



OFFICE OF THE INSPECTOR GENERAL

U.S. Department of Justice

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FOR IMMEDIATE RELEASE

March 29, 2017

DOJ OIG Releases Report on the DOJ's Oversight of Cash Seizure and Forfeiture Activities

The Department of Justice (DOJ) Office of the Inspector General (OIG) today released a report on the DOJ's oversight of cash seizure and forfeiture activities. In today's report, the DOJ OIG concludes that while the DOJ views asset forfeiture as an important tool to reduce the financial incentives for criminal activity, it does not systematically evaluate its forfeiture data to determine the extent to which seizures benefit law enforcement efforts or present potential risks to civil liberties.

DOJ's investigative components – primarily the Drug Enforcement Administration (DEA), Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Federal Bureau of Investigation – have the authority to seize and forfeit cash or property associated with violations of federal law, and may do so without independent judicial oversight and without charging the owner or possessor of the cash or property with a crime. Over the past 10 years the DOJ's Asset Forfeiture program participants have forfeited over \$28 billion. The DOJ uses these proceeds to compensate victims of associated crimes and to fund other forfeiture-related activities, such as payments to state and local law enforcement through the DOJ's Equitable Sharing Program.

Today's report specifically focuses on the DEA's more than \$4 billion in cash seizures between fiscal years 2007 and 2016, which in number amounted to 80 percent of the DOJ's total cash seizures. The vast majority of these seizures were subsequently forfeited without a criminal proceeding.

As described in the report, the specific areas where DOJ can improve its oversight of cash seizure and forfeiture activities include:

- **The DOJ does not measure how its asset seizure and forfeiture activities advance criminal investigations.** The DOJ and its investigative components cannot fully evaluate and oversee their seizure and forfeiture activities because they neither formally collect nor evaluate the data necessary to determine (1) whether certain types of seizures and forfeitures advance or relate to federal investigations or (2) the extent to which seizures present potential risks to civil liberties.

- **The DEA conducts cash seizures that may not advance or relate to criminal investigations, and may pose risks to civil liberties.** We selected for examination 100 DEA cash seizures based on the presence of characteristics that we believe made them most susceptible to civil liberties concerns. We found that the DEA could verify that only 44% of the seizures had advanced or been related to criminal investigations. Most of the seizures we examined occurred at transportation facilities and were initiated based on the observations and immediate judgment of DEA agents and state and local task force officers, without preexisting intelligence of a specific drug crime.
- **The DOJ does not require its state and local task force officers to receive training on federal asset seizure and forfeiture laws prior to conducting federal seizures.** State and local task force officers, who wield the same authorities to make seizures as the DOJ's Special Agents, may not have received training on these topics beyond what is included in their state or local law enforcement agency's training curriculum.

Today's report also examines the effect of a January 2015 order from Attorney General Holder that limited state and local law enforcement use of federal forfeiture in cases where federal involvement in the seizure is minimal. We found that the order contributed to a reduction in the annual number of DEA cash seizures by over half, and in the annual value of such seizures by more than a third. We further found that the order and related guidance did not preclude the federal forfeiture of property seized through joint task forces or as a result of a joint investigation involving federal and state law enforcement, which may be of particular concern in light of our finding that seizures resulting from joint interdiction operations often were not shown to have advanced a federal criminal investigation or led to a prosecution. Finally, we determined that the 2015 order has financially affected state and local law enforcement, and could therefore affect those agencies' cooperation with federal law enforcement. These effects were especially strong in at least two states, North Carolina and Nebraska, where law enforcement frequently had used federal adoption in the past because state laws placed limitations on state forfeiture.

The report released today makes four recommendations to the DOJ Criminal Division's Money Laundering and Asset Recovery Section to help ensure effective oversight of the DOJ's cash asset seizure and forfeiture activities. The Criminal Division agreed with one recommendation, and the other three recommendations are unresolved.

Report: Today's report is available under "Recent Reports" on the OIG's website and at the following link: <https://oig.justice.gov/reports/2017/e1702.pdf>.

Video: To accompany today's report, the OIG has released a 3-minute video featuring the Inspector General. The video and a downloadable transcript are available at the following link: <https://oig.justice.gov/multimedia/>.