

U.S. Department of Justice

Asset Forfeiture Program

FY 2022 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 or the Department) Criminal Division. Through joint partnerships among law enforcement at all levels, domestically and internationally, the AFP's mission is to use asset forfeiture consistently and strategically in order to deter, disrupt, and dismantle criminal enterprises by depriving criminals of the fruits and instrumentalities of their illicit activity. Whenever possible, the program seeks to restore property to innocent victims of crime.

For FY 2022 the Department estimates expenses totaling \$1,261,377,000 for the Program, which includes \$60,739,000 for 31 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/cj>.

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 forfeiture 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, the AFF ensured that law enforcement effectiveness remained the paramount consideration of agents and prosecutors in choosing to pursue forfeiture under a national program framework. Today, the resources provided by the AFF make 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 payments 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 approximately 6,000 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 \$9 billion in assets to victims of financial fraud and theft. In 2008, for example, Bernard Madoff was arrested 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. Over \$3.2 billion of these funds have been distributed to victims, with additional distributions anticipated in calendar year 2021.

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.

Excess Unobligated Balances represent funds 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

The Asset Forfeiture Program has four primary goals:

- 1) To punish and deter criminal activity by depriving criminals of property used in or acquired through illegal activities.
- 2) To promote and enhance cooperation among federal, state, local, tribal, and foreign law enforcement agencies.
- 3) To recover assets that may be used to compensate victims when authorized under federal law.
- 4) To ensure the Program is administered professionally, lawfully, and in a manner consistent with sound public policy.

To achieve these goals, the Department of Justice uses asset forfeiture to the fullest extent possible to investigate, identify, seize, and forfeit the assets of criminals and their organizations while

ensuring that due process rights of all property owners are protected. Asset forfeiture plays a critical role in disrupting and dismantling illegal enterprises, depriving criminals of the proceeds of illegal activity, deterring crime, and restoring property to victims. The effective use of both criminal and civil asset forfeiture is an essential component of the Department’s efforts to combat the most sophisticated criminal actors and organizations—including terrorist financiers, cyber criminals, fraudsters, human traffickers, and transnational drug cartels.

D. AFF 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 and transparency 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, 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.

Table 1: Asset Forfeiture Program Participants by Function													
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 and the Seized Asset Deposit Fund.

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 seven 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;
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 Technology Systems and Applications;
 - b. Special Contract Services;
 - c. Training and Printing; and
 - d. Other Program Management.
7. 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.

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

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

PROGRAM OPERATIONS EXPENSES	AFMS	ATF	BDS	DCIS	DEA	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS	TOTAL
Asset Management and Disposal														
FY 2020	-	1,911	-	5	599	-	60	-	-	-	-	33,550	10	36,135
FY 2021	-	3,549	-	5	995	-	60	125	-	-	-	42,561	10	47,305
FY 2022	-	3,673	-	5	1,030	-	62	129	-	-	-	44,052	10	48,961
Victim & Other Third Party Payments														
FY 2020	-	10	-	-	1	-	20	-	-	-	-	588,369	-	588,400
FY 2021	-	10	-	-	50	-	20	-	-	-	-	1,396,275	-	1,396,355
FY 2022	-	10	-	-	23	-	20	-	-	-	-	180,053	-	180,106
Equitable Sharing Payments														
FY 2020	-	-	-	-	-	-	-	-	-	-	-	555,725	-	555,725
FY 2021	-	-	-	-	-	-	-	-	-	-	-	225,000	-	225,000
FY 2022	-	-	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Case Related Expenses														
FY 2020	-	151	-	25	273	22,498	975	450	16,038	-	5	-	-	40,415
FY 2021	-	169	-	25	484	22,850	975	450	18,753	-	5	-	-	43,711
FY 2022	-	175	-	26	501	23,650	1,009	466	19,670	-	5	-	-	45,502
Joint Law Enforcement Task Operations														
FY 2020	-	16,854	-	-	46,915	-	49,076	425	-	39,944	175	38,848	-	192,237
FY 2021	-	19,066	-	-	55,467	-	49,405	450	-	34,076	165	51,371	-	210,000
FY 2022	-	18,100	-	-	55,175	-	50,000	450	-	34,100	175	52,000	-	210,000
Special Contract Services														
FY 2020	-	13,773	-	-	33,864	34,877	13,840	-	5,365	-	468	9,251	1,363	112,801
FY 2021	-	13,268	-	-	34,743	35,070	12,357	-	7,006	-	479	9,875	1,348	114,146
FY 2022	-	16,434	-	-	38,661	38,999	15,491	-	9,905	-	996	9,979	1,845	132,310
Storage, Protection, and Destruction of Controlled Substances														
FY 2020	-	16	-	-	7,115	-	-	-	-	-	-	-	-	7,131
FY 2021	-	43	-	-	9,178	-	-	-	-	-	-	-	-	9,221
FY 2022	-	45	-	-	8,514	-	-	-	-	-	-	-	-	8,558
Information Systems														
FY 2020	28,836	246	-	303	15,494	-	103	567	7	-	-	9,393	-	54,949
FY 2021	38,885	277	-	170	9,215	-	69	496	40	-	-	6,701	-	55,853
FY 2022	42,246	287	-	176	10,538	-	71	513	41	-	-	7,403	-	61,275
Training and Printing														
FY 2020	43	2	-	58	228	371	1,338	112	207	16	91	285	10	2,761
FY 2021	117	535	26	75	1,619	1,557	1,158	118	542	75	146	1,305	10	7,283
FY 2022	121	554	27	78	1,676	1,666	1,737	122	561	78	151	1,350	10	8,131
Other Program Management														
FY 2020	14,078	1,662	-	-	81	8,346	610	-	33,331	1,923	5	35,308	-	95,344
FY 2021	17,303	1,857	-	-	154	17,247	716	-	35,738	2,013	5	38,223	-	113,256
FY 2022	18,372	1,922	-	-	159	17,851	741	-	36,989	2,083	5	38,078	-	116,200
Contracts to Identify Assets														
FY 2020	-	11,180	1,600	5,081	16,775	2,713	21,031	8,399	3,383	9,158	259	-	15	79,594
FY 2021	-	11,740	1,901	5,600	17,834	2,713	21,223	8,862	3,433	10,881	264	-	15	84,466
FY 2022	-	12,151	1,967	5,796	18,458	2,808	21,967	6,370	3,552	11,200	273	-	16	84,558
Awards Based on Forfeiture														
FY 2020	-	15	-	-	9,433	-	1,000	-	-	-	-	-	-	10,448
FY 2021	-	16	-	-	14,000	-	1,000	-	-	-	-	-	-	15,016
FY 2022	-	17	-	-	14,490	-	1,035	-	-	-	-	-	-	15,542

Table Continued

PROGRAM OPERATIONS EXPENSES	AFMS	ATF	BDS	DCIS	DEA	EOUSA	FBI	FDA	MLARS	OCDETF	USDA	USMS	USPIS	TOTAL
Investigative Costs Leading to Seizures														
FY 2020	-	400	-	120	70,778	-	3,000	-	-	-	50	-	-	74,348
FY 2021	-	400	-	120	75,134	-	3,000	-	-	-	50	-	-	78,704
FY 2022	-	414	-	124	76,026	-	3,105	-	-	-	51	-	-	79,720
Subtotal, Program Operations Expenses														
FY 2020	42,957	46,220	1,600	5,592	201,556	68,805	91,053	9,953	58,331	51,041	1,053	1,270,729	1,398	1,847,158
FY 2021	56,305	50,930	1,927	5,995	218,873	79,437	89,983	10,501	65,512	47,045	1,114	1,771,311	1,383	2,400,316
FY 2022	60,739	53,782	1,994	6,205	225,251	84,974	95,238	8,050	70,718	47,461	1,656	582,915	1,881	1,240,862
INVESTIGATIVE EXPENSES														
Purchase of Evidence														
FY 2020	-	1,083	-	-	4,732	-	3,209	225	-	-	-	-	-	9,249
FY 2021	-	1,083	-	-	5,074	-	3,209	215	-	-	-	-	-	9,581
FY 2022	-	1,083	-	-	5,074	-	3,209	225	-	-	-	-	-	9,591
Equipping of Conveyances														
FY 2020	-	-	-	-	-	-	-	10	-	-	-	97	-	107
FY 2021	-	-	-	-	-	-	-	20	-	-	-	145	-	165
FY 2022	-	-	-	-	-	-	-	10	-	-	-	145	-	155
Awards for Information														
FY 2020	-	118	-	-	5,801	-	4,687	15	-	-	-	38	-	10,659
FY 2021	-	118	-	-	5,807	-	4,687	15	-	-	-	141	-	10,768
FY 2022	-	118	-	-	5,807	-	4,687	15	-	-	-	141	-	10,768
Subtotal, Investigative Expenses														
FY 2020	-	1,201	-	-	10,533	-	7,896	250	-	-	-	135	-	20,015
FY 2021	-	1,201	-	-	10,881	-	7,896	250	-	-	-	286	-	20,514
FY 2022	-	1,201	-	-	10,881	-	7,896	250	-	-	-	286	-	20,514
TOTAL Regular Obligations														
FY 2020	42,957	47,421	1,600	5,592	212,089	68,805	98,949	10,203	58,331	51,041	1,053	1,270,864	1,398	1,867,172
FY 2021	56,305	52,131	1,927	5,995	229,754	79,437	97,879	10,751	65,512	47,045	1,114	1,771,597	1,383	2,420,830
FY 2022	60,739	54,983	1,994	6,205	236,132	84,974	103,134	8,300	70,718	47,461	1,656	583,201	1,881	1,261,377
GRAND TOTAL														
FY 2020	42,957	47,421	1,600	5,592	212,089	68,805	98,949	10,203	58,331	51,041	1,053	1,270,864	1,398	1,867,172
FY 2021	56,305	52,131	1,927	5,995	229,754	79,437	97,879	10,751	65,512	47,045	1,114	1,771,597	1,383	2,420,830
FY 2022	60,739	54,983	1,994	6,205	236,132	84,974	103,134	8,300	70,718	47,461	1,656	583,201	1,881	1,261,377

Unobligated Balances

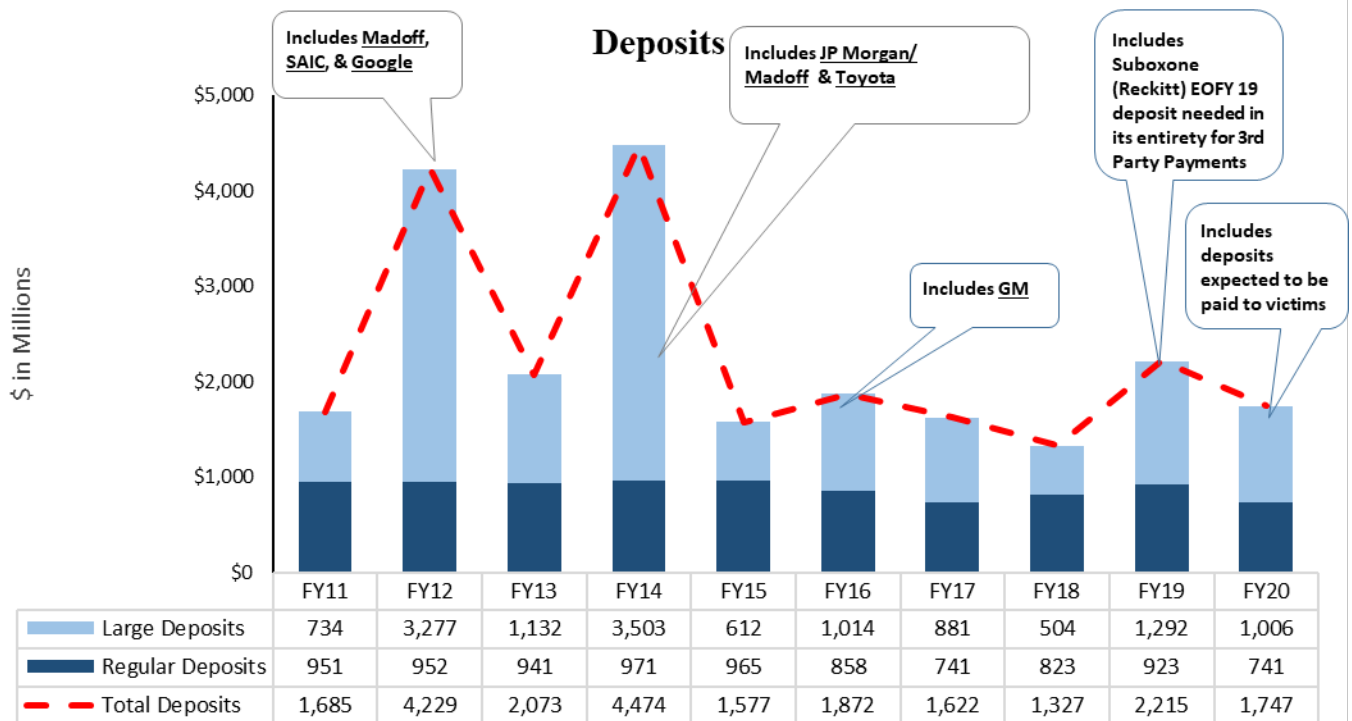
Due to the unpredictable timing of AFF revenue and expenses, unobligated balances are carried over from one fiscal year to the next to maintain the solvency of the AFF and to cover a variety of pending liabilities.¹ The amount of unobligated monies carried forward to maintain a successful transition 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;
- 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; and
- amounts set aside to meet operational needs when expenses are expected to exceed receipts.

² See 28 U.S.C. 524(c)(8)(D).

Trends

Regular deposits into the AFF (defined as deposits of less than \$20 million) were relatively consistent for eight years but dropped by 29 percent from FY 2016 to FY 2018. FY 2019 regular deposits returned to pre-FY 2016 levels, but FY 2020 regular deposits were below this average due to the impact of the COVID-19 pandemic on forfeiture revenue. A handful of very large case settlements (those exceeding \$20 million) accounted for some unusual spikes during the past several years. To put this in perspective, since FY 2015, seven large case settlements accounted for roughly 70 percent of all large case AFF revenue. .



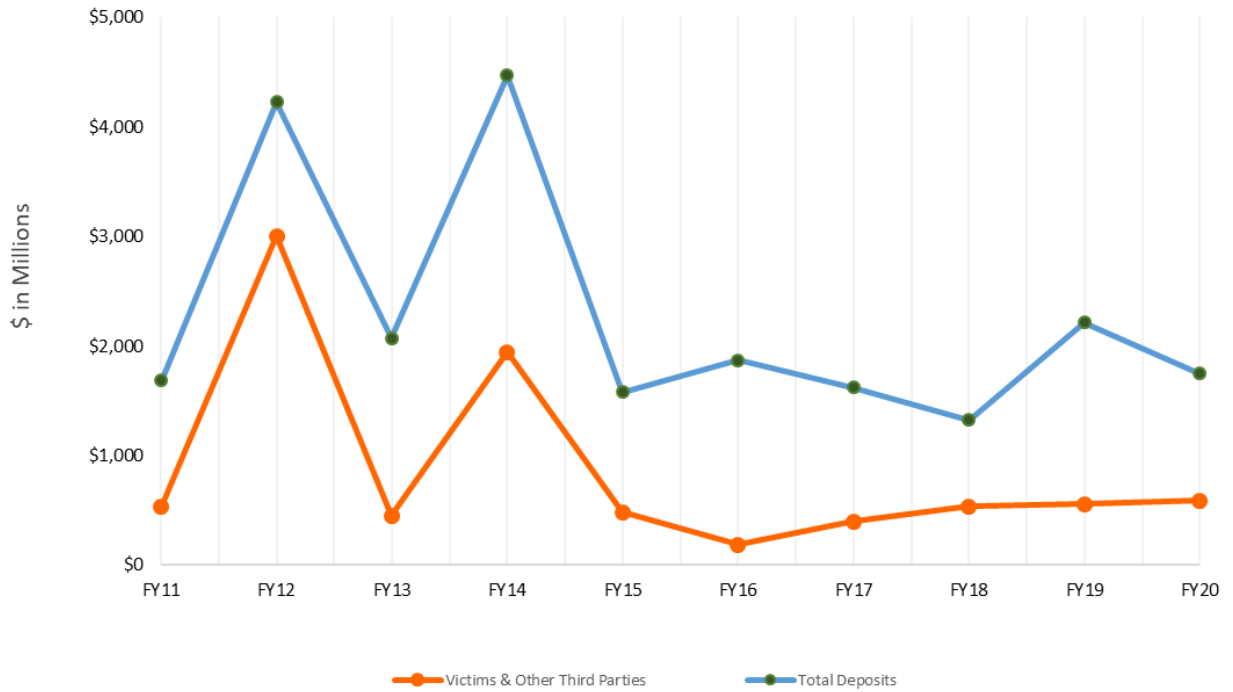
Even though the AFF is a revolving account with continuously changing balances, annual deposits and expenses generally mirror each other. As illustrated in the chart below, most often these large case deposits are offset by corresponding victim liabilities and equitable sharing payments. The ten-year average of Fund activity is roughly \$2.2 billion per year in deposits and associated expenses. The FY 2020 average of deposits and expenses dropped slightly compared to FY 2019, to \$1.8 billion.

Total Deposits & Expenses

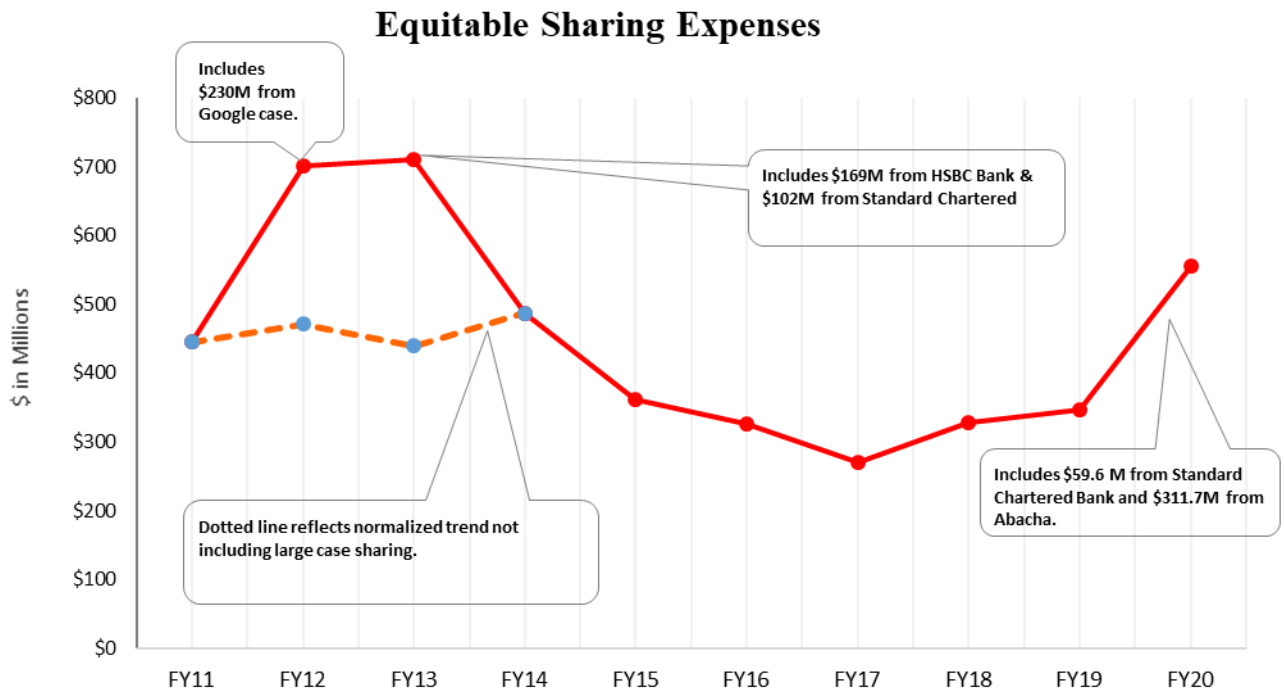


Payments to help compensate victims and other innocent third parties directly correlate with forfeitures where those parties have suffered financial loss. Generally, in cases where victims have been identified, a significant portion of the forfeited proceeds are paid to victims. As a portion of overall Program expenses, victims payments represent 36 percent of all Program expenses incurred over the last 10 years.

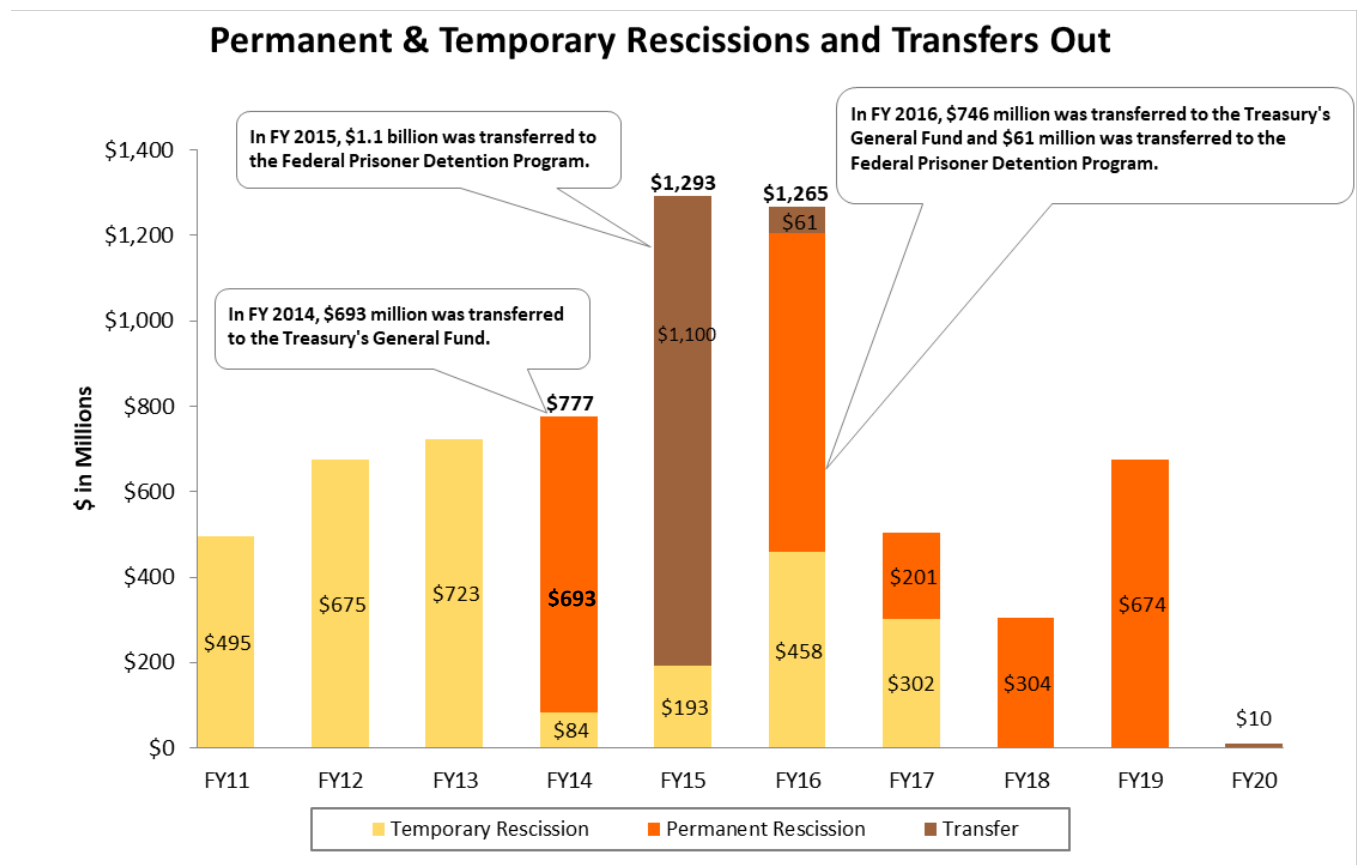
Victims' & Other Innocent Third Parties' Expenses



Equitable sharing payments represent another 19 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 potential excess balances caused by large case deposits during fiscal years 2012 and 2014, Congress directed those surpluses be used to fund prisoner detention expenses in fiscal years 2015 and 2016. A total of \$10.4 million in surplus balances was identified at the end of FY 2019; of this amount, \$4.7 million was transferred to the Drug Enforcement Administration (DEA) and another \$5.3 million was transferred to the U.S. Marshals Service (USMS) Federal Prisoner Detention.



FY 2020 Highlights: Forfeiture revenue, reimbursable earnings, and recoveries totaled approximately \$1.829 billion in FY 2020. This is \$248 million below the estimates provided in the FY 2021 President's Budget. The Program obligated \$1.867 billion for mandatory and discretionary expenses in FY 2020, a decrease of \$467 million below the projection included in the FY 2021 President's Budget of \$2.334 billion. The decrease primarily reflects funds needed for victims' payments that are now expected to occur in FY 2021.

FY 2020 actual expenses included \$588 million for victim and other third party payments and \$556 million for equitable sharing payments. Expenses also included \$192 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, known as Joint Law Enforcement Operations (JLEO).

FY 2021 Highlights: At this time, the Department estimates \$1.503 billion in revenue from forfeiture deposits, reimbursable earnings, and recoveries, which is an increase of \$335 million compared to the FY 2021 projections included in the FY 2021 President's Budget.

For FY 2021, the Department is estimating \$2.421 billion for mandatory and discretionary expenses. The estimate includes \$1.385 billion for victim and other third party payments and \$225 million for equitable sharing payments. Also included is \$210 million for JLEO, provided that net receipts support this expense level. The Fund is subject to a sequestration reduction currently estimated at \$79 million for FY 2021. The FY 2021 revised estimates have been impacted by low receipt collections related to the COVID-19 pandemic.

FY 2022 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 2022. It is anticipated that a significant amount of these deposits will be returned to the victims of the underlying offenses. At this time estimated revenue, reimbursable earnings, and recoveries total approximately \$1.170 billion in FY 2022.

Mandatory and discretionary expenses in FY 2022 are forecast at \$1.261 billion, a decrease of \$1.159 billion from FY 2021. The estimate includes \$180 million for victim and other third party payments and \$250 million for equitable sharing payments. Also included, provided that net receipts support this expense level, is \$210 million for JLEO.

The Fund is subject to a sequestration reduction currently estimated at \$60 million for FY 2022.

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, regular case receipts declined by 29 percent from FY 2016 through FY 2018, with FY 2019 returning to pre-FY 2016 levels. FY 2020 was a unique year due to the COVID-19

pandemic, which caused a decline in receipts and delays in the forfeiture process. As a result of the decline in revenue, the Program has had to use sporadic and unpredictable revenues from large forfeiture cases to cover normal operating expenses. As noted earlier, seven large case settlements accounted for roughly half of all asset forfeiture revenue since FY 2015. The Program is 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.

II. Summary of Program Changes

No program changes.

III. Appropriations Language and Analysis of Appropriations Language

Appropriations Language

For expenses authorized by subparagraphs (B), (F), and (G) of section 524(c)(1) of title 28, United States Code, \$20,514,000, to be derived from the Department of Justice Assets Forfeiture Fund.

Analysis of Appropriations Language

No substantive changes are proposed.

IV. Program Activity Justification

Asset Forfeiture Program Total	Direct Pos.	Estimate FTE	Amount
2020 Actual	422	340	1,867,172
2021 Enacted	428	409	2,420,830
Adjustments to Base and Technical Adjustments	0	0	79,104
2022 Current Services	428	409	2,499,934
2022 Program Increase	0		
2022 Program Offsets	0	0	-1,238,557
2022 Request	428	409	1,261,377
Total Change 2021-2022	0	0	-1,159,453

Mandatory, Indefinite Authority Tool	Direct Pos.	Estimate FTE	Amount
2020 Actual	422	340	1,847,158
2021 Enacted	428	409	2,400,316
Adj to Base and Technical Adjustments	0	0	79,104
2022 Current Services	428	409	2,479,420
2022 Program Increase	0		
2022 Program Offsets	0	0	-1,238,557
2022 Request	428	409	1,240,862
Total Change 2021-2022	0	0	-1,159,454

Appropriated, Definite Authority Total	Direct Pos.	Estimate FTE	Amount
2020 Enacted	0	0	20,514
2021 Enacted	0	0	20,514
Adjustments to Base and Technical Adjustments	0	0	0
2022 Current Services	0	0	20,514
2022 Program Increase	0	0	0
2022 Program Offsets	0	0	0
2020 Request	0	0	20,514
Total Change 2021-2022	0	0	0

V. FY 2022 Asset Forfeiture Program Estimates

Asset Forfeiture Program

1. Summary of Requirements by Financing (Dollars in Thousands)

Financing	FY 2020 Actuals	FY 2021 Estimate	FY 2022 Estimate	2021 - 2022 Total Change
Unobligated balance of receipts, start-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	295,523	284,382	261,868	(22,514)
Major Third Party Payment Reserves	647,000	873,400	0	(873,400)
Prior Surplus Balances Carried Forward	10,000	0	0	0
FY 2020 Operations	219,141	0	0	0
Unobligated balance of receipts, start-of-year	1,171,664	1,157,782	261,868	(895,914)
Collections/deposits/receipts/recoveries:				
Regular receipts	724,508	800,000	800,000	0
Extraordinary Receipts	151,508	275,000	275,000	0
Extraordinary receipts for one time payments	854,900	333,300	0	(333,300)
<i>Total Receipts</i>	1,730,916	1,408,300	1,075,000	(333,300)
Reimbursable Earnings/Receipts	17,552	19,806	20,262	456
Prior year sequestration restored	135,273	100,914	79,104	(21,810)
Recovery/Refunds of prior year obligations	80,463	75,000	75,000	0
Sequestration	(100,914)	(79,104)	(60,106)	18,998
Collections/deposits/receipts/recoveries:	1,863,290	1,524,916	1,189,260	(335,656)
Total Direct resources available	3,017,402	2,662,892	1,430,866	(1,232,026)
Total resources available	3,034,954	2,682,698	1,451,128	(1,231,570)
Less: Unobligated balance of receipts, end-of-year				
Retention of Unobligated Balances to maintain AFF Solvency	(284,382)	(261,868)	(189,751)	72,117
RP Contingencies for Victims & Other Third Parties	(873,400)	0		0
Unobligated balance of receipts, end-of-year	(1,157,782)	(261,868)	(189,751)	72,117
Total Direct Obligations	1,859,620	2,401,024	1,241,115	(1,159,909)
Total Obligations	1,877,172	2,420,830	1,261,377	(1,159,453)

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

	FY 2020 Actuals	FY 2021 Estimate	FY 2022 Estimate	2021 - 2022 Total Change
Mandatory expenses: (indefinite authority)				
Case support expenses:				
Asset Management and Disposal	36,135	47,305	48,961	1,656
Victim & Other Third Party Payments	588,400	1,385,353	180,106	(1,205,247)
Case Related Expenses	40,415	43,963	45,502	1,539
Special Contract Services	112,801	127,836	132,310	4,474
Investigative Costs Leading to Seizures	74,348	77,025	79,720	2,695
Contracts to Identify Assets	79,594	81,699	84,558	2,859
Awards Based on Forfeiture	10,448	15,016	15,542	526
Program support expenses:				
Information Systems	54,949	59,203	61,275	2,072
Training and Printing	2,761	7,803	8,131	328
Other Program Management	95,344	111,844	116,200	4,356
Other authorized expenses:				
Storage, Protection & Destruction of Controlled Substances	7,131	8,269	8,558	289
Equitable Sharing Payments	555,725	225,000	250,000	25,000
Joint Law Enforcement Operations	192,237	210,000	210,000	0
Obligations Adjustment	(3,128)	0	0	0
Subtotal: Mandatory Expenses	1,847,158	2,400,316	1,240,862	(1,159,453)
Investigative expenses				
Awards for Information	10,659	10,768	10,768	0
Purchase of Evidence	9,239	9,591	9,591	0
Equipping of Conveyances	117	155	155	0
Subtotal: Investigative Expenses	20,014	20,514	20,514	0
Total, Mandatory and Investigative Expenses	1,867,172	2,420,830	1,261,376	(1,159,453)
Surplus amounts obligated	10,000	0	0	0
Total Direct Obligations	1,859,620	2,401,024	1,241,114	(1,159,910)
Total Obligations	1,877,172	2,420,830	1,261,376	(1,159,453)

*Currently, the 3 Year Obligation Chart does not reflect the Expense worksheet due to recent deposits and due to the Expense worksheet not showing unallocated amounts. In addition, the estimated revenue and expenses for FY 2021 and FY 2022 reflected in this document will change significantly over the next several months as the result of ongoing analysis into trends in seizure and forfeiture activity.

A. Asset Forfeiture Program - Program Expense Descriptions

a. MANDATORY EXPENSES, INDEFINITE AUTHORITY

1. Asset Management and Disposal

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$36,135,000	\$47,305,000	\$48,961,000	\$1,656,000

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. The increase in FY 2022 is inflationary.

2. Victim & Other Third Party Payments

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$588,400,000	\$1,385,353,000	\$180,106,000	-\$1,205,247,000

This category of expense is primarily used to return property 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 remission or mitigation. This includes the restoration of proceeds of sales pursuant to court orders or administrative determinations.

The increase in FY 2021 reflects carryover amounts needed to obligate FY 2020 case deposits after the end of FY 2020. These include \$669 million for the Reckett case, \$386 million for the 1MDB case, and \$43 thousand for the Madoff case. The decrease in FY 2022 represents a reduction of the additional FY 2021 expected payments.

3. Equitable Sharing Payments

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$555,725,000	\$225,000,000	\$250,000,000	\$25,000

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. The total for FY 2020 includes a payment of \$315 million to the Government of Nigeria related to the Abacha international case. The decrease in FY 2021

is due to the impact of the COVID-19 pandemic on forfeiture revenue, resulting in fewer equitable sharing payments. The increase in the FY 2022 estimate reflects the expectation that forfeiture activity and the resulting equitable sharing payments will return to pre-pandemic levels.

4. Case Related Expenses

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$40,415,000	\$43,963,000	\$45,502,000	\$1,539,000

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 is inflationary. The increase in FY 2022 is inflationary.

5. Joint Law Enforcement Operations

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$192,237,000	\$210,000,000	\$210,000,000	\$0

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).

6. Special Contract Services

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$112,801,000	\$127,836,000	\$132,310,000	\$4,474,000

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 increase in FY 2022 is based on an increase in contract rates and inflation.

7. Storage, Protection, and Destruction of Controlled Substances

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$7,131,000	\$8,269,000	\$8,558,000	\$289,000

These resources fund DEA in the storage, protection, and destruction of controlled substances. These activities include the incineration of bulk quantities of controlled substances, 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. The increase in FY 2022 is inflationary.

8. Information Systems

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$54,949,000	\$59,203,000	\$61,275,000	\$2,072,000

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 2022 is inflationary.

9. Training and Printing

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$2,761,000	\$7,803,000	\$8,131,000	\$328,000

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 increase in FY 2022 is inflationary.

10. Other Program Management

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$95,344,000	\$111,844,000	\$116,200,000	\$4,356,000

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, the USMS Asset Forfeiture Financial Instigator (AFFI) program, and government personnel in member agencies who provide core asset forfeiture program management functions. The increase is due to the 2.7% Pay Raise, inflation, and newly filled positions in AFMS.

11. Contracts to Identify Assets

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$79,594,000	\$81,699,000	\$84,558,000	\$2,859,000

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 increase in FY 2022 is inflationary.

12. Awards Based on Forfeiture

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$10,448,000	\$15,016,000	\$15,542,000	\$526,000

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. The increase in FY 2022 is inflationary.

13. Investigative Costs Leading to Seizures

FY 2020 <u>Estimate</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$74,348,000	\$77,025,000	\$79,720,000	\$2,695,000

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 increase in FY 2022 is inflationary.

b. INVESTIGATIVE EXPENSES

Definite, Appropriated (discretionary) Authority

1. Purchase of Evidence

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$9,239,000	\$9,591,000	\$9,591,000	\$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 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$117,000	\$155,000	\$155,000	\$0

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

3. Awards for Information

FY 2020 <u>Actual</u>	FY 2021 <u>Estimate</u>	FY 2022 <u>Estimate</u>	Increase/Decrease <u>FY 2021 to FY 2022</u>
\$10,659,000	\$10,768,000	\$10,768,000	\$0

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 2021 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. 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 36 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 2021 and 2022, 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 Fund ^A											
RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2020		FY 2020		FY 2021		Current Services Adjustments and FY 2022 Program Changes		FY 2022 Request	
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0
		403	[]	340	1,877 [\$18]	409	\$2,421 [\$20]	409	-\$1,160 [0]	409	\$1,261 [20]
TYPE	PERFORMANCE ^B	FY 2020		FY 2020		FY 2021 ^C		Current Services Adjustments and FY 2022 Program Changes		FY 2022 Request ^C	
	Management of the AFF	FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0	FTE	\$0
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.	403	\$2,326,428	340	\$1,877,172	409	\$2,420,830	0	(\$1,159,453)	409	\$1,261,377
Performance Measure:	Percent of time CATS is accessible in support of forfeiture agency operations.	99.80%		99.90%		99.80%				99.80%	
Output											
Performance Measure:	Percent of time Business Objects is accessible in support of forfeiture agency operations.	99.80%		99.90%		99.80%				99.80%	
Output											
Performance Measure:	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	99.80%		99.90%		99.80%				99.80%	
Output											
Performance Measure:	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%		100%		100%				100%	
Outcome											

^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 403 and 409 direct FTE, AFF participating agencies provide 3 law enforcement detailees, who assist the management of the AFF.

PERFORMANCE MEASURE TABLE

Decision Unit: Asset Forfeiture Fund

Performance Report and Performance Plan Targets		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020		FY 2021	FY 2022	FY 2023
		Actual	Actual	Actual	Actual	Target	Actual	Target	Target	Target
Performance Measure	Percent of time CATS is accessible in support of forfeiture agency operations.	99.80%	99.80%	99.90%	99.90%	99.80%	99.9%	99.80%	99.80%	99.80%
Performance Measure	Percent of time Business Objects is accessible in support of forfeiture agency operations.	99.80%	99.80%	99.90%	99.90%	99.80%	99.9%	99.80%	99.80%	99.80%
Performance Measure	Percent of time Sharepoint Services are accessible in support of forfeiture agency operations.	99.80%	99.80%	99.90%	99.90%	99.80%	99.90%	99.80%	99.80%	99.80%
OUTCOME Measure	Achieve effective funds control as corroborated by an unmodified opinion on the AFF financial statements.	100%	100%	100%	100%	100%	100%	100%	100%	100%

VII. EXHIBITS