

U.S. Department of Justice

Asset Forfeiture Program

FY 2018 PERFORMANCE BUDGET

Congressional Justification

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I. Overview

A. Introduction

The Asset Forfeiture Program (AFP or the Program) touches every federal, state, tribal, and local law enforcement agency in the country and the related cases are handled by all 94 U.S. Attorney's Offices and the Department of Justice's (DOJ) Criminal Division. Through joint partnerships among law enforcement at all levels, domestically and internationally, the AFP mission is to use asset forfeiture consistently and strategically in order to deter, disrupt, and dismantle criminal enterprises by depriving wrongdoers of the fruits and instrumentalities of criminal activity. Whenever possible, the program seeks to restore property to innocent victims of crime.

For FY 2018, the Department estimates expenses totaling \$1,401,488,000 for the Program, which includes \$3,709,341 for 28 direct FTEs assigned to the Justice Management Division's Asset Forfeiture Management Staff.

Electronic copies of the Department's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

B. Explanation of the Assets Forfeiture Fund

The Assets Forfeiture Fund (AFF or the Fund) has a unique role and statutory authority in supporting and expanding the use of the forfeiture sanction throughout the federal law enforcement community. The Comprehensive Crime Control Act of 1984 (P.L. 98-473), codified in 28 U.S.C. § 524(c), established the AFF as a special fund within the Treasury to receive the proceeds of forfeitures pursuant to any law enforced or administered by the Department. The law authorizes the Attorney General to use the Fund to finance expenses associated with the execution of asset forfeiture functions and, with specific limitations, certain general investigative costs. Prior to the Fund, forfeiture was widely recognized as a powerful law enforcement tool for disrupting and dismantling well-funded criminal enterprises, but many agencies were reluctant to commit scarce appropriated monies to an expensive and often uncertain forfeiture process, where achieving success in seizing assets also meant increased costs for storing, maintaining, and perfecting the Government's interest in the seized property. As a self-funded resource that could mitigate the risk of incurring significant unfunded liabilities, the AFF ensured that law enforcement effectiveness remained the paramount consideration of agents and prosecutors in choosing to pursue forfeiture under a well-regulated national program framework. Today, the AFF is what makes the multibillion dollar Asset Forfeiture Program possible.

The AFF uses its statutory authority to support a wide variety of law enforcement programs that would not exist but for the Fund. For instance, the AFF provides funding for state and local police operating as part of a joint law enforcement task force with federal agencies. These state and local officers, often deputized as federal agents, act as a critical force multiplier in helping to achieve the law enforcement mission of our federal agencies. The AFF pays for officer overtime and a variety of critical equipment needs, including life-saving ballistic shields and helmets necessary to ensure officer safety.

In addition to directly funding state and local participation in joint task forces, the federal government also invests in these same agencies through the Equitable Sharing Program. Equitable sharing payment to state and local law enforcement partners are strictly dependent on the level of participation they had in the joint law enforcement operations that resulted in forfeitures. There are over 6,800 state and local law enforcement agencies that participate in the Equitable Sharing Program, which allows those agencies to reinvest in law enforcement training and equipment, including body armor and rescue equipment.

Since 2000, DOJ has returned over \$4 billion in assets to victims of financial fraud and theft. In 2009, the Department announced a preliminary order of forfeiture against Bernard Madoff for a massive financial fraud and Ponzi scheme orchestrated over several decades. By moving quickly to seize, forfeit, and sell the assets tied to the Madoff Ponzi scheme before they dissipated, the AFP ensured the recovery of more than \$4.1 billion for victims. The AFP continues to support 100 percent of the costs of seizure, storage, and disposition of assets in the case and is now facilitating the transfer of proceeds to victims.

The Fund has three types of spending authority:

The Mandatory Budget Authority is primarily used to help defray the costs of forfeiture-related activities, compensate victims and other innocent third parties, equitably share proceeds with state and local partners, and support state and local law enforcement participation in joint federal law enforcement operations.

The Discretionary Budget Authority is used to fund certain non-forfeiture related activities. The funding available under this authority is established by annual appropriations and is funded by program receipts. These activities fall under three expense categories: Purchase of Evidence, Equipping of Conveyances, and Awards for Information.

Super Surplus represents any excess unobligated balance of the Fund remaining from the prior fiscal year's operations that the Attorney General is authorized to use without fiscal year limitation, subject to Congressional notification, for any federal law enforcement, litigative/prosecutive, and correctional activity, or any other authorized purpose of the Department of Justice.

C. Mission, Vision, and Strategic Objectives

Mission: The mission of the Program is to support the use of asset forfeiture consistently and strategically to disrupt and dismantle criminal enterprises, deprive wrongdoers of the profits and instrumentalities of criminal activity, deter crime, and restore property to victims of crime while protecting individual rights.

Vision: To ensure that crime does not pay, the Department of Justice Asset Forfeiture Program will lead law enforcement to make the tracing and recovery of assets an integral part of every Federal prosecution, as appropriate, for the benefit of the American people.

The following strategic objectives provide focus for achieving the Program's mission and vision:

- **Program Resources** – Obtain the funding and tools required to sustain and enhance asset forfeiture investigations, prosecutions, and program operations.

- **Case Development and Execution** – Integrate asset forfeiture in all appropriate investigations and cases.
- **Program Growth** – Expand partnerships with foreign, state, and local governments; regulatory agencies; and the private sector to increase the effectiveness of asset forfeiture as a law enforcement tool.
- **Communication** – Communicate the benefits and accomplishments of the Program to law enforcement leadership, government leaders, and the American public.

D. AFP Participants

The Criminal Division’s Money Laundering and Asset Recovery Section (MLARS) has been delegated general policy and oversight functions for the Program, including litigation support to the U.S. Attorneys’ Offices, international asset recovery, and victim compensation. The Justice Management Division’s Asset Forfeiture Management Staff (AFMS) provides the administrative management and oversight of the Fund, including review and evaluation of all AFF-resourced Program activities. AFMS manages all budgeting, financial management, and contracting operations related to the AFF. AFMS oversight and management controls help ensure consistency, transparency, and credibility of AFF resource allocations across the entire Asset Forfeiture Program. The U.S. Marshals Service (USMS) is the primary custodian of seized property for the Program and manages and disposes of the majority of property seized for forfeiture.

Other DOJ participants include the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the Drug Enforcement Administration (DEA), the Executive Office for United States Attorneys (EOUSA), the Federal Bureau of Investigation (FBI), and the Organized Crime Drug Enforcement Task Forces (OCDETF).

Non-DOJ participants include the U.S. Department of Agriculture, Office of Inspector General (USDA); the U.S. Department of Defense, Criminal Investigative Service (DCIS); the U.S. Department of State, Bureau of Diplomatic Security (BDS); the U.S. Food and Drug Administration, Office of Criminal Investigations (FDA); and the U.S. Postal Inspection Service (USPIS).

Table 1 displays the functional activities of the participating agencies.

<u>Table 1: Asset Forfeiture Program Participants by Function</u>													
Function	AFMS	ATF	DCIS	DEA	BDS	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS
Investigation		X	X	X	X		X	X	X	X	X		X
Litigation						X			X				
Custody of Assets		X		X			X					X	
Mgmt of Assets	X								X				

E. Asset Forfeiture Program Budget

Revenue

The Program's primary sources of revenue are from cash, financial instruments, and proceeds from the sale of property forfeited by criminals and criminal organizations; the DOJ AFF's share of forfeitures deposited into the Treasury Forfeiture Fund; and interest earned on the investment of the balances of the AFF.

Expenses

The mandatory expenses of the Fund are set in a relative priority order so that unavoidable or mandatory costs are met first. Payments and reimbursements are permitted in nine general categories of expense that are described in Section V. The categories are listed in order of priority below.

1. Asset Management and Disposal;
2. Case Related Expenses;
3. Victim and Other Third Party Payments;
4. Equitable Sharing Payments;
5. Joint Law Enforcement Operations (with a forfeiture nexus);
6. Program Management Expenses - expenses incurred in administering a national asset forfeiture program that are not related to any specific asset or to any one specific seizure or forfeiture. These include the following:
 - a. Information Systems;
 - b. Special Contract Services;
 - c. Training and Printing; and
 - d. Other Program Management.
7. Joint Law Enforcement Operations (without a forfeiture nexus);
8. Investigative Expenses (Mandatory) - expenses normally incurred in the identification, location and seizure of property subject to forfeiture. These expenses include:
 - a. Awards Based on Forfeiture;
 - b. Contracts to Identify Assets; and
 - c. Investigative Costs Leading to Seizure.

9. Storage, Protection, and Destruction of Controlled Substances.

Table 2 shows participating agencies and their projected spending by cost category.

Table 2: Summary of Full Year Obligations
(Dollars in Thousands)

PROGRAM OPERATIONS EXPENSES	MLARS	OCDETF	DEA	EOUSA	FBI	USMS	USPIS	AFMS	ATF	FDA	USDA	BDS	DCIS	INTERPOL	TOTAL
Asset Management and Disposal															
FY 2016	-	-	1,969	-	455	32,951	10	-	2,046	-	1	-	5	-	37,437
FY 2017	-	-	1,083	-	60	40,395	10	-	2,896	-	1	-	5	-	44,450
FY 2018	-	-	1,083	-	60	40,395	10	-	2,896	-	1	-	5	-	44,450
Victim & Other Third Party Payments															
FY 2016	-	-	101	-	20	185,374	10	-	75	10	-	-	-	-	185,590
FY 2017	-	-	55	-	20	251,696	10	-	25	10	-	-	-	-	251,816
FY 2018	-	-	55	-	20	251,696	10	-	25	10	-	-	-	-	251,816
Equitable Sharing Payments															
FY 2016	-	-	-	-	-	325,481	-	-	-	-	-	-	-	-	325,481
FY 2017	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	400,000
FY 2018	-	-	-	-	-	400,000	-	-	-	-	-	-	-	-	400,000
Case Related Expenses															
FY 2016	26,906	2,054	1,422	18,436	1,050	-	500	-	186	900	155	-	250	-	51,859
FY 2017	23,091	1,987	350	19,171	975	-	-	-	141	900	45	-	250	-	46,910
FY 2018	20,782	1,987	350	23,825	975	-	-	-	141	900	45	-	250	-	49,255
Joint Law Enforcement Task Operations															
FY 2016	-	29,000	38,144	-	38,000	32,135	-	-	12,515	671	270	-	-	100	150,835
FY 2017	-	31,130	42,085	-	49,410	36,000	-	-	15,475	650	250	-	-	-	175,000
FY 2018	-	32,920	44,505	-	52,250	38,060	-	-	16,365	650	250	-	-	-	185,000
Special Contract Services															
FY 2016	11,019	-	40,682	30,024	10,361	13,578	1,340	-	14,105	-	592	-	-	277	121,978
FY 2017	5,659	-	37,129	29,488	10,256	13,742	1,349	-	13,549	-	528	-	-	-	111,700
FY 2018	5,093	-	33,416	26,539	9,230	12,368	1,180	-	12,194	-	580	-	-	-	100,600
Storage, Protection, and Destruction of Controlled Substances															
FY 2016	-	-	11,560	-	-	-	-	-	25	-	-	-	-	-	11,585
FY 2017	-	-	8,310	-	-	-	-	-	-	-	-	-	-	-	8,310
FY 2018	-	-	7,480	-	-	-	-	-	-	-	-	-	-	-	7,480
Information Systems															
FY 2016	226	-	12,706	-	146	4,984	-	30,823	476	650	-	-	30	-	50,041
FY 2017	210	-	5,557	-	80	5,447	-	37,379	477	650	-	-	60	-	49,860
FY 2018	210	-	5,557	-	80	5,447	-	43,632	477	650	-	-	60	-	56,113
Training and Printing															
FY 2016	406	50	1,843	932	800	575	20	27	164	109	20	-	93	-	5,039
FY 2017	394	128	1,269	1,143	891	1,466	20	65	544	115	113	-	62	-	6,210
FY 2018	2,684	128	1,269	1,143	891	1,466	20	65	544	115	113	-	62	-	8,500
Other Program Management															
FY 2016	25,075	1,221	535	11,152	3,711	41,414	-	12,906	2,463	-	20	-	-	-	98,497
FY 2017	29,407	1,229	485	14,714	838	41,430	-	16,704	1,967	-	6	-	-	-	106,780
FY 2018	27,937	1,167	460	13,978	796	39,358	-	15,930	1,868	-	6	-	-	-	101,500
Contracts to Identify Assets															
FY 2016	-	13,226	20,850	-	27,747	-	600	-	17,058	10,676	391	2,065	7,235	-	99,848
FY 2017	3,400	12,340	17,072	-	20,319	-	1,100	-	12,783	8,310	298	2,118	5,050	-	82,790
FY 2018	3,123	11,723	16,218	-	19,303	-	1,045	-	12,144	7,895	283	2,118	4,798	-	78,650
Awards Based on Forfeiture															
FY 2016	-	-	18,000	-	4,000	-	-	-	75	5	-	-	50	-	22,130
FY 2017	-	-	14,000	-	4,000	-	-	-	25	5	-	-	50	-	18,080
FY 2018	-	-	11,500	-	3,420	-	-	-	25	5	-	-	50	-	15,000

Table 2 Continued

PROGRAM OPERATIONS EXPENSES	AFMLS	OCDETF	DEA	EOUSA	FBI	USMS	USPIS	AFMS	ATF	FDA	USDA	BDS	DCIS	INTERPOL	TOTAL
Investigative Costs Leading to Seizures															
FY 2016	-	-	94,977	-	2,250	-	-	-	360	-	106	-	-	-	97,693
FY 2017	-	-	74,039	-	2,250	-	-	-	400	-	161	-	-	-	76,850
FY 2018	-	-	74,838	-	6,250	-	-	-	400	-	161	-	-	-	81,649
Obligations Adjustment															
FY 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,978)
FY 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal, Program Operations Expenses															
FY 2016	63,632	45,551	242,789	60,544	88,540	636,492	2,480	43,756	49,548	13,021	1,555	2,065	7,663	377	1,255,037
FY 2017	62,161	46,814	201,434	64,516	89,099	790,176	2,489	54,148	48,282	10,640	1,402	2,118	5,477	-	1,378,756
FY 2018	59,829	47,925	196,731	65,485	93,275	788,790	2,265	59,627	47,079	10,225	1,439	2,118	5,225	-	1,380,013
INVESTIGATIVE EXPENSES															
Purchase of Evidence															
FY 2016	-	-	4,015	-	2,743	-	40	-	1,083	231	-	-	-	-	8,112
FY 2017	-	-	5,074	-	3,182	-	30	-	1,083	231	-	-	-	-	9,600
FY 2018	-	-	5,074	-	3,182	-	30	-	1,083	231	-	-	-	-	9,600
Equipping of Conveyances															
FY 2016	-	-	-	-	-	173	-	-	-	8	-	-	10	-	191
FY 2017	-	-	-	-	-	183	-	-	-	8	-	-	-	-	191
FY 2018	-	-	-	-	-	183	-	-	-	8	-	-	-	-	191
Awards for Information															
FY 2016	-	-	6,866	-	4,377	444	20	-	118	8	-	-	20	-	11,853
FY 2017	-	-	5,768	-	4,687	103	-	-	118	8	-	-	-	-	10,684
FY 2018	-	-	6,290	-	5,115	153	-	-	118	8	-	-	-	-	11,684
Subtotal, Investigative Expenses															
FY 2016	-	-	10,881	-	7,120	617	60	-	1,201	247	-	-	30	-	20,156
FY 2017	-	-	10,842	-	7,869	286	30	-	1,201	247	-	-	-	-	20,475
FY 2018	-	-	11,364	-	8,297	336	30	-	1,201	247	-	-	-	-	21,475
TOTAL Regular Obligations															
FY 2016	63,632	45,551	253,670	60,544	95,660	637,109	2,540	43,756	50,749	13,268	1,555	2,065	7,693	377	1,275,193
FY 2017	62,161	46,814	212,276	64,516	96,968	790,462	2,519	54,148	49,483	10,887	1,402	2,118	5,477	-	1,399,231
FY 2018	59,829	47,925	208,095	65,485	101,572	789,126	2,295	59,627	48,280	10,472	1,439	2,118	5,225	-	1,401,488
SURPLUS															
Surplus Obligations															
FY 2016	-	-	-	-	-	61,200	-	-	-	-	-	-	-	-	61,200
FY 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL															
FY 2016	63,632	45,551	253,670	60,544	95,660	698,309	2,540	43,756	50,749	13,268	1,555	2,065	7,693	377	1,336,393
FY 2017	62,161	46,814	212,276	64,516	96,968	790,462	2,519	54,148	49,483	10,887	1,402	2,118	5,477	-	1,399,231
FY 2018	59,829	47,925	208,095	65,485	101,572	789,126	2,295	59,627	48,280	10,472	1,439	2,118	5,225	-	1,401,488

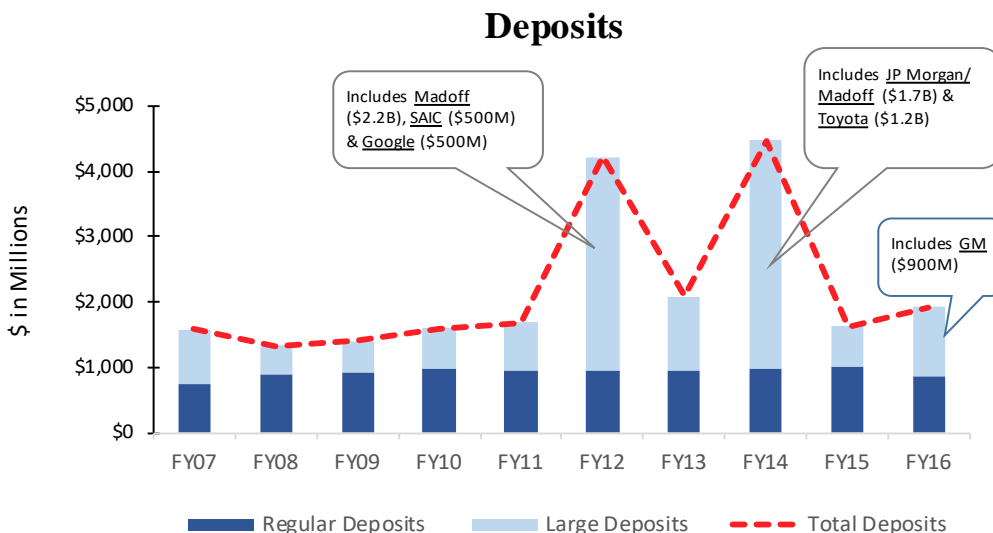
Unobligated Balances

Due to the unpredictable timing of AFF revenue and expenses, unobligated balances are carried over from one fiscal year to the next to maintain the solvency of the AFF and to cover a variety of pending liabilities.¹ The amount of unobligated monies carried forward to maintain a successful transition into each new fiscal year for specific continuity requirements are estimated as follows:

- one quarter of the previous fiscal year’s funding for Program-wide administrative and investigative support contracts;
- full costs of the previous fiscal year’s funding to cover pending expenses with state and local law enforcement agencies that participated in Joint Law Enforcement Operations;
- half of the previous year’s funding for the Consolidated Asset Tracking System (CATS), the Program’s primary information system;
- full costs of the previous year’s expenses for government salaries that have been approved by the Attorney General; and
- amounts for reasonably possible contingencies for Equitable Sharing and Victim & Other Third Party Payments to ensure that sufficient funds will be available for liabilities that do not yet meet the criteria for an obligation, but are anticipated to do so in the future based on an analysis of prior year case data.

Trends

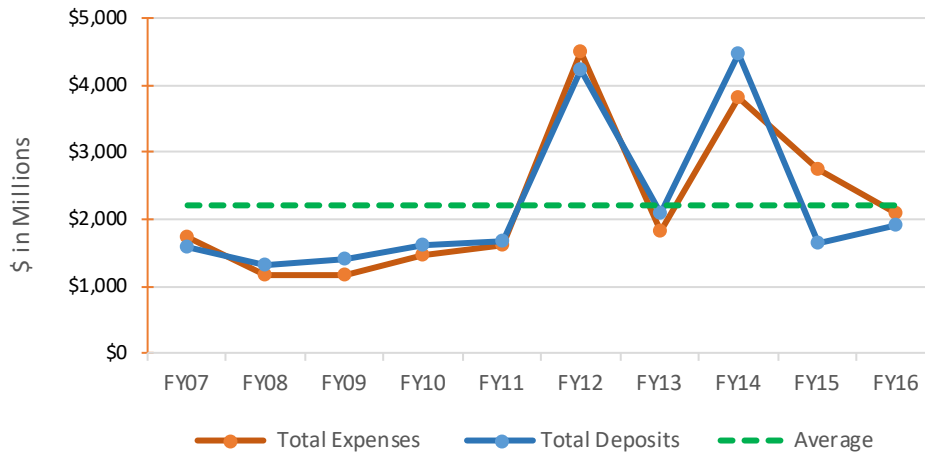
Regular deposits (defined as deposits of less than \$20 million) into the AFF were relatively consistent for eight years, but have dropped by 21 percent over the past 10 months. A handful of very large case settlements (those exceeding twenty million dollars each) accounted for some unusual spikes during the past five years. To put this in perspective, five large case settlements accounted for roughly 50 percent of all asset forfeiture revenue during those five years.



¹ See 28 U.S.C. 524(c)(8)(D)

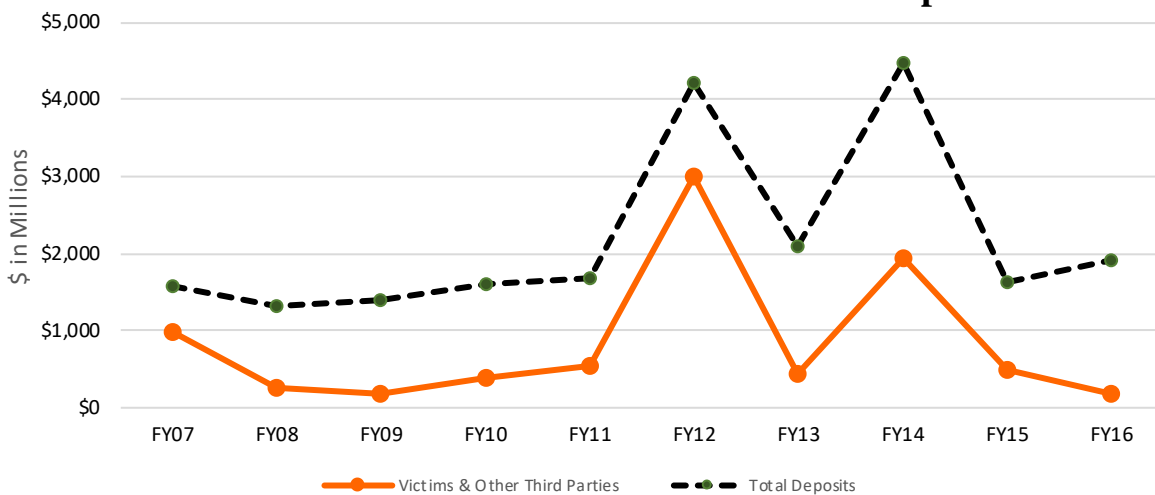
Even though the AFF is a revolving account with continuously changing balances, annual deposits and expenses generally mirror each other. As illustrated in the chart below, most often these large case deposits are offset by corresponding victim liabilities and equitable sharing payments. The ten-year average of Fund activity is roughly two billion dollars per year in deposits and associated expenses. However, the average for the past two years is only \$1.78 billion per year, essentially the same as it was a decade ago if the dollar amounts are adjusted for inflation.

Total Deposits & Expenses

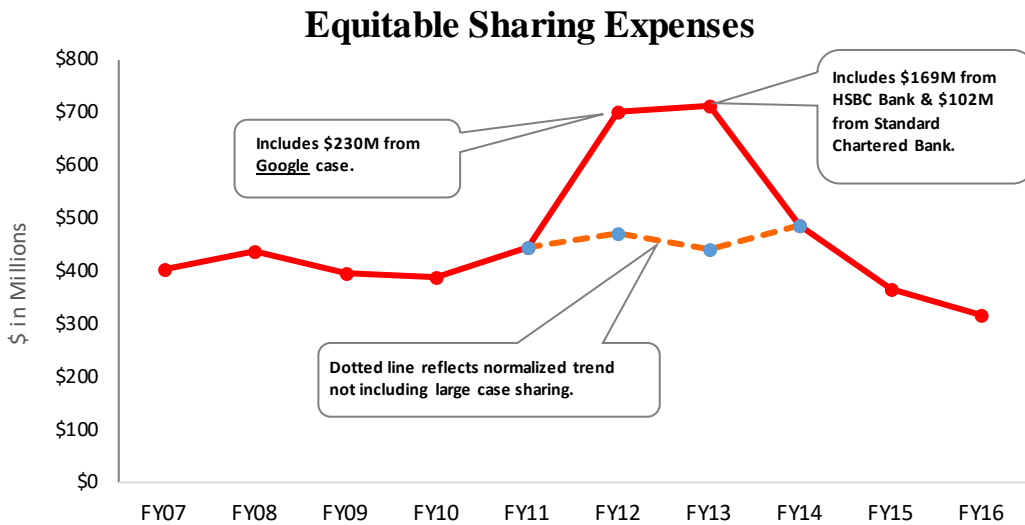


Payments to help compensate victims and other innocent third parties directly correlate with forfeitures where those parties have suffered financial loss. Over the last 10 years, victims payments represent 38 percent of all Program expenses.

Victims' & Other Innocent Third Parties' Expenses

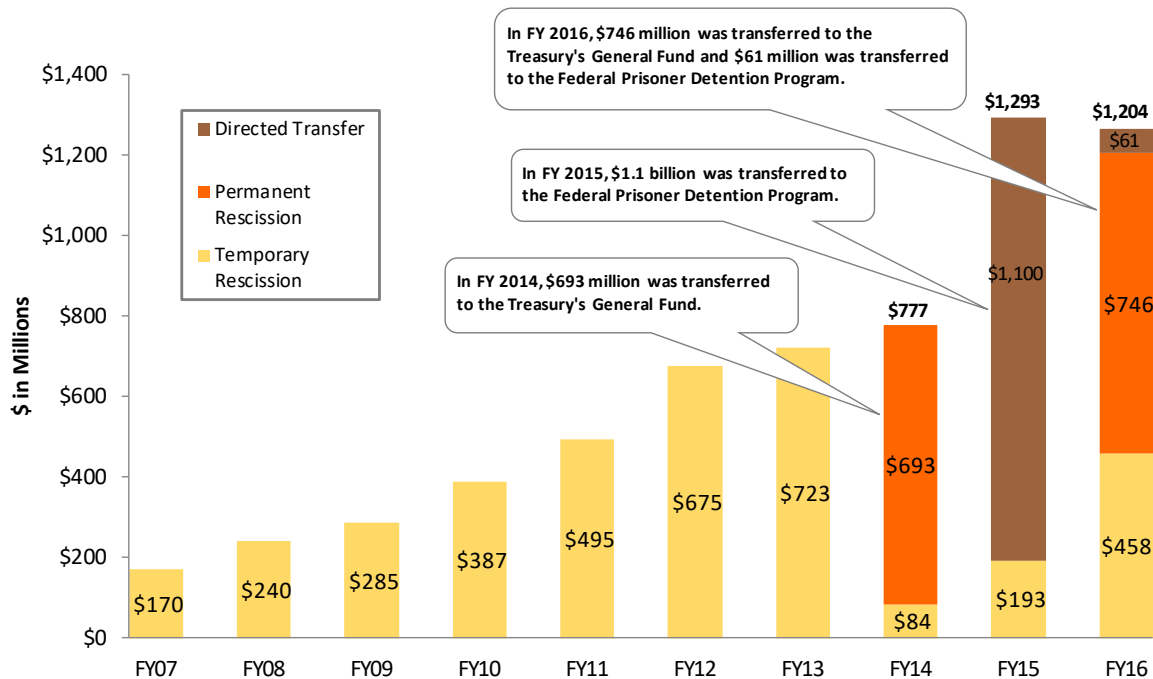


Equitable sharing payments represent another 21 percent of total Program expenses over the same 10-year period.



After victim claims and other normal operating expenses are paid, any large surplus balances may be spent to help fund other law enforcement-related priorities. More recently, Congress has directed some surplus balances be deposited into the United States Treasury General Fund and also directed certain amounts be transferred to support the cost of federal prisoner detention operations. Once it became apparent there would be potentially excess balances caused by large case deposits during fiscal years 2012 and 2014, Congress directed those surpluses be permanently transferred out in fiscal year 2015.

Permanent & Temporary Rescissions and Directed Transfers Out



FY 2016 Highlights: Forfeiture revenue from cases, reimbursable earnings, and prior year obligation recoveries totaled \$1.993 billion in FY 2016, an increase of \$328 million from the previous fiscal year. This increase in FY 2016 was driven by the receipt of \$900 million from a settlement with General Motors. FY 2016 revenue was \$103 million below the estimates provided in the FY 2017 President's Budget.

Expenses in FY 2016 totaled \$1.336 billion, a decrease of \$299 million from FY 2015. The higher level of expenses in FY 2015 reflected a transfer of \$1.1 billion of excess unobligated balances to the Federal Prisoner Detention Program (FPD) in FY 2015 as directed by the Consolidated and Continuing Appropriations Act, 2015 (P.L. 113-235). FY 2016 expenses included a transfer of \$61.2 million of excess unobligated balances to the FPD. The Bipartisan Budget Act of 2015 (P.L. 114-74) enacted in November 2016 included a \$746 million permanent rescission of Program funds.

FY 2017 Highlights: The Department forecasts revenue of \$1.188 billion in FY 2017 from forfeiture deposits, reimbursable earnings, and recoveries. This is \$317 million below the estimates provided in the FY 2017 President's Budget. The Program is estimating \$1.399 billion for mandatory and discretionary expenses in FY 2017, a decrease of \$83 million below the projection included in the FY 2017 President's Budget of \$1.482 billion.

FY 2018 Highlights: Given the focus on forfeitures in corporate fraud and other financial crime cases, the Program expects deposits due to these crimes to continue into FY 2018. It is anticipated that a significant amount of these deposits will be returned to the victims of the underlying offenses. At this time, the Department estimates \$1.198 billion in revenue from forfeiture deposits, reimbursable earnings, and recoveries.

For FY 2018, the Department is estimating \$1.401 billion for mandatory and discretionary expenses, including \$251.8 million for victim and other third party payments and \$400.0 million for equitable sharing payments. Also included, provided that net receipts support this expense level, is \$185.0 million to pay overtime expenses and other costs of state and local law enforcement officers engaged in joint operations with federal law enforcement agencies participating in the Program.

The FY 2018 Financial Plan reflects a permanent rescission of \$304 million. Additionally, the Fund is subject to a sequestration reduction currently estimated at \$107.8 million.

G. Issues and Challenges

The challenges that impact achievement of Program goals are complex and dynamic. New legislation and case law, technological developments, changing demographics, and the internationalization of criminal organizations are only a few factors that impact the AFP and pose challenges that demand attention.

External

The globalization of economic and financial systems, the rapidly changing nature of technology, and the growing sophistication of criminal organizations have increased the prevalence of economic crime. When foreign governments, terrorists, or well-established international criminals are involved, the investigative techniques often require specialist teams, as well as analytical tools

and methods to evaluate many variations of highly complex, technical, and data-intensive crimes. In recent years, the Program has focused increasing attention on building technical and operational capacity to investigate complex economic crime.

Internal

As discussed above, the total value of assets seized has declined significantly in the last 10 months. This drop in regular deposits has made the Program increasingly reliant on sporadic and unpredictable revenues from large forfeiture cases to cover normal operating expenses. As noted earlier, five large case settlements accounted for roughly 50 percent of all asset forfeiture revenue during the past five years. With this in mind, AFMS is working with partner agencies to align the Program's "core" annualized program expenses to a level that can be more fully supported by predictable "normal" case receipts. The Program is also evolving towards a more agile AFF budget execution model in order to make strategic reductions, and investments in new areas where forfeiture is expected to play a major role in the future, that preserve the program-sustaining forfeiture revenue into the AFF.

II. Summary of Program Changes

No program changes.

III. Appropriations Language and Analysis of Appropriations Language

Appropriations Language

(Including Cancellation)

For expenses authorized by subparagraphs (B), (F), and (G) of section 524(c)(1) of title 28, United States Code, \$21,475,000, to be derived from the Department of Justice Assets Forfeiture Fund.

Of the unobligated balances available under this heading, \$304,000,000 are hereby permanently cancelled.

Analysis of Appropriations Language

No substantive changes are proposed.

IV. Program Activity Justification

Asset Forfeiture Program TOTAL	Direct Pos.	Estimate FTE	Amount
2016 Enacted	28	28	1,336,393
2017 Continuing Resolution	28	28	1,399,231
Adjustments to Base and Technical Adjustments	0	0	105,397
2018 Current Services	28	28	1,504,628
2018 Program Increases	0	0	1,000
2018 Program Offsets	0	0	(104,140)
2018 Request	28	28	1,401,488
Total Change 2017-2018	0	0	2,257

Mandatory, Indefinite Authority Total	Direct Pos.	Estimate FTE	Amount
2016 Enacted	28	28	1,316,237
2017 Continuing Resolution	28	28	1,378,756
Adjustments to Base and Technical Adjustments	0	0	105,397
2018 Current Services	28	28	1,484,153
2018 Program Increases	0	0	0
2018 Program Offsets	0	0	(104,140)
2018 Request	28	28	1,380,013
Total Change 2017-2018	0	0	1,257

Appropriated, Definite Authority Total	Direct Pos.	Estimate FTE	Amount
2016 Enacted	0	0	20,514
2017 Continuing Resolution	0	0	20,475
Adjustments to Base and Technical Adjustments	0	0	0
2018 Current Services	0	0	20,475
2018 Program Increases	0	0	1,000
2018 Program Offsets	0	0	0
2018 Request	0	0	21,475
Total Change 2017-2018	0	0	1,000

V. FY 2018 Asset Forfeiture Program Estimates

Asset Forfeiture Program

1. Summary of Requirements by Financing¹

(Dollars in Thousands)

<u>Financing</u>	FY 2016 Actuals	FY 2017 Estimate	FY 2018 Estimate	2017 - 2018 Total Change
Unobligated balance of receipts, start-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	315,979	288,951	296,586	7,635
Set aside for Rescission Impact	493,270	154,000	0	(154,000)
RP Contingencies for Victims & Other Third Parties ²	82,760	49,352	49,352	0
RP Contingencies for Equitable Sharing ²	59,980	59,980	59,980	0
Set aside for FPD	61,200	0		
Prior Surplus Balances Carried Forward	0	45,196	56,615	11,419
FY 2017 Operations	0	42,223	0	0
Unobligated balance of receipts, start-of-year	1,013,189	639,702	462,533	(134,946)
Collections/deposits/receipts/recoveries:				
Regular receipts	857,573	780,000	810,000	30,000
Extraordinary Receipts	1,014,144	310,000	315,000	5,000
<i>Total Receipts</i>	<i>1,871,717</i>	<i>1,090,000</i>	<i>1,125,000</i>	<i>35,000</i>
Reimbursable Earnings/Receipts	15,841	18,452	17,970	(482)
Prior year rescissions restored	193,000	458,000	458,000	0
Prior year sequestration restored	119,741	139,006	105,397	(33,609)
Recovery/Refunds of prior year obligations	105,612	80,000	55,000	(25,000)
Temporary Rescission	(458,000)	(458,000)	0	458,000
Proposed Rescission - Permanent	0	0	(304,000)	(304,000)
Permanent Rescission	(746,000)	0	0	0
Sequestration	(139,006)	(105,397)	(107,812)	(2,415)
Collections/deposits/receipts/recoveries:	962,906	1,222,062	1,349,555	162,493
Total Direct resources available	1,960,254	1,843,311	1,794,118	(49,193)
Total resources available	1,976,095	1,861,764	1,812,088	(49,676)
Less: Unobligated balance of receipts, end-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	(288,951)	(296,586)	(301,268)	(4,682)
Set aside for Rescission Impact	(154,000)	0	0	0
RP Contingencies for Victims & Other Third Parties	(49,352)	(49,352)	(49,352)	0
RP Contingencies for Equitable Sharing	(59,980)	(59,980)	(59,980)	0
Surplus Balances Carried Forward	(45,196)	(56,615)	0	56,615
FY 2017 Operations	(42,223)	0	0	0
Unobligated balance of receipts, end-of-year	(639,702)	(462,533)	(410,600)	51,933
Total Direct Obligations	1,320,552	1,380,778	1,383,518	2,740
Total Obligations	1,336,393	1,399,231	1,401,488	2,257

¹ The estimated revenue and expenses for FY 2017 and FY 2018 reflected in this document will change significantly over the next several months as the result of ongoing analysis into the impact of recent policy changes in the Asset Forfeiture Program as well as trends in seizure and forfeiture activity.

² See Federal Accounting Standards Advisory Board Handbook, *SFFAS No. 12: Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS No. 5, Accounting for Liabilities of the Federal Government*, June 2013, p. 7 for Reasonably Possible (RP) Contingencies.

Asset Forfeiture Program
2. Obligations by Type of Expense*
(Dollars in Thousands)

	FY 2016 Actuals	FY 2017 Estimate	FY 2018 Estimate	2017 - 2018 Total Change
<i>Mandatory expenses: (indefinite authority)</i>				
Case support expenses:				
Asset Management and Disposal	37,437	44,450	44,450	0
Victim & Other Third Party Payments	185,590	251,816	251,816	0
Case Related Expenses	51,859	46,910	49,255	2,345
Special Contract Services	121,978	111,700	100,600	(11,100)
Investigative Costs Leading to Seizures	97,693	76,850	81,649	4,799
Contracts to Identify Assets	99,848	82,790	78,650	(4,140)
Awards Based on Forfeiture	22,130	18,080	15,000	(3,080)
Program support expenses:				
Information Systems	50,041	49,860	56,113	6,253
Training and Printing	5,039	6,210	8,500	2,290
Other Program Management	98,497	106,780	101,500	(5,280)
Other authorized expenses:				
Storage, Protection & Destruction of Controlled Substances	11,585	8,310	7,480	(830)
Equitable Sharing Payments	325,481	400,000	400,000	0
Joint Law Enforcement Operations	150,835	175,000	185,000	10,000
Obligations Adjustment	(2,978)	0	0	0
Subtotal: Mandatory Expenses	1,255,037	1,378,756	1,380,013	1,257
Investigative expenses				
Awards for Information	11,853	10,684	11,684	1,000
Purchase of Evidence	8,112	9,600	9,600	0
Equipping of Conveyances	191	191	191	0
Subtotal: Investigative Expenses	20,156	20,475	21,475	1,000
Total, Mandatory and Investigative Expenses	1,275,193	1,399,231	1,401,488	2,257
Surplus amounts obligated	61,200	0	0	0
Total Direct Obligations	1,320,552	1,380,779	1,383,518	2,739
Total Obligations	1,336,393	1,399,231	1,401,488	2,257

* The estimated revenue and expenses for FY 2017 and FY 2018 reflected in this document will change significantly over the next several months as the result of ongoing analysis into the impact of recent policy changes in the Asset Forfeiture Program as well as trends in seizure and forfeiture activity.

3. Program Expense Descriptions

A. MANDATORY EXPENSES, INDEFINITE AUTHORITY

1. Asset Management and Disposal

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$37,437,000	\$44,450,000	\$44,450,000	+\$0

Asset management and disposal expenses are incurred in connection with the seizure, inventory, appraisal, packaging, movement, storage, maintenance, security, and disposition of seized and forfeited assets located domestically and abroad, including the destruction of contraband. Asset management expenses may also include payment of contract services to operate and manage properties, or provide other specialized services as necessary to manage and/or dispose of such properties.

2. Victim & Other Third Party Payments

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$185,590,000	\$251,816,000	\$251,816,000	+\$0

This category of expense is primarily used to return property interest to qualifying victims. Other qualified third party interests are those expenses incurred in the payment of valid liens, secured mortgages, and debts owed to qualified general creditors pursuant to court orders or favorable rulings on petitions for forfeiture remission or mitigation. This includes the restoration of proceeds of sales pursuant to court orders or administrative determinations.

3. Equitable Sharing Payments

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$325,481,000	\$400,000,000	\$400,000,000	+\$0

Equitable sharing payments represent the transfer of portions of federally forfeited cash and proceeds from the sale of forfeited property to state and local law enforcement agencies and foreign governments that directly assisted in targeting or seizing the property. These amounts reflect the relative degree of participation in the law enforcement effort resulting in the forfeiture, taking into account the total value of all property forfeited and the total law enforcement effort with respect to the violation of law on which the forfeiture is based. No equitable sharing payments are made until after victims or other innocent third party claims are satisfied.

4. Case Related Expenses

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$51,859,000	\$46,910,000	\$49,255,000	+\$2,345,000

Case related expenses are those expenses that are incurred in connection with normal proceedings undertaken to perfect the United States' interest in seized property through forfeiture. This includes fees and other costs of advertising, translation, court and deposition reporting, expert witness, courtroom exhibit services, employment of attorneys or other specialists in state real estate law by the U.S. Marshals Service, travel and subsistence related to a specific proceeding, and other related items. In addition, the Deputy Attorney General may approve expenses for the retention of foreign counsel.

The increase in FY 2018 reflects anticipated growth in case-specific asset forfeiture litigation expenses in connection with pending and potential future judicial forfeiture proceedings.

5. Joint Law Enforcement Operations

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$150,835,000	\$175,000,000	\$185,000,000	+\$10,000,000

Under Joint Law Enforcement Operations (JLEO), the Fund pays for costs incurred by state and local law enforcement officers while directly involved in a joint law enforcement operation with the federal government, as authorized by 28 U.S.C. 524(c)(1)(I).

The growth in FY 2017 reflects investments in law enforcement initiatives focused on violent crime reduction. The further growth in FY 2018 reflects the full-year costs of those initiatives.

6. Special Contract Services

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$121,978,000	\$111,700,000	\$100,600,000	-\$11,100,000

This expense category finances contract personnel to manage the administrative aspects of the Program, including data entry and analysis, file control and review, quality control, case file preparation, and other process support functions. In addition to administrative functions, Special Contract Services also supports the technical aspects of the asset forfeiture process, including the seizure, management, disposition, and post-disposition of assets; and case closure. The decrease in FY 2018 reflects anticipated efficiencies from an analysis of agency workload trends.

7. Storage, Protection, and Destruction of Controlled Substances

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$11,585,000	\$8,310,000	\$7,480,000	-\$830,000

These resources fund DEA in the storage, protection, and destruction of controlled substances. These activities include the incineration of bulk quantities of marijuana, the security and transportation of evidence from DEA storage sites to approved incineration facilities, the storage of seized drug evidence in secured leased warehouses until the evidence can be destroyed, and support of the Domestic Cannabis Eradication/Suppression Program. The fund also supports the phased repair and replacement of aging narcotics safes in ATF field offices.

8. Information Systems

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$50,041,000	\$49,860,000	\$56,113,000	+\$6,253,000

These resources primarily support the centralized operations and development of forfeiture-related systems and applications used by law enforcement officers and prosecutors to account for assets seized from criminal enterprises. The core business application is the Consolidated Asset Tracking System (CATS), along with approximately 20 separate applications that integrate with CATS, use CATS data, or function as an external application supporting CATS.

The increase in FY 2018 will begin the development of a new public-facing data system that will help link asset and case-related information. This system will integrate investigative and court case related data with AFP seizure and forfeiture data currently residing in CATS.

9. Training and Printing

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$5,039,000	\$6,210,000	\$8,500,000	+\$2,290,000

This category is used to finance necessary training expenses directly related to the AFP. Generally, this will include any training necessary to maintain the competency of federal and contract personnel dedicated to performing federal forfeiture functions (e.g., trial advocacy for asset forfeiture attorneys, training on agency computers for contract employees); any exclusively asset forfeiture training program that is conducted for other personnel, for whom asset forfeiture is an ancillary duty, to enable them to be more effective in performing asset forfeiture program functions; and that portion of a broader law enforcement training program that is directly related to the identification, tracking, evaluation, seizing, processing, accounting for, management or disposition of property subject to forfeiture. It also funds printing expenses associated with forfeiture training and the performance of forfeiture functions.

The additional funding in FY 2018 will support an increase in law enforcement training in the field.

10. Other Program Management

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$98,497,000	\$106,780,000	\$101,500,000	-\$5,280,000

This category includes several types of expenses that are important to the overall management of the Program including program review and evaluation, requirements analysis, policy development, the annual audit of the Fund's financial statements by an independent accounting firm, and special assessments and reviews designed to improve program performance. This category also finances the salaries and expenses of the government employees assigned to AFMS, litigation and program oversight units of MLARS, and government personnel in member agencies who provide core asset forfeiture program management functions.

Funded exclusively by the AFF under this cost category, the Asset Forfeiture Financial Investigator (AFFI) program empowers 67 Deputy U.S. Marshals to investigate and satisfy outstanding court-ordered forfeiture money judgments, which in the past often went uncollected. By enforcing these judicial forfeiture orders, the AFFI program recovers millions of dollars of ill-gotten gains each year and ensures that crime does not pay.

The decrease in FY 2018 reflects anticipated efficiencies from an analysis of AFF-funded government positions and related expenses.

11. Contracts to Identify Assets

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$99,848,000	\$82,790,000	\$78,650,000	-\$4,140,000

This category funds the costs of contracting for a cadre of Senior Financial Investigators to support complex financial investigations within the Investigative Agencies to trace the proceeds of crime into assets subject to seizure. It also provides related support such as commercial database subscription services to nationwide public record data systems and the acquisition of specialized assistance to reconstruct seized financial records.

The decrease in FY 2018 reflects anticipated efficiencies from an analysis of agency workload trends.

12. Awards Based on Forfeiture

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$22,130,000	\$18,080,000	\$15,000,000	-\$3,080,000

These expenses are for the payment of awards for information or assistance leading to a civil or criminal forfeiture involving any federal agency participating in the Fund. For instance, award payments to Confidential Sources (CS) are critical to fulfillment of the primary DEA mission – to disrupt and dismantle drug trafficking organizations. CS award payments provide a tremendous incentive to individuals to assist in drug trafficking investigations that result in the seizure and forfeiture of drug-related assets. Over the past several years, the FBI has pursued more substantial forfeitures due to the increased size and scope of criminal schemes in white collar crime, organized crime, and narcotics trafficking. The realization of these forfeitures was greatly assisted by informants.

13. Investigative Costs Leading to Seizures

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$97,693,000	\$76,850,000	\$81,649,000	+\$4,799,000

Investigative costs leading to seizure (ICLS) are incurred in the identification, location, and seizure of property to be forfeited. ICLS expenses typically fall into three main categories: (1) investigative expenses in specific cases where the agency has a reasonable belief will lead to forfeitures, (2) investigative techniques that are a substantial factor in asset seizures, and (3) equipment that has a similarly substantial and measurable nexus to seizures.

The growth in FY 2018 will support anticipated increases in support for large and complex investigations such as those being pursued against the cartels and other transnational crime networks.

B. INVESTIGATIVE EXPENSES

Definite, Appropriated (discretionary) Authority

1. Purchase of Evidence

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$8,112,000	\$9,600,000	\$9,600,000	+\$0

Funding in this category is limited to the purchase of evidence directly related to violations of the Controlled Substances Act, the Controlled Substances Import and Export Act, the Racketeer Influenced and Corrupt Organizations Act, and criminal money laundering laws.

2. Equipping of Conveyances

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$191,000	\$191,000	\$191,000	+\$0

This category provides funding to equip government-owned or leased vehicles, vessels or aircraft for law enforcement purposes.

3. Awards for Information

FY 2016 <u>Actual</u>	FY 2017 <u>Estimate</u>	FY 2018 <u>Estimate</u>	Increase/Decrease <u>FY 2017 to FY 2018</u>
\$11,853,000	\$10,684,000	\$11,684,000	+\$1,000,000

These expenses are for awards for information or assistance directly relating to violations of the criminal drug laws of the United States or of 18 U.S.C. chapter 77, 18 U.S.C. § § 1956 and 1957, 31 U.S.C. § § 5313 and 5324, and section 6050I of the Internal Revenue Code of 1986. The Justice for Victims of Trafficking Act of 2015 (P.L. 114–22) also authorized the use of this funding for human trafficking investigations as defined by 18 U.S.C. chapter 77.

There is no requirement that the information provided has any relationship to a civil or criminal forfeiture under federal law. Awards payable from the Fund directly support law enforcement efforts by furthering the cooperation and assistance of informants.

VI. Performance, Resources, and Strategies

To better manage resources, the Asset Forfeiture Program's strategic approach will continue to: (1) require a strong intelligence function that provides all-source information on target organizations to permit the assessment of vulnerabilities and the identification of key structural assets; (2) transcend specific cases to coordinate and target enforcement actions against the vulnerabilities of the underlying criminal organization; and (3) focus on removal of the assets that are key to the functionality and viability of the criminal organization. Special emphasis is placed on innovative ways to use the proceeds of asset forfeiture, in conjunction with other funds available to DOJ's investigative and prosecutive offices, to support operations that focus on the disruption and dismantling of high priority criminal organizations and not merely on the conviction of individuals and forfeiture of their personal property.

A. Performance Plan and Report for Outcomes

The FY 2018 Performance Plan reflects performance measures that have been identified through stakeholder meetings and internal reviews as being critical to the Program's continued success in helping the Nation's law enforcement community to disrupt and dismantle criminal organizations.

B. Strategies to Accomplish Outcomes

The performance indicators are for AFMS, the participant with management control of the Fund. In its role, AFMS supports law enforcement authorities in their seizure and forfeiture activities by providing funding for their accessibility to CATS. The Asset Forfeiture Program is executed by its member agencies, and their performance is reported under their leadership's guidance.

C. Data Definitions

FTE - The AFP reimburses the USMS for the salaries of administrative personnel responsible for the AFP's property custodial functions, but its associated FTEs reside in the USMS accounts. Similarly, the AFP reimburses the Criminal Division for FTEs associated with the litigation and program oversight units of MLARS, and reimburses various DOJ member agencies for government personnel who provide core asset forfeiture program management functions. AFMS has 28 FTEs, which are paid directly from the AFP's mandatory account.

Funding - The source of AFP funds is from the receipts realized by the AFF in the respective years. As the AFF is a permanent indefinite fund, it may fund Program activities from the unobligated balances carried forward from prior years.

Performance - One of the tasks of the Program's managers is to provide administrative and management support of Program activities. As a result of a reevaluation of the Program's performance measures, the indicators were changed in 2001 to reflect more accurately the activities of the Program administrators rather than the Program participants.

Performance Measures 1, 2 and 3 - CATS, Business Objects, and SharePoint services are available to participating AFP customers from 8:00 a.m. to 8:00 p.m., Eastern Standard Time, Monday through Friday, excluding all federal holidays and/or local government closures. Normally scheduled maintenance outages are conducted during non-operational hours (weekends,

holidays, and off-hours). Emergency outages and system failures occurring during the core operational hours will impact availability to its customer base, affecting all three performance measures. For fiscal years 2017 and 2018, the estimated total number of core supported hours is approximately 3,000. The goal is to provide 99.8 percent availability to customers.

PERFORMANCE AND RESOURCES TABLE

Decision Unit: Asset Forfeiture Program^A

RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2016		FY 2016		FY 2017		Current Services Adjustments and FY 2018 Program Changes		FY 2018 Request	
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
									[]		
TYPE	PERFORMANCE^B	FY 2016		FY 2016		FY 2017^C		Current Services Adjustments and FY 2018 Program Changes		FY 2018 Request^C	
	Management of the AFF	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Program Activity	Provide financial support, control, and guidance to Fund participants in accordance with the Attorney General's Guidelines on Seized and Forfeited Property, July 1990.	28	\$2,720,419	25	\$1,320,552	28	\$1,380,778	0	0	28	\$1,383,518
Performance Measure: Output	Percent of time CATS is accessible in support of forfeiture agency operations.	99.8%				99.8%				99.8%	
Performance Measure: Efficiency	Percent of time Business Objects is accessible in support of forfeiture agency operations.	99.8%				99.8%				99.8%	
Performance Measure: Efficiency	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	99.8%				99.8%				99.8%	
Performance Measure: Outcome	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%				100%				100%	

^A The performance by and resources allocated to the AFP participants are indicated in their respective budgets.

^B Only the performance by the AFMS in the financial management of the AFF is indicated.

^C In addition to the 28 direct FTE, AFF participating agencies provide 5 law enforcement detailees, who assist the management of the AFF.

PERFORMANCE MEASURE TABLE

Decision Unit: Asset Forfeiture Program

Performance Report and Performance Plan Targets		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016		FY 2017	FY 2018
		Actual	Actual	Actual	Actual	Target	Actual	Target	Target
PERFORMANCE MEASURE	Percent of time CATS is accessible in support of forfeiture agency operations.	99.8%	99.8%	99.9%	99.6%	99.8%	99.6%	99.8%	99.8%
PERFORMANCE MEASURE	Percent of time Business Objects is accessible in support of forfeiture agency operations.	100%	99.8%	99.9%	99.5%	99.8%	99.5%	99.8%	99.8%
PERFORMANCE MEASURE	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	99.8%	99.9%	99.9%	99.6%	99.8%	99.6%	99.8%	99.8%
PERFORMANCE MEASURE	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%	100%	100%	100%	100%	100%	100%	100%

VII. Glossary of Terms

Administrative Forfeiture - Process by which property may be forfeited to the United States by the seizing investigative agency or bureau without judicial involvement. Seizures must be based on probable cause. The authority for a seizing agency to start an administrative forfeiture action is found in 19 U.S.C. 1607.

Adoption - Federal forfeiture of property originally seized by a state or local law enforcement agency.

Civil Forfeiture - In rem proceeding brought against the property itself, rather than against the wrongdoer personally. The property is forfeitable because of its connection to the offense, and any person with a legal interest in the property may contest the forfeiture.

Criminal Forfeiture - In personam proceeding seeking forfeiture of property instituted in conjunction with a criminal charge against a particular defendant. Criminal forfeiture must be alleged in the indictment or other charging document.

Controlled Substance - Drug, other substance, or immediate precursor, included in Schedule I, II, III, IV, or V of the federal Controlled Substances Act or corresponding scheduling scheme of a state. Does not include alcoholic beverages or tobacco.

Conveyance - An aircraft, a vehicle, or a vessel.

Disposition of Property - Sale, transfer, retention, or destruction of property.

Equitable Sharing - Transfer of a share of federally forfeited property to a requesting state or local law enforcement agency or foreign government that has participated directly in any of the acts that led to the seizure or forfeiture of the property.

Equitable Sharing Program - Asset forfeiture has become one of the most powerful tools to combat and dismantle criminal enterprises by removing the proceeds and instrumentalities of the crime. The Equitable Sharing Program enhances cooperation among federal, state, and local law enforcement agencies by sharing a portion of these proceeds with state and local partners in direct relation with their participation to the total law enforcement effort resulting in forfeiture. The Equitable Sharing Program was created in 1984, and continues to grow with more than 7,200 participating state and local law enforcement agencies nationwide.

Forfeiture - Involuntary relinquishment of property without compensation as a consequence for such property's use in a manner contrary to the law. A forfeiture may be either administrative or judicial.

Informant - An undisclosed person who confidentially discloses material information of a law violation, thereby supplying a lead to officers for their investigation of a crime. This does not include individuals who supply information only after being interviewed by police officers, or who give information as witnesses during the course of an investigation. Also known as "confidential informant" or "CI," or "confidential source" or "CS."

Judicial Forfeiture - Forfeiture action adjudicated in the courts (civil or criminal), not processed administratively.

Kleptocracy - High-level, large-scale corruption, extortion, and theft of public money by or for public officials.

Kleptocracy Asset Recovery Initiative - The goal of KARI is to use the tools of the U.S. Government to identify and forfeit property derived from or involved in kleptocracy, and, when appropriate, return those assets to benefit the people of the countries harmed by the underlying corruption.

Lien - Claim upon the property of another as security for a debt.

Money Laundering - Term used to describe the conversion of illegally earned or otherwise tainted cash to one or more alternative forms that conceal its origin or ownership, often accomplished through steps taken to hide direct links to illegal activity and to allow the use of proceeds of illegal activity.

Net Proceeds - In the context of forfeiture, forfeited cash or gross receipts from the sale of forfeited property, less allowable asset management and case related expenses, third party interests, and any award based on the value of the forfeiture.

Proceeds - The Fraud Enforcement and Recovery Act (FERA), effective May 20, 2009, amended 18 U.S.C. 1956(c) by defining “proceeds” as “any property derived from or obtained or retained, directly or indirectly, through some form of unlawful activity, including the gross receipts of such activity.”

Property - Assets of any kind capable of being owned or possessed. May include a controlled substance, raw material, product, container, equipment, money, real property, vessel, vehicle, or aircraft. In the context of equitable sharing, tangible personal and real property, other than cash.

Racketeer Influenced and Corrupt Organizations (RICO) Act - Law codified at 18 U.S.C. 1961 et seq. that provides for criminal and civil penalties for those who engage in a “pattern of racketeering activity” or “collection of an unlawful debt” that has a special relationship to an “enterprise” affecting interstate commerce.

Real Property - Land, and generally whatever is erected, growing upon, or affixed to land. Also, rights issuing out of, annexed to, and exercisable within or about land. Real or immovable property consists of: land, that which is affixed to land, that which is incidental or appurtenant to land, and that which is immovable by law; except that for the purposes of sale, emblements, industrial growing crops, and things attached to or forming part of the land, which are agreed to be severed before sale or under the contract of sale, shall be treated as goods and be governed by regulating the sales of goods.

Seized Asset Deposit Fund (SADF) - Holding account administered by the U.S. Marshals Service for seized cash pending the resolution of forfeiture cases.

Seizure - Taking possession of property by legal process. A Fourth Amendment “seizure” occurs when there is some meaningful law enforcement interference with an individual’s possessory interest in his property.

Third Party Interest - Interest belonging to an individual or entity that is not a direct party to a matter between two other parties (primary parties). For example, in a forfeiture action, a lienholder has a third party interest.

Victim - Person who is the object of a crime or tort; for example, the victim of a robbery is the person robbed. The victim may be an individual, public or private corporation, government, partnership, or unincorporated association. For purposes of remission, any person who has suffered a pecuniary loss as a result of the defendant’s criminal activities.

VIII. EXHIBITS