Treasury Forfeiture Fund

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2016 Actual	FY 2017 Estimated[3]	FY 2018 Estimated	FY 2017 TO FY 2018 $ Change	FY 2017 TO FY 2018 % Change
Mandatory Obligations [1]	$451,581	$621,232	$450,000	($171,232)	-27.56%
Secretary's Enforcement Fund	$57,165	$7,075	$30,000	$22,925	324.03%
Super Surplus Obligations [2]	$0	$114,634	$100,000	($14,634)	-12.77%
Total Cost of Operations	**$508,746**	**$742,941**	**$580,000**	**($162,941)**	**-21.93%**
Rescissions/Cancellations[4]	**($4,839,128)**	**($969,783)**	**($876,000)**	**$93,783**	**-9.67%**
Contingent Liabilities	**$485,421**	**$352,054**	**$300,000**	**($52,054)**	**-14.79%**
Total FTE	**25**	**25**	**25**		**0.00%**

[1]The Treasury Forfeiture Fund is staffed by Departmental Offices employees and positions are funded via reimbursable agreement. The FTE are shown here for clarity, but are also reflected in the Departmental Offices chapter in the reimbursable FTE total.
[2] Treasury will revise the FY 2017 Super Surplus plan based on the *Consolidated Appropriations Act, 2017*, and resubmit the FY 2017 Super Surplus plan to Congress. For FY 2018, Treasury will submit a spending plan to Congress for the FY 2018 Super Surplus amount.
[3]A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.
[4] FY 2017 rescissions/cancellations include sequestration.

Summary

The Treasury Executive Office for Asset Forfeiture (TEOAF) administers the Treasury Forfeiture Fund. The Treasury Forfeiture Fund (the Fund) is the receipt account for deposit of non-tax forfeitures made pursuant to laws enforced or administered by participating Treasury and Department of Homeland Security agencies. The Fund was established in 1992 as the successor to what was then the Customs Forfeiture Fund.

The enabling legislation for the Treasury Forfeiture Fund (Title 31 U.S.C. 9705) defines the purposes for which Treasury forfeiture revenue may be used.

Explanation of Budget Activities

Mandatory Obligations ($450,000,000 from revenue/offsetting collections)

Mandatory Obligations are incurred to meet the operating costs 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, remissions, victim restoration, and certain costs of local police agencies incurred in joint law enforcement operations. Following seizure, equitable shares may be 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 ($30,000,000 from revenue/offsetting collections)

Secretary's Enforcement Fund represents revenue from equitable shares received from Department of Justice (DOJ) or U.S. Postal Service (USPS) forfeitures. These shares are proportional to Treasury's participation in the overall investigative effort that led to a DOJ or USPS forfeiture. SEF revenue is available for federal law enforcement related purposes of any law enforcement organization participating in the Fund.

Super Surplus Obligations ($100,000,000 from revenue/offsetting collections)

Super Surplus authority, established by Congress in 31 U.S.C. § 9705 (g)(4)(B), allows TEOAF to fund priority law enforcement initiatives with remaining unobligated balances at the close of the fiscal year after an amount is reserved for the next fiscal year's operations. This balance can be used for any federal law enforcement purpose.

Contingent Liabilities ($300,000 from revenue/offsetting collections)

Contingent liabilities represent the known future remission, refund, and mitigation payments.

Legislative Proposals

P.L. 114-113 permanently rescinded $3,800,000,000 of the $3,838,800,000 forfeited in United States v. BNPP, No.14 Cr. 460 (S.D.N.Y.). Treasury is unable to obligate the remaining $38,800,000 due to a provision in section 405, Title IV limiting the use of these funds. Treasury proposes to return the remaining $38,800,000 to the General Fund. Return of these funds to Treasury is being done solely to remove them from the Fund's account, but will not count as savings because the funds are already precluded from obligation.

TEOAF Performance Highlights

Budget Activity	Performance Measures	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Target	FY 2018 Target	FY 2014 – FY 2016 Trend
Treasury Forfeiture Fund	Percent of Forfeited Cash Proceeds Resulting from High-Impact Cases	86.73	98.25	89.09	80.0	80.0	

Description of Performance

($580,000,000 in obligations from revenue/offsetting collections):
The TEOAF continues to measure the 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, which are cases resulting in a cash forfeiture deposit equal to or greater than $100,000.

Focusing on strategic cases and investigations that result in high impact forfeitures will do the greatest damage to criminal organizations while accomplishing the ultimate objective, which is to disrupt and dismantle criminal activity. Member law enforcement bureaus participating in the Fund have met or exceeded the performance target since FY 2013. The Fund maintains a target of 80 percent because some cases may be important to pursue, even if they are not high-impact cases and result in deposits of less than $100,000.

The member bureaus exceeded the target 80 percent by 9.09 percent for FY 2016. For FY 2017 and FY 2018, the target will remain at 80 percent.