



FOR IMMEDIATE RELEASE
June 14, 2022

DOJ OIG Releases Report on the U.S. Marshals Service's Management of Seized Cryptocurrency

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of [a report examining](#) the United States Marshals Service's (USMS) management of seized cryptocurrency from Fiscal Year (FY) 2017 through FY 2021. The USMS serves as the primary custodian for DOJ's seized assets, including cryptocurrency. As of June 2021, the USMS managed nearly 200 DOJ cryptocurrency seizures comprised of 22 different types of seized cryptocurrency. In September 2021, we valued these assets at about \$466 million.

The DOJ Office of the Inspector General (OIG) found that the USMS has implemented adequate safeguards over the storage of and access to seized cryptocurrency in its custody, but the USMS faces the following challenges in managing and tracking cryptocurrency.

- **Lack of Comprehensive Inventory Management.** DOJ's official seized asset tracking system does not have the necessary functionality to enable daily management of cryptocurrency assets. As a result, the USMS was using supplemental spreadsheets to track cryptocurrency assets, which lacked documented operating procedures and other inventory management controls risking an inaccurate accounting of cryptocurrency. In fact, we found that the inventory spreadsheets contained inaccuracies.
- **Inadequate, Incomplete, and Conflicting Policies and Procedures.** The USMS did not have adequate policies related to seized cryptocurrency storage, quantification, valuation, and disposal, and in some instances, guidance was conflicting. For example, we found that the USMS policy did not have an established process for recording new cryptocurrency assets created after a "fork" (whereby a single cryptocurrency splits into two separate cryptocurrencies). As a result, the USMS may fail to identify and track forked assets, and thereby lose the opportunity to sell those assets when they are forfeited.
- **Outsourcing Management of Seized Cryptocurrency.** The USMS is in the process of awarding a contract to outsource the management of its seized cryptocurrency, which we believe will assist the USMS in addressing some of the issues we identified. However, we believe it is imperative that the USMS establish properly documented policies and procedures prior to handing over cryptocurrency responsibilities to a contractor, as doing so will best prepare the USMS to ensure that the future contractor's services meet the USMS's needs and expectations.

Today's report makes seven recommendations to improve the USMS's management and tracking of seized cryptocurrency. The USMS agreed with all of the recommendations.

Report: Today's report is available on the OIG's website at the following link: <https://oig.justice.gov/reports/audit-united-states-marshals-services-management-seized-cryptocurrency>

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