

Treasury Forfeiture Fund

Mission Statement

To affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus participating in the Fund to disrupt and dismantle criminal enterprises.

Program Summary by Account

Dollars in Thousands

	FY 2006	FY 2007	FY 2008		
	Obligated	Estimated	Estimated	\$ Change	% Change
Asset Forfeiture Fund	\$313,957	\$270,000	\$270,000	\$0	0.00%
Total Resources	\$313,957	\$270,000	\$270,000	\$0	0.00%

FY 2008 Priorities

A top priority of the Treasury Forfeiture Fund is to continue to cultivate and strengthen relationships at the federal, state, and local levels through the use of training and funding initiatives focusing on investigations that will have the greatest impact on disrupting and dismantling criminal enterprise. Additional priorities for FY 2008 include:

- Educate and focus stakeholders and others on the vision and mission of Treasury's multi-Departmental asset forfeiture program,
- Focus resources in a high-impact manner that enhances enforcement against: terrorist financing, illegal immigration, bulk cash smuggling, and money laundering, providing support to the National Money Laundering Strategy,
- Foster and support the investment of forfeiture resources in the needs of the participating law enforcement bureaus, including new technologies and data collection, in order to promote program excellence and strengthen the overall quality of high-impact criminal investigations,
- Reinforce relationships with member bureaus that extend across Departmental boundaries and with state, local and foreign law enforcement agencies that "extend the reach" of federal law enforcement, and
- Develop and modify forfeiture training and awareness programs that are responsive to today's needs and continually re-evaluate such training initiatives for best practices.

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Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

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 bureaus participating in the Treasury Forfeiture Fund. The member bureaus include the Internal Revenue Service's Criminal Investigation (IRS-CI), Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and the U.S. Secret Service (Secret Service.) The latter three bureaus are part of the Department of Homeland Security, transferred as part of the Homeland Security Act of 2002. These member bureaus are joined by the U.S. Coast Guard, Department of Homeland Security, as the result of a long-standing close law enforcement relationship with legacy Customs.

Vision: The focus of Fund management is on strategic cases and investigations that result in high-impact forfeitures. Management believes this approach will have the greatest impact on criminal organizations and thus will accomplish the ultimate mission of the Fund to disrupt and dismantle criminal enterprises. The enhancement of forfeiture activity requires longer, more in-depth investigations. To this end, Fund management emphasizes the use of mandatory funding authorities that fund large case initiatives, including the purchase of evidence and information, joint operations expenses, investigative expenses leading to seizure, and asset identification and removal teams. In addition, it is also a priority to fund revenue-enhancing projects such as major case funding, database development and computer forensics through the use of the Secretary's Enforcement Fund or Super Surplus funds when available.

Priorities: Asset seizure and forfeiture is a priority for the Fund's participating law enforcement organizations, as well as the Department of Treasury, and is linked directly to the National Money Laundering Strategies. In this regard, management has identified the following priorities for mission success:

- Continue to educate and focus stakeholders, and others, on the vision and mission of Treasury's multi-Departmental asset forfeiture program (i.e., affirmatively influence the consistent and strategic use of asset forfeiture by law enforcement bureaus participating in the Treasury Forfeiture Fund to disrupt and dismantle criminal enterprises),
- Focus resources in a manner that enhances support of law enforcement's national money laundering strategy and anti-terrorism financing efforts, and
- Foster and support the investment of forfeiture resources in the needs of the participating law enforcement bureaus in order to promote program excellence and strengthen the overall quality of criminal investigations.

1B – Program History and Future Outlook

Program History: The Treasury Forfeiture Fund continued in its capacity as a multi-Departmental Fund in FY 2006, representing the forfeiture interests of the law enforcement components of the Departments of the Treasury and Homeland Security. In the midst of this period of growth and change, the Fund's 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 2006 continued a pattern of robust revenue years with income from forfeitures and recoveries totaling nearly \$306 million.

Program Outlook: Management forecasts a continued vigorous program for FY 2007 and FY 2008 with forfeiture revenue estimated at \$270 million for each year.

1C – Industry Outlook

FY 2007: Fund management 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 that emphasizes high impact cases.

FY 2008: Fund management plans to: continue investment in technologies and data collection; encourage bureaus to pursue high-impact major cases and establish financial plans that reflect such priorities; further develop and modify forfeiture training and forfeiture awareness programs that are responsive to today's needs and designed to foster the understanding and application of asset forfeiture; and to continually re-evaluate the basic methods of operation to ensure that this methodology is the best one.

Fund management will continue its work to reinforce relationships with member bureaus that extend across Departmental boundaries to ensure that the vision, mission, and operating strategies and policies of the Treasury Forfeiture Fund continue to be recognized by the various Departments.

Section 2 – Budget Adjustments and Appropriations Language

2.2 – Operating Levels Table

Dollars in Thousands

Account Title: Treasury Forfeiture Fund	FY 2006 Obligated	FY 2007 Estimated	FY 2008 Estimated
FTE	20	20	20
Object Classification:			
25.2 Other Services.....	95,616	130,000	130,000
25.3 Purchase of Goods/Serv. from Govt. Ac	134,187	84,936	52,000
41.0 Grants, Subsidies.....	84,154	88,000	88,000
Total Operating.....	\$313,957	\$302,936	\$270,000

2B – Appropriations Language

The Treasury Forfeiture Fund does not receive any discretionary appropriation authority from the Congress and, therefore, does not have appropriations language.

2C – Legislative Proposals

The Treasury Forfeiture Fund has no Legislative Proposals for FY 2008.

Section 3 – Budget and Performance Plan

3.1 – Resource Detail Table

Dollars in Thousands

	FY 2006 Actual AMOUNT	FY 2007 Estimated AMOUNT	FY 2008 Estimated AMOUNT	% Change FY 2007 to FY 2008 AMOUNT
Summary of Revenue and Expenses:				
Revenue:				
Carryover from prior year and recoveries	125,706	82,936	50,000	-39.71%
Current year forfeiture revenue	271,187	270,000	270,000	0.00%
Total Revenue	\$396,893	\$352,936	\$320,000	-9.33%
Expenses:				
Permanent Authority	313,957	302,936	270,000	-10.87%
Subtotal Manufacturing and Sales	\$313,957	\$302,936	\$270,000	-10.87%
Carryover to next year *	\$82,936	\$50,000	\$50,000	0.00%

* The Fund incurs expenses at the start of the year for an array of property contacts, so a carryover is required every year.

3A – Asset Forfeiture Fund (\$270,000,000 from reimbursable programs): The function of the Treasury Forfeiture Fund is to ensure resources are managed to cover the costs of an effective asset seizure and forfeiture program, including the costs of seizing, evaluating, inventorying, maintaining, protecting, advertising, forfeiting and disposing of property. Asset forfeiture is used by federal law enforcement to disrupt and dismantle criminal enterprises.

Summary of Treasury Forfeiture Fund Authorities: The Treasury Forfeiture Fund is a *special fund* with permanent, indefinite authority. *Special funds* are federal fund collections that are earmarked by law for a specific purpose, and which consist of separate receipt and expenditure accounts. The enabling legislation for the Treasury Forfeiture Fund (31 U.S.C. § 9703) defines those purposes for which Treasury forfeiture revenue may be used. The funds can be allocated and used without the enactment of an annual appropriation by Congress.

A forfeiture process begins once property or cash is seized. Upon forfeiture, seized currency, initially deposited into suspense, 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 forfeiture revenue that composes the budget authority for meeting expenses of running the Treasury Forfeiture Fund program.

Expenses of the Fund are set in a relative priority so that unavoidable or “mandatory” costs are met first. Expenses may not exceed revenue in the Fund.

Types of spending authority of the Fund:

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 seizure, equitable shares are paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.

Secretary’s Enforcement Fund (SEF) is derived from equitable shares received from the Department of Justice or U.S. Postal Service (USPS) forfeitures. These shares represent Treasury’s portion in the overall investigative effort that lead to a Justice or USPS forfeiture. SEF revenue is available for Federal law enforcement purposes of any law enforcement organization participating in the Treasury Forfeiture Fund.

Super Surplus represents the remaining unobligated balance at the close of the fiscal year after an amount is reserved for Fund operations in the next fiscal year. Super Surplus can be used for any federal law enforcement purpose.

3.2.1 – Asset Forfeiture Fund Budget and Performance Plan

Dollars in Thousands

Asset Forfeiture Fund Budget Activity		Includes Strategic Objective F3A				
Resource Level	FY 2004 Obligated	FY 2005 Obligated	FY 2006 Obligated	FY 2007 Estimated	FY 2008 Estimated	
Financial Resources						
Appropriated Resources	\$0	\$0	\$0	\$0	\$0	
Other Resources	315,597	340,583	313,957	270,000	270,000	
Total Operating Level	\$315,597	\$340,583	\$313,957	\$270,000	\$270,000	
Human Resources						
Appropriated FTE	0	0	0	0	0	
Other FTE	20	20	20	20	20	
Total FTE (direct and reimbursable)	20	20	20	20	20	

Asset Forfeiture Fund Budget Activity		Includes Strategic Objective F3A				
Measure		FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Percent of forfeited cash proceeds resulting from high-impact cases (%) (Oe)	Target	75%	75%	75%	75%	75%
	Actual	83.95%	81%	72.93%		
	Met	Yes	Yes	No		

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Cust. Satisfaction

Description of Performance

For FY 2008, Fund management will measure the strategic performance of the participating law enforcement bureaus through the use of the 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 in excess of \$100,000. Fund management believes that focusing on strategic cases and investigations that result in high-impact seizures will do the greatest damage to criminal organizations while accomplishing the ultimate objective which is to disrupt and dismantle criminal activity.

Target: A target of 75 percent high-impact cases has been set for this performance measure. The target allows for those cases which may not be high-impact in nature but that are important to the exercise of law enforcement. The measure is calculated by dividing the total amount of forfeited cash proceeds from cases equal to or greater than \$100,000 by the total amount of forfeited cash proceeds for all cases.

Performance Exceeds Target: Law enforcement bureaus participating in the Treasury Forfeiture Fund have exceeded the performance target in three of the last four fiscal years, only narrowly missing the target in FY 2006 as the result of forfeiture deposit timing. This achievement remains excellent given the extra demands placed on law enforcement personnel for anti-terrorism initiatives.

For detailed information about each performance measure, including definition, verification and validation, please go to:

http://www.treas.gov/offices/management/dcfo/accountability-reports/2006-par/Part_IV_Appendices.pdf

Section 4 – Supporting Materials

4.1 – Human Resources Table

Reimbursable FTE	FY 2006	FY 2007	FY 2008
Fund Management	20	20	20

4A – Human Capital Strategy Description

The Treasury Forfeiture Fund is managed by the Executive Office for Asset Forfeiture (EOAF), a policy office that reports to the Assistant Secretary for Terrorist Financing. EOAF reimburses Departmental Offices (DO) for a total of 20 FTE annually.

4B – Information Technology Strategy

The Treasury Forfeiture Fund uses the Departmental Offices' systems, and is part of DO's information technology strategy.

4.3 – PART Evaluation Table

The scheduling of PART evaluation is done by the Department and the Treasury Forfeiture Fund is not scheduled to be PARTed at this time.

For a complete list of PART results visit the following website:
<http://www.whitehouse.gov/omb/expectmore/all.html>