

U.S. Attorney's Report to the District

Asset Forfeiture

The U.S. Attorney's Office collects funds in several ways – judgments in civil cases, criminal fines, restitution orders for victims in criminal cases, and asset forfeitures. Civil recoveries will hit a record for this district in the fiscal year that just ended on September 30, due in large part to the huge settlement obtained in a civil fraud case against JPMorgan Chase. This past fiscal year was also a record year for asset forfeitures.

Forfeitures, which are intended to divest defendants of the proceeds of crime or of properties used to commit crimes, can be pursued as part of a criminal case, or in a separate civil case. Money is the lifeblood of many types of crime, particularly drug trafficking and fraud offenses, so stripping perpetrators of their ill-gotten gains is an extremely effective enforcement tool, beyond simply incarcerating individuals. Where victims are involved, forfeitures can offer another tool for obtaining just compensation in cases where restitution orders are inadequate. This past year, this office paid out over \$1.3 million in forfeiture proceeds to victims. In other cases, state and local law enforcement agencies that assist in particular investigations can share a portion of the funds that are forfeited.

One of my goals as U.S. Attorney has been to expand the use of asset forfeiture tools in appropriate cases. Our asset forfeiture unit consists of experienced attorneys, paralegals, and asset investigators in both Sacramento and Fresno, and is led by the Affirmative Civil Enforcement Chief, Kelli Taylor. Often working together with criminal prosecutors, they have diligently ramped up the use of the federal forfeiture statutes, and the fiscal year that just ended was one for the record books. They obtained forfeiture orders against over \$31 million in cash and assets, and over \$25.8 million was liquidated and deposited into the national asset forfeiture fund. These amounts are the largest forfeiture totals for any year in the history of the district, and are well above the total annual cost of operating the entire U.S. Attorney's Office.

Over \$11 million was recovered in civil cases against businesses that defrauded the State of California in the payment of excise taxes on tobacco products. Another \$2.8 million was obtained through a criminal bankruptcy fraud prosecution. Over \$2 million was forfeited by a defendant who has pleaded guilty to defrauding an Indian tribe on a construction contract. Other sums were collected from organized drug traffickers. More asset forfeiture proceedings, both criminal and civil, are underway, and the new fiscal year which commenced this month should also be highly productive for the asset forfeiture unit.

The federal asset forfeiture statutes are powerful tools, and they must be wielded with caution and discretion. Deployed skillfully and diligently in proper cases, they are an effective adjunct to criminal prosecutions and another means of doing justice. Doing justice is our mission, and the asset forfeiture unit will continue to play a central role in accomplishing that mission.

If you would like to communicate with our office, contact the main number in Sacramento, or submit a suggestion by clicking on the button below. Thank you.

United States Attorney

Benjamin B. Wagner