liabilities	184,612		184,612
Other liabilities		148,436	148,436
Total components of Net Cost not part of Net Outlays	14,074	332,407	346,481
Components of the Budget Outlays that are not part of Net Costs			
Other financing sources			
Public debt investments	170,538	-	170,538
Transfers out (in) without reimbursement	17,903	-	17,903
Total components of Net Outlays that are not part of Net Costs	188,441	-	188,441
Other Reconciling Items	(26,099)	(43,075)	(69,174)
Net Outlays	$387,862	$373,681	$761,543

September 30, 2021

	Federal	Non-Federal	Total
Net Cost	$202,168	$77,760	$279,928
Increase/(decrease) in assets:			
Investments and interest receivables	1,716,811	-	1,716,811
Cash, foreign currency, and other monetary assets	-	263,180	263,180
Other receivables, net	-	(1,704)	(1,704)
Other assets	-	71,707	71,707
(Increase)/decrease in liabilities:			
Other liabilities	(296,582)	(1,482,449)	(1,779,031)
Total components of Net Cost not part of Net Outlays	1,420,229	(1,149,266)	270,963
Components of the Budget Outlays that are not part of Net Costs			
Other financing sources			
Public debt investments	(1,716,811)	-	(1,716,811)
Transfers out (in) without reimbursement	(82,361)	339,660	257,299
Total components of Net Outlays that are not part of Net Costs	(1,799,172)	339,660	(1,459,512)
Other Reconciling Items	-	1,085,727	1,085,727
Net Outlays	$(176,775)	$353,881	$177,106

Note 21: Fund Balance with Treasury

The Fund Balance with Treasury as of September 30, 2022 and 2021 consisted of the following (in thousands):

Status of Fund Balance with Treasury:	2022	2021
(1) Unobligated Balance		
(a) Available	$ 693,673	$ 855,460
(b) Unavailable	253,300	66,586
(2) Obligated Balance not yet Disbursed	1,141,823	863,981
(3) Non-Budgetary FBWT	(2,044,078)	(1,786,027)
Total	$ 44,718	$ -

SECTION IV

REQUIRED SUPPLEMENTAL INFORMATION

(UNAUDITED)

THIS PAGE INTENTIONALLY LEFT BLANK

Intragovernmental Amounts – Assets (Dollars in thousands)

Partner Agency	2022 Fund Balance with Treasury	2022 Investments	2021 Fund Balance with Treasury	2021 Investments
Treasury	$ 44,718 -	$ -	$ -	$ -
Bureau of the Fiscal Service	-	4,537,032	-	4,707,570
Totals	$ 44,718	$ 4,537,032	$ -	$ 4,707,570

Intragovernmental Amounts – Liabilities (Dollars in thousands)

Partner Agency	2022 Accounts Payable	2021 Accounts Payable
Treasury Bureau of the Fiscal Service (Fund Balance with Treasury)	$ -	$ 38,731
Department of Justice	3,556	-
Department of Homeland Security	139,706	345,290
Departmental Offices	776	850
Treasury Office of the Inspector General	-	137
Tax and Trade	975	1,022
Financial Crimes Enforcement Network	16,423	6,728
Internal Revenue Service	31,867	23,888
Totals	$ 193,303	$ 416,646

Intragovernmental Amounts – Revenues and Costs (Dollars in thousands)

Budget Functions	2022 Cost to Generate Exchange Intragovernmental Revenue	2022 Costs to Generate Non-Exchange Intragovernmental Revenue	2021 Cost to Generate Exchange Intragovernmental Revenue	2021 Costs to Generate Non-Exchange Intragovernmental Revenue
Administration of Justice	$ -	$ 211,446	$ -	$ 202,168

Intragovernmental Amounts – Non-exchange Revenue (Dollars in thousands):

Partner Agency	2022 Transfers In	2022 Transfers Out	2022 Net Transfers In (Out)	2021 Transfers In	2021 Transfers Out	2021 Net Transfers In (Out)
Department of Homeland Security	$ 88,626	$ (56,569)	$ 32,057	$457,319	$ (345,788)	$ 111,531
Internal Revenue Service	352	(26,980)	(26,628)	250	(21,605)	(21,355)
Tax and Trade	5	(838)	(833)	-	(1,087)	(1,087)
Financial Crimes Enforcement Network	-	(22,500)	(22,500)	-	(6,728)	(6,728)
Department of Justice	-	-	-	-	-	-
General Fund	-	(175,000)	(175,000)	-	(75,000)	(75,000)
	$ 88,983	$ (281,887)	($ 192,904)	$457,569	$(450,208)	$ 7,361

SECTION V

OTHER ACCOMPANYING INFORMATION

(UNAUDITED)

THIS PAGE INTENTIONALLY LEFT BLANK

TREASURY FORFEITURE FUND
Equitable Sharing Summarized by State and U.S. Territories
For the Year Ended September 30, 2022
(Dollars in Thousands)
(Unaudited)

State/U.S. Territories	Currency Value	Property Value
Alabama	$ 111	$ -
Alaska	-	-
Arizona	1,151	349
Arkansas	124	-
California	6,902	3,551
Colorado	1,550	29
Connecticut	594	-
D.C. Washington	-	-
Delaware	96	20
Florida	6,449	1,120
Georgia	915	24
Guam	4	-
Hawaii	905	3
Idaho	-	-
Illinois	5,677	312
Indiana	948	-
Iowa	10	-
Kansas	551	1,078
Kentucky	310	23
Louisiana	68	-
Maine	31	165
Maryland	711	737
Massachusetts	515	26
Michigan	1,783	156
Minnesota	330	6
Mississippi	378	-
Missouri	804	30
Montana	-	-
Nebraska	5,940	-
Nevada	149	-
New Hampshire	107	141
New Jersey	516	160
New Mexico	-	-
New York	7,198	5,364
North Carolina	7,587	38
North Dakota	290	6
Northern Marianas	6	-
Ohio	1,475	10,979
Oklahoma	483	4
Oregon	4,649	188
Pennsylvania	4,423	210
Puerto Rico	552	-
Rhode Island	90	10
South Carolina	796	-
South Dakota	-	-
Tennessee	245	96
Texas	13,768	3,473
Subtotal carried forward	$ 79,191	$ 28,298

Equitable Sharing Summarized by State and U.S. Territories
For the Year Ended September 30, 2022
(Dollars in Thousands)
(Unaudited)

State/U.S. Territories	Currency Value	Property Value
Subtotal brought forward	$ 79,191	$ 28,298
Utah	166	-
Vermont	223	-
Virgin Islands	-	-
Virginia	1,734	-
Washington	830	993
West Virginia	66	112
Wisconsin	16	-
Wyoming	57	-
Totals	$ 82,283	$ 29,403

Summarized above are the currency and property values of assets forfeited and shared with state and local agencies and U.S. Territories participating in the seizure. This supplemental schedule is not a required part of the financial statement of the Department of the Treasury Forfeiture Fund. Information presented on this schedule represents assets physically transferred during the year and, therefore, does not agree with total assets shared with state and local agencies in the financial statements. In addition, the above numbers do not include the adjustment to present property distributed at net realizable value.

TREASURY FORFEITURE FUND
Uncontested Seizures of Currency and Monetary Instruments Valued Over $100 Thousand Taking More Than 120 Days from Seizure to Deposit in Fund
For the Year Ended September 30, 2022
(Dollars in Thousands)

31 U.S.C. 9705(f)(2)(E) requires the Secretary of the Treasury to report annually to Congress uncontested seizures of currency or proceeds of monetary instruments over $100 thousand which were not deposited in the Department of the Treasury Forfeiture Fund within 120 days of the seizure date. There were 29 administrative seizures over $100 thousand over 120 days old totaling $7,294 that had not been transferred from the Seized Currency Suspense Account to the Treasury Forfeiture Fund as of the end of FY 2022.

TREASURY FORFEITURE FUND
Analysis of Revenue and Expenses and Distributions
For the Year Ended September 30, 2022
(Dollars in Thousands)

Revenue, Expenses and Distributions by Asset Category:

	Revenue	Expenses and Distributions
Vehicles	$ 34,304	$ 156,713
Vessels	9,529	199,669
Aircraft	9,529	64,326
General Property	30,493	633,761
Real Property	106,725	24,824
Currency and monetary instruments	961,427	72,714
	1,152,007	1,152,007
Less:		
Mortgages and claims	(1,254)	(1,254)
Refunds	(638)	(638)
Add:		
Excess of net revenues and financing sources over total program expenses	-	-
Total	$ 1,150,115	$ 1,150,115

	Revenue	Expenses and Distributions
Revenue, Transfers, Expenses and Distributions by Type of Disposition:		
Sales of property and forfeited currency and monetary instruments	$ 914,015	$ 218,881
Reimbursed storage costs	6,506	115,201
Assets shared with state and local agencies	86,142	86,142
Assets shared with other federal agencies	7,608	7,608
Assets shared with foreign countries	964	964
Victim Restitution	136,772	136,772
Destructions	-	138,241
Pending disposition	-	448,198
	1,152,007	1,152,007
Less:		
Mortgages and claims	(1,254)	(1,254)
Refunds	(638)	(638)
Add:		
Excess of net revenues and financing sources over total program expenses	-	-
Grand Total	$ 1,150,115	$ 1,150,115

The revenue amount of $1,150,115 is from the Statement of Changes in Net Position. This supplemental schedule “Analysis of Revenues, Expenses and Distributions” is required under the Treasury Forfeiture Fund Act of 1992.

TREASURY FORFEITURE FUND
Information Required by 31 U.S.C. 9705(f)
For the Year Ended September 30, 2022
(Dollars in Thousands)

The Treasury Forfeiture Fund Act of 1992, 31 U.S.C. 9705(f), requires the Secretary of the Treasury to transmit to Congress, no later than February 1, of each year, certain information. The following summarizes the required information.

(1) A report on:

(A) The estimated total value of property forfeited with respect to which funds were not deposited in the Department of the Treasury Forfeiture Fund during the preceding fiscal year under any law enforced or administered by the Department of the Treasury law enforcement organizations or the United States Coast Guard, in the case of fiscal years beginning after 1993.

As reported in the audited financial statements, at September 30, 2022, the Fund had forfeited property held for sale of $982,035. The realized proceeds will be deposited in the Fund when the property is sold.

Upon seizure, currency and other monetary instruments not needed for evidence in judicial proceedings are deposited in a Customs and Border Protection (CBP) suspense account. Upon forfeiture, it is transferred to the Treasury Forfeiture Fund. On September 30, 2022, there was $16,164 of forfeited currency and other monetary instruments that had not yet been transferred to the Fund. This is reported as a part of "Cash and Other Monetary Assets" in the audited financial statements.

(B) The estimated total value of all such property transferred to any state or local law enforcement agency.

The estimated total value of all such property transferred to any state or local law enforcement bureau is summarized by state and U.S. territories. Total currency transferred was $82,283 and total property transferred was $29,403 at appraised value.

(2) A report on:

(A) The balance of the Fund at the beginning of the preceding fiscal year.

The total net position of the Treasury Forfeiture Fund on September 30, 2021 which became the beginning balance for the Fund on October 1, 2021, as reported in the audited financial statements is $1,414,680.

(Dollars in Thousands)

(B) Liens and mortgages paid and the amount of money shared with federal, state, local and foreign law enforcement bureaus during the preceding fiscal year.

Mortgages and claims expense, as reported in the audited financial statements, was $1,254. The amount actually paid on a cash basis was not materially different.

The amount of forfeited currency and property shared with federal, and distributed to state, local and foreign law enforcement bureaus as reported in the audited financial statements was as follows:

	Amount
State and local	**$86,142**
Foreign countries	**964**
Other federal agencies	**7,608**
Victim restitution	**136,772**

(C) The net amount realized from the operations of the Fund during the preceding fiscal year, the amount of seized cash being held as evidence, and the amount of money that has been carried over into the current fiscal year.

The net cost of operations of the Fund as shown in the audited financial statements is $295,795.

The amount of seized currency not on deposit in the Fund's suspense account at September 30, 2022, was $48,829. This amount includes some funds in the process of being deposited at year-end, cash seized in August or September 2022 that is pending determination of its evidentiary value from the U.S. Attorney, and the currency seized for forfeiture being held as evidence.

On a budgetary basis, unobligated balances as originally reported on the Office of Management and Budget Reports, SF-133, "Report on Budget Execution" was approximately $876,333 for fiscal year 2022. A permanent rescission of $175 million was declared for FY 2022.

TREASURY FORFEITURE FUND
Information Required by 31 U.S.C. 9705(f)
For the Year Ended September 30, 2022
(Dollars in Thousands)

(D) Any defendant's property not forfeited at the end of the preceding fiscal year, if the equity in such property is valued at $1 million or more.

The total approximate value of such property for the Treasury Forfeiture Fund, at estimated values determined by bureau and contractor's officials, and the number of seizures is as follows:

Bureau	Amount	Number
CBP	$ 456,974	107 seizures
IRS	7,029,697	49 seizures
U.S. Secret Service	96,500	28 seizures

(E) The total dollar value of uncontested seizures of monetary instruments having a value of over $100 thousand which, or the proceeds of which, have not been deposited into the Fund within 120 days after the seizure, as of the end of the preceding fiscal year.

The total dollar value of such seizures is $7,294. This is also documented on page 51.

(F) The balance of the Fund at the end of the current fiscal year.

The total net position of the Fund at September 30, 2022, as reported in the audited financial statements is $1,844,610.

(G) The net amount, if any, of the excess unobligated amounts remaining in the Fund at the end of the preceding fiscal year and available to the Secretary for Federal law enforcement related purposes.

There is no cap on amounts that can be carried forward into Fiscal Year 2023 per the fiscal year 1997 Omnibus Appropriations Act (PL 104-208).

(H) A complete set of audited financial statements prepared in a manner consistent with the requirements of the Chief Financial Officers Act of 1990.

The audited financial statements, including the Independent Auditor's Report, are found in Sections II and III.

(I) An analysis of income and expense showing revenue received or lost: (i) by property category (such as general property, vehicles, vessels, aircraft, cash, and real property); and (ii) by type of disposition (such as sale, remission, cancellation, placement into official use, sharing with state and local agencies, and destruction).

A separate schedule is presented on page 52.