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Update on 1998 Forfeiture Legislation

By Joseph H. ("Mike") Payne, Trial Attorney, AFMLS, Criminal Division

When the last edition of the *Asset Forfeiture News* was published, much of the new forfeiture legislation discussed in the article entitled "Variety of Forfeiture Provisions Passed in 1998" had not yet been enacted and signed into law by the President. As a result, several public law numbers and effective dates were unavailable. As promised in that article, this piece provides that information where it was lacking and reports the deletion of the forfeiture provision from the Coast Guard Authorization Act (H.R. 2204).

Shortly after the last edition of the *Asset Forfeiture News* went to press, Congress deleted the new 18 U.S.C. § 2237 ("[s]anctions for failure to land or to bring to; sanctions for obstruction of boarding and providing false information"), which included a civil forfeiture provision at section 2237(g) for aircraft and vessels, from H.R. 2204. As finally enacted and signed by the President on November 13, 1998, the revised Coast Guard Authorization Act, Pub. L. No. 105-383, 112 Stat. 3411, did not include the new forfeiture provision that previously had been approved by both houses.

The President signed and made effective H.R. 3494, the Protection of Children from Sexual Predators Act, Pub. L. No. 105-314, 112 Stat. 2974, on October 30, 1998, adding offenses to the existing statutes (18 U.S.C. §§ 2253 and 2254) that provide for criminal and civil forfeitures for crimes involving sexual exploitation.

Also, on October 30, 1998, the President signed and made effective H.R. 4151, the Identity Theft and Assumption Deterrence Act of 1998, Pub. L. No. 105-318, 112 Stat. 3007, which added a new 18 U.S.C. § 1028(b)(5) providing for the criminal forfeiture of "any personal property used or intended to be used to commit" any offense under section 1028(a) (fraud and related activity in connection with identification documents). This legislation also included the much-needed technical amendment at 18 U.S.C. § 982(b)(1) providing uniform procedures for all criminal forfeitures under section 982.

On October 31, 1998, the President signed and made effec-

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tive H.R. 3874, the William F. Goodling Child Nutrition Reauthorization Act of 1998, Pub. L. No. 105-336, 112 Stat. 3143, which amended section 17 of the Child Nutrition Act of 1966 (42 U.S.C. § 1786) by adding a new subsection (p) that provides for the imposition of criminal forfeitures of proceeds and facilitating property against persons convicted of violations of section 12(g) of the National School Lunch Act (42 U.S.C. § 1760(g)) or of any other illegal trafficking in, misapplication, embezzlement, theft, or fraudulent obtaining of vouchers, other "food instruments," funds, assets, or other property having a value of $100 or more that are issued, or are the subject of a grant or other form of assistance, under section 1786.

H.R. 2807, the Rhino and Tiger Product Labeling Act, Pub. L. No. 105-312, 112 Stat. 2956, was signed and became effective October 30, 1998, amending the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. § 5301 *et seq.*) by adding a new provision that prohibits the sale, import, or export of "any product, item[,] or substance intended for human consumption or application containing, labeled[,] or advertised as containing" rhinoceros or tiger parts. In addition, "any product, item, or substance sold, imported, or exported, or attempted to be sold, imported, or exported" in violation of the provision or any regulation issued under the provision was made subject to civil forfeiture.

Federal Forfeiture in Full Swing for Fiscal Year 1999

By Nancy L. Martindale, Attorney, Asset Forfeiture and Money Laundering Section, Criminal Division, and Wendy Taylor, Records Examiner/ Analyst, DynCorp, Inc.

The Asset Forfeiture and Money Laundering Section (AFMLS) and the Office of Legal Education (OLE) once again are offering a full range of asset forfeiture and money laundering courses designed to produce the skills and enthusiasm that will lead to the appropriate use of forfeiture to the full extent of the law. During the past fiscal year, the two offices sponsored domestic seminars and trained Assistant U.S. Attorneys (AUSAs), agents, and forfeiture support staff in the law of forfeiture, money laundering, and financial investigations. One innovation in fiscal year 1998 was the joint training of AUSAs and agents in asset forfeiture financial investigations. This new course was well received and will be offered twice more in fiscal year 1999.

AFMLS and OLE's primary training goals are to train criminal prosecutors in the law of forfeiture and Department of Justice agents in the strategies of financial investigations. Although many have been trained at national seminars, in-house training sessions, field office training classes, and agent schools, many prosecutors and agents remain to be trained. Thus, AFMLS and OLE are continuing to offer the "Asset Forfeiture for Criminal Prosecutors" and "Financial Investigations for AUSAs and Agents" seminars. Please encourage your colleagues who may need this training to sign-up for these seminars.

AFMLS and OLE are also working on a standard agenda, materials, and talking points for use in an intensive half-day, in-house training session for the U.S. Attorneys' Offices. We hope that this project will assist AUSAs who are

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Articles in the *Asset Forfeiture News* are intended to assist federal prosecutors and agents in enforcing the forfeiture laws by providing guidance, information, and references. Unless otherwise stated, they represent the views of the individual authors, and not necessarily the Department of Justice. Nothing contained herein creates or confers any rights, privileges, or benefits for or on any claimant, defendant, or petitioner. *United States v. Caceres*, 440 U.S. 741 (1979).

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Your forfeiture articles are welcome. Please fax your submission to Denise Mahalek at (202) 616-1344, e-mail it to denise.mahalek2@usdoj.gov, or mail it to: *Asset Forfeiture News,* Asset Forfeiture and Money Laundering Section, Criminal Division , U.S. Department of Justice, 1400 New York Avenue, N.W., Bond Building, Tenth Floor, Washington, D.C. 20005.

asked to design in-house forfeiture training for their offices.

The following course descriptions briefly summarize the training seminars conducted in fiscal year 1998 and those scheduled in the coming year.

Asset Forfeiture for Criminal Prosecutors Seminar

The Asset Forfeiture for Criminal Prosecutors Seminar alerts criminal prosecutors to the importance of asset forfeiture as a law enforcement tool and instructs them on how to use forfeiture appropriately. The training covers an overview of both civil and criminal forfeiture; constitutional issues; firearm forfeitures; money laundering offenses and forfeitures; seizing, restraining, and maintaining assets; pleas, settlements, and sentencing; third-party rights; asset identification; remission to victims; equitable sharing; and ethics.

Approximately 70 AUSAs and agents attended each of the three seminars that were held during fiscal year 1998. The Asset Forfeiture for Criminal Prosecutors Seminar is scheduled again for May 11-13, 1999.

Notice

In the September/October 1998 issue, the Asset Forfeiture and Money Laundering Section incorrectly cited a case in the "Road to Reinvigoration" column. The parenthetical expression "(10th Cir. Sept. 6, 1998)" should *not* have been included in Virginia H. Glaiber's article entitled "Middle District of Florida Middle District of Florida's Law Enforcement Strategy and Planning Conference," at 15-16.

The sentence should have read as follows: "The United States subsequently filed a civil forfeiture action in *United States v. Contents of Accounts*, No. 95-670-CIV-ORL-19, seeking forfeiture of the funds seized from his bank accounts pursuant to 18 U.S.C. § 981(a)(1)(A)."

Financial Investigations for AUSAs and Agents Seminar

The Financial Investigations for AUSAs and Agents Seminar provides a forum to exchange ideas and modify practices in response to ongoing changes in the law and developments in asset identification strategies. The AUSAs and federal agents discuss how to conduct financial investigations that will lead to forfeitures and issues arising in administrative, civil, and criminal forfeiture proceedings. The training covers team investigations, financial and seizure warrants, covert techniques, regulatory considerations, new technologies in money laundering, relevant statutes, investigative leads, white-collar fraud, international law, significant case law, and ethics.

In fiscal year 1998, two Financial Investigations for AUSAs and Agents Seminars were held. Approximately 45 AUSAs and 45 agents attended these seminars. Two seminars are scheduled in fiscal year 1999: the first for March 23-25, 1999; the second, for September 8-10, 1999.

Asset Forfeiture for Support Staff Seminar

The Asset Forfeiture for Support Staff Seminar is a dual-level seminar conducted for both new and experienced asset forfeiture support staff. The basic level covers an overview of asset forfeiture, the differences between criminal and civil forfeiture, civil discovery, administrative forfeitures, and equitable sharing. The more advanced level covers asset forfeiture and money laundering, asset forfeiture and due process, and international forfeitures. All participants attend sessions on criminal forfeiture procedure, case tracking, effective writing, property management, remission to victims, stress management, ancillary hearings, third-party interests, and settlements, plea agreements, and closing the case.

Approximately 107 support staff persons attended this seminar in fiscal year 1998. Another Asset Forfeiture for Support Staff Seminar is scheduled for April 13-15, 1999.

Basic Money Laundering and Asset Forfeiture Seminar

The Basic Money Laundering/ Asset Forfeiture Seminar is an introduction to federal money laundering law for AUSAs and federal law enforcement attorneys. Topics covered include a money laundering and asset forfeiture overview, the federal money laundering statutes and the money laundering forfeiture statutes, currency reporting violations, constitutional issues, analysis of wire transfers and financial documents, charging decisions, organizing the money laundering case for trial, financial sector strategy, international money laundering and forfeiture, and ethics.

Approximately 71 AUSAs attended this seminar in fiscal year 1998. The Basic Money Laundering/Asset Forfeiture Seminar will be held again on October 27-29, 1999.

Advanced Money Laundering and Asset Forfeiture Seminar

This Advanced Money Laundering Seminar addresses the concerns and issues of experienced money laundering and forfeiture prosecutors. These attorneys must be up-to-date on the latest Supreme Court decisions, policy directives, and changes in money laundering case law in order to advise on money laundering forfei-

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The Case Ledger

Editor's Note: *In previous editions of the* Asset Forfeiture News, *we included both training and case notes submitted by U.S. Attorney's Offices in the "Road to Reinvigoration" column. Beginning with this issue, all case notes received from U.S. Attorney's Offices, in addition to those from federal agencies, will appear in this new column called The Case Ledger. We are especially interested in receiving cases that illustrate how forfeiture was used to dismantle a criminal enterprise. Please contact the editor at (202) 305-3049 if you have any questions.*

Operation "Big Brother" Results in Forfeiture of Real Property in Central California

By Sue Czerwinski, Acting Director, Office of Asset Forfeiture, Immigration and Naturalization Service

Assistant U.S. Attorney Janet C. Hudson filed a complaint for forfeiture in U.S. District Court for the Central District of California against real property located at 380 West Pebble Beach Avenue, La Habra, California. The $315,000 residential real property was forfeited to the Government as a result of a two-year-long task force investigation involving immigration fraud. Special Agent Michael P. Carney, Immigration and Naturalzation Service's (INS's) Los Angeles District Office, was assisted by other members of the task force from the Federal Bureau of Investigation, the U.S. Postal Inspection Service, and the U.S. Marshals Service.

Jose Mendoza de la Merced and others were indicted by a federal grand jury in the Central District of California on January 24, 1997. They were charged with conspiracy to submit false statements to the INS, conspiracy to commit mail fraud, conspiracy to smuggle aliens, making false statements in political asylum applications, mail fraud, counterfeiting or forging immigrant visas, alien smuggling, and conspiracy to launder proceeds of mail fraud.

In June 1996, an individual named Ellen G. Valasco (Merced's girlfriend), later determined to be Maria Elena Cruz Guison, purchased the defendant real property located in La Habra, California. Payments for the real property were comprised of approximately $116,000 in cashier's checks. The investigation by Case Agent Carney revealed that the currency to purchase the majority of the cashier's checks used as payment for the real property had been provided by Merced. Merced profited from this scheme by charging aliens approximately $10,000 in cash to obtain immigrant visas. If the alien did not have an alien number, Merced and his associates would submit a false application for asylum to the INS on behalf of the alien, without the alien's knowledge. The fraudulent asylum application was frequently submitted to the INS via mail. Merced and his associates arranged for counterfeit I-551 immigrant visas to be stamped in the alien's passport. The INS has identified over 500 aliens associated with the fraudulent scheme. As a result of this scheme, Merced obtained approximately $5 million in U.S. currency.

On February 10, 1998, a default judgment of forfeiture was entered by the court against the defendant real property for violation of 18 U.S.C. § 1956. Guison was sentenced to 30 months in prison for her involvement in the immigration fraud scheme. In addition, two other defendants, including Merced, are scheduled to stand trial for their role in the scheme.

"Save Our Streets" Task Force is on its Way to a Neighbor-hood Near You

By AUSA Richard D. Kaufman, U.S. Attorney's Office, Western District of New York

Denise E. O'Donnell, U.S. Attorney for the Western District of New York, announced the formation of "Operation: Save Our Streets (SOS)," an aggressive and innovative project to take back the neighborhoods of Buffalo, New York. In 1992, realizing that inner city drug properties were not becoming subject to forfeiture due to their very low market value, Operation SOS was initially born. The City of Buffalo, together with the Federal Government, embarked on an agreement to work together by utilizing the federal forfeiture laws which targeted real property in the city that had primarily been the situs of numerous illegal narcotics sales and used to facilitate such illegal activity. The agreement

provided that, after forfeiture, the city would accept these properties from the federal authorities under the auspices of the Weed and Seed Initiative, allowing the city to choose a wide range of program-oriented missions to reclaim the property and place it back into productive use in the community. To date, numerous properties have been successfully forfeited; turned over to the city; and placed back as community centers, low-income housing, or other useful and community-based properties in the City of Buffalo.

However, in order to provide a more comprehensive program, the City of Buffalo, County of Erie, and the United States decided to expand the original Operation SOS Program into a task force concept and take the bold step of reclaiming many more neighborhoods. Due in part to the sheer numbers of properties that qualify under SOS and the minimal federal resources available to address the problem, it was clear that an expanded and coordinated approach was needed to tackle the problem from all avenues, and not just through the federal forfeiture program. Styled after Boston's successful "Ten Most Wanted" Program, a unique collaboration began between various departments of the City of Buffalo, law enforcement personnel, and various agencies on both the local, county, state, and federal level in order to create the SOS Task Force. Working hand-in-hand with the Weed and Seed site in Buffalo, the task force will combine many of the programs and techniques that have proved fruitful in both Buffalo and other Weed and Seed sites around the country.

The task force recognizes that nontraditional techniques of law enforcement must be used to supplement traditional investigative and arrest methods. The use of the federal forfeiture laws would still be available, but only as an alternative procedure when other solutions have been attempted and failed. Prior to the task force's formation, many of these departments and agencies attempted to individually treat the neighborhood crime problems, but did so without knowing what the other department was doing. On the other hand, led by its coordinator, the task force's mission is to terminate the drug activity and treat the buildings and property infected with a coordinated approach, including: bringing properties into compliance with city and county building and health codes; providing information to the social services department and law enforcement agencies of individuals who fall under their jurisdiction; attempting to work solutions through the owners of the real property; and/or seeking legal remedies of nuisance abatements, bawdy house legislation, or ultimately forfeiture, if these actions fail to achieve these goals.

A quick response time is essential, not only for police, but also for all participants of the task force. Ultimately, the task force goal is to return these properties to the law abiding citizens, homeowners, and tenants to assist them in building a better neighborhood. Using a coordinated approach between and among the members of the task force, each agency or department will be responsible for a particular problem facing the individual property. For example, the Narcotics Division will continue to focus upon illegal drug trafficking using the criminal justice system to bring the wrongdoers to justice, while at the same time, working with the city's building inspectors and county health and social services departments, notifying those departments of possible violations. Those departments will send a response team to enforce their respective ordinances and insure that the owners and tenants of the property are properly made accountable for the violations. The task force will also notify the departments of probation and parole when and if they determine that an individual residing at a specific targeted property may fall under those departments' jurisdiction and, if so, whether any of their respective programs' regulations have been violated. Through a registry into a central data bank, if a subject property becomes a repeat offender, the city law department will consider legal action in the way of nuisance abatement, bawdy house laws, or the like.

Finally, if these types of remedial actions still fail to bring the real property in conformance with the neighborhood goals and standards, the property will be considered for federal forfeiture litigation by the United States. If the property is forfeited, the parameters of the original SOS agreement will be implemented.

U.S. Attorney O'Donnell emphasized the importance of the task force's formation by stating:

> I cannot think of any more significant step that area government has taken in the last 10 years than the formation of the SOS Task Force with its ultimate goal . . . the return of our neighborhoods to the law abiding citizens of our community. In today's society, we must look beyond traditional law enforcement techniques to address our communities' crime problems and I believe that the SOS Task Force can start to achieve meaningful results.

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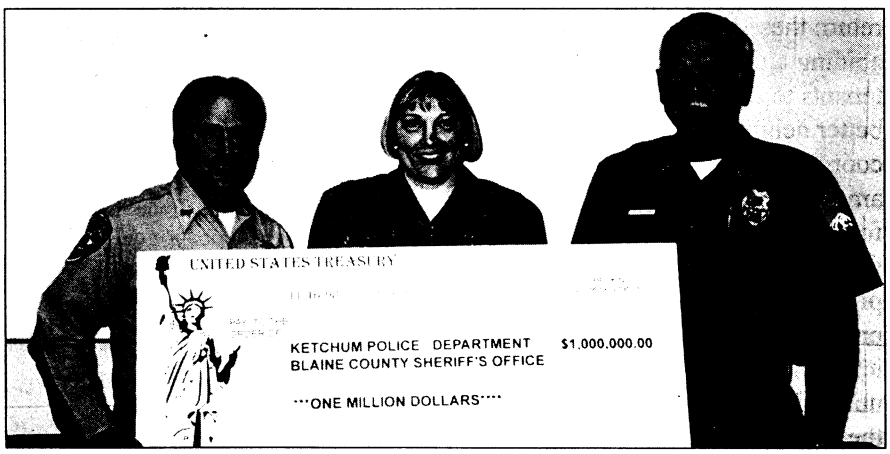
Idaho Will Share $1 Million With City and County

By Linda Hopfenbeck, LECC Coordinator, and Anthony G. Hall, Assistant U.S. Attorney, U.S. Attorney's Office, District of Idaho

The resort community of Sun Valley, Idaho, was the winter home of choice for a number of drug traffickers whose southeast Asian drug trade netted them millions of dollars in the 1970s and 1980s. Although the huge drug shipments never made it to Idaho, the profits did, and a seven-year financial investigation resulted in drug trafficking and money laundering charges against eight individuals. Following convictions and civil and criminal forfeitures spanning several years, on November 30, 1998, U.S. Attorney Betty H. Richardson for the District of Idaho, together with representatives from the Internal Revenue Service's Criminal Investigation Division (IRS-CID) and the Drug Enforcement Administration, announced the sharing of a total of $1 million in forfeited criminal proceeds with two local law enforcement agencies in the Sun Valley area: the Blaine County Sheriff's Office and the Ketchum, Idaho, Police Department.

As part of the $1 million total, the two local agencies each received a U.S. Treasury check for $75,000 from the Raymond A. Whelan case. The money was recovered from several Swiss bank accounts where it had been deposited to conceal its drug trafficking source. The Swiss government assisted IRS-CID agents in tracing and recovering the funds. Special Counsel for Internation Matters Linda M. Samuel, Asset Forfeiture and Money Laundering Section, assisted in recovering and repatriating the Swiss funds, as well as moneys and property in three other foreign countries (*see* below). Whelan was sentenced on June 23, 1997, to twelve years in federal prison for his conviction on drug conspiracy and smuggling charges. As a result of the conviction, he forfeited all of his holdings in the Swiss accounts plus assets in Idaho, Florida, and California, for a total of over $2.5 million. (*See* "Treasury Trends" article at 14 for more information about this case.)



USA Betty Richardson (D. Idaho) (center) presents Blaine County Sheriff Walt Femling (left) and Ketchum, Idaho, Police Chief Cal Nevland (right) with a check representing the total to be shared in drug and money laundering cases.

Related investigations both before and after the Whelan case led to drug trafficking and money laundering activities in a number of foreign countries, including Hong Kong, Fiji, Singapore, Indonesia, New Zealand, Australia, and Thailand, and have so far resulted in the seizure and forfeiture of millions of dollars in assets. Most recently, in April 1998, two drug smugglers with ties to Sun Valley, Michael Gary Miller of Haleiwa, Oahu, Hawaii, and his younger brother, Paul E. Miller of Haiku, Maui, Hawaii, entered guilty pleas for the crimes of conspiracy to import over 1,000 pounds of Thai marijuana and conspiracy to launder money. They agreed to forfeit over $12 million in assets in the United States and a number of foreign countries.

Through their criminal activities, the various defendants had acquired interests in real property, legitimate businesses, domestic bank accounts, foreign and off-shore bank accounts, stocks and bonds, and other types of investments. In many cases the defendants were able to live comfortably off the proceeds of their criminally-obtained investments, successfully acheiving—at least temporarily—what their money laundering was

designed to accomplish: the appearance of legitimacy and respectability. Assistant U.S. Attorneys Anthony G. Hall and Monte J. Stiles were responsible for the prosecutions and forfeitures in these cases.

Second Circuit Affirms Decorators' RICO and Money Laundering Convictions

By Richard Weber, Assistant U.S. Attorney, U.S. Attorney's Office, Eastern District of New York

On December 23, 1998, the United States Court of Appeals for the Second Circuit affirmed the judgments entered on May 21, 1998, in the U.S. District Court for the Eastern District of New York (Weinstein, J.), which convicted Antony Alexander Blarek and Frank V. Pellecchia (the decorators) of RICO conspiracy in violation of 18 U.S.C. § 1962(d) and money laundering conspiracy in violation of 18 U.S.C. §§ 371 and 1956(h). Mr. Blarek's separate conviction for distributing the proceeds of a narcotics enterprise in violation of the Travel Act was also upheld.

On February 25, 1998, the defendants were convicted by an Eastern District of New York jury following a three-week trial. Judge Jack B. Weinstein sentenced Blarek to 68 months imprisonment and Pellecchia to 48 months imprisonment. In addition, the Government forfeited approximately $6 million in assets, which included: the defendants' home in Sea Cliff, San Francisco; millions in drug cash stored in safe-deposit boxes; bank and stock accounts; and personal property consisting of art, furniture, and vehicles. Blarek was also fined $305,186, which represented his entire net worth after the forfeiture to the Government. As Judge Weinstein stated in his sentencing decision, "[a] long term of incarceration and severe monetary penalties that will strip defendants of all their assets is required. The sentences are designed to penalize the defendants for their criminal behavior and to deter other business and professional people from assisting drug traffickers."

Blarek and Pellecchia were interior designers and decorators who became "money washers" for Santacruz Londono, one of the most notorious drug traffickers of this quarter century.

Santacruz was the head of the Cali drug cartel until his death in 1996, when he was killed in a shootout while attempting to escape from prison in Colombia. In 1979, during a trip to Colombia in search for a client, Blarek first met Santacruz. Santacruz hired Blarek to decorate his home, and, after this first encounter, Blarek wrote in his daily planner that he had "[m]ade the Colombian connection." Two years later Blarek met Frank Pellecchia, and, by 1985, they worked exclusively for Santacruz. During the 15 years that the defendants worked for Santacruz they laundered millions of dollars of tainted drug money.

The Blarek and Pellecchia prosecution was a daring attack on the methods used by South and Central American drug traffickers to launder narcotics trafficking proceeds. The defendants worked for Santacruz until his death in 1996 and used the drug proceeds to purchase building materials, furnishings, art, electronics, appliances, and other consumer goods (in quantities of shocking excess) in U.S. markets for Santacruz's offices, homes, and apartments for his mistresses. The Government's theory underlying its prosecution was that the defendants knowingly and intentionally conspired with Santacruz to launder millions of drug dollars for the drug lord by converting huge amounts of drug cash—delivered to them secretly in satchels, bags, and suitcases or wired from foreign bank accounts—into assets the drug lord could remove from this country and use in South America.

All shipments to Santacruz were sent to Colombia using false or nominee names in order to hide that the merchandise was headed for Santacruz. The money received and spent by the decorators came from drug proceeds. The merchandise was expensive. For example, a sound system shipped for one Santacruz project cost over $225,000; a set of china cost $300,000; building materials for one of the large construction jobs from just one distributor cost $520,000; and, for one project in particular, the defendants custom-designed all of the furniture and cabinetry throughout the office with elaborate and well-concealed secret compartments. All projects were specifically coded to disguise that they were working for the drug lord.

The defendants knowingly converted millions of dollars of drug money which was covertly delivered to them. In the mid-1980s, the defendants received a single cash delivery of $1 million delivered in a Gucci bag. Furthermore, by hiding cash deliveries and receipt of wire transfers bearing false names, the defendants used many techniques to conceal the drug cash once it was in their

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possession. Blarek and Pellecchia used the services of their accountant to convert cash into checks that were made out to their businesses. The accountant, who pled guilty to money laundering, testified that the defendants wanted to conceal the fact that they were receiving cash and didn't want a money trail leading to them. The defendants also advised the accountant in a telephone conversation that, when discussing the delivery of cash they would not use the words "cash" or "dollars," but the word "pages" to represent thousands of dollars. The amount of drug cash laundered through the accountant exceeded $1 million. The defendants would then deposit the checks into their business accounts and write checks drawing on these and other Santacruz funds to innumerable vendors on behalf of the drug lord.

For the several million dollars of cash not laundered through the accountant, the defendants opened numerous safe-deposit boxes in New York, Miami, and San Francisco to store and hide the drug money. The defendants would also deposit the drug cash in structured amounts in order to avoid the currency reporting requirements. Some of drug cash was used for the purchase and improvements of various residences owned by the defendants. The house in which the defendants lived on the day of their arrest was seized and forfeited to the Government. That residence sold for approximately $4 million.

The evidence submitted to the jury showed that the decorators would not move cash by air, preferring instead trains or rental cars. They used elaborate bookkeeping methods designed to conceal the true identity of their client. The defendants' housekeeper and office manager, a key government witness at trial, testified about the bookkeeping practices, receipt of cash and wire transfers, destruction of documents relating to Santacruz, and how Blarek bleached out entries in his passport to conceal the numerous trips to Colombia. The defendants lied to vendors and others about the identity of Santacruz, informing a number of them that they worked for the president of Peru, a prince in Spain, and the prime minister of Venezuela.

The defendants clearly knew that their client was a major drug trafficker. As early as 1981, the Drug Enforcement Administration questioned Blarek about the whereabouts of Santacruz and informed Blarek that Santacruz was a drug dealer. In 1991, Santacruz and the Cali drug cartel was the cover story of "Time Magazine." Upon the arrest of the defendants, two copies of the magazine were found within their residence. Taped telephone conversations between Blarek and a cooperating witness also proved that both defendants were aware of the nature of Santacruz' narcotics enterprise. In addition, the tapes revealed that the defendants would attempt to conceal the fact that they had worked for Santacruz and engaged in illegal activity.

Blarek and Pellecchia's primary defense at trial was that they did not know that the money they were receiving from Santacruz was drug money. Further, the decorators argued that they merely aided the drug lord in his personal consumption of lavish art and furnishings and provided the normal services of any other interior decorator. This theory was clearly rejected by the jury, the district court, and the court of appeals. In the recent decision affirming the convictions by the Second Circuit, the court held that "[B]larek and Pellecchia did not just shop and haggle for Santacruz. They, in fact, engaged in a systematic effort to assist the Santacruz enterprise by turning large sums of tainted cash into chattels that the drug lord could safely enjoy." The Government is hopeful that this case will send the message to other business people that, when a person knowingly accepts drug money and assists the trafficker in concealing those tainted funds, that person will be prosecuted and suffer serious penalties.

This investigation was conducted by a multi-jurisdictional task force comprised of agents from DEA's San Francisco and Long Island Field Offices, led by Special Agents Amie Clarke and Robbie Michaelis and Intelligence Analyst Kenneth Robinson; Internal Revenue Service, Criminal Investigation Division, San Francisco and New York Field Offices, led by Special Agents Richard Karl, John Willing, and Jill Aichenson; Nassau and Suffolk Police Departments, led by Robert Cervelli and Gina Hogan and was the result of a long-term investigation into the

drug trafficking activities of the Santacruz faction of the Cali cartel. The case was prosecuted by Assistant U.S. Attorneys Richard Weber and Mark W. Lerner, with the assistance of Arthur Hui, Chief, Asset Forfeiture Unit, Eastern District of New York.

District of Alaska Recovers over $1.55 Million as a Result of Violations of the M-SFCMA by Foreign Fishing Vessels

By Elizabeth S. O'Leary, Assistant U.S. Attorney, U.S. Attorney's Office, District of Alaska, and Ramona Pulver, Paralegal, DynCorp, Inc.

The U.S. Attorney's Office for the District of Alaska, in a joint effort led by Assistant U.S. Attorney (AUSA) Betsy O'Leary, and assisted by the U.S. Coast Guard's (USCG's) Attorney Commander Gil Teal, and the National Oceanic Atmospheric Administration's (NOAA's) Special Assistant U.S. Attorneys (SAUSAs) Susan Auer, Joel La Bissonnire, and Garland Walker, recovered over $1.5 million from foreign fishing vessels for violations of the Magnuson-Stevens Fishery Conservation and Management Act (M-SFCMA) during the period of June 1997 to September 1998. In addition to the $1.5 million in fines and penalties, over $83,000 in USCG costs were also recovered.

In these types of cases, time is a crucial factor for all parties. The extensive effort on the part of, and the high degree of, cooperation between and among the responding government agencies enables the Government to preserve and protect the fishery resources and marine environment that is vital to Alaska. The following cases are indicative of the good working relationship among the agencies which exists and produces incredible results.

M/V Hai Yu (China) and M/V Jacha (Panama)

These two fishing vessels were each involved in the illegal transshipment at sea of approximately 280 metric tons of fish and fish products from several domestic fishing vessels. Both vessels were onloading the fish outside a designated area or boundary. The cargo of fish was subsequently transported through state and federal waters to foreign points and ports. By virtue of the violations, the vessels—including all gear, furniture, appurtenances, stores, and cargo—became subject to forfeiture to the United States. Stipulated agreements were entered into and between the United States and the owners of the vessels, and each paid $50,000 for the vessels' release.

M/V Cheog Yang Ho (Korea)

This Korean fishing vessel was caught fishing across the International Convention Line in the U.S. Exclusive Economic Zone (EEZ). The vessel was boarded and seized by the USCG and then escorted to Kodiak, Alaska, where it was arrested. Negotiations with the vessel's owner and the company's Korean chairman and executive director resulted in a settlement reached the same day that the *in rem* warrant of arrest was served. Due to this company's prior violations of the M-SFCMA, the vessel paid a substantial settlement amount of $510,000. The company paid an additional $48,218.28 in USCG costs.

F/V Chernyayevo (Russia)

The seizure and arrest of this Russian vessel for fishing violations of the M-SFCMA effectively stopped what had been a season-long violation of the U.S. EEZ by the Russian fishing fleet. The vessel was escorted to Kodiak where protracted negotiations for its release involved personal and telephonic communications among the U.S. Attorney's Office, Secretary of State Albright and the Department of State, the Attorney General, the Honorary Consul for Russia in Alaska, the Russian Senior Consul in Seattle, as well as representatives from the Russian Embassy in Washington, D.C. After three months of negotiations, with only a skeletal crew left on board, settlement was finally reached. The vessel was released after paying a fine of $190,000, plus USCG costs in the amount of $48,218.28.

F/V Admiral Arciszewski (Poland)

This Polish vessel, as well as its captain, were repeat violators of the M-SFCMA. In 1991, this vessel and three sister ships were found in violation of the International Convention Line. Negotiations resulted in a settlement agreement and a fine of $450,000. In 1996, the vessel was seized and arrested for an incursion into the U.S. EEZ. After seizure by the Coast Guard in the Bering Sea, the vessel was escorted to Kodiak, where it posted bond of $750,000 and was released. Over the next two years the Government was engaged in extensive discovery and motion practice. While the parties began to prepare for trial, the vessel was involved in a third M-SFCMA violation in the U.S. EEZ. Settlement was quickly

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Planning Meeting Evaluates AFMLS Training

By Beliue Gebeyehou, Records Examiner/Analyst, DynCorp, Inc.

The Asset Forfeiture and Money Laundering Section (AFMLS), Criminal Division, held a seminar planning meeting on November 24, 1998. This meeting was chaired by Deputy Chief Nancy Rider, Program Management and Operations Unit. Assistant Chief Les Joseph, Attorneys Steve May and John Hyland of AFMLS, as well as Sanna Storm, John Sellers, and Lisa Trueblood of DynCorp, were in attendance. Special Agent Tim Sullivan, from the Drug Enforcement Administration's (DEA's) New York Field Office, and Supervisory Special Agent Bill Vanderland, Federal Bureau of Investigation's (FBI's) headquarters, also participated in the discussion.

AFMLS has provided asset forfeiture financial investigations training for over three years. Although the Section is noted for successfully training agents, the objective of this meeting was to re-evaluate some of the topics being presented. Even though AFMLS's training courses target agents from all agencies, most participants tend to come from the FBI and DEA. Most of the agents that attend usually have up to three years of experience. With this in mind, the goal of each seminar is to lay a foundation of forfeiture law and to outline how to identify assets for a forfeiture.

The meeting began with the discussion of two questions: What goals are we meeting at current seminars? What do we want agents to learn from these training sessions? The first step taken to address those questions involved the review of sample agendas taken from AFMLS training courses across the country. Each seminar begins with a basic outline and general introduction to asset forfeiture. This outline prepares the participants for the next three days of training. Once the agents are provided with a solid foundation of what asset forfeiture entails, they are then presented with a case study that is based on an actual forfeiture case. The documents that are provided during the seminar allow the agents to identify key points in an investigation. The agents are able to see how the case unfolds and the different resources that are available to them during the investigative process.

There were also several recurring suggestions that, if met, would strengthen the agents' background in asset forfeiture. The concept of Title 18 forfeiture is one that needs to be emphasized to those agents participating in the seminar. Instructors must also more clearly define the differences between civil, criminal, and administrative forfeiture. Another major goal is for instructors to convey to the agents that the information being taught was applicable to any type of forfeiture case. After completing the class, agents should have the ability to perform solid financial investigations.

A discussion on whether to create a separate section on money laundering consumed a large portion of the meeting. Some of the participants were hesitant about the inclusion of a money laundering section in an introductory seminar. Many felt that the complexity of the issue warranted it being reserved for a more advanced class. After further discussion, it was agreed upon that, even if money laundering was not to be included, the instructors must provide a more thorough review of Title 18 offenses as well as the investigation of third parties; *i.e.*, real estate agents, banks, and car dealerships.

The Attorney General has made it a part of her agenda to revitalize forfeiture. With this in mind, AFMLS has taken the initiative to re-evaluate the asset forfeiture training currently provided to new agents and incorporate the solid suggestions made in this meeting during the seminar which was held on February 9-11, 1999, in Clearwater, Florida.

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reached. The vessel agreed to pay a settlement amount of $750,000, in addition to USCG costs in the amount of $10,276. A three-part payment plan was arranged, which resulted in payment of the fine amount plus interest.

FIUs Enable Countries to Exchange Information

By Communications Office, FinCEN

A growing number of countries recognize the corrosive dangers that unchecked financial crimes pose to their economic and political systems. To address this threat, a number of specialized governmental agencies have been created as countries around the world develop systems to deal with the problem of money laundering. These entities are commonly referred to as "financial intelligence units" or "FIUs." They offer U.S. law enforcement an important new avenue for exchanging information—including sensitive information.

Recognizing the benefits inherent in the development of an FIU network, in 1995, FinCEN, in cooperation with its Belgian counterpart, brought together a group of FIUs at the Palais d'Egmont-Arenberg in Brussels. Now known as the Egmont Group, these FIUs meet regularly to find ways to cooperate, especially in the areas of information exchange and the sharing of expertise. One of the most significant accomplishments of the group's efforts has been the creation of a secure Internet web site. Egmont's International Secure Web System—developed primarily by FinCEN—permits members of the Group to communicate with one another via secure e-mail, posting and accessing information regarding trends, analytical tools, and technological developments. In other words, this system provides the ability to facilitate practical, rapid exchanges of information that could enhance the efforts of our federal, state, and local law enforcement in fighting money laundering.

How FIUs Can Assist U.S. Law Enforcement

FIUs, at a minimum, maintain databases of information on disclosures of suspicious financial transactions. Often these FIUs are restricted from providing this information to any agencies other than their own national prosecutorial authorities or to their foreign counterpart FIUs. Many FIUs can also be of assistance in providing other government administrative data as well as public record information.

One significant accomplishment of the group has been the creation of a secure Internet web site.

FinCEN deals directly with these FIUs and can usually obtain available financial intelligence relatively rapidly through these sources. While this channel does not replace the usual avenues that must be used for obtaining evidentiary information, it can provide law enforcement with confirming information regarding the viability of leads and other pertinent information.

Procedure for Requesting Information from Foreign FIUs

U.S. law enforcement agencies may request information from a foreign FIU simply by forwarding an official request either to the appropriate agency liaison officer at FinCEN or directly to FinCEN's Office of Investigative Support-International Cases at (703) 905-3688. Requests should include the following: (1) full identification of the requester and the requesting agency; (2) a description of the criminal matter under investigation and a summary of the relevant facts of the case; (3) the purpose of the request and the nature of the assistance being sought; (4) and as much identifying information on the subject(s) as possible. Alternatively, the requester may submit a FinCEN Request for Research form as used for domestic requests. The requester should also specify the country or countries to which the request should be directed.

FinCEN will advise the requester immediately if the request cannot be honored (for example, if the country does not have an FIU or if the FIU does not generally share disclosure information). The response time for submitted requests to foreign FIUs will vary according to the workload of the individual FIU and the information to which it has access. FinCEN will follow-up on the requests and forward the results to the requester upon receipt. *See* chart of world FIUs on following page.

The Egmont Group FIUs of the World: Operational Units (Meeting the Egmont Definition), as of July 1, 1998*	
Aruba	MOT-Aruba
Australia	AUSTRAC
Austria	EDOK Meldestelle
Belgium	CTIF-CFI
Chile	CDE / Departamento de Control de Trafico Ilícito de Estupefacientes
Croatia	**Financijska Policija / Ured za Sprjecavanje Pranja Novca**
Cyprus	**MO.K.A.S.– "Unit for Combating Money Laundering"**
Czech Republic	Financní analytický útvar
Denmark	SØK / Hvidvasksekretariatet
Finland	**Keskusrikospoliisi / Rahanpesun selvittelykeskus**
France	TRACFIN
Greece	**For a Arqrou 7 N.2331/95 – "Committee of Article 7 of Law 2331/1995"**
Guernsey	Joint Police & Customs Financial Investigation Unit - Guernsey
Hong Kong	H.K. Customs & Excise Department / Financial Investigation Group
Hungary	ORFK / Pénzmosás Elleni Alosztály
Iceland	Ríkisssaksóknari
Ireland	An Garda Síochána / Bureau of Fraud Investigation
Isle of Man	Isle of Man Constabulary / Fraud Squad FIU
Italy	UIC (S.A.R.)
Jersey	**Joint Police & Customs Financial Investigation Unit- Jersey**
Luxembourg	Parquet de Luxembourg / Service Anti-Blanchiment
Mexico	DGAIO / UIF
Monaco	SICCFIN
Netherlands	MOT
New Zealand	NZ Police Financial Intelligence Unit
NL Antilles	**MOT-Nederlandse Antillen**
Norway	ØKOKRIM / Hvitvaskingsenheten
Panama	Unidad de Análisis Financiero
Paraguay	**Unidad de Análisis Financiero - Paraguay**
Slovakia	OFiS ÚFP
Slovenia	MF-UPPD
Spain	SEPBLAC
Sweden	Finanspolisen
Switzerland	**Money Laundering Reporting Office - Switzerland**
Taiwan	**Money Laundering Prevention Center**
Turkey	**MSK**
United Kingdom	NCIS / ECU
United States	FinCEN

* **Bold** text indicates units accepted during the Buenos Aires Egmont Group Plenary Meeting.

Road to Reinvigoration

We welcome summaries from Assistant U.S. Attorneys and LECC coordinators about their successful and innovative programs in which they alert prosecutors, agents, or law enforcement officers to the use of forfeiture as a law enforcement tool and train them in forfeiture law and financial investigations. Send your stories to Beliue Gebeyehou, via fax: (202) 616-1344 or DOJ e-mail: CRM00.WTGATE.bgebeyeh.

11th Annual Statewide LECC Conference in Alabama

By LECC/Victim-Witness Staff, Executive Office for United States Attorneys

The 11th Annual Statewide LECC Conference, hosted by the Northern, Middle, and Southern Districts of Alabama was held October 31, 1998, in Mobile. Assistant U.S. Attorneys (AUSAs) Katherine Corley, Northern District; John Harmon, Middle District; and Ron Wise, Southern District, conducted asset forfeiture training for approximately 200 law enforcement officers. AUSA Corley provided an update on federal forfeiture law, permissible uses of shared funds, and recent changes in the equitable sharing agreement and certification forms. AUSA Harmon discussed how and what to seize, how to request adoption of a state seizure by the federal agency, and the benefits of task force agreements between federal, state, and local law enforcement agencies.

Asset Forfeiture Training in Arkansas

By LECC/Victim-Witness Staff, Executive Office for United States Attorneys

In October 1998, the Law Enforcement Coordinating Committee (LECC) for the Eastern District of Arkansas and the Asset Forfeiture and Money Laundering Section (AFMLS) cosponsored training in Little Rock, Arkansas, for law enforcement officers and prosecutors. U.S. Attorney (USA) Paula J. Casey kicked off the seminar by presenting over $40,000 in equitable sharing checks to several state and local law enforcement agencies.

On October 6, 1998, a one-day conference was held for more than 50 law enforcement executives and prosecutors. Deputy District Attorney Dee Edgeworth, San Bernardino County, California, gave an overview of asset forfeiture and an ethics presentation; Alice Dery, AFMLS, provided information on resource allocation, legislation, trends, and updates; and Araceli Carrigan, AFMLS, taught equitable sharing with the input of local representatives of the Federal Bureau of Investigation, the Drug Enforcement Administration, and U.S. Marshals Service. A state prosecutor discussed state forfeiture laws during the lunch session.

The Basic Asset Forfeiture Conference for Line Officers followed on October 7 and 8, 1998. The officers were trained by Dee Edgeworth on constitutional protections, and Lenora Sowers, DEA Headquarters, gave a presentation on investigative techniques. Deputy U.S. Marshal Chip Massanelli discussed the custody, management, and disposition of assets. The group participated in an investigative techniques workshop, which was faciliated by Assistant U.S. Attorney Ken Stoll.

USAO Hosts Hotel and Motel Crime Prevention Seminar

By Ron Lopez, U.S. Attorney's Office, District of New Mexico

Over 50 hotel and motel owners and operators in Albuquerque attended The Crime Free Commercial Lodging Seminar on May 27, 1998. The seminar was cosponsored by U.S. Attorney (USA) John J. Kelly, Albuquerque Mayor Jim Baca, Bernalillo County District Attorney Jeff Romero, the Albuquerque Police Department, the Bernalillo County Sheriff's Department, and the Albuquerque Fire Department.

Assistant U.S. Attorney Steve Kotz led a team of presenters from the District Attorney's Office, and the Albuquerque Police Department Code Enforcement and Vice Units. The team provided presentations on topics covering city code compliance standards, prevention of crime that occurs on lodging property, and the possible consequences of promoting or allowing illegal activity to occur on lodging premises.

USA John J. Kelly had announced in April during a press conference on federal forfeiture action against Albuquerque's Relax Motel, that his office would coordinate the training seminar.

USA John J. Kelly (center), Albuquerque Police Department Counsel Mark Drebing (left), and AUSA Steve Kotz (right) answer motel manager's questions at The Crime Free Commercial Lodging Seminar.

Attend the District Wide Asset Forfeiture Conference

By Timothy Scioli, U.S. Attorney's Office, Western District of New York

The LECC, U.S. Attorney's Office for Western District of New York, is sponsoring the District Wide Asset Forfeiture Conference on May 26-28, 1999, at the historic Athenaeum Hotel on the grounds of the Chautauqua Institute in Chautauqua, New York. The conference will cover: criminal activity trends in the Western District of New York and southern Ontario, Canada; federal and state statutes; financial investigative techniques; adoptive forfeitures;

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equitable sharing; Canadian proceeds of crimes; and how to set-up and operate a forfeiture unit. For more information contact Tim Scioli, LECC, at (716) 551-4811.

Nearly 100% Participation at E.D. Tenn. Training

By Matthew T. Morris, Assistant U.S. Attorney, U.S. Attorney's Office, Eastern District of Tennessee

On December 1-3, 1998, the U.S. Attorney's Office, Eastern District of Tennessee, conducted three one-day training sessions for federal agents, including the Federal Bureau of Investigation, the Drug Enforcement Administration, the U.S. Secret Service, the U.S. Postal Service, the Internal Revenue Service, and Offices of the Inspector General for TVA and DOE. The training sessions were held in John City, Knoxville, and Chattanooga with half the day devoted to the requirements under *Giglio* while the other half of the day focused on asset forfeiture. By conducting the training at the three locations, we were able to have nearly 100 percent participation by the federal agencies across the district. Assistant U.S. Attorney Matthew T. Morris, Asset Forfeiture Unit, led the discussion which emphasized the importance of conducting the asset forfeiture investigation simultaneous with the criminal investigation, pre-seizure planning, seizing and restraining assets, and asset forfeiture aspects in money laundering cases. The highlight of the session was the discussion of hypothetical cases and applying the principles learned in the training.

Treasury Trends

By Charles Ott, Special Projects Officer, Executive Office for Asset Forfeiture, Department of the Treasury

Asset Sharing with Switzerland

On Tuesday, November 17, 1998, Treasury's Executive Office for Asset Forfeiture hosted a reception for the presentation of an asset sharing check to the Government of Switzerland in an amount just less than $1 million. The Internal Revenue Service's Criminal Investigation Division (IRS-CID) case involved a Raymond Whelan who had started selling marijuana while he was a college student in New England in the 1970s. By 1984, Whelan had made sizeable profits not only from trafficking but also from serving as a courier of currency from drug smugglers to Colombian sources. By that time he was putting his money in Swiss accounts in Zurich and Geneva. Whelan pled guilty to a marijuana charge in New Orleans in 1984 and served nine months. When he got out, he worked at legitimizing his criminal proceeds. He married a Swiss national and moved funds from account to account. Money under the control of his wife was used to purchase real property in Sun Valley, Idaho, and, when it was sold, the proceeds went back into Whelan's accounts in Switzerland.

Swiss authorities assisted IRS agents during the investigation and prosecution of this case by tracing and accounting for over $4 million that were moved into and through Swiss accounts by Whelan. The Swiss froze several of the accounts for almost four years while the United States was proving its case. Thanks to this restraint on the accounts, a large portion of the funds Whelan laundered was recovered. The IRS characterized the Swiss assistance as invaluable.

Representing the IRS at the asset sharing presentation were Stanley Vann, chief of the Rocky Mountain Criminal Investigation Division; Vicki Duane, Chief of the IRS's Asset Forfeiture Section; and Mike Nelson, IRS liaison to the Treasury Forfeiture Fund. Accepting the check on behalf of the Government of Switzerland were Christoph Bubb, the embassy's legal affairs counselor, and Roland Fisher, the head of chancery and consular affairs.

Enforcement Advisory Assistance to Bulgaria

The Office of Technical Assistance (OTA) under Treasury's Assistant Secretary for International Affairs has been charged with coordinating Treasury assistance to former states of the

Soviet Union and Eastern Bloc nations as they seek to transform their economies to the free market model. At OTA's request, Treasury's Executive Office for Asset Forfeiture sent Charles Ott to Bulgaria's capitol, Sophia, in December to help with efforts to set-up an asset forfeiture fund.

Working on a draft legislative proposal that is modeled on elements of the Justice and Treasury forfeiture fund statutes as well as the State of California law, discussions were held with Interior and Justice Ministry officials who were very receptive to the draft and several recommended changes. Thanks to assistance provided by OTA and other help sponsored by the American Bar Association and the Department of Justice, the Republic of Bulgaria has enacted anti-money laundering legislation and is working toward effective laws to combat public corruption, criminal activity in the gaming industry, as well as other threats to its emerging free market economy.

Justice Directive 98-2 is Now Available

1 Get your copy of the *new* "Trustee and Monitor Policy" by calling AFMLS Publications Unit at (202) 616-9327.

2 Questions about the policy should be directed to AFMLS Senior Litigation Counsel Pamela Dempsey at (202) 514-1263.

Federal Forfeiture in Full Swing

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tures. Topics covered include policy and case law, trends in money laundering, regulatory update, investigative techniques, corporate liability, charging decisions, sentencing and restitution, money laundering forfeitures, and ethics.

Approximately 70 AUSAs attended this seminar in fiscal year 1998. The annual Advanced Money Laundering Seminar is scheduled for July 20-22, 1999.

Advanced Asset Forfeiture Seminar

The annual Advanced Asset Forfeiture Seminar is designed for forfeiture section chiefs and AUSAs whose practice is almost exclusively forfeiture and provides an opportunity to discuss recent changes in the law and complex issues. Topics covered in the most recent seminar included airport searches involving dog sniffs, Rule 41(e) motions, money laundering update, new developments in forfeiture legislation, health care fraud forfeitures, lesser known forfeiture statutes, due process and notice, Eighth Amendment update, firearms forfeitures, third-party rights in criminal and civil forfeitures, victims issues, criminal forfeiture procedure, international forfeitures and foreign bank accounts, and ethics.

Approximately 84 AUSAs and Criminal Division attorneys attended this seminar in fiscal year 1998. The Advanced Asset Forfeiture Seminar, held on January 20-22, 1999, was attended by 90 AUSAs.

Asset Forfeiture Circuit Component Seminars

The Asset Forfeiture Circuit Component Seminars are forums for headquarters and field personnel of all Justice and Treasury asset forfeiture components to discuss issues and address problems on a circuit-by-circuit basis. At these seminars, we clarify policies, case law, procedure, and other issues. Attendees participate in workshops, panel discussions, and lectures to discuss practical, legal, and policy issues. The attendees meet with individuals from their district to develop district plans of action to address their particular issues of concern. Follow-up questionnaires and telephone inquiries are made to ensure that these plans of action are implemented and that the districts conduct district-wide meetings to address the issues raised at the component seminars.

In fiscal year 1998, the Eighth Circuit Component Seminar and Seventh Circuit Component Seminar were held. The Tenth, Fourth, and Fifth Circuit Component Seminars are scheduled for fiscal year 1999. The Tenth Circuit Component Seminar took place December 8-10, 1998, in Denver, Colorado.

Intermediate Asset Forfeiture Seminar

This is a new seminar designed to provide continued training for AUSAs and others who have attended a Basic Asset Forfeiture Seminar such as the Asset Forfeiture for Criminal Prosecutors Seminar or the Fundamentals of Asset Forfei-

*See **Federal**, page 16*

FBI Forfeiture Training

By Kathleen Leary, Program Analyst, Asset Forfeiture Unit, Federal Bureau of Investigation

When the Federal Bureau of Investigation's (FBI's) Asset Forfeiture Unit (AFU) was created over nine months ago, one of its primary objectives was to provide asset forfeiture training to FBI field office personnel. AFU training emphasizes operational methods of implementing asset forfeiture into as many investigations as possible. Since June 1998, AFU has held ten training conferences for agent, support, and management personnel. In the later part of fiscal year 1999, AFU has tentatively scheduled four basic asset forfeiture conferences for FBI agents, two asset forfeiture conferences for FBI field office management, and three advanced forfeiture conferences which focus on specific violations, including health care fraud and RICO. In 1998, AFU trained approximately 1,300 FBI personnel. It is anticipated that this trend will continue throughout 1999.

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ture Seminar. The training will cover a more detailed examination of both civil and criminal forfeiture; constitutional issues; money laundering offenses and forfeitures; seizing, restraining, and maintaining assets; pleas, settlements and sentencing; third-party rights; remission to victims; and ethics.

Approximately 70 AUSAs and agents are expected to attend the Intermediate Asset Forfeiture Seminar scheduled for August 17-19, 1999, in Columbia, South Carolina.

Forfeiting the Proceeds of Crime International Seminar

AFMLS sponsors an annual international seminar to train foreign prosecutors on the investigation and prosecution of asset forfeiture cases. The purpose of this training is to promote increased law enforcement cooperation between the United States and other countries in forfeiture and money laundering cases. This seminar has fewer attendees then the domestic seminars. Almost every attendee is a speaker, and the attending AUSAs are involved in a case with one of the participating countries. In fiscal year 1998, the seminar was held in Costa Rica for Central America and the Dominican Republic. Senior prosecutors and law enforcement agents from participating countries learned about each other's laws through country reports and made presentations on money laundering, financial investigations, and the role of asset forfeiture in law enforcement. A definite location for fiscal year 1999 has not been determined.

Contact Attorney Nancy Martindale at (202) 514-3963 for more information.

UPCOMING TRAINING CONFERENCES

FEDERAL FORFEITURE

- *Fifth Circuit Component Seminar*
  February 24-26, 1999
  New Orleans, LA
- *Financial Investigations for AUSAs/Agents*
  March 23-25, 1999
  Columbia, SC
- *Dual Level Support Staff Seminar*
  April 13-15, 1999
  Columbia, SC
- *Asset Forfeiture for Criminal Prosecutors*
  May 11-13, 1999
  Columbia, SC
- *Fourth Circuit Component Seminar*
  June 22-24, 1999
  Columbia, SC
- *Advanced Money Laundering*
  July 20-22, 1999
  Columbia, SC
- *Intermediate Asset Forfeiture*
  August 17-19, 1999
  Columbia, SC
- *Financial Investigations for AUSAs/Agents*
  September 8-10, 1999
  Columbia, SC