



*The Criminal Investigation Division
Can Take Steps to Ensure Its
Seizure Opportunities Are Maximized*

June 18, 2010

Reference Number: 2010-30-058

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document..



HIGHLIGHTS

THE CRIMINAL INVESTIGATION DIVISION CAN TAKE STEPS TO ENSURE ITS SEIZURE OPPORTUNITIES ARE MAXIMIZED

Highlights

Final Report issued on June 18, 2010

Highlights of Reference Number: 2010-30-058 to the Internal Revenue Service Chief, Criminal Investigation.

IMPACT ON TAXPAYERS

The use of asset forfeiture has become one of the most important tools that Federal law enforcement can employ against criminals, such as drug dealers and white-collar criminals. Law enforcement officers believe that the effective use of forfeiture laws can result in a decrease in criminal activity. Our review determined that the Criminal Investigation (CI) Division can take steps to ensure its seizure opportunities are maximized. The use of seizure and the ultimate forfeiture of assets deprive individuals, who knowingly violate the nation's tax laws, of their ill-gotten gains.

WHY TIGTA DID THE AUDIT

The CI Division uses its asset seizure and forfeiture authority as a tool for combating unlawful activities designed to evade taxes. The overall objective of this review was to evaluate whether the CI Division adequately considered the seizure of assets during its illegal source and narcotics investigations.

WHAT TIGTA FOUND

There are opportunities for the CI Division to improve its Asset Forfeiture Program. During Fiscal Year 2009, the CI Division seized just more than 1,600 assets, which is a 13 percent decline from the previous year and a 28 percent decline from the 5-year high in Fiscal Year 2007. The decline in the number of assets seized can be partly attributed to the decrease in the number of illegal source and narcotics investigations initiated during that period and the loss of experienced special agents in recent

years. In addition, there was a significant disparity in the number of assets seized among the field offices.

TIGTA's analyses of the CI Division's management information system data indicated that the CI Division may have missed some seizure opportunities. TIGTA analyzed a sample of investigations with money laundering or bank structuring violations and found that requests to pursue seizure were made in only 34 percent of the investigations with the percentage of requests varying significantly among field offices.

While the CI Division may have missed some seizure opportunities, its Asset Forfeiture Program is respected by outside stakeholders and, when compared to other Federal agencies, its Program appears to be productive.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief, CI Division, require contractor employees to review the CI Division's management information system reports to identify recently initiated narcotics and illegal source investigations where there is no corresponding seizure investigative activity and proactively engage the special agents in discussions regarding the identification of forfeitable assets. TIGTA also recommended that the Chief, CI Division, require contractor employees to periodically contact special agents to determine the status of the seizure and offer additional assistance. In addition, TIGTA recommended that the Chief, CI Division, conduct an internal study of narcotics and illegal source investigations, where the seizure of assets was not pursued, to determine if seizure opportunities were missed.

CI Division officials agreed with four of the five recommendations and disagreed with one. The CI Division did not agree with conducting an internal study but plans to ensure the appropriate management reviews are being performed. However, because TIGTA is precluded from reviewing case file information due to grand jury restrictions, TIGTA believes the CI Division would benefit from conducting this review because it would determine the extent of the issue and provide ideas for improvement.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 18, 2010

MEMORANDUM FOR CHIEF, CRIMINAL INVESTIGATION

Michael R. Phillips

FROM: (for) Michael R. Phillips
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The Criminal Investigation Division Can
Take Steps to Ensure Its Seizure Opportunities Are Maximized
(Audit # 200930026)

This report presents the results of our review to evaluate whether the Criminal Investigation Division adequately considered the seizure of assets during its illegal source¹ and narcotics investigations. This audit was included in our Fiscal Year 2010 Annual Audit Plan and addresses the major management challenge area of Tax Compliance Initiatives.

Management's complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Margaret E. Begg, Assistant Inspector General for Audit (Compliance and Enforcement Operations), at (202) 622-8510.

¹ See Appendix IV for a glossary of terms.



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Abbreviations

AFC	Asset Forfeiture Coordinator
AUSA	Assistant United States Attorney
CI	Criminal Investigation
CIMIS	Criminal Investigation Management Information System
FY	Fiscal Year
IRS	Internal Revenue Service
SAR	Suspicious Activity Report
SIA	Seizure Investigation Activity
TEOAF	Treasury Executive Office for Asset Forfeiture
U.S.C.	United States Code



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Background

President Obama recently announced the formation of a Financial Fraud Enforcement Task Force¹ to strengthen efforts to combat financial crime. The objectives of the task force include ensuring just and effective punishment for those who perpetrate financial crimes and recovering proceeds for victims. The use of asset forfeiture is one of the tools available to law enforcement in accomplishing these objectives.

The use of asset forfeiture has become one of the most important tools that Federal law enforcement can employ against criminals.

Criminal and civil forfeiture is essential to ensure that crime does not pay. The use of asset forfeiture has become one of the most important tools that Federal law enforcement can employ against criminals, such as drug dealers and white-collar criminals. Law enforcement officers believe that the effective use of forfeiture laws can result in a decrease in criminal activity.

The Criminal Investigation (CI) Division's primary mission is to serve the American public by investigating potential criminal violations of the Internal Revenue Code² and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law. The CI Division is the only Federal agency that can investigate potential criminal violations of the Internal Revenue Code. The CI Division's special agents' investigative jurisdiction includes tax, money laundering, and Bank Secrecy Act laws.

The CI Division uses its asset seizure and forfeiture authority as a tool for combating financial crimes and/or unlawful activities designed to evade taxes. Seizure is the confiscating of a person's property by a legal process; whereas, forfeiture is when the Government assumes ownership of the seized asset. The CI Division's Fiscal Year (FY) 2009 operational priorities included continuing to actively use its asset forfeiture authority to further its enforcement goals and strengthening Bank Secrecy Act compliance efforts by making every effort to identify assets subject to forfeiture.³

Most of the CI Division's seizures are the result of United States Code (U.S.C.) Titles 18 and 31, which deal with money laundering and currency investigations. The revenue from assets seized that are eventually forfeited is deposited into the Treasury Forfeiture Fund. The CI Division can

¹ Led by the Department of Justice, this task force will work with State and local partners to investigate and prosecute significant financial crimes and address, among other things, discrimination in the lending and financial markets.

² See Appendix IV for a glossary of terms.

³ The CI Division's FY 2010 operational priorities include utilizing asset forfeiture authority to further enforcement goals and take the profit away from criminals.



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request to use these funds to finance future law enforcement initiatives (e.g., the hiring of contractor employees to assist with the Asset Forfeiture Program). The CI Division also has the authority to seize and forfeit assets for U.S.C. Title 26 tax violations; however, few seizures are made on these violations. This occurs because only property used, or intended to be used, to violate Internal Revenue laws can be forfeited.⁴

The CI Division's Warrants and Forfeiture section administers the Asset Forfeiture Program. Some of the section's responsibilities include 1) tracking assets seized for purposes of evidence and/or forfeiture utilizing the Asset Forfeiture Tracking and Retrieval System, 2) providing training to the Asset Forfeiture Coordinators (AFC) and Asset Forfeiture Specialists on current forfeiture policies and criminal statutes, and 3) consistently and strategically applying forfeiture to combat and put an end to criminal activities. Personnel from the Warrants and Forfeiture section also send periodic reports to the Treasury Executive Office for Asset Forfeiture (TEOAF).

Each of the Special Agents in Charge of the 26 field offices⁵ oversees the performance of their office's Asset Forfeiture Program. The special agent of an investigation coordinates the seizure and forfeiture activity with input from the Supervisory Special Agent and the AFC. Each field office has at least one AFC who is the local expert in the seizure and forfeiture process. The AFC provides the necessary guidance and support to ensure that proper procedures are followed, administrative reporting is completed, and special circumstances are addressed and resolved. The AFC also ensures that proper and timely pre-seizure planning occurs.

The CI Division is currently hiring contractor employees to directly support work on asset forfeiture investigations. During FY 2009, the CI Division added contractor employee positions to the Washington, D.C.; Miami, Florida; and New York, New York, field offices. During FY 2010, the CI Division plans to provide additional contractor positions and will start by placing contractor employees in large field offices (i.e., those with two Assistant Special Agents in Charge.) According to the CI Division, the remaining field offices will receive contractor employee positions later in FY 2010 or during FY 2011. CI Division executives expect these contractor employees will free up special agents to pursue additional investigations.

We encountered a significant scope limitation that precluded us from fully addressing our audit objective of evaluating whether the CI Division adequately considered the seizure of assets during its illegal source and narcotics investigations. We selected a sample of investigations designated as illegal source and narcotics. The majority of these investigations were classified as

⁴ This is in contrast to seizures made for U.S.C. Titles 18 and 31 violations where property derived traceable to a violation can be seized. For instance, real estate acquired with laundered funds can be seized.

⁵ Offices within the four CI Division geographical areas throughout the country with boundaries that range from a portion of a single State to inter-State areas. Each field office has a Special Agent in Charge to direct, monitor, and coordinate the criminal investigation activities within that office's area of responsibility. Several post-of-duty cities are located within each field office.



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grand jury and thus were restricted from our review. As part of the grand jury procedures governing disclosure of information, the CI Division engaged the Criminal Tax Counsel to determine what information, if any, from the cases we requested could be made available to us. We also engaged the Assistant United States Attorneys (AUSA). CI Division management advised that we could obtain only information that had been made publically available by the courts (e.g., indictment, sentencing document, etc.). These documents did not contain information that would help us evaluate whether or not the CI Division considered seizure activity.

The CI Division and the Treasury Inspector General for Tax Administration management cooperated on this matter; however, due to the aforementioned process and circumstances beyond either party's control, we did not receive access to the investigative case files for those investigations classified as grand jury.

This review was performed at the CI Division's National Headquarters in Washington, D.C., and the Oakland, California; St. Paul, Minnesota; Nashville, Tennessee; and Houston, Texas, field offices. We also contacted United States Attorney Office officials of the Northern District of California (San Francisco, California); Eastern District of California (Sacramento, California); Middle District of Tennessee (Nashville, Tennessee); Western District of Kentucky (Louisville, Kentucky); and the Southern District of Texas (Houston, Texas). In addition, we met with officials from the TEOAF located in Washington, D.C.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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Results of Review

The Number of Assets Seized Has Declined in Recent Years

In the past 2 fiscal years, the CI Division has seen a decline in the number of seized assets. Even though there has been a decline, outside stakeholders view the CI Division's Asset Forfeiture Program favorably. When compared with other Federal agencies having more resources, the CI Division's Asset Forfeiture Program appears to be productive (as discussed later in the report).

Since the beginning of FY 2005, the CI Division has seized almost \$1.5 billion in assets and forfeited approximately \$900 million in assets. During FY 2009, the CI Division seized just more than 1,600 assets, which is a 13 percent decline from the previous year and a 28 percent decline from the 5-year high in FY 2007. The total dollar amount of the assets seized during FY 2009 increased almost 79 percent from the previous year. However, the total dollar amount tends to be skewed because one or two seizures could distort the total. For example, during FY 2009, 1 office had a currency seizure valued at \$175 million while another office had a seizure of gold bars valued at nearly \$100 million. In addition, during FY 2009, the CI Division made 625 reverse asset sharing requests.⁶ This volume is 23 percent lower than the previous year and nearly one-half of the requests made during FY 2005.

These recent decreases could be indicative of a declining Asset Forfeiture Program that could result in the loss of monies deposited into the Treasury Forfeiture Fund that are available to finance future law enforcement initiatives. Figure 1 shows the number and dollar amounts of assets seized and reverse asset sharing requests during FYs 2005 through 2009.

⁶ The CI Division routinely participates in joint investigations where a Department of Justice agency, such as the Drug Enforcement Administration, is the lead seizing agency. The lead seizing agency processes the seizure from the forfeiture of funds to disposition. The CI Division can request an equitable share of any forfeited property from its participation in these investigations. This procedure is known as reverse asset sharing. The Department of Justice Asset Forfeiture Fund policy allows a maximum asset sharing amount of 80 percent.



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Figure 1: The Number and Dollars of Assets Seized and Reverse Asset Sharing Requests

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Number of Assets Seized	1,978	2,156	2,268	1,872	1,624
Dollar Amount of Assets Seized	\$241,838,451	\$225,820,459	\$315,033,520	\$242,622,243	\$434,150,746
Number of Reverse Asset Sharing Requests	1,203	1,061	993	813	625
Dollar Amount of Reverse Asset Sharing Requests	\$375,638,415	\$235,667,335	\$474,109,631	\$225,016,304	\$356,523,491

Source: CI Division's Warrants and Forfeiture section.

The recent decline in the number of seized assets and reverse asset sharing requests can be partly attributed to the decrease in the number of illegal source and narcotics investigations initiated by the CI Division since FY 2007. Illegal source and narcotics investigations are far more likely to contain seizure activity than legal source tax investigations, which are a larger part of the CI Division's workload. Figure 2 illustrates that the total number of illegal source and narcotics investigation initiations decreased nearly 13 percent from FYs 2007 to 2008 before rebounding nearly 8 percent in FY 2009.

Figure 2: Numbers of Illegal Source and Narcotics Investigations Initiated

Types of Investigation	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Illegal Source	1,632	1,686	1,731	1,441	1,634
Narcotics	944	697	816	777	753
Total	2,576	2,383	2,547	2,218	2,387

Source: Internal Revenue Service (IRS) Data Book (Publication 55B) for FY 2005 and the Criminal Investigation Management Information System (CIMIS) Report INV002 (Summary by Program Area) for FYs 2006 through 2009.



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Another factor that may explain the recent declines in the CI Division's Asset Forfeiture Program is the loss of experienced special agents. As our previous report on the CI Division's statistical trends illustrated,⁷ the number of field special agents declined almost 7 percent in FY 2008 from the previous year and was at its lowest level in the past 30 years. This trend continued in FY 2009 as the number of field special agents declined nearly 2 percent. The new inexperienced agents hired to offset the loss of the more experienced agents are generally assigned legal source tax investigations during their first few years of employment with the CI Division because these investigations fit the core mission of the CI Division.

During FY 2009, the number of experienced field agents continued to decline. New agents are less likely to work illegal source and narcotics investigations which could involve seizure activity.

A small number of field offices seized close to one-half of the assets during the last 3 fiscal years

Our analysis of documents provided by the Warrants and Forfeiture section showed there is a disparity in the number of assets seized between the field offices. While the CI Division seized more than 5,700 assets during FYs 2007 through 2009, almost one-half of those asset seizures (2,837) were made by just 7 of the 26 field offices.⁸ This includes offices that are relatively smaller,⁹ such as the Tampa, Florida; Charlotte, North Carolina; and, Nashville, Tennessee, field offices. We also noted a similar disparity among the field offices with respect to the number of reverse asset sharing requests made. During FYs 2007 through 2009, the CI Division made 2,431 reverse asset sharing requests. More than one-half of these requests (1,323) were made by 7 of the 26 field offices. A number of field offices with a smaller amount of seized assets (as compared to other field offices) also had a small amount of reverse asset sharing requests. The results suggest that there are opportunities for improving the Asset Forfeiture Programs in these offices. Figure 3 reflects the total numbers of asset seizures and reverse asset sharing requests made by each CI Division field office during FYs 2007 through 2009.

⁷ *Statistical Portrayal of the Criminal Investigation Division's Enforcement Activities for Fiscal Years 2000 Through 2008* (Reference Number 2009-30-053, dated March 26, 2009).

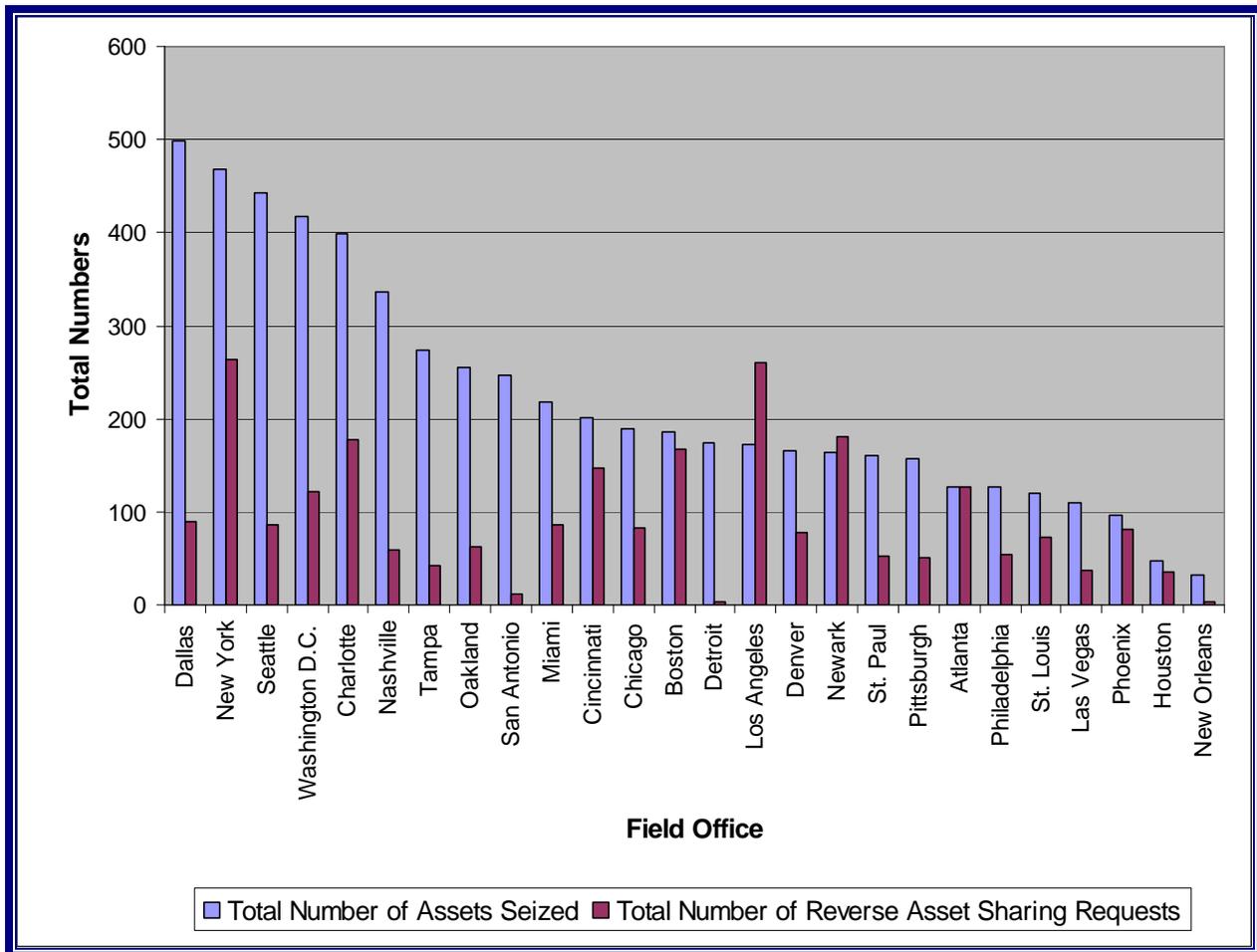
⁸ Several office consolidations occurred during the 3-year period reviewed. For purposes of our analysis, we compared the 26 field offices as presently composed.

⁹ We considered those field offices with one Assistant Special Agent in Charge to be smaller as opposed to those offices with two Assistant Special Agents in Charge. The field offices with one Assistant Special Agent in Charge would have fewer special agents.



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Figure 3: Total Numbers of Assets Seized and Reverse Sharing Request by Field Office (FYs 2007 through 2009 combined)



Source: CI Division's Warrants and Forfeiture section.

Through our discussions with CI Division management, Criminal Tax Counsel, and the Director, TEOAF, we obtained their perspectives on why there would be disparity in seizure activity among the field offices. Their explanations included:

- The AUSAs in some judicial districts may be reluctant, as opposed to others who are very aggressive, in their approach to pursuing the seizure of assets during criminal investigations. The five Asset Forfeiture AUSAs we spoke to during this audit supported the use of asset forfeiture in criminal investigations.
- Some field offices have always placed a higher emphasis on the importance of the seizure of assets during criminal investigations.



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- Some field offices may work a higher percentage of legal source tax cases, thus limiting their seizure opportunities.

In addition, some of the field offices have created Suspicious Activity Report (SAR) Task Forces¹⁰ which have enhanced their Asset Forfeiture Programs. For instance, 53 of the 296 assets seized by the Seattle field office during FY 2009 can be attributed to an SAR Task Force.

Seizure Opportunities May Have Been Missed

The Internal Revenue Manual defines that when asset forfeiture is anticipated in a criminal investigation, a special agent must obtain seizure investigation activity (SIA) authority. An SIA must be approved by the Special Agent in Charge for any seizure investigation, in which the CI Division participates, even if they are not the lead seizing agency. The request and approval process is completed through the CIMIS when seizure activity is anticipated in the primary investigation or the subject investigation.

We analyzed data from the CIMIS and identified 4,754 illegal source and narcotics subject investigations with money laundering or bank structuring violations.¹¹ Our analysis showed that in 1,635 (34 percent) investigations, the special agent requested approval to pursue the seizure of assets. As of May 2009, the CI Division had executed a seizure in 230¹² (14 percent) of the 1,635 investigations. Figure 4 details the number of illegal source and narcotics investigations where the seizure of assets was pursued and subsequently executed.

¹⁰ The CI Division and the Department of Justice created SAR Task Forces in 2006 to pursue SAR initiated investigations. These Task Forces are typically composed of CI Division Special Agents, State and local law enforcement personnel, and Federal prosecutors who are devoted full time to the review of the SARs. They specifically investigate possible Bank Secrecy Act violations that have the potential for seizures and forfeitures. According to the CI Division's National SAR Coordinator, there are currently 19 SAR Task Forces in various stages of development.

¹¹ For our testing, we selected subject investigations that contained money laundering violations (18 U.S.C. Sections 1956 and 1957) or a structuring violation (31 U.S.C. Section 5324) in the "Under Investigation," "Recommended for Prosecution Violation," or "Indictment Violation" fields in the CIMIS.

¹² The CI Division coordinates with other Federal and State law enforcement agencies on many investigations. These 1,635 investigations can also include seizures that were executed by other agencies.



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Figure 4: Numbers of SIAs and Seizure Executions on Illegal Source and Narcotics Subject Investigations With Money Laundering or Bank Structuring Violations

	Number of Subject Investigations Initiated	Number of SIAs Requested	Percentage of SIAs Requested	Number Where Seizure Was Executed
Illegal Source	2,834	775	27%	157
Narcotics	1,920	860	45%	73
Totals	4,754	1,635	34%	230

Source: Our analysis of the CIMIS data for FY 2007 through May 31, 2009.

In addition, there were also 2,314 primary investigations initiated that were still in the primary investigation phase at the time of our analysis. A total of 856 (37 percent) contained requests for approval to pursue the seizure of assets. A seizure was executed in 154 of those investigations.

When distinguished by field office, the disparity in the percentage of SIAs requested was significant. For example, 1 field office requested SIAs in just more than 64 percent of the investigations with a money laundering or structuring violation; whereas, another field office requested SIAs in just more than 7 percent of the investigations containing these same violations. There are valid reasons why the seizure of assets would not be pursued in every investigation with money laundering or bank structuring violations. For example, there may not have been any assets to seize or the investigation may have involved a related party that did not have custody of the assets. However, these disparities suggest that the CI Division might have missed some opportunities. During our audit, we attempted to review a sample of narcotics and illegal source investigations that did not have seizure activity to determine if there was a systemic issue with not pursuing the seizure of assets in these investigations. Due to grand jury restrictions, we were unable to review the investigations and were limited to discussions with CI Division personnel.

We believe the CI Division can take the following steps to ensure its seizure opportunities are maximized in the future:

- 1) Implement procedures to identify and monitor seizure opportunities.
- 2) Conduct an internal study to determine if and why the seizure of assets are not being pursued.
- 3) Ensure special agents are adequately trained.



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Implement procedures to identify and monitor seizure opportunities

The CI Division should ensure that the seizure of assets is addressed during its investigations. The Warrants and Forfeiture section indicated that the AFCs are directed to proactively contact special agents and look for seizure opportunities.

We interviewed four AFCs regarding procedures utilized at three¹³ field offices. All four AFCs indicated that they do not proactively approach special agents conducting investigations to determine if there is seizure potential and if their assistance is needed. They often do not get involved until contacted by the special agent or the

The CI Division contractor employees are expected to provide expertise in monitoring seizure opportunities and identifying forfeitable assets.

Supervisory Special Agent when assets with seizure potential are identified. In one field office, management indicated that even though they thought their AFCs were meeting their expectations, they were not as proactive as desired. This situation could be because each of the AFCs we interviewed has additional duties that include working their own cases, recruiting, or serving in another coordination role which may limit their ability to be proactive.

The CI Division has plans for each field office to eventually receive a contractor employee that will directly support work on seizure investigations. The objective for using contractor employees is to increase the use of seizures in those cases where its potential is clearly identified and to maximize the impact of forfeiture in criminal investigations conducted by CI Division personnel. One of the requirements for this position is to provide expertise in reviewing financial records to identify forfeitable assets.

The field offices can utilize contractor employees to help identify and monitor seizure opportunities. For example, one CIMIS report lists those criminal investigations in a special agent's inventory that do not have a corresponding SIA. This type of information could be used by contractor employees to identify those investigations that are more likely to have seizure potential, such as those with money laundering violations, and to proactively engage the special agents in discussions regarding the identification of forfeitable assets. The implementation of these procedures can not only help identify forfeitable assets but can also be used as a valuable tool for contractor employees to help educate those agents that are not familiar with asset forfeiture.

The CI Division can also optimize contractor employee positions by implementing procedures to monitor those investigations where an SIA has been approved but where a seizure has not yet been executed. Results showed 1,127 of the 1,633 illegal source and narcotics subject investigations that we analyzed in the CIMIS had an approved SIA where there was no

¹³ We did not meet with the AFC in the St. Paul field office due to time constraints.



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associated seizure execution by the CI Division.¹⁴ These 1,127 investigations had been in that status for an average of 421 calendar days, ranging from a low of 2 calendar days to a high of 2,445 calendar days. The high number of investigations in a pending status could be an indication of investigations where the seizure of assets had been overlooked. We interviewed the AFCs who indicated they monitor the status of SIAs, although each AFC uses a different method. For example, one AFC maintains a monthly spreadsheet that is sent to each of the Supervisory Special Agents to obtain any changes in the status of the seizure investigations. Two AFCs in another office rely on informal discussions with the special agents.

We believe the CI Division can take steps to ensure criminal investigations with seizure activity are periodically monitored. For instance, they can utilize information in the CIMIS to identify those SIAs where a seizure has not been executed by the CI Division. This information can be used by the contractor employees to contact the special agents to determine the status of the seizure and offer additional assistance.

Conduct an internal study to determine if and why the seizure of assets are not being pursued

The CI Division periodically conducts internal reviews (called a Review and Program Evaluation) of each of its field offices. These reviews included an evaluation of the office's Asset Forfeiture Program. We reviewed reports from 11 recent internal reviews¹⁵ and determined the CI Division shared our concerns about seizure opportunities not being maximized in some offices. The reports included recommendations designed to ensure that the seizure of assets is addressed and considered during investigations. Some examples of the recommendations included ensuring that office management explore the seizure of assets during case, workload, and operational reviews and ensuring that special agents are adequately trained in asset forfeiture matters.

Due to grand jury secrecy, those reviews, like this audit, were primarily based on statistical analyses and discussions with CI Division and AUSA personnel. The CI Division needs to determine if seizure opportunities are being missed to ensure that criminals are deprived of their ill-gotten gains. An independent review of investigations can be helpful in determining if seizure opportunities were missed and could help identify specific areas of improvement.

Ensure special agents are adequately trained

The number of special agents reached a 30-year low during FY 2008. The CI Division has had to hire many new agents in recent years to make up for the attrition of their more experienced agents. Highly trained and experienced special agents are needed to expose large, complex

¹⁴ Some of these investigations could have had seizures executed by other agencies. We could not determine from our analysis if that had occurred.

¹⁵ The internal reviews were conducted by CI Division personnel from May 2008 through August 2009.



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money laundering schemes and to undertake asset forfeiture investigations. A Warrants and Forfeiture section analyst indicated that one of the reasons why some field offices may not have as productive an Asset Forfeiture Program has been the “great loss in manpower” in recent years. In addition, one of the field offices responded in an internal report that its large population of relatively inexperienced agents is one reason that has prevented its Asset Forfeiture Program from flourishing in recent years. This opinion could be attributed to the belief that newer agents do not have the knowledge and experience to identify when a seizure is appropriate.

When hired, special agents are generally provided basic asset forfeiture training at the Federal Law Enforcement Training Center. These newer agents are then assigned to work on legal source tax investigations which do not provide them with the opportunity to get involved with a seizure. Several Supervisory Special Agents and AFCs indicated that the asset forfeiture training provided to newer agents is lost because they do not receive the opportunity to work on investigations involving seizures until later in their careers. Several Supervisory Special Agents and more experienced agents advised that the best way to learn about the seizure process is by actually conducting one. To that effect, some Supervisory Special Agents try to have more experienced agents collaborate with newer agents during the process of conducting a seizure to provide this hands-on experience.

One way the CI Division can help ensure that these agents are better prepared to undertake asset forfeiture investigations is by requiring that newer agents attend additional asset forfeiture training to supplement the training provided at the Federal Law Enforcement Training Center. One of the offices in our review recently presented additional asset

Forty-five percent of special agents interviewed indicated that an asset forfeiture presentation had not been made within the past 12 months.

forfeiture training¹⁶ to special agents with 10 years of experience or less. The feedback provided by the attending special agents was overwhelmingly positive. For example, one special agent indicated that the training provided more information than what was presented at the Federal Law Enforcement Training Center, while another now knows what to look for and whom to contact with questions. A third agent wished the training was provided earlier in his career. The Warrants and Forfeiture section indicated that they have encouraged field offices to provide basic asset forfeiture training to newer special agents using funding from the Treasury Forfeiture Fund.

Another method to ensure that special agents, including those that are more experienced, are adequately trained in asset forfeiture matters is to have periodic presentations at group meetings.

¹⁶ The Warrants and Forfeiture section offers additional training designed for special agents with less than 5 years of experience. While not required, that training has been made available to each of the field offices and some have requested the training.



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CI Division management has previously recommended that field office management have the AFCs make presentations at group meetings. We interviewed 42¹⁷ special agents and 19 of them could not recall if the AFC made a presentation at a group meeting or that a presentation had not been made in the past 12 months. Asset forfeiture presentations at group meetings can be beneficial for promoting the use of asset forfeiture and communicating new developments in the asset forfeiture arena. For instance, changes in case law, such as the 2008 Supreme Court decision (*United States v. Santos*),¹⁸ could affect the ability to seize assets in some money laundering investigations. Also, discussions during group meetings can educate special agents regarding new methods being used by criminals to launder money (e.g., the criminal use of electronic currency and web-based services). With the planned addition of contractor employees to each field office, the CI Division can enhance the ability of the offices to ensure that special agent groups receive periodic asset forfeiture presentations.

Recommendations

The Chief, CI, should:

Recommendation 1: Require contractor employees to review CIMIS reports to identify recently initiated narcotics and illegal source investigations where there is no corresponding SIA. Once these investigations are identified, the contractor employees should proactively engage the special agents in discussions regarding the identification of forfeitable assets.

Management's Response: IRS management agreed with this recommendation. The CI Division recognized that management and oversight of SIA investigations are imperative to ensure that seizure opportunities are maximized. The CI Division will examine the creation of a structured oversight and coordination system with management and Financial Investigator IV contractor employees to monitor and more effectively maximize seizure opportunities on illegal source and narcotics investigations.

Recommendation 2: Require contractor employees to periodically contact special agents to determine the status of the seizure and offer additional assistance.

Management's Response: IRS management agreed with this recommendation. The CI Division will examine the creation of a structured oversight and coordination system with management and Financial Investigator IV contractor employees that will encompass offering additional assistance to special agents with asset forfeiture cases in

¹⁷ These results did not include those special agents we interviewed that had less than 1 year of experience.

¹⁸ United States Supreme Court decision docket number 06-1005 issued on February 2, 2008. In the decision, the Supreme Court ruled that a Federal money laundering statute that criminalizes certain uses of the "proceeds" of criminal activities applies to transactions involving criminal profits, not gross receipts, when the criminal conduct at issue is an unlicensed gambling business. This will affect the amounts that are forfeitable in those cases.



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an effort to effectively maximize seizure opportunities on illegal source and narcotics investigations.

Recommendation 3: Conduct an internal study, with the cooperation of the United States Attorneys' Offices, to determine if seizure opportunities are being missed. This study should incorporate a review of a sample of narcotics and illegal source investigations where the seizure of assets was not pursued to determine if assets with seizure potential were not identified.

Management's Response: IRS management disagreed with this recommendation. The CI Division indicated that as our findings and recommendations indicate a need for greater participation by the field office personnel in the seizure process, initiating an internal study is unnecessary. The CI Division will look forward and will ensure the appropriate management reviews are being performed and that discussions are being held between management and special agents when initiating narcotics and illegal source investigations to determine if there is asset seizure potential.

Office of Audit Comment: While the CI Division indicated that it will ensure the appropriate management reviews are being performed and that discussions are being held between management and special agents, we still believe that steps should be taken to determine the extent of missed seizure opportunities. Because grand jury restrictions precluded the review of case file information, we could not determine the extent of any missed seizure opportunities. We believe it would be beneficial for the CI Division to conduct this internal study or implement procedures for a periodic independent review of investigations that did not have seizure activity. This evaluation could determine the reasons for cases without a seizure, the extent of the issue, and provide ideas for improving the Asset Forfeiture Program.

Recommendation 4: Require that each special agent receive additional asset forfeiture training during their first 5 years to supplement the basic training received at the Federal Law Enforcement Training Center.

Management's Response: IRS management agreed with the substance of this recommendation; however, they offered an alternative corrective action that we find to be satisfactory. The CI Division agreed that additional asset forfeiture training would be beneficial to the program. During Review and Program Evaluation reviews, the Warrants and Forfeiture section encourages the field office to conduct new agent basic asset forfeiture training.

Currently, as part of the Asset Forfeiture Program, the Warrants and Forfeiture section, collaborates with the AFCs, Asset Forfeiture Specialists, and Financial Investigator IV contractor employees to develop training curricula, conduct the prescribed training courses, and maintain training records for new agent asset forfeiture training. The CI Division also coordinates training opportunities with other Federal agencies. The AFC facilitated training provides new agents that have less than 5 years tenure with



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enough knowledge to consider seizure and forfeiture potential in their investigations. In addition, the Warrants and Forfeiture section is available to assist in new agent asset forfeiture training for field office special agents.

The CI Division added that making delivery of additional asset forfeiture training to special agents during their first 5 years a requirement would have a significant budget impact. The Director, Operations Policy and Support, will further evaluate the need and the CI Division's ability to implement this requirement as compared to continuing to provide the current additional training discussed in the prior paragraph.

Recommendation 5: Consider requiring the contractor employees in each field office make periodic asset forfeiture presentations to each group of special agents.

Management's Response: IRS management agreed with this recommendation. The CI Division concurred that contractor employees and the AFC should make periodic asset forfeiture presentations to each group of special agents in the field offices. The AFCs will be directed to coordinate these presentations.

External Stakeholders Generally Praise the Criminal Investigation Division's Asset Forfeiture Program

During the audit, we met with the Director, TEOAF, to gain his perspective on the CI Division's Asset Forfeiture Program. The Director stated that the CI Division does a "remarkably good job" with its Asset Forfeiture Program, especially when compared to other agencies with more resources (e.g., the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement). The statistics support the assertion indicating that, despite fewer resources, the CI Division's Asset Forfeiture Program appears to be more productive than some other agencies. Figure 5 shows the net amounts deposited into the Treasury Forfeiture Fund and the Department of Justice's Asset Forfeiture Fund by selected Federal agencies, as well as the approximate total number of special agents employed by each.



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Figure 5: Number of Special Agents and Net Amounts Deposited Into the Treasury and Department of Justice Forfeiture Funds

Federal Agencies	Approximate Number of Special Agents ¹⁹	Amount Deposited Into Forfeiture Fund During FY 2009
IRS CI Division	2,700	\$274,738,332
Immigration and Customs Enforcement	6,000 – 7,000	\$168,796,668
Federal Bureau of Investigation	13,250	\$481,815,155
Drug Enforcement Administration	5,200	\$264,902,357

Source: CI Division, TEOAF, Department of Justice Management Division, Drug Enforcement Administration, and Federal Bureau of Investigation webpages.

According to the TEOAF’s Strategic Plan, Treasury Forfeiture Fund management measures the performance of each agency’s Asset Forfeiture Program by the percentage of cash forfeitures that are “high impact”—cash forfeitures equal to or greater than \$100,000. The goal for all Federal agencies that utilize the Treasury Forfeiture Fund is that 75 percent of all forfeited cash should result from “high impact” forfeitures. The Director, TEOAF, stated the CI Division has consistently met this goal.

We also discussed the CI Division’s Asset Forfeiture Program with five Asset Forfeiture AUSAs to gain their perspective. The United States Attorneys’ Offices are responsible for the prosecution of both criminal and civil actions against property used or acquired during illegal activity. The AUSAs were complimentary of the CI Division’s Asset Forfeiture Program and the quality of the forfeiture actions that were taken. One of the complimentary remarks noted in our discussions was the quality of the forfeiture actions brought by the special agents, especially as compared to other agencies. Another Asset Forfeiture AUSA indicated that the CI Division is the premier financial investigative agency, while another noted how indispensable the agents are in financial matters.

¹⁹ Please note that all four divisions included in this comparison would have agents working on investigations that would not have seizure potential. The purpose of this chart was to compare each agency’s total agent resources available and the net deposits to their department’s forfeiture fund.



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Appendix I

Detailed Objective, Scope, and Methodology

The overall objective was to evaluate whether the CI Division adequately considered the seizure of assets during its illegal source and narcotics investigations. Due to grand jury restrictions to case file information, we could not conduct any testing to determine the accuracy and reliability of the CIMIS data we received from the CI Division. In prior audits, our overall assessment has been that CIMIS data are of undetermined reliability. However, in our opinion, using the data did not weaken our analysis. To accomplish our objective, we:

- I. Evaluated the CI Division's policies and procedures relating to the seizure of assets during its criminal investigations.
 - A. Reviewed the Internal Revenue Manual and identified the criminal violations where the CI Division has the authority to seize and forfeit assets during criminal investigations.
 - B. Interviewed CI Division Headquarters' personnel and determined the role of the Warrants and Forfeiture section, the use of the CIMIS and Asset Forfeiture Tracking and Retrieval System, and the asset forfeiture training provided to new special agents.
 - C. Interviewed Office of Chief Counsel personnel and determined their role in the asset forfeiture process and identified the criminal violations where the CI Division has the authority to seize and forfeit assets during investigations.
 - D. Interviewed the Director, TEOAF, and gained his perspective on the CI Division's Asset Forfeiture Program.
 - E. Analyzed seizure-related statistics obtained from the CI Division and the TEOAF.
 - F. Reviewed the asset forfeiture section of the 11 most recent CI Division Review and Program Evaluation¹ reports and identified recommendations related to our objective.
 - G. Discussed with CI Division personnel the hiring of contractors to assist in the administration of the Asset Forfeiture Program.
- II. Evaluated whether the CI Division is fully utilizing its ability to seize assets during illegal source and narcotics investigations.
 - A. Analyzed CIMIS data for all primary and subject criminal investigations containing a Title 18 or Title 31 statute violation that were initiated during the period

¹ See Appendix IV for a glossary of terms.



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- October 1, 2006, through May 31, 2009. This included the identification of 7,068 illegal source and narcotics investigations that contained a money laundering violation (18 U.S.C. Sections 1956 and 1957) or a bank structuring violation (31 U.S.C. Section 5324).
- B. Using the CIMIS, Review and Program Evaluation reports, and statistical data provided by the Warrants and Forfeiture section, we judgmentally selected 4 of the 26 CI Division field offices for site visitations. These locations included the Oakland, California; St. Paul, Minnesota;² Nashville, Tennessee; and Houston, Texas, field offices. We used judgmental sampling since we did not intend to project any of our results.
 - C. Interviewed field office management and the AFCs in the selected field offices and learned each office's policies and procedures relating to their Asset Forfeiture Program.
 - D. Interviewed a total of 30 available special agents in the selected field offices and determined if the field office environment allowed for a strong Asset Forfeiture Program.
 - E. Interviewed a total of 16 available newer special agents, hired after January 1, 2005, in the selected field offices and determined if they had been adequately trained to pursue the seizure of assets during criminal investigations.
 - F. Interviewed a total of 11 available Supervisory Special Agents in the selected field offices and determined the procedures utilized to ensure the seizure of assets are adequately considering during criminal investigations.
 - G. Interviewed five Asset Forfeiture AUSAs with jurisdiction for the selected field offices (see Step II.B.) to gain their perspectives on the CI Division's Asset Forfeiture Program.

Internal controls methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the CI Division's policies, procedures, and practices relating to the seizure of assets. We evaluated these controls by interviewing CI Division and Department of Justice personnel, analyzing data related to seizures, and reviewing the CI Division's self assessments contained in its performance reports.

² We did not meet with the AFC or conduct Steps II.D., II.E, and II.G. at the St. Paul field office due to time constraints.



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Appendix II

Major Contributors to This Report

Margaret E. Begg, Assistant Inspector General for Audit (Compliance and Enforcement Operations)
Marybeth H. Schumann, Director
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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Director, Operations Policy and Support, Criminal Investigation Division SE:CI:OPS
Director, Strategy, Criminal Investigation Division SE:CI:S
Director, Warrants and Forfeiture, Criminal Investigation Division SE:C:OPS
Chief Counsel C
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Chief, Criminal Investigation Division SE:CI



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Appendix IV

Glossary of Terms

Asset Forfeiture Specialist – Contract employees who perform administrative tasks such as the entry of data into the Asset Forfeiture Tracking and Retrieval System.

Asset Forfeiture Tracking and Retrieval System – A database that tracks assets seized by the CI Division during investigations, reports on their status while in government custody, and reports on the disposition of assets and distribution of proceeds from asset sales and other disposal methods for forfeited assets.

Bank Secrecy Act – Legislation that requires certain businesses to submit reports of large-dollar case transactions for use by law enforcement agencies in identifying terrorist funding, money laundering, and other illegal activity.

Criminal Investigation Management Information System – A database used to track the status and progress of criminal investigations and the time expended by special agents.

Criminal Tax Counsel – The section within IRS Chief Counsel that provides legal advice to the CI Division throughout the criminal investigation process.

Department of Justice Asset Forfeiture Fund – A fund into which forfeited cash and the proceeds of the sale of forfeited property are deposited. Participating agencies include the Bureau of Alcohol, Tobacco, and Firearms; the Drug Enforcement Administration; and the Federal Bureau of Investigation. The fund may be used for several purposes including supporting criminal investigations.

Field Office – Offices within the four CI Division geographical areas throughout the country with boundaries that range from a portion of a single State to inter-State areas. There were 26 CI Division field offices at the time of our audit.

Illegal Source – Crimes involving illegally earned income including crimes involving money laundering, 18 U.S.C. Sections (§§) 1956 and 1957; sections of U.S.C. Title 31, Money and Finance; and U.S.C. Title 26 violations investigated in conjunction with other agencies.

Internal Revenue Code – The codified collection of United States laws on income, estate and gift, employment, and excise taxes, plus administrative and procedural provisions.

Money Laundering – The process of disguising criminal proceeds and may include the movement of clean money through the United States with the intent to commit a crime in the future (e.g., terrorism).



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Narcotics Investigation – Crimes involving tax and money laundering related to narcotics and drug trafficking.

Primary Investigation – An evaluation of an allegation that an individual or entity is in noncompliance with the Internal Revenue laws and related financial crimes.

Reverse Asset Sharing – The CI Division and other Department of the Treasury law enforcement agencies routinely participate in joint investigations where the Department of Justice law enforcement agency is the lead seizing agency. The lead seizing agency processes the seizure from forfeiture to disposition. The CI Division can request an equitable share of any forfeited property from its participation in the investigation.

Review and Program Evaluation – A report provided by a review team, consisting of CI Division Office of Strategy and field personnel, that assesses CI Division operations, managerial effectiveness, and ensures alignment with the CI Division Compliance Strategy and IRS internal standards.

Special Agent – A law enforcement employee who investigates potential criminal violations of the Internal Revenue laws and related financial crimes.

Subject Investigation – An investigation of an individual or entity alleged to be in noncompliance with the laws enforced by the IRS and having prosecution potential.

Title 18 – U.S.C. Title 18, Crimes and Criminal Procedure. Various sections of Title 18 apply to violations that are within the jurisdiction of the CI Division. Examples include § 286, Conspiracy to Defraud the Government with Respect to Claims; § 287, False, Fictitious, or Fraudulent Claims; § 371, Conspiracy to Commit Offense or to Defraud United States; and §§ 1956 and 1957, Laundering of Monetary Instruments and Engaging in Monetary Transactions in Property Derived from the Specified Unlawful Activity. The most common section investigated under this statute is money laundering.

Title 31 – U.S.C. Title 31, Money and Finance. Several sections of Title 31 apply to violations that are within the jurisdiction of the CI Division. Examples include § 5322, Criminal Penalties (for willful violations of Title 31 sections) and § 5324, Structuring Transactions to Evade Reporting Requirement Prohibited.

Treasury Executive Office for Asset Forfeiture – The agency that provides management oversight of the Treasury Forfeiture Fund, which is the receipt account for the deposit of nontax forfeitures made by member agencies including the CI Division.



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Appendix V

Management's Response to the Draft Report



Criminal Investigation

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

May 21, 2010

RECEIVED
MAY 21 2010

BY: *DAS*

MEMORANDUM FOR MICHAEL R. PHILLIPS
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Victor S. O. Song *V.S.O.*
Chief, Criminal Investigation CI

E. J. For

SUBJECT:

Response To Draft Audit Report - The Criminal Investigation
Division Can Take Steps to Ensure Its Seizure Opportunities are
Maximized (Audit #200930026)

The following is Criminal investigation's (CI) response to the above named report. Please incorporate this memorandum into your response to Treasury Inspector General for Tax Administration (TIGTA).

CI agrees in substance with the recommendations contained in TIGTA's draft report "The Criminal Investigation Division Can Take Steps to Ensure Its Seizure Opportunities Are Maximized." CI's Warrants and Forfeiture Section (WF) provides program assistance, support, and direction, and will continue to make recommendations to enhance seizure opportunities during the Review Program Evaluation (RPE) of individual CI Field Offices as part of our asset forfeiture compliance strategy.

The recommendations in the draft TIGTA report discuss the role of "contractor employees" in three of the five recommendations. CI is currently focusing efforts on identifying and placing Financial Investigator IV contract employees into field offices in support of the asset forfeiture program. Financial Investigator IV contract employees possess a special skill set, with extensive law enforcement experience in investigations involving financial crimes, money laundering violations and asset forfeiture, as well as a working knowledge of the Internal Revenue Manual Part 9, Criminal Investigation policy and procedures, and the Internal Revenue disclosure policy. CI has already completed the placement of several of these special contractors and the results have been very positive. Additional locations will be staffed as budget permits.

Our comments on the specific recommendations in this report are as follows:

Recommendation #1:



The Criminal Investigation Division Can Take Steps to Ensure Its Seizure Opportunities Are Maximized

2

Require contractor employees to review CIMIS reports to identify recently initiated narcotics and illegal investigations where there is no corresponding SIA. Once these investigations are identified, the contractor employees should proactively engage the special agents in discussions regarding the identification of forfeitable assets.

Corrective Action:

CI recognizes that management and oversight of SIA investigations are imperative to ensure that seizure opportunities are maximized. Asset Forfeiture Coordinators (AFC) are directed to review and consult on narcotics and illegal investigations with management officials (Supervisory Special Agent, Assistant Special Agent in Charge, and Special Agent in Charge) with the assistance of Financial Investigators where available. Management officials in the Field Office have direct oversight and responsibility for the review of CIMIS reports and follow-up with their agents on seizure opportunities that may be available.

CI will examine the creation of a structured oversight and coordination system with management and Financial Investigator IV contractor employees to monitor and more effectively maximize seizure opportunities on narcotics and illegal investigations.

Implementation Date:

Completed: _____ Proposed: 11/15/2010

Responsible Official: Director, Operations, Policy and Support

Corrective Actions Monitoring Plan: N/A

Recommendation 2:

Require contractor employees to periodically contact special agents to determine the status of the seizure and offer additional assistance.

Corrective Action:

Asset Forfeiture Coordinators (AFC) are directed to review and consult on narcotics and illegal investigations with management officials (Supervisory Special Agent, Assistant Special Agent in Charge, and Special Agent in Charge) with the assistance of Financial Investigators where available.

CI will examine the creation of a structured oversight and coordination system with management and Financial Investigator IV contractor employees that will encompass offering additional assistance/support to agents with asset forfeiture cases in an effort to effectively maximize seizure opportunities on narcotics and illegal investigations.

Implementation Date:

Completed: _____ Proposed: 11/15/2010



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3

Responsible Official: Director, Operations, Policy and Support

Corrective Actions Monitoring Plan: N/A

Recommendation 3:

Conduct an internal study, with the cooperation of the United States Attorney's Offices, to determine if seizure opportunities are being missed. This study should incorporate a review of a sample of narcotics and illegal source investigations where the seizure of assets was not pursued to determine if assets with seizure potential were not identified.

Corrective Action:

As the findings and recommendation by TIGTA indicate a need for greater participation by the Field Office personnel in the seizure process, initiating an internal study is unnecessary. CI will look forward and will ensure the appropriate management reviews are being performed and that discussions are being held between management and special agents when initiating narcotics and illegal source investigations to determine if there is asset seizure potential.

Implementation Date:

Completed: N/A Proposed: N/A

Responsible Official: Director, Operations, Policy and Support

Corrective Actions Monitoring Plan: N/A

Recommendation 4:

Require that each special agent receive additional asset forfeiture training during their first 5 years to supplement the basic training received at the Federal Law Enforcement Training Center.

Corrective Action:

CI agrees that additional asset forfeiture training would be beneficial to the program. During RPE reviews, the Warrants & Forfeiture Section encourages the Field Office to conduct new agent basic asset forfeiture training.

Currently, as part of the asset forfeiture program, the Warrants and Forfeiture Section, in collaboration with the Contractor work with the AFC, AFS, and Financial Investigator IV in developing training curricula, conducting the prescribed training courses, and maintaining training records for new agent asset forfeiture training. These efforts are coordinated with training opportunities from the Department of the Treasury, Executive



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4

Office for Asset Forfeiture; the Department of Justice, Asset Forfeiture and Money Laundering Section. They also include publishing training opportunities and timely distribute asset forfeiture information. Training materials are updated on a regular basis ensuring policy, regulatory, legal, and system changes are incorporated. This AFC facilitated training provides new agents that have less than five years tenure with enough knowledge to consider seizure and forfeiture potential in their investigations. In addition, the Warrants and Forfeiture Section is available to assist in new agent asset forfeiture training for Field Office special agents.

Making delivery of additional asset forfeiture training to special agents during their first 5 years a requirement would have a significant budget impact. The Director, OPS will further evaluate the need and CI's ability to implement this requirement as compared to continuing to provide the current additional training explained above.

Implementation Date:

Completed: N/A

Proposed: 11/15/2010

Responsible Official: Director, Operations, Policy and Support

Corrective Actions Monitoring Plan: N/A

Recommendation 5:

Consider requiring the contractor employees in each field office make periodic asset forfeiture presentations to each group of special agents.

Corrective Action:

CI concurs with the recommendation that contract employees and the AFC make periodic asset forfeiture presentations to each group of special agents in the Field Offices. AFCs will be directed to coordinate these presentations.

Implementation Date:

Completed: N/A

Proposed: 11/15/2010

Responsible Official: Director, Operations, Policy and Support

Corrective Actions Monitoring Plan: N/A