

# Treasury Forfeiture Fund

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## 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 Budget Activity

Dollars in Thousands

	FY 2008	FY 2009	FY 2010		
	Obligated	Estimated	Estimated	\$ Change	% Change
Asset Forfeiture Fund	\$597,287	\$585,000	\$383,000	(\$202,000)	(34.5%)
<b>Total Resources</b>	<b>\$597,287</b>	<b>\$585,000</b>	<b>\$383,000</b>	<b>(\$202,000)</b>	<b>(34.5%)</b>
<b>Total FTE</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>-</b>

## FY 2010 Priorities

Use of high-impact forfeiture to dismantle criminal enterprise:

- Continue to cultivate and strengthen relationships at the federal and state and local levels to use high-impact asset forfeiture to disrupt and dismantle criminal enterprise.
- 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 our 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.
- 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**

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### **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 the 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 our 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 2008, representing the forfeiture interests of 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 2008 continued a pattern of robust revenue years with income from forfeitures and recoveries totaling \$620 million.

Program Outlook: Management forecasts a continued vigorous program for FY 2009 and FY 2010 with forfeiture revenue and recoveries estimated at \$685 million, respectively. In FY 2008, the Forfeiture Fund experienced higher-than-anticipated revenues as a result of some unusually large forfeiture cases, and some larger forfeiture cases are also anticipated in FY 2009. In FY 2010, the Fund currently projects a return to revenues more in line with historical trends.

***FY 2009:*** For FY 2009, Fund management will remain 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 forfeiture cases. Fund management plans to continue investment in technologies and data collection and to 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 our basic method 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.

***FY 2010:*** The Treasury Forfeiture Fund is a vital, continuing, business enterprise that is essential in its importance to our member law enforcement bureaus. Given the priorities of the National Money Laundering Strategy and the law enforcement priorities of our member bureaus, the outlook for FY 2010 is similar to FY 2009: management intends to maintain a dynamic and evolving asset forfeiture program that is responsive to the needs of our member law enforcement bureaus.

## Section 2 – Budget Adjustments and Appropriation Language

### 2.2 – Operating Levels Table

Bureau: Treasury Forfeiture Fund	FY 2008 Obligated	FY 2009 Estimated	FY 2010 Estimated	% Change FY 2009 to FY 2010
<b>FTE</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>0.00%</b>
Object Classification:				
25.2 - Other services	279,435	148,000	123,000	-16.89%
25.3 - Other purchases of goods and services from Govt. accounts	187,983	229,000	143,000	-37.55%
41 - Grants, subsidies, and contributions	129,869	208,000	117,000	-43.75%
<b>Total Budget Authority</b>	<b>\$597,287</b>	<b>\$585,000</b>	<b>\$383,000</b>	<b>-34.53%</b>
Budget Activities:				
Asset Forfeiture Fund	597,287	585,000	383,000	-34.53%
<b>Total Budget Authority</b>	<b>\$597,287</b>	<b>\$585,000</b>	<b>\$383,000</b>	<b>-34.53%</b>

### 2.3 – Resource Detail Table

Dollars in thousands

The Fund has no direct FTE.	FY 2008 Actual	FY 2009 Estimated	FY 2010 Estimated	% Change FY 2009 to FY 2010
<b>Revenue:</b>				
Sources:				
Carryover from prior year	\$160,117	\$183,082	\$253,082	38.23%
Current year forfeiture revenue	620,252	685,000	358,000	-47.74%
<b>Total Revenue</b>	<b>780,369</b>	<b>868,082</b>	<b>611,082</b>	<b>-29.61%</b>
Uses:				
Permanent Authority (Obligations)	597,287	585,000	383,000	-34.53%
<b>Total Obligations</b>	<b>597,287</b>	<b>585,000</b>	<b>383,000</b>	<b>-34.53%</b>
Rescission of Unobligated Balances:				
1. Public Law 111-8 Omnibus Appropriations Act, 2009		-30,000	0	
Cancellation of Unobligated Balances:				
1. Cancellation of Unobligated Balances		0	-50,000	
<b>Subtotal, Reduction to Unobligated Balances</b>	<b>0</b>	<b>-30,000</b>	<b>-50,000</b>	<b>66.67%</b>
Carryover to next year <sup>1/</sup>	183,082	253,082	178,082	-29.63%

<sup>1/</sup> The Fund incurs expenses immediately upon the start of the new year, including costs of an extensive array of property contracts which must be funded without delay. Therefore, a carryover is required each year.

**Differences between the President's Budget schedule and this table** there is a rounding difference in the carryover balance shown at the end of FY 2008, FY 2009 and FY 2010.

**2B – Appropriations Language and Explanation of Changes**

<b>Appropriations Language</b>	<b>Explanation of Changes</b>
DEPARTMENT OF THE TREASURY TREASURY FORFEITURE FUND  Of the unobligated balances available under this heading, [\$30,000,000] \$50,000,000 are [rescinded] <i>hereby permanently cancelled.</i>	For FY 2010 \$50,000,000 of unobligated balances is proposed for permanent cancellation.

**2C – Legislative Proposals**

The Treasury Forfeiture Fund has no legislative proposals for FY 2010.

## Section 3 – Budget and Performance Plan

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This table lists all FY 2010 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan is a corporate level plan for the Department that provides a description of what the agency intends to accomplish over the next five years.

For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: [http://www.treasury.gov/offices/management/budget/strategic\\_plan.shtml](http://www.treasury.gov/offices/management/budget/strategic_plan.shtml)

### 3.1 – Budget by Strategic Outcome

Dollars in Thousands

Treasury Strategic Outcome	FY 2009 Enacted	FY 2010 Request	Percent Change
National security	585,000	383,000	-34.5%
<b>Total</b>	<b>\$585,000</b>	<b>\$383,000</b>	<b>-34.5%</b>

**3A – Asset Forfeiture Fund** (\$383,000,000 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 operating 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 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; 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 un-obligated 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

Asset Forfeiture Fund Budget Activity					
Resource Level	FY 2006 Obligated	FY 2007 Obligated	FY 2008 Obligated	FY 2009 Estimated	FY 2010 Estimated
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Reimbursable Resources	\$313,957	\$391,512	\$597,287	\$585,000	\$383,000
<b>Total Resources</b>	<b>\$313,957</b>	<b>\$391,512</b>	<b>\$597,287</b>	<b>\$585,000</b>	<b>\$383,000</b>

<b>Budget Activity Total</b>	<b>\$313,957</b>	<b>\$391,512</b>	<b>\$597,287</b>	<b>\$585,000</b>	<b>\$383,000</b>
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Budget Activity	Performance Measure	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
		Actual	Actual	Actual	Target	Target
Asset Forfeiture Fund	Percent of forfeited cash proceeds resulting from high-impact cases (%) (Oe)	72.93%	84.18%	86.91%	75.00%	75.00%

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

*Description of Performance:* For FY 2010, Fund management again 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, i.e., those with currency seizures in excess of \$100,000. Fund management believes that focusing on strategic case and investigation 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 that may not be high-impact in nature but important to the exercise of law enforcement. The measure is calculated by dividing the total amount of forfeited cash proceeds from cases that are equal to or greater than \$100,000 by the total amount of cash proceeds from all cash forfeiture cases. The data is



regularly available to Fund management and provided through accounting systems that record the data and is audited annually as part of the annual financial statement audit process.

*Performance Exceeds Target:* Law enforcement bureaus participating in the Treasury Forfeiture Fund have exceeded the performance target in four of the last five fiscal years.

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

<http://www.treasury.gov/offices/management/dcfo/accountability-reports/>

## **Section 4 – Supporting Materials**

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### **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 for a total of about 20 FTE annually, depending upon the status of vacancies at any one time.

#### **4B – Information Technology Strategy**

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