



Asset Forfeiture News

A Central Source for Federal Forfeiture Information • Volume 9, Number 6 • November/December 1997

U.S. Postal Money Orders Seized for Forfeiture

By Postal Inspector Travist Wiggins,
National Money Order Coordinator,
U.S. Postal Inspection Service,
St. Louis Division

Money orders are often seized or recovered incident to investigations by law enforcement agencies, particularly in cases involving illegal narcotics trafficking and money laundering. The following are guidelines for handling U.S. postal money orders which have been seized or recovered incident to an investigation by a law enforcement agency.

Depending on the circumstances involved, an agency may choose to either deposit, replace, or retain seized or recovered U.S. postal money orders, in accordance with the following procedures.

Deposit after Seizure or Recovery

Agencies can deposit seized postal money orders by presenting to a bank or financial institution legal documentation that supports the agency's authority to negotiate the instruments. Normally, documentation such as a seizure or search warrant will be required. If the financial institution will not accept the money orders for deposit, it will be necessary for the agency to request replacement money orders through the U.S. Postal Inspection Service's national money order coordinator. See the next section.

Replacement of Money Orders

If a bank or financial institution will not accept the seized postal

money orders for deposit from an agency, the following steps are required.

First, the agency should complete a PS Form 6401—Domestic Money Order Inquiry—for each money order seized or recovered. Copies of this form can be found at any post office.

The agency should carefully complete the following fields:

- money order serial number;
- amount;
- date issued;
- name of agency;
- name of purchaser and payee shown on the money order;
- to whom the replacement

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U.S. Postal Money Orders Seized for Forfeiture

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money order is to be issued;
and

- signature of an individual-agent authorized to request a replacement.

Next, the agency should prepare a letter to accompany the PS Forms 6401 requesting that replacements be issued for the money orders. The letter must be printed on the agency's letterhead and state the statutory authority for the agency's seizure and the seizure or case number.

Finally, mail the letter, original money orders, and PS Forms 6401 via registered mail to:

National Money Order Coordinator
Postal Inspection Service
P.O. Box 771368
St. Louis, MO 63177-2368

The seizing agency will receive one U.S. postal replacement money order for each original money order submitted, payable as indicated on the PS Form 6401. The replacement orders can be deposited into the agency's bank account. Only one replacement money order per original money order can be issued.

Retention of Postal Money Orders

If the seized or recovered postal money orders will be retained for investigative or legal purposes, it is advisable to send a request to the national money order coordinator to flag the money orders in order to prevent their replacement. *If the money orders will be deposited*

within 60 days (domestic) and 180 days (international) from the date the money order was issued, no flagging should be requested.

Flagging Money Orders to Avoid Replacement

First, the agency should prepare a letter on its agency's letterhead¹ including the following facts:

- the statutory authority;
- the case or seizure number;
- money order serial numbers; and
- corresponding dollar amounts.

Second, mail the letter to:

National Money Order Coordinator
Postal Inspection Service
P.O. Box 771368
St. Louis, MO 63177-2368

The national money order coordinator will instruct the Money Order Branch to flag the serial numbers to prevent their replacement.

Removing Flags when Money Orders are Ready for Deposit

Once it has been determined that the money orders can be deposited, the seizing agency should send a letter (on its agency's letterhead) to the national money order coordinator requesting that the money orders be unflagged, stating the agency's authority to release, and referencing the original retention request. The agency should wait at least five days from the time the national money order coordinator would have received the agency's request before depositing the money orders. This

allows time for the Money Order Branch to remove the flags from the system. If either the payee or the purchaser side of the money order is blank, fill in the agency's name and address.

If you have any questions regarding these procedures, please contact Postal Inspector Travist Wiggins, National Money Order Coordinator, U.S. Postal Inspection Service, St. Louis Division, at (314) 436-6895.

Endnotes

¹ In cases where monetary instruments are turned over to the U.S. Marshals Service for deposit, the seizing agency should first notify the national money order coordinator to have the postal money orders flagged as noted in the "Flagging Money Orders to Avoid Replacement" section. When the U.S. Marshals Service is ready to deposit the money orders, they must send a letter (as noted in the "Removing Flags when Money Orders are Ready for Deposit" section) to the national money order coordinator with a copy of the initial letter.

Help AFMLS Update its Mailing List

 Has your address changed lately?

 Does your office receive extra, unwanted copies of the *Asset Forfeiture News*? 

If you answered "yes" to one of these questions, please contact the managing editor at (202) 616-9327. 

New Intranet Access to the AFBB

By Morenike Soremekun, Aspen Systems

The Asset Forfeiture and Money Laundering Section (AFMLS) is creating a new Asset Forfeiture Bulletin Board (AFBB) site on the U.S. Department of Justice's Intranet. The new AFBB Intranet site will allow improved access to the AFBB for users who work at Department of Justice sites by enhancing their ability to search, locate, and download asset forfeiture documents. This new site is projected to be operational by mid-January 1998.

All Department of Justice users should expect some changes in service until the new AFBB site on the Intranet is completely operational.

To keep apprised of the status of the AFBB Intranet site or if you have any questions or concerns, please contact the AFBB system operator at (202) 307-0265 or by Department of Justice e-mail at CRM20(msoremek). If you are a Department of Justice user and you need to search for documents on the AFBB, you must contact the AFBB system operator for assistance. Your patience during this transition is greatly appreciated.

If you work at a federal government site other than the Department of Justice, or if you work at a state or local government site, you can continue to access the AFBB by registering via modem. There are specific types of hardware and software that you

need in order to access the AFBB via modem. For more information about how to register, call the AFBB system operator.

New Documents

The following documents were recently added to the AFBB:

- asset forfeiture and money laundering forfeiture case outlines on criminal forfeiture, civil forfeiture, and money laundering forfeiture, compiled by AFMLS Assistant Chief Stefan Cassella;
- September/October issue of the *Asset Forfeiture News*; and
- updated case finder on asset forfeiture case summaries and supplements, compiled by AFMLS Trial Attorney Barry Blyveis.

Documents Needed

- jury instructions for FIRREA counts (18 U.S.C. §§ 1344, 1014, 371) forfeiting assets under 18 U.S.C. §§ 982(a)(2)(A), 982(b)(1)(B);
- civil forfeiture jury instructions;
- certificate of reasonable cause; and
- motion to amend order of forfeiture to allow for substitute assets or motion supporting an order for substitute assets.

If you have these or other asset forfeiture pleadings, briefs, or motions, please contact Morenike Soremekun by Department of Justice e-mail at CRM20(msoremek) or call (202) 307-0265.

The *Asset Forfeiture News* is a bimonthly publication of the Asset Forfeiture and Money Laundering Section, Criminal Division, U.S. Department of Justice. Our telephone number is (202) 514-1263.

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, or mail it to:

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 U.S. Department of Justice
 1400 New York Avenue, N.W.
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Equitable Sharing

By Michael Burke, Trial Attorney, AFMLS, Criminal Division, and John Sellers, Legal Technician III, Dyncorp Government Services

Nightclub Approved for Weed and Seed Transfer

The Illinois State Police and the Federal Bureau of Investigation initiated a joint investigation into illegal gambling activities in the Washington Park, Illinois area. The investigators discovered that the Mainstreet Lounge, a popular topless nightclub in Washington Park, was being used to conduct an open and notorious illegal gambling operation. The owner of the club, Thomas P. Venezia, was able to operate in this manner because he bribed the mayor of the village where the nightclub was located. In December 1994, the Federal Bureau of Investigation and the Illinois State Police executed search and seizure warrants on the premises and seized the building as well as several gambling machines. Mr. Venezia and several others were charged and convicted of violations of 18 U.S.C. § 1963 (Racketeer Influenced and Corrupt Organizations Act) and the Mainstreet Lounge was forfeited to the United States.

On August 15, 1997, United States Attorney W. Charles Grace of the Southern District of Illinois requested that the Department of Justice transfer the forfeited nightclub to the Lansdowne/Washington Park Community Youth Center (LWPCYC) pursuant to the Department of Justice's Weed and Seed Program. On September 29, 1997, the Deputy Attorney General approved this request. LWPCYC is a nonprofit corporation formed in 1997 as a cooperative effort between the Lansdowne Improvement Association, Catholic Urban Programs, Operation New Spirit, Americorp/East St. Louis, and the Leslie Bates Davis Neighborhood House. LWPCYC provides educational and social services for the children, youth, and families of the East St. Louis and Washington Park

communities. LWPCYC plans to convert the property into a community and youth center. The building will primarily be used to operate an after-school program which will provide tutoring, recreation, and violence prevention education for 100 to 150 children daily.

DEA Unit Forfeits Multimillion Dollar Aircraft

The Emerald Clipper Unit is a special enforcement program of the Drug Enforcement Administration that investigates aviation companies and aircraft owned or controlled by drug traffickers. The unit, which was formed in April 1991, is composed of DEA agents and officers from the Phoenix Police Department (PPD) and the Arizona Department of Public Safety (ADPS). Since its inception, the unit has seized and forfeited dozens of multimillion dollar aircraft owned or controlled by drug traffickers. To assist in the investigation and tracking of suspected aircraft, the Emerald Clipper Unit developed a computer database that contains extensive records on aircraft registrations and sales in the United States.

In October 1992, the Mexican Attorney General's Office provided the Emerald Clipper Unit with a list of aircrafts owned by Rafael Aguilar Guajardo of the Juarez drug cartel. The Emerald Clipper Unit succeeded in locating five of Aguilar's aircrafts in the United States. The Emerald Clipper Unit obtained seizure warrants which were executed against the aircrafts on February 24, 1993. Assistant United States Attorney Reid C. Pixler of the District of Arizona obtained a final order of forfeiture on January 24, 1994. The U.S. Marshals Service realized \$14,127,064.65 in net proceeds from the sale of the aircraft.

On April 9, 1997, the Acting Assistant Attorney General of the Criminal Division approved equitable sharing with the ADPS and PPD. Each of these agencies will receive \$2,105,411.50 for their efforts.

Treasury Trends



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

Training Conferences Underway

The FY 1998 series of the Treasury Forfeiture Fund-sponsored training conferences began successfully with sessions for supervisory-level field agents held in Denver in October and Houston in November. Treasury presentations addressed such issues as equitable sharing, contract administration, seized property management, real property disposition procedures and the sales program. In addition, the role of Treasury's Executive Office for Asset Forfeiture in the Department's program was explained along with how the various categories of the Treasury Forfeiture Fund are applied in support of law enforcement.

These sessions also drew upon several non-Treasury presentations to give attendees a comprehensive updated view of asset forfeiture. Harry Harbin of the Department of Justice's Asset Forfeiture and Money Laundering Section outlined significant issues being addressed in the appellate courts, while Assistant United States Attorney (AUSA) Virginia Covington for the Middle District of Florida discussed forfeiture in non-drug cases. Forfeiture ethics was a topic covered by Dee Edgeworth, Deputy District Attorney from California's San Bernadino County, and the law of forfeiture, its history, and current structure was offered by AUSA Leslie Westphal for the District of Oregon.

Two other conferences, designed for non-supervisory field agents as well as seized property custodians, will conclude the current series. These are scheduled for Atlanta in December and San Diego in January.

Treasury Forfeiture Fund Annual Report Available

The Annual Report of the Treasury Forfeiture Fund for Fiscal Year 1996 has been released. It offers extensive financial condition reporting on the Treasury Fund as well as reports of the independent auditor on compliance with laws and regulations and the Fund's internal control structure. Several specific reports required by the Congress are also included.

In addition, the Annual Report affords a narrative treatment of how the Treasury forfeiture program operated during the year by highlighting some representative cases from the files of the U.S. Customs Service, the Criminal Investigation Division of the Internal Revenue Service, the Bureau of Alcohol, Tobacco, and Firearms, and the U.S. Secret Service. Some significant and interesting uses of the Fund's resources, from the transfer of a Tucson property for service in a substance abuse program to the training of dogs to detect concealed weapons, are also portrayed in the report.

Regular distribution of the report includes all Treasury special agents-in-charge. Anyone else desiring a copy of the report should contact the Department of the Treasury's Executive Office for Asset Forfeiture by mail: 740 15th Street, N.W., Suite 700, Washington, D.C. 20220, or call (202) 622-9600.

Note

Assistant United States Attorney (AUSA) Virginia Covington, Chief of the Asset Forfeiture Unit (M.D. Fla.), and AUSA Ed Gaines contributed significantly to the outcome of the case highlighted in the article, "Luxembourg's Assistance Adds Millions to International Forfeiture Efforts," published in the July/August 1997 issue.

Road to Reinvigoration

Middle District of Florida Teaches How and Why Asset Forfeiture Works

By M. Eileen Richardson, *DynCorp, Legal Technician III, Middle District of Florida, Jacksonville Division, Jacksonville, Florida*

Assistant United States Attorney (AUSA) Virginia M. Covington, Chief, Asset Forfeiture Section, Middle District of Florida, has been conducting district-wide asset forfeiture training. AUSA Virginia Covington trained two days in each of the four district offices. On the first day in-house training was held for two groups: support staff and criminal AUSAs. During the two sessions, AUSA Virginia Covington discussed the differences between civil and criminal forfeitures and the proper circumstances of their use, including updated procedural formats for pleadings and problem-solving case scenarios.

On the second day, an all-day asset forfeiture seminar was held with federal, state, and local law enforcement agencies. The seminar was titled "Asset Forfeiture Training for State, Local, and Federal Law Enforcement Agencies." The agenda included a welcome by the United States Attorney; an overview of asset forfeiture; a presentation by AUSA Virginia Covington on how and why forfeiture works; several agency guest speakers who discussed their experiences with cases involving forfeitures; and a questions and answers session. The seminar ended with an awards ceremony and equitable sharing presentation.

AUSA Virginia Covington visited the Fort Myers office in the Middle District of Florida on October 6, 1997 and conducted a very informative training session for the support staff. A more in-depth session was presented for the criminal AUSAs. On the following day AUSA Virginia Covington

held a well-attended asset forfeiture conference with the law enforcement agencies. AUSA Virginia Covington spoke to the group about how asset forfeiture works and why it works. There were two guest speakers: AUSA Susan Daltuva spoke with her usual enthusiasm about the prosecution of criminal cases and maximizing forfeitures, and Special Agent Rod Huff of the Federal Bureau of Investigation did a wonderful job sharing his experiences with the agents on how to structure an investigation to yield assets.

In addition, awards were presented to the following individuals:

- Special Agent Timothy Booth of the U.S. Customs Service for his investigation and participation in the prosecution of Alicea-Serrano who pleaded guilty to possession with intent to distribute cocaine and engaging in monetary transactions in property derived from specified unlawful activity. Alicea-Serrano forfeited approximately \$20 million in currency, boats, vehicles and other property.
- Special Agent Dennis Bolum of the Drug Enforcement Administration for the investigation and prosecution of Gustavo Ramirez-Hernandez, a Colombian money launderer, whose conviction, as a result of his dealings with a DEA undercover money laundering operation, resulted in the forfeiture of approximately \$170,000.00 to the United States.
- Special Agent Calvin N. Boyer, Jr. of the Internal Revenue Service's Criminal Investigative Division for his role as co-case agent in the prosecution of *United States v. Carl Galante* which resulted in the forfeiture of \$65,000.00.
- Special Agent Rod Huff of the Federal Bureau of Investigation for his advisory role in the case, *U.S. v. Arthur and Helga Fergien*. Special Agent Huff coordinated the efforts of FDLE, the DeSoto County Sheriff's Office, and the U.S. Customs

Service in the forfeiture of real and personal property of the defendants who were indicted for money laundering and cocaine trafficking. The Government successfully forfeited more than \$1.2 million in real property, securities, and jewelry.

- **Special Agents**
Anthony Mullen and Christopher Brown of the U.S. Customs Service for their role as case agents in the investigation and prosecution of James A. Rickett, who was a former Customs and DEA informant in Fort Myers. After reading that Rickett had been arrested after a chase through Missouri and Tennessee during which he dumped 150 pounds of marijuana from his tractor-truck rig, Special Agents Mullen and Brown initiated an investigation which resulted in the indictment of Rickett and two other individuals. As a result of the agents' diligence, two tractor trailer rigs, a motor home, and \$193,000.00 in currency were forfeited to the United States.
- **Sarasota Police Department**
Detective B.J. Sullivan for his role as co-agent in the investigation and prosecution of Pierre Doyer, a Canadian marijuana trafficker who was charged, extradited from Canada and convicted of Continuing Criminal Enterprise. Successfully forfeited to the United States was Doyer's residence located in Sandy, Utah valued at approximately \$250,000.00.

At the end of the conference, United States Attorney

Charles R. Wilson for the Middle District of Florida held a press conference at the Fort Myers office where he distributed checks to the Naples Police Department, the Collier County Sheriff's Office, the State Attorney's Office, Fort Myers, the Metro-Dade Police Department, and the Florida Department of Law Enforcement, Tampa Division. The funds represent the agencies' equitable shares of the net proceeds from the sale of the forfeited real property known as Intercontinental Farm, Inc., which was located in Fort Lauderdale.

The property was forfeited to the United States as a result of an investigation into the drug-trafficking activities of Orestes Cossio. Cossio was indicted in 1990 on charges of smuggling and possessing with intent to distribute multi-kilogram quantities of marijuana. The Government sought forfeiture of the property on the bases that: it was used to facilitate Cossio's marijuana smuggling and trafficking activities; it was purchased with proceeds of those illegal activities; and it was involved in money laundering violations. Cossio purchased the property, consisting of 112.55 acres, in the early 1980s with \$1.5 million cash. The property was titled in the name of a shell corporation created by Cossio to hold his assets. The property was used by Cossio and his organization as a radio base station for their marijuana smuggling activities, as a facility for repairing conveyances used in their operation, and as a stash site for both marijuana and cash used as operating capital. Cossio and his associates conducted meetings on

the property to plan their operations, and to negotiate and exchange payments for multi-kilogram quantities of marijuana. AUSA Russell C. Stoddard prosecuted the criminal case and AUSA Robert Barclift handled the forfeiture proceedings.

The next stop for AUSA Virginia Covington was the Jacksonville office where, again, she enthusiastically and articulately conducted in-house training on October 14, 1997. On October 15, 1997, training for law enforcement agencies was held at the Omni Hotel. After a warm welcome by Deputy Managing Assistant United States Attorney Kathleen A. O'Malley, AUSA Virginia Covington discussed the differences between civil and criminal forfeitures and the proper circumstances of their use. Special Agent Sherri Blackton of the Internal Revenue Service explained how to put together a net worth case for forfeiture. Special Agent John Burns of the Drug Enforcement Administration shared his experiences with seizures and undercover work. AUSA Ed Gaines provoked thoughtful consideration and roused audience participation with certain forfeiture case scenarios and certain problem-solving techniques.

The Jacksonville agenda ended with the presentation of awards to the following individuals:

- Special Agent John Burns of the Drug Enforcement Administration for his investigation of a large hashish smuggling operation which

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Road to Reinvigoration

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resulted in the entry of guilty pleas by all members of the drug conspiracy, forfeiting \$360,000.00 in narcotics proceeds to the United States;

- Special Agent Laddie Birge of the Federal Bureau of Investigation for his perseverance and commitment to the successful post-judgment recovery of \$4.5 million in assets from Switzerland and Liechtenstein and the restraint of approximately \$3 million in additional assets in the United Kingdom due under the RICO forfeiture judgment in *U.S. v. Larry D. Barnette*.
- Paralegal Specialist John W. Harvey of the Federal Bureau of Investigation for his outstanding assistance in *U.S. v. James Earl Fields*. Mr. Harvey prepared all of the background data necessary to consummate an effective forfeiture on numerous real properties including organizing a complete file for each property with appraisals, Owner's & Encumbrances Reports, and photographs of each property so that the forfeiture could be promptly valued and incorporated in the indictment. Additionally, Mr. Harvey assisted in the drafting and filing of *lis pendens* on each property.
- Jacksonville Sheriff's Office Detective John Zipperer for his professionalism, perseverance, and outstanding efforts which

were instrumental in the successful investigation and prosecution of Earl James Fields and the recovery of approximately \$500,000.00 in forfeitures from Fields' narcotics organization.

- Resident Agent-in-Charge Jerry Rinehart of the Drug Enforcement Administration for his continuous outstanding support in investigative services which have resulted in multimillion dollar forfeiture recoveries by the Jacksonville Division.

Continuing her asset forfeiture training throughout the Middle District of Florida, AUSA Virginia Covington visited the Orlando office on October 29 for in-house training with the support staff and AUSAs. The next day, training was held for law enforcement agencies at the Orlando Police Department. AUSA Virginia Covington began the seminar with a warm welcome and a discussion on how and why asset forfeiture works. Special Agent Frank Chisari of the Drug Enforcement Administration gave a presentation about the agent's standpoint on conspiracy. Special Agent Sherri Blackton from the Internal Revenue Service discussed putting together a net worth case. Agent Sherri also spoke at an earlier seminar held in Jacksonville on October 15. AUSA Marie DeMarco shared information about due process concerns.

Next, the following agents were presented awards:

- Special Agent Alex Toth of the Drug Enforcement Administration for his diligence and outstanding work in the successful forfeiture of property in *U.S. v. Jorge Alicea-Serrano*. Special Agent Toth was responsible for tracking down assets throughout the United States and Puerto Rico. His efforts resulted in the successful forfeiture of property valued in excess of \$20 million.
- Special Agent Bob Moore of the U.S. Customs Service for an outstanding job in the "West Volusia" case. This was a major drug trafficking case which resulted in the forfeiture of 28 pieces of real property, currency and vehicles, valued in excess of \$1 million dollars.
- Brevard County Sheriff's Office SID Agent James Krause for his assistance in many substantial forfeitures, including the forfeiture of property worth in excess of \$500,000.00 in *U.S. v. Fred and Kurt Bell*. Agent Krause was also responsible for the forfeiture of a note and mortgage in the amount of \$30,000.00 held by defendants, Cheryl and Wayne Hansen, who purchased real property with drug proceeds and then sold it to a third party. In addition, Agent Krause was instrumental in the successful forfeiture of \$65,000.00 in currency in *U.S. v. MacIntyre*.
- Resident Agent-in-Charge Edward A. Hershey of the Drug Enforcement

Administration for his outstanding contributions and support to the asset forfeiture program.

- Seminole County Sheriff's Office Detective Leonard Maciejewski for his support and contribution to the asset forfeiture program in facilitating the storage of vehicles and items seized by the Federal Bureau of Investigation. Detective Maciejewski was instrumental in the *Yeager* case in arranging for the storage of an enormous amount of valuable vehicles and items such as forklifts, trailers, and other miscellaneous items. In addition, Detective Maciejewski provided secure storage for several expensive vehicles in the *McCorkle* case. As a result of his outstanding assistance, storage difficulties were minimized, security was maintained, and costs were greatly reduced.

In addition to the awards, AUSAs Virginia Covington and Marie DeMarco presented an equitable sharing check to the Brevard County Sheriff's Office in the amount of \$13,744.07. The check represented the Sheriff's equitable share of 80 percent of the net proceeds from the property forfeited in *U.S. v. Gary Sheffield*. The property was forfeited as a result of an investigation into the drug-trafficking activities of Gary Lee Sheffield.

And finally, bringing AUSA Virginia Covington's tour of training full circle, on November 4, 1997, asset forfeiture training for federal, state, and local law enforcement agencies was

conducted in Tampa. AUSAs Virginia Covington and Sam Armstrong spoke on the legal issues implicated in the forfeiture of assets. Senior Special Agent Philip Aston of the U.S. Customs Service and Special Agent Stephen Collins of the Drug Enforcement Administration both spoke on asset investigations. More than 50 law enforcement officials attended the training which was held at the Florida Department of Law Enforcement auditorium.

At the conclusion of the training, the United States Attorney's Office presented plaques recognizing law enforcement officials who had made particularly significant contributions to the asset forfeiture program during the past year: Detective Jeremy Beal and Detective Tim Bauer of the Sarasota County Sheriff's Office; Senior Special Agent Pamela McCullough, Senior Special Agent Philip Aston, and Special Agent Kevin Kimball of the U.S. Customs Service; Fines, Penalties and Forfeiture Officer Mary Ann Cranford of the U.S. Customs Service; Supervisory Special Agent Peter Wubbenhorst and Special Agent Craig Meyer of the Federal Bureau of Investigation.

During the awards ceremony, Supervisory Special Agent Stan Cornett of the U.S. Customs Service presented clocks to AUSAs Virginia Covington, Sam Armstrong, and Patricia Willing in recognition of their outstanding contributions to the U.S. Customs Service's Asset Forfeiture Program.

Joint Federal and State Asset Forfeiture Training Catching on in Southern District of Ohio

By Fred Alverson, LECC Manager,
U.S. Attorney's Office, Southern
District of Ohio

More than 175 local law enforcement executives in Ohio have received training in asset forfeiture reinvigoration in three one-day sessions over the past six months. In fact, the third session was scheduled at the request of a sheriff who attended the first one.

On May 8 and 9, the Southern District and Northern District of Ohio scheduled back-to-back training sessions on forfeiture related issues of particular concern to law enforcement management: recent court decisions, ethics, resource allocation, and equitable sharing. These two sessions were sponsored by the Police Executive Leadership College, a statewide training program for law enforcement management. The sessions, "Asset Forfeiture Management for Law Enforcement Executives," included instructors Alice Dery and Araceli Carrigan of the Asset Forfeiture and Money Laundering Section, Forfeiture Specialist Gerald Williams of the Federal Bureau of Investigation's Cincinnati office, and AUSAs.

Lunch at each session was a "working lunch" featuring assistant county prosecutors who highlighted provisions of Ohio's state forfeiture laws in a 90-minute session.

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People and Places . . .



. . . AFMLS Welcomes New Attorneys

Steven Schlesinger has recently joined the Asset Forfeiture and Money Laundering Section of the Criminal Division, as a trial attorney in the program management and policy groups.

Mr. Schlesinger joined the Department of Justice in February 1985, as a trial attorney with the Civil Rights Division's Employment Litigation Section. In that capacity, he was responsible for investigating complaints of discrimination and litigating employment discrimination cases against state and local governments and government agencies under Title VII of the 1964 Civil Rights Act.

From January 1995 to October 1997, Mr. Schlesinger served as Counsel to the U.S. Senate Judiciary Committee, on detail from the Department of Justice. He was principally responsible for reviewing the background and qualifications of Presidential nominees for federal judicial positions. In addition, he prepared technical and legal analysis of pending legislation and drafted bills and amendments covering a wide range of issues, including implementing legislation for the Chemical Weapons Convention, child pornography, judicial salaries, church arsons, same-sex marriages and constitutional

amendments for a balanced budget and prohibiting flag desecration

Mr. Schlesinger obtained his Juris Doctor from New York Law School in 1973. Prior to joining the Department of Justice, he served as an Assistant Attorney General with the New York State Department of Law from 1974 to 1980, and then as a state Administrative Law Judge from 1980 to 1985.

Michael Burke first joined the Department of Justice in 1985 after an early career as a press officer and newspaper reporter. He worked in the Civil Rights Division and later the Criminal Division while attending law school at Catholic University in Washington, D.C. Upon receiving his law degree in 1991, Mr. Burke served as a judicial law clerk to the Hon. George Revercomb of the U.S. District Court for the District of Columbia. He then joined the firm of Fried, Frank, Harris, Shriver & Jacobson as an associate, where he practiced in the areas of white-collar criminal defense and civil litigation. In January 1995, Mr. Burke became a senior counsel with the U.S. Securities and Exchange Commission's Office of International Affairs, where he assisted in the transnational aspects of securities fraud investigations. In December 1996, Mr. Burke returned to the Department of Justice's Criminal Division as a trial attorney in the Asset Forfeiture and Money Laundering Section. Among other

duties, his responsibilities are in the areas of policy development, remission of forfeited assets, and the equitable sharing program.

Mia M. Levine became interested in pursuing a legal career while working for a New York City law firm after she earned a degree in political science from The Johns Hopkins University. She attended Tulane Law School in New Orleans, where she was the recipient of the 1992 Tulane Public Interest Law Foundation Grant. Following law school, Ms. Levine was an associate for three years with Zuckerman, Spaeder, Goldstein, Taylor & Better in Baltimore. She later moved to Washington, D.C. to take a position as a DynCorp attorney in the Asset Forfeiture support program in the Department of Justice's Criminal Division. In August, Ms. Levine joined the Department of Justice's Asset Forfeiture and Money Laundering Section as a trial attorney in the litigation group, where she is responsible for litigating drug, fraud, and money laundering-related forfeiture cases.

Wendy J. Silberberg graduated *cum laude* from Skidmore College, and moved to New York City, where she held various positions in communications and marketing services for several years before attending law school. She graduated from Catholic University's Columbus School of Law in 1991, where she served on

the Law Review staff. Following law school, Ms. Silberberg clerked for a Superior Court judge in Guam. Upon returning to the Washington, D.C. area, she worked as a DynCorp attorney in the Asset Forfeiture support program in the United States Attorney's Office for the Eastern District of Virginia. In August, Ms. Silberberg joined the Department of Justice's Asset Forfeiture and Money Laundering Section as an attorney advisor in the litigation group.

James R. Pavlock has joined the Asset Forfeiture and Money Laundering Section as a Trial

Attorney in the Litigation Unit.

From 1987 until joining the Department of Justice in November 1997, Mr. Pavlock was an assistant district attorney in the Philadelphia District Attorney's Office, where he was assigned to the Narcotics Division, Asset Forfeiture Unit. As an attorney in that Division, Mr. Pavlock was responsible for the investigation and prosecution of civil forfeiture cases and other narcotics-related criminal cases. Mr. Pavlock also served in the Major Trials and Domestic Violence Units of the Office, and from 1993 to 1994 served as Assistant Chief of the

Juvenile Unit. In addition to his prosecution responsibilities, Mr. Pavlock has lectured to prosecutors and other law enforcement officials from throughout Pennsylvania on Fourth Amendment and forfeiture issues. From 1984 to 1987, Mr. Pavlock was an associate in the tax department of Murtha, Cullina, Richter and Pinney, in Hartford, Connecticut.

Mr. Pavlock is a 1983 graduate of Cornell Law School in Ithaca, New York, and a 1980 graduate of Pennsylvania State University. He is a native of central Pennsylvania.

Road to Reinvigoration

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"This joint presentation left local law enforcement with a clearer understanding of how the two forfeiture laws work together," said Sharon Zealey, United States Attorney for the Southern District of Ohio. "This combined approach also helped attract attendees who realized they could receive updates on both state and federal law in one sitting, instead of attending two separate presentations."

Athens County Sheriff David E. Redecker attended the first session and asked if a similar session could be presented in the southeastern part of the state. Sheriff Redecker agreed to "fill the room" if the same program could be presented. On September 17, 54 officers, deputies, and

prosecutors went through the same training. The day's workshop included a module on proper search and seizure procedure and the impact of recent court decisions on this ever changing area of the law. A proper understanding of search and seizure can help officers avoid problems with forfeiture, just as it can improve their criminal cases.

In addition to these three sessions, the Ohio Attorney General holds an annual statewide law enforcement training conference. A workshop on state and federal asset forfeiture laws will be on the agenda this year.

Future programs combining training on state and federal forfeiture laws are being planned.

Asset Forfeiture and Equitable Sharing Training

*By Theresa Tremaine, Legal Support,
United States Attorney's Office,
Eastern District of Wisconsin*

The U.S. Attorney's Office for the Eastern District of Wisconsin recently sponsored training for local law enforcement officers entitled, "Asset Forfeiture and Equitable Sharing Training" on October 7, 1997, in Oak Creek, Wisconsin and on October 9, 1997, in Appleton, Wisconsin. Members of Milwaukee's federal agencies, including the Federal Bureau of Investigation, Drug Enforcement

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Questions

&

Answers

Concerning Agreement, Certification, and Audit Requirements

By Araceli Carrigan, Trial Attorney, AFMLS, Criminal Division, and Rebecca Brown, Equitable Sharing Program Manager, Executive Office for Asset Forfeiture, Department of the Treasury

This is the third in a series of questions and answers regarding the Department of Justice and the Department of the Treasury's agreement, certification, and audit reporting requirements. Additional questions and answers will be included in upcoming issues of the *Asset Forfeiture News*.

- Q** My agency received federal forfeiture funds in FY 1995, spent all of the funds during the fiscal year, and reported the expenditures in our annual certification for that fiscal year. We did not receive any federal funds in FY 1996 and, obviously, had no carryover balance to report. Do we need to submit an annual certification for FY 1996?
- A** Yes. Your annual certification should show a fund balance of zero for FY 1996. The only time annual certification is not required is when an agency has never received federal equitable sharing funds.
- Q** Our task force, which has ten member agencies, received more than a million dollars during the past fiscal year. The task force retained half of the amount to cover operating expenses and distributed the other half to the member agencies. The task force, as the recipient of sharing funds, submitted the agreement and annual certification as required by *A Guide to Equitable Sharing*. Should the member agencies that received their shares comply with any of the reporting requirements?
- A** Yes. Item 4 of the most current agreement form (*not* the one found in *A Guide to Equitable Sharing*, March 1994) provides that whenever a recipient agency (in this case, the task force) transfers cash, property, or proceeds, it must verify first that the transferee agencies (in this case, the member agencies) have submitted their current agreement forms. It is the responsibility of the agency transferring shared funds to ensure that an agreement is submitted by each member or other law enforcement agency.
- Q** My agency's fiscal year ended in June 30, 1997, which means that the certification report is due by September 1, 1997. Our governing body official will only sign the certification report after the auditors have looked at our accounting books. The auditors usually complete their review more than 60 days after the end of our fiscal year. Should I send the report without the governing body's signature, or should I just wait until I get a signature?
- A** Although an agency is not in compliance if the certification report is *not* submitted 60 days after the close of the agency's fiscal year or if

submitted without the signature of the governing body, a letter of explanation should be forwarded to both the Department of Justice and the Department of the Treasury.

INS Expands its Courses of Instruction

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

The Immigration and Naturalization Service's (INS's) Office of Asset Forfeiture is committed to expanding its courses of instruction in order to fully implement INS's new forfeiture authority nationwide. To accomplish this objective in FY 1998, the Office of Asset Forfeiture has set up a more ambitious training schedule than in previous years. A principal objective is to train smaller and specifically targeted groups of INS criminal supervisors, special agents, and contract specialists on the conduct of financial investigations and the development and management of forfeiture cases. These requirements are in response to the INS's expanded forfeiture authority and the application of revised regulations on remission, mitigation, and innocent owner provisions. The overall training objective is to reach as broad an audience as possible of program practitioners in order to ensure a well-trained work force in the legal and procedural aspects of forfeiture and to enhance the overall level of compliance with INS policy and procedures. The training sessions vary in duration depending on the subject matter to be covered and the targeted audience.

Three supervisory training

conferences were held in October and November. INS presented Plaques of Appreciation to Michael Perez, Director, Asset Forfeiture Management Staff; Nancy Rider, Deputy Chief, Asset Forfeiture and Money Laundering Section; Harry Harbin, Assistant Chief, Asset Forfeiture and Money Laundering Section; and Karen Vogel, Trial Attorney, Asset Forfeiture and Money Laundering Section, for their support and participation in these important sessions.

The first of four basic asset forfeiture training conferences was completed in Tampa in December. Calendar year 1998 INS training conferences are as follows:

1998 INS Training

Basic Asset Forfeiture Training

- January 28-29
San Antonio, Texas
- February 10-11
Phoenix, Arizona
- March 3-4
Baltimore, Maryland

Advanced Asset Forfeiture Training

- April 21-23
New Orleans, Louisiana
- May 19-21
Dallas, Texas
- June 9-11
San Diego, California

Q Is it true that agencies receiving more than \$100,000 in sharing cash, property, or proceeds no longer have to conduct an independent audit of their federal forfeiture fund account?

A Agencies that receive more than \$100,000 in sharing cash, property, or proceeds no longer have to conduct a separate independent audit of their forfeiture fund account. Equitably-shared cash, property, or proceeds are considered federal financial assistance. Therefore, audits of the federal forfeiture fund account will be conducted according to the Single Audit Act Amendments of 1996 and OMB Circular A-133.



... Customs AIRG Unit Named Finalist in Webber Seavey Award

By David Callahan, Program Manager, Asset Identification and Removal Groups (AIRGs), U.S. Customs Service

The Asset Identification and Removal Group (AIRG) in the U.S. Customs Service's SAC/ Miami Office was recently named as a finalist in the prestigious Webber Seavey Award for Quality in Law Enforcement. Although the unit did not win this year's award, by virtue of being a finalist in this worldwide competition, the Miami AIRG was recognized along with the other finalists at the annual International Association of Chiefs of Police convention held this October in Orlando, Florida.

Each year, law enforcement agencies worldwide compete for the award. Agencies both large and small have an equal chance of winning since the use of available resources is a primary consideration of the review panel. All projects submitted for consideration are reviewed by a special award panel of law enforcement professionals. The submissions are judged against a pre-determined set of standards and given a numeric score in each of the selection criteria. The Miami AIRG was nominated for the award due to both its

Hats off to . . .

operational impact as well as its effect on the overall investigative strategy of the U.S. Customs Service.

In response to expanded forfeiture authority made available to federal law enforcement in the 1980s, officials within the SAC/ Miami office recognized that most federal agencies were not properly prepared to conduct complex asset investigations. As a result, the Miami AIRG was established in 1990 as an innovative program that would train a group of subject matter experts whose primary function would be to discover hidden assets of criminals and seek forfeiture through both the criminal and civil process.

Since its inception, the Miami AIRG alone has recorded over \$124 million in seized assets. Perhaps more importantly, the success of the Miami unit brought the "concept" of asset identification and forfeiture to the forefront of Customs investigative strategy. Asset identification is now considered an integral part of any Customs investigation, not just an afterthought of the primary investigation.

As a result of Miami's tremendous success, the U.S. Customs Service later adopted the Miami AIRG as a prototype in establishing its current national program. At present, AIRG units are operating in 15 Customs SAC offices throughout the country, with further expansion anticipated in FY 1998.

The Webber Seavey Award for Quality in Law Enforcement, administered by the IACP, has been established to recognize a standard of excellence that exemplifies law enforcement's contribution and dedication to the quality of life in our communities. The award bears significance far beyond the prestige of winning. The program is designed to raise the standard of quality in law enforcement, to share information on successful police projects and to bring team members within law enforcement agencies together in an interactive problem-solving process.

The Miami AIRG, although not the winning entry in this year's competition, certainly embodies those qualities that the Weber Seavey Award recognizes. Congratulations to the Miami AIRG!

Editor's Note

For more information about the AIRGs' role, see David Callahan's article, "AIRGs Helped Seize Over \$134 Million in Assets Since FY 95," *Asset Forfeiture News* [July/August 1997]: 10-11.

If your agency or its staff has received a prestigious award that exemplifies its performance in the asset forfeiture arena, please e-mail the news to the editor at CRM20(dmahalek), or call her at (202) 514-1263.

Asset Forfeiture News Index 1997

The index of feature articles published in the *Asset Forfeiture News* during 1997 is shown below. This index *does not* include notes found in the following columns: "Treasury Trends," "Equitable Sharing," "Road to Reinvigoration," "People and Places . . .," "Hats off to," and "AFBB Update." A cumulative index of our feature articles from 1993-1996 is also available from our office. If you would like a copy of the 1993-1996 cumulative index or a specific *Asset Forfeiture News* issue, call the editor at (202) 514-1263.

Administrative Forfeiture

Crawford, Michele, "Proposed Legislative Amendment to Close Gap in Counterfeiting Enforcement," January/February 1997, page 1.

Civil Forfeiture

Bode, Matthew and Hoffman, Scott, "Federal Public Defenders and Civil Forfeiture" November/December 1997, page 11.

Cassella, Stefan D., "Civil Forfeiture Reform Stalls, Congress Looks at Expanding Criminal Forfeiture," September/October 1997, page 1.

Cassella, Stefan D., AFMLS and Pilon, Roger, Cato Institute, "Justice Department and Cato Institute Attorneys Debate the Merits of Civil Asset Forfeiture," September/October 1997, page 8.

Delmar, Richard, "Forfeitures Under the Internal Revenue Code," March/April 1997, page 3.

Harbin, Harry, "Civil Forfeiture Enforcement and the Concurrent Jurisdiction Doctrine," May/June 1997, page 1.

Congress

Cassella, Stefan D., "Civil Forfeiture Reform Stalls, Congress Looks at Expanding Criminal Forfeiture," September/October 1997, page 1.

Cassella, Stefan D., "Legislation: Forfeiture Reform is Coming," May/June 1997, page 1.

Crawford, Michele, "Proposed Legislative Amendment to Close Gap in Counterfeiting Enforcement," January/February 1997, page 1.

McDowell, Gerald E., Chief, AFMLS, Criminal Division, "Spreading the 'Good News' About Forfeiture," May/June 1997, page 2.

Criminal Forfeiture

Callahan, David, "AIRGs Helped Seize Over \$134 Million in Assets Since FY 95," July/August 1997, page 10

Cassella, Stefan D., "New Criminal Forfeiture Rule Approved for Comment," July/August 1997, page 1.

Rooney, John J., "FDA Pursues Forfeiture," May/June 1997, page 17.

Equitable Sharing

Carrigan, Araceli and Brown, Rebecca, "Questions and Answers Concerning Agreement, Certification, and Audit Requirements," November/December 1997, page 23. Also in May/June 1997, page 29 and March/April 1997, page 12.

Ott, Charles, "Observe Program Changes in Treasury's Revised Equitable Sharing Guide," March/April 1997, page 7.

Rider, Nancy L., "Reinventing Equishare," March/April 1997, page 10.

Food Stamp Fraud

Knight, Bob and Lynch, Larry, "How to Conduct a Successful Food Stamp Investigation," July/August 1997, page 14.

Illegal Smuggling

Office of Asset Forfeiture, Immigration and Naturalization Service, "1997: A Year of Change at INS," March/April 1997, page 1.

International Forfeitures

Marrero, Juan C. and Samuel, Linda M., "International Asset Sharing Update," May/June

1997, page 21.

Marrero, Juan C. and Samuel, Linda M. and Cotter, Margaret, "Luxembourg's Assistance Adds Millions to International Forfeiture Efforts," July/August 1997, page 12.

Mail Fraud

Nuechterlein, Clare K., "Child Care Employees Charged with Mail Fraud," September/October 1997, page 17.

Money Laundering

Wiggins, Travist, "U.S. Postal Money Orders Seized for

Forfeiture," November/December 1997, page 1.

State and Local Law Enforcement

Carrigan, Araceli and Dery, Alice, "State and Local Law Enforcement Curriculum Updates," July/August 1997, page 20.

Harrison, Joanne, "Law Enforcement Executives Seminar," July/August 1997, page 23.

Harrison, Joanne, "LECC Asset Forfeiture Working Group Meeting," July/August 1997, page 22.

Road to Reinvigoration

Road, from page 11

Administration, Internal Revenue Service, and U.S. Marshals Service, were invited to speak. Training was designed to instruct local law enforcement officers about the federal forfeiture process (both administrative and judicial forfeitures) as well as what each agency considers prior to filing a forfeiture action. A total of approximately 150 attendees comprised of police officers, investigators, district attorneys, and MEG officers participated in the training programs.

Legal technicians from the Drug Enforcement Administration discussed their administrative forfeiture process and adoptive forfeitures. A special agent from the Federal Bureau of Investigation

gave a brief overview of the money laundering statutes and money laundering forfeiture cases. A paralegal specialist talked about their administrative process. In addition, a special agent from the Internal Revenue Service discussed Treasury cases with an emphasis on their administrative forfeiture process. AUSA Lisa T. Warwick and two paralegals from the United States Attorney's Office discussed federal judicial civil and criminal forfeitures, case law, civil forfeiture complaint packages, and equitable sharing. The Chief Deputy from the U.S. Marshals Service for the Eastern District of Wisconsin discussed pre-seizure planning, property storage, maintenance of seized assets, disposition of assets, and equitable sharing.

UPCOMING TRAINING CONFERENCES

FEDERAL

- *Asset Forfeiture Support Staff*
January 21-23, 1998
Tucson, AZ
- *Advanced Asset Forfeiture Course*
February 17-19, 1998
Location TBA

FINANCIAL INVESTIGATIONS

- *Basic Financial Investigations*
January 27-29, 1998
Clearwater, FL
- *Reinvigoration Seminar*
March 19, 1998
Washington, DC
- *Basic Financial Investigations*
April 14-16, 1998
Santa Fe, NM

For more information about federal conferences, please contact Nancy Martindale, AFMLS, Criminal Division. For more information about financial investigations conferences, please contact Mary Ann DeToro, AFMLS, Criminal Division. Both can be reached at (202) 514-1263.