

**REPORT OF THE  
VIRGINIA STATE CRIME COMMISSION**

# **Drug Interdiction and Drug Law Enforcement**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 23**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2002**





# COMMONWEALTH of VIRGINIA

VIRGINIA STATE CRIME COMMISSION

Senator Ken Stolle  
Chairman

Rich Savage  
Director

February 7, 2002

TO: The Honorable Mark Warner, Governor of Virginia

And

Members of the Virginia General Assembly

The 2000 General Assembly, through Senate Joint Resolution 124, requested the Virginia State Crime Commission continue the study of drug law enforcement and drug interdiction policies and strategies in Virginia.

Enclosed for your review and consideration is the report which has been prepared in response to this request. The Commission received assistance from all affected agencies and gratefully acknowledge their input into this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Stolle".

Kenneth W. Stolle  
Chairman



## I. Authority for Study

Recognizing the many threats posed by drug abuse and the related drug trade, during the 2000 session of the Virginia General Assembly, legislators passed Senate Joint Resolution 124, directing the Virginia State Crime Commission to continue its study of law-enforcement efforts originally mandated in Senate Joint Resolution 240 (1998). Specifically, the Senate Joint Resolution 240 study mandate instructed the Crime Commission to:

- Explore the effectiveness of current law enforcement and drug interdiction strategies;
- Evaluate the manner and efficiency of cooperation among federal, state and local law enforcement agencies in attempting interdiction; and
- Measure Virginia's success in enforcing drug possession and commerce laws and, thus reducing the flow of drugs into and within the Commonwealth.

Similarly, Senate Joint Resolution 124 specifically instructs the Crime Commission to:

- Investigate the efficacy and current status of criminal justice integrated information networks nationally, in other states, and in the Commonwealth;
- Investigate the related applicability of geographical information systems;
- Investigate the potential of criminal justice integrated information networks and geographical information systems to allow for detection and prediction of criminal activity, thereby aiding law enforcement agencies;
- Investigate the most effective design, management, and use of all existing multi-jurisdictional task forces; and,
- Investigate the extent to which increased communication, cooperation and coordination between state and local law enforcement agencies can maximize the effectiveness and efficiencies of the Commonwealth's law enforcement efforts.

Section 30-156 of the *Code of Virginia* establishes the Virginia State Crime Commission and directs it "to study, report, and make recommendations on all areas of public safety and protection." The Virginia State Crime Commission, in fulfilling its legislative mandate, undertook the study of drug interdiction and drug law enforcement within the Commonwealth.

In response to the issues raised by the study mandate, Crime Commission staff identified specific issues for examination that should facilitate a focused, yet comprehensive study of drug law enforcement and drug interdiction within Virginia. Specifically, these issues encompass four areas:

- Money Laundering and Asset Forfeiture
- Multi-Jurisdictional Task Forces

- Crime and Technology Issues
  - Criminal Justice Integrated Information Networks (CJIIN)
  - Geographical Information Systems (GIS) programs.

Although these issues will be individually addressed, the complimentary relationship between all four will also be examined. Separately, money laundering, multi-jurisdictional task forces, CJIIN and GIS address different components of the study mandate; examined together, they illustrate the crucial relationship between drug interdiction, drug law enforcement and technology.

## **II. Executive Summary**

In Spring 1998 the Virginia State Crime Commission began its examination of drug law enforcement and drug interdiction policies and strategies within the Commonwealth, pursuant to Senate Joint Resolution 240. During the 2000 Session of the Virginia General Assembly, Senate Joint Resolution 124 was passed, directing the Crime Commission to continue its study of law enforcement efforts.

### **Staff Findings**

**T**he Crime Commission found:

- The movement of illegally derived funds is the weakest link in the drug trafficking cycle, and the point at which successful interdiction efforts result in the greatest financial loss to drug traffickers.
- Combined with the use of asset forfeiture and seizure laws, law enforcement efforts aimed at intercepting the funds derived from the illegal drug trade can successfully hamper the movement of illegal drugs.
- Contemporary money laundering efforts do make use of money service businesses to launder illegal funds.
- Money service businesses are not as stringently regulated by the federal government as the traditional banking industry. By successfully structuring funds into amounts that fall under BSA reporting, record keeping and I.D. requirements for MSBs, criminals can eliminate any paper trail that connects those funds to an illegal source.
- Because SARS are not required for MSB transactions, what would otherwise qualify as suspicious activity often goes undetected.

- Multi-jurisdictional drug task forces allow local law enforcement agencies to pool resources and expertise, thereby aiding them in their ability to target and investigate drug crimes.
- Because of the current methods employed for evaluating Virginia's multi-jurisdictional drug task forces, the true effectiveness of those task forces cannot be verified.
- Geographical Information Systems (GIS) are used by law enforcement agencies for identifying and analyzing crime patterns, thereby aiding law enforcement's ability to prevent crime and better allocate manpower and resources.
- Federal resources are available to both state and local law enforcement agencies for implementing GIS. Unfortunately, only a small percentage of law enforcement agencies within the Commonwealth are aware of either the benefit associated with crime mapping or the GIS resources available to them, and an even smaller percentage actually utilize GIS. As well, state-directed efforts to coordinate the development of a statewide GIS system have only just recently been initiated.
- Criminal Justice Integrated Information Systems (CJIIN), by allowing public safety agencies to share important information, data, and documents in a more timely, accurate and complete manner, has the potential to make criminal justice information accessible at every step of the criminal justice process as well as increase the ability of law enforcement officials to apprehend criminals, manage their case loads, process individuals, and track them through the system.

## **Identified Issues**

Based on these findings, the Crime Commission has identified issues that may require further study:

- The Virginia General Assembly may wish to consider amending Virginia's Comprehensive Money Laundering Act (Chapter 6, Title 18.2, Sections 246.1-246.5 of the Code of Virginia) so as to better ensure the creation of a potential money laundering "paper trail," guard against bulk cash smuggling and other attempts to conceal and disguise the nature of a financial transaction, apprehend professional money launderers, conduct undercover sting operations and confiscate laundered funds.
- The Virginia General Assembly may wish to consider requesting the Virginia Department of State Police, the Virginia Sheriff's Association, and the Virginia Association of Chiefs of Police to construct and disseminate a guide detailing those training opportunities available to state and local law enforcement that are

focused both on drug interdiction as well as the interdiction of those funds derived from the drug trade.

- The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to formulate, direct and promulgate policies, standards, specifications and guidelines for the effective development and deployment of state and local multi-jurisdictional drug task force; and to maintain and report on the effectiveness of those existing state and local multi-jurisdictional drug task forces.
- The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to direct and approve the drafting of a comprehensive and strategic plan focused on fostering coordination and information sharing between Virginia's state/federal, and state/local, multi-jurisdictional drug task forces, and with other task forces and states outside Virginia.
- The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to make a bi-annual report to the Public Safety Subcommittees of the House Appropriations and Senate Finance Committees of the Virginia General Assembly on the effectiveness of Virginia's state/local multi-jurisdictional drug task forces, and to conduct special or continuing studies as directed by the Virginia General Assembly.
- The Virginia General Assembly may wish to consider requesting that Virginia's Secretary of Technology – or his designee - the Department of Motor Vehicles, the Virginia Department of Transportation, the Department of State Police, and Virginia's Planning District Commissions to develop a strategic plan for implementing a statewide Geographical Information System program; to re-evaluate the strategic plan annually and either reaffirm or amend it as appropriate; and to facilitate the drafting of similar plans at local and/or regional level.
- The Virginia General Assembly may wish to consider requesting that Virginia's Secretary of Technology – or his designee – to make an annual report to the Virginia State Crime Commission and the Joint Commission on Technology and Science on the status of Geographical Information Systems in Virginia; and to report annually on federal funding opportunities available for the promotion of a statewide Geographical Information System.
- The Virginia General Assembly may wish to consider requesting that the Virginia Geographic Information Network Division, in conjunction with the Virginia Department of State Police, to construct and disseminate a guide detailing the benefits of GIS, available GIS software, and training opportunities available to state and local law enforcement.



## **Conclusion**

By endorsing SJR 240, the Virginia General Assembly and Governor James S. Gilmore, III took a vital step toward addressing and combating the drug threat in Virginia. Having recognized that a problem does exist, the next step involves establishing a coordinated, comprehensive approach focused on disrupting and dismantling these increasingly sophisticated illegal drug trade organizations. The drug trade cycle is complex, consisting of many components.<sup>1</sup> Recognizing the unique problems posed by this threat, Virginia law enforcement officials are employing a myriad of operations designed to attack the drug trade cycle from all angles.<sup>2</sup> However, many of these actions are piece-meal in nature; that is, they do not address the drug problem comprehensively. Only by employing a wide-ranging approach, one that attacks the threat at multiple points, will the Commonwealth be able to truly impact the scourge of illegal drugs.

Virginia legislators and law enforcement officials have one unified goal: to keep the citizens of the Commonwealth safe from the dangers posed by illegal drugs. SJR 240 seeks to identify the areas most vulnerable in the drug trade, and then examine and evaluate both the statutory tools and law enforcement efforts that can most effectively impact these areas. The result of this evaluation will be the development of an efficient and effective plan of action for fighting the drug threat in the Commonwealth; a plan of action that promotes an overall goal of safety and security for all Virginians from the dangers posed by the illegal drug trade.

## **III. Methodology**

The discussion below represents the comprehensive study design developed by staff in order to explore and analyze the issues identified pursuant to SJR 240. The identification of appropriate and feasible research methods proved integral in the formulation of this research agenda. Staff gave careful consideration to all source selection and made a conscious effort to identify and eliminate any sources that might potentially bias the objectivity of the project. Furthering this commitment was the participation of the Task Force on Organized Crime and Drug Trafficking, whose members provided knowledge on and helped identify methods for strengthening drug interdiction efforts.<sup>3</sup> The Crime Commission assembled the Task Force on Organized Crime and Drug Trafficking to, “examine the increasingly complex, organized and

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<sup>1</sup> See figure 1.4, p. 4.

<sup>2</sup> “Virginia State Police: Drug Enforcement Efforts,” Presentation by Colonel M. Wayne Huggins, July 14, 1998.

<sup>3</sup> Task force members include: Sen. Kenneth W. Stolle (Chairman), Del. James F. Almand, Del. R. Creigh Deeds, Del. Raymond R. Guest Jr., Sen. D. Janet Howell, Del. A. Donald McEachin, Del. Brian J. Moran, Sen. Thomas K. Norment Jr., Del. Clifton A. Woodrum, Lt. Governor John Hager, Mr. Frank Ferguson, Hon. Terry W. Hawkins, Hon. Robert J. Humphreys, Hon. William G. Petty, Hon. Stuart Cook, Capt. Terry Bowes, Dr. Paul Ferrara, Col. M. Wayne Huggins, Mr. Bruce Morris, Lt. Mark Petska, Sgt. Dennis Santos, Mr. Dana Brown, Mr. William Brown, Mr. Stefan Cassella, Mr. James Corney, Mr. Edward Doyle, Ms. Barbara Hurley, Mr. Chuck Owens, Mr. Lewis Raden.

dangerous practices associated with the illegal manufacture, sale and distribution of drugs.” Task Force members, who include representatives from federal, state, and local law enforcement agencies, served as an invaluable resource to staff, bringing accurate and objective information to the research project.<sup>4</sup>

In an attempt to keep the project focused, staff carefully chose sources directly related to the issues identified by the study mandate. Staff also made an effort to utilize the most recent sources of information.<sup>5</sup> Though the specific methods employed do vary according to the particular issue discussed, the methods used represent a variety of traditional quantitative and qualitative techniques. Surveys, interviews, statistical data and content analysis of reviewed literature represent the spectrum of methods relied on in the project.

For each sub-section of the report, staff conducted an extensive literature review. The conceptual framework of the study mandate and the goals identified by the staff in relation to the study mandate guide each review. Furthermore, staff engaged in the content analysis of all literature that was reviewed; that is, staff identified “coherent and important examples, themes and patterns in the data.”<sup>6</sup>

In addition, interviews were a principal method of data collection. Staff conducted many of the interviews with members of the Task Force on Organized Crime and Drug Trafficking. Staff conducted additional interviews on a sample comprising of contacts provided by members of the Task Force.<sup>7</sup>

**Money Laundering and Asset Forfeiture.** Staff identified the following goals in relation to the study mandate to guide the literature review for the money laundering and asset forfeiture section of the report:

- The definition of money laundering and asset forfeiture and seizure, and the effects of these practices as explained through example;
- The identification and discussion of the various methods and tools currently utilized by law enforcement agents to identify and prosecute money laundering cases; and,
- The review of training opportunities for state and local law enforcement agents and Commonwealths Attorneys which focus on money laundering and asset forfeiture and seizure.

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<sup>4</sup> “Task Force Announced to Investigate Organized Crime and Drug Trafficking in Virginia,” Press Release, Virginia State Crime Commission.

<sup>5</sup> Dated materials were used in setting up a historical timeline for legislation and for the development of the issues in general. However, in discussing the current status of the issues identified, staff attempted to use the most recent legislation or publications possible. However, it must be realized that, especially regarding technology issues, developments are constantly being made and it is impossible to ascertain whether staff has identified the most current trends, legislation and/or publications at the time of presentation.

<sup>6</sup> Patton, Michael. How to Use Qualitative Methods in Evaluation. Sage Publications: London, 1997, p.149.

<sup>7</sup> Patton, Michael. How to Use Qualitative Methods in Evaluation. Sage Publications: London, 1997, p. 56.

In addition, Crime Commission, in conjunction with the Center for Public Policy Research at the College of William and Mary, constructed and administered a survey. The purpose of the survey was to:

*Examine the banking practices of residents of the Commonwealth of Virginia as part of a larger effort to understand and manage financial transactions surrounding and integral to illegal drug trafficking within the Commonwealth...*

Two surveys were actually administered. Staff distributed one survey to a representative sample of adult citizens in Virginia and the other to a special sample of respondents unlikely to use banking services.

As well, staff administered two surveys to all Commonwealth's Attorneys offices and state and local law enforcement agencies in Virginia. **These surveys were designed to determine the extent to which Virginia's law enforcement agencies and Commonwealth's Attorneys are targeting financial crimes associated with drug trafficking and what methods Virginia's law enforcement agencies and Commonwealth's Attorneys are using to detect and deter these crimes.**

*Multi-Jurisdictional Drug Task Forces.* Staff identified the following goals in relation to the study mandate to guide the literature review for the multi-jurisdictional drug task force section of the report:

- Identifying existing task forces;
- Identifying the state, local and federal government departments/agencies participating in the selected task forces;
- Mapping the information visually to represent the existing task forces;
- Cataloguing and evaluating the mission statements of these task forces; and
- Highlighting the overlap in task force goals and duplication of effort that currently exist.

Educated by the literature review, staff constructed a purposeful sample of various multi-jurisdictional task forces for comparison. *Purposeful sampling* consists of the selection of information-rich cases for in-depth study. Information rich cases allow the researcher to learn a great deal about issues of central importance to the purpose of evaluation. Specifically, staff employed critical case sampling, which includes those cases that are particularly important in the project plan. For this section, staff included as critical cases multi-jurisdictional task force models that have demonstrated success in

promoting drug interdiction efforts.<sup>8</sup> Among the task force models cited are those of the Federal Drug Enforcement Agency (DEA), the Federal Bureau of Investigation (FBI), the Organized Crime Narcotics Trafficking Enforcement Program (OCN), the International Association of Chiefs of Police (ICPA), the High Intensity Drug Trafficking Program (HIDTA), and the Organized Crime and Drug Enforcement Task Force Program (OCDETF).

**Law Enforcement and Technology.** Staff identified the following goals in relation to the study mandate to guide the literature review for the law enforcement and technology, GIS, and CJIIN sections of the report:

- Highlighting the most efficient and effective methods of regional crime analysis to determine the “best practices” for regional crime enforcement and analysis, including;
- Methods for capturing data on crimes committed;
- Standardizing the collection and dissemination of crime data;
- Viewing crime data via a Geographical Information program; and,
- Developing an introductory report that offers a discussion concerning the creation of a centralized, relational criminal database and the linking of that database with a Geographical Information System program.

Again, staff employed critical case sampling, based on the premise that, “if it happened there, it will happen anywhere.”<sup>9</sup> For the purposes of this section, states that have fully operational CJIIN and/or GIS programs have been included as critical cases. For the CJIIN section, this includes Kansas, Georgia, Colorado, Delaware, and Florida. For the GIS section, this includes New York State and Baltimore County, Maryland.

In addition, Crime Commission staff constructed and administered a “Crime Mapping Survey.” The purpose of the survey was to determine the extent to which Virginia’s police and sheriff’s departments are using computerized crime mapping, and to identify the hurdles for implementing GIS statewide. The survey was distributed to all of Virginia’s local police departments and sheriffs’ offices.

## **IV. Background**

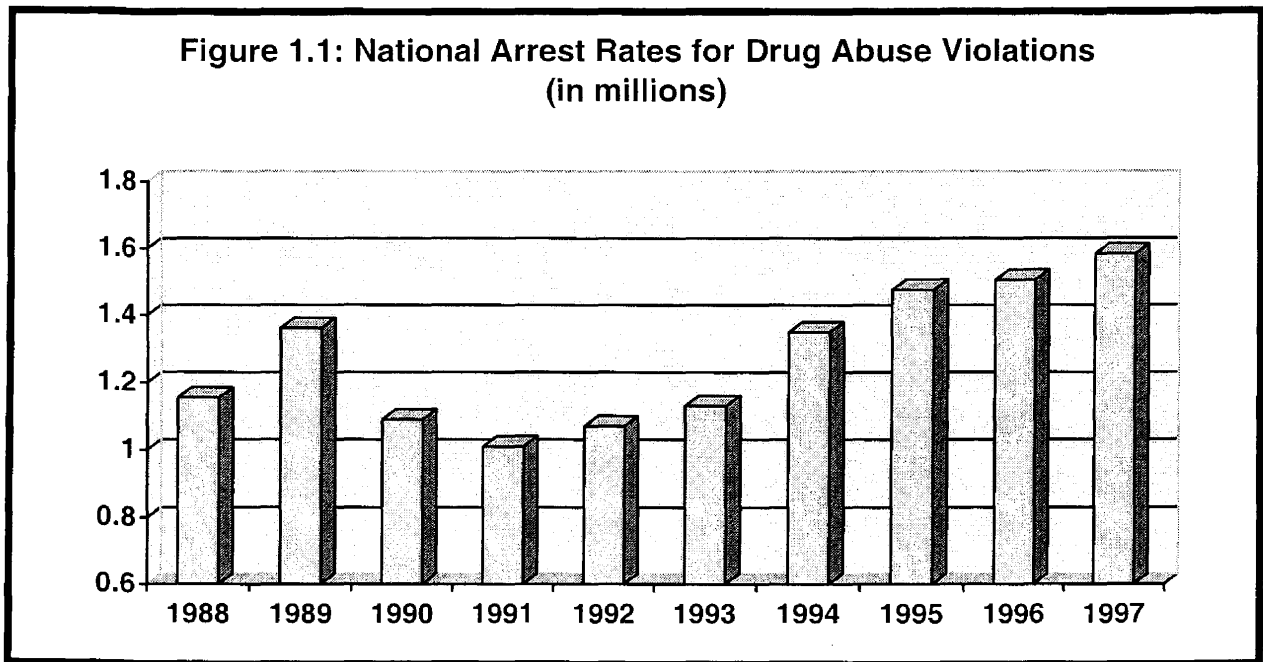
The drug problem in Virginia is one that, despite the ongoing efforts of federal, state and local law enforcement officials, continues to threaten the Commonwealth. National arrest rates over the past ten years indicate that the drug threat in the United

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<sup>8</sup> Demonstrated success includes overcoming political obstacles and power struggles, and successfully implementing strategies that coincide with identified mission statements and/or goals.

<sup>9</sup> Patton, Michael. *How to Use Qualitative Methods in Evaluation*. Sage Publications: London, 1997, p. 55.

States remains a real and serious problem (see **Figure 1.1 below**). Drug arrest trends in Virginia mirror the national trends. Since the mid-1990s, drug arrests in Virginia have been slowly rising. Between 1988 and 1998 alone, the drug arrest rate in Virginia increased by 67%, with an occurrence of 447 arrests per every 100,000 people in 1998 (see **Figures 1.2, 1.3 below**).



Source: 1999 National Drug Control Strategy. Office of National Drug Control Policy

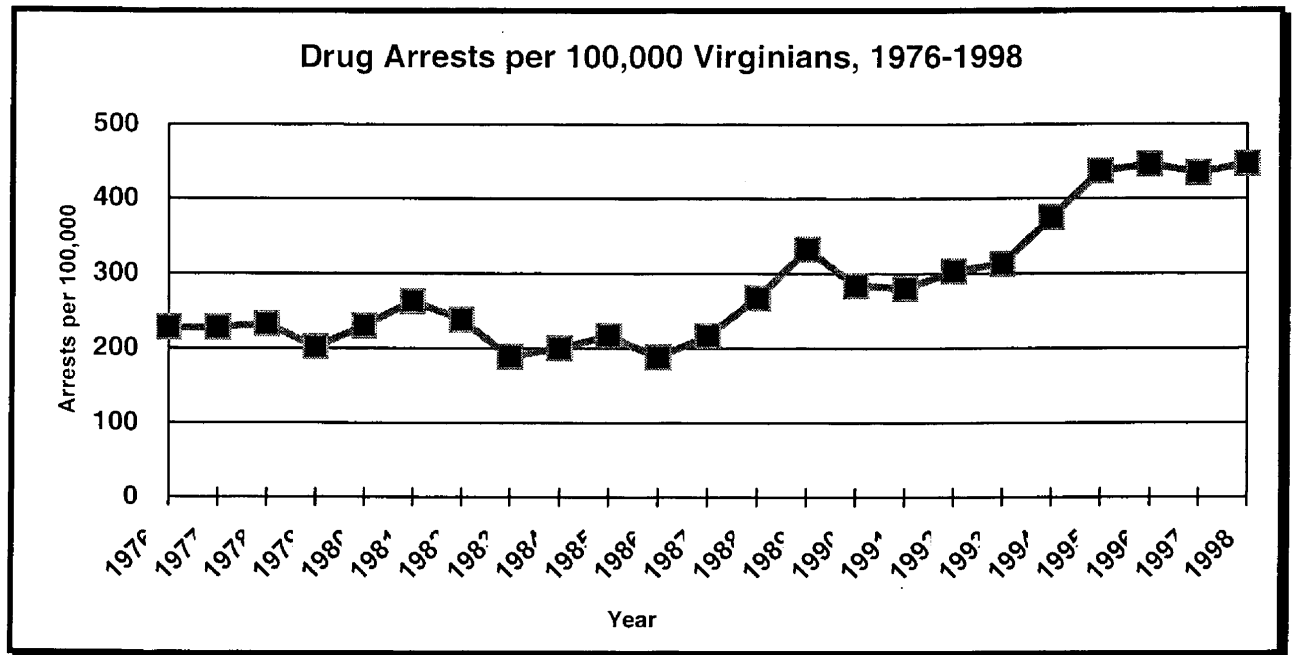
Key to understanding and combating the drug threat is the realization that the problem is multi-faceted, and, therefore, impacts many different areas of society. Summarizing, the illegal drug trade is a crime cycle that knows no boundaries; threatening family structures, workplaces, and businesses without regard for geography, race or religion. Often times misperceived as a victimless crime, drug abuse stretches far beyond the scope of the individual drug user, expanding its reach into every corner of society.<sup>10</sup> The greatest cost of drug abuse is paid in human lives, often through overdose, the spread of disease, traffic accidents caused by drug-impaired drivers, or street crime committed to support drug addictions. Moreover, drug abuse has financial costs. National studies have shown that drug users are less dependable than non-drug users, and, subsequently decrease workplace productivity<sup>11</sup>. The National Institute on Drug Abuse

<sup>10</sup> Victimless crimes, from a sociological standpoint, are those crimes that are perceived to be voluntary and/or consensual actions that only affect the participant or participants, and therefore are without a victim. Among such perceived crimes are drug abuse, prostitution, and attempted suicide. Although certain scholars endorse this concept, many reject it, noting that the effects of such crimes are often felt both directly and indirectly by other individuals and society as a whole.

<sup>11</sup> National Drug Control Strategy, 1999. Office of National Drug Control Policy; p.17

and the National Institute on Alcohol Abuse and Alcoholism estimated that the cost to America in lost productivity due to drug abuse in 1992 was \$69.4 billion.<sup>12</sup>

Figure 1.2\*



\*All drug arrest rates taken from yearly "Crime in Virginia" reports compiled by the Uniform Crime Reporting Section of the Virginia State Police. Drug arrest rates were not available prior to 1976. All yearly population estimates from the Weldon Cooper Center for Public Policy at the University of Virginia.

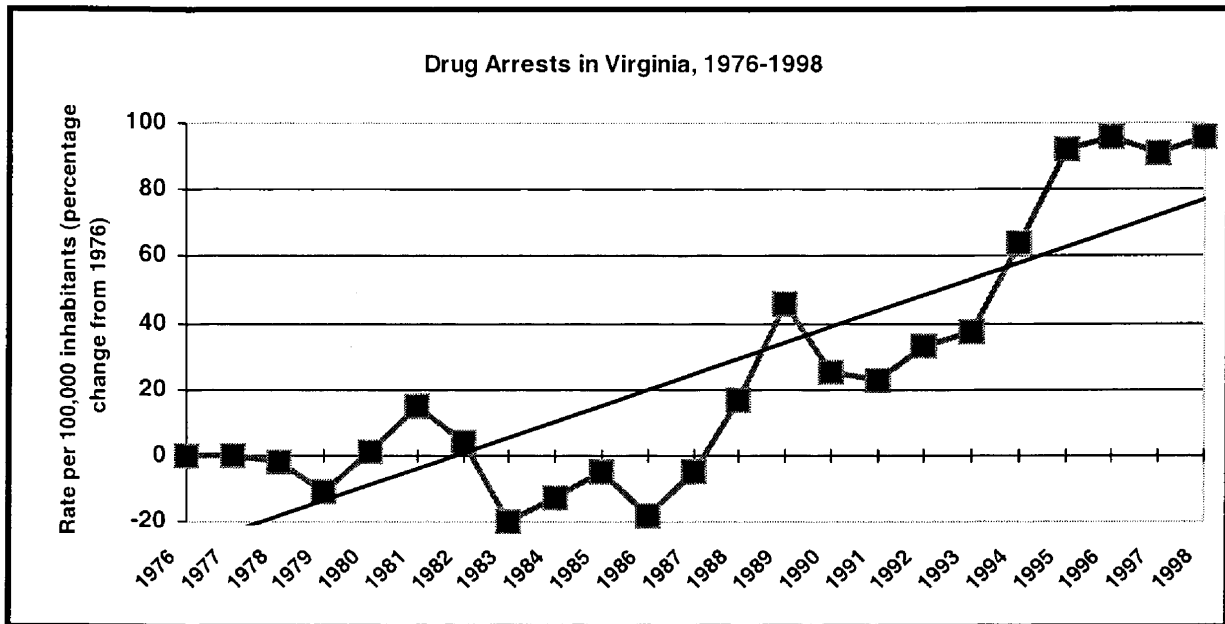
Further, the resources relied upon to apprehend, sentence, treat, and incarcerate drug abusers come from the pockets of taxpayers<sup>13</sup>. In Virginia, law enforcement agencies report that drug offense arrests were three times higher than the number of arrests for all other violent offenses in 1998, and that one fourth of all new inmates committed to the Virginia Department of Corrections during that year were persons convicted of drug offenses<sup>14</sup>. This translates into an increased strain on the resources of the criminal justice system and increased taxpayer monies being devoted to drug crime related issues. Acknowledging that drug abuse and associated criminal activity know no boundaries and that the costs to society are high, it is apparent that all citizens within the Commonwealth are impacted by the effects of drug abuse and the drug trade cycle.

<sup>12</sup> Currently, 60% of all drug users are employed full-time, representing 6.5% of the U.S. adult full-time labor force. Overall, 73% of all adult drug users are employed either part time or full time. Taken from SAMHSA's 1997 National Household Survey on Drug Abuse.

<sup>13</sup> National Drug Control Strategy, 1999. Office of National Drug Control Policy; p. 14

<sup>14</sup> "Crime in the Commonwealth, 1988-1998" Criminal Justice Research Center, DCJS

Figure 1.3\*



\*All drug arrest rates taken from yearly "Crime in Virginia" reports compiled by the Uniform Crime Reporting Section of the Virginia State Police. Drug arrest rates were not available prior to 1976. All yearly population estimates from the Weldon Cooper Center for Public Policy at the University of Virginia.

### ***Drug Abuse and the Drug Trade: Mutually Reinforcing Cycles***

Drug abuse and the associated costs are both supported and reinforced by the related cycle of drug trafficking. Using cocaine as an illustration, **Figure 1.4** below depicts the drug trafficking cycle. Drug trafficking commences in the jungles of Peru and Bolivia with the cultivation of coca plants. It is during Phase 2 that the harvest is processed in Colombian laboratories, and shipped via the Caribbean or Mexico to the United States, where it is smuggled across the boarder into primary drug markets, and then distributed to secondary and tertiary drug markets across the United States.<sup>15</sup> It is here where the cycles of drug trafficking, *either at the primary, secondary, or tertiary market* and drug abuse intersect. At Phase 4, the user exchanges money with the trafficker, and the profits from the drug trade begin their journey back to the country of origin. It is also at this point that the money-laundering cycle begins and drug traffickers concentrate on the "handling" of cash. At this point, the cash must be counted, packaged, stored, and then shipped to overseas suppliers for the repurchase of drugs. Additionally, the drug distribution networks transport cash to, from, and within secondary markets in order to pay for overhead and operation costs, to purchase luxury items, and to safeguard

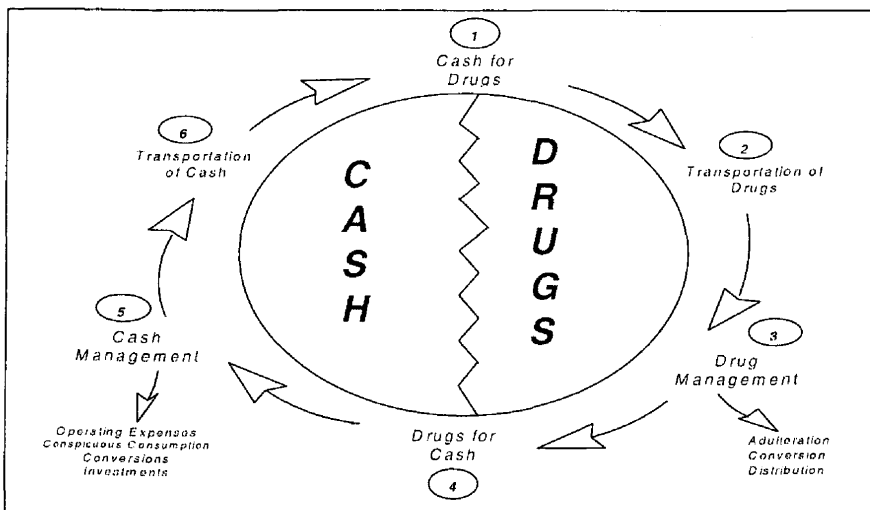
<sup>15</sup> **Primary Drug Markets** are defined as areas in which drugs are directly supplied from and through an overseas source.

**Secondary Drug Markets** are areas that receive little or no direct shipments of drugs from overseas sources; instead, drugs are supplied through purchases made in and through primary markets. Often secondary markets are major cities and metropolitan areas located near primary markets.

**Tertiary Drug Markets** are those markets with either little or no links with primary trafficking groups; often they are rural or suburban areas located adjacent to secondary markets.

and conceal against taxation and forfeiture.<sup>16</sup> This conceptual framework represents most drug trafficking operations in the United States, although geographic variation occurs depending on the illicit substance.<sup>17</sup> However, regardless of what drug is being discussed, the mutually reinforcing effects of the drug trafficking cycle and the drug abuse cycle are apparent.

Focusing on the Commonwealth, Virginia is a secondary and tertiary market in the drug trade; that is, drugs are transported from primary markets such as New York and Miami, through and into the Commonwealth via major highways and then distributed among Virginia's towns, cities, and counties. Key points of entry are the I-95 corridor in the Northern Virginia/Washington D.C. region, the Richmond area and the Hampton Roads area. Aware that Virginia serves as an integral component of the illegal drug trade, legislators and law enforcement professionals have instituted various tools and methods in an effort to stem the flow of drugs into the Commonwealth. For example, the strategic placement of multi-jurisdictional task forces remains a popular mechanism for identifying and dismantling drug trafficking operations.<sup>18</sup> As well, anti-money laundering legislation acts as a useful tool for disrupting the criminal activities of drug trafficking organizations. Further, a criminal justice system in line with modern technology operates more accurately and efficiently, thereby aiding in drug law enforcement, specifically, and the criminal justice process, generally.



**Figure 1.4**

Source: FinCEN, US Dept. of the Treasury

<sup>16</sup> Washington/Baltimore HIDTA.

<sup>17</sup> Afghanistan and Burma collectively account for the majority of the world's potential heroin production. The Golden Triangle area of Southeast Asia leads in opium cultivation and production. Methamphetamines are largely produced in clandestine labs in Mexico and the U.S. Most of the marijuana consumed in the United States is grown domestically.

<sup>18</sup> The term multi-jurisdictional task force refers to the collaboration of multiple agencies and authorities to pool individual expertise and resources so that the individual strengths of the participating agencies become collective task force strengths.



# *Chapter One*

## *Money Laundering and Asset Forfeiture Overview*

Chapter one provides a general overview of money laundering and asset forfeiture as they relate to the drug trafficking cycle. This chapter consists of the following sections:

- Introduction
- Definitions
- Money Laundering and the Drug Trafficking Cycle: A National Overview
- Asset Forfeiture: A National Overview
- Conclusion

### *Introduction*

Generally, money laundering refers to those methods used to legitimize the proceeds derived from illegal activities. More specifically, money laundering can be defined as a series of multiple transactions designed to disguise the true source of financial assets so that those assets appear to be derived from a legal source; the end result being that a criminal can utilize those funds without compromise. Traditionally, there have been three main components of the money laundering process: placement, layering, and integration.<sup>19</sup> Placement consists of the placement of illegally derived monies into a financial service institution. Layering involves the movement of funds from institution to institution, in order to hide the source of ownership. Integration involves the reinvestment of funds into apparently legitimate businesses.

Inherently related to money laundering, money movement, has, in recent years, come to replace the traditional components of placement, layering, and integration within domestic drug trafficking operations. Essentially, money movement is the management, handling, and transportation of cash for the purpose of purchasing drugs, paying operating expenses generated by the trafficking organization, and converting the proceeds to wealth. The primary difference between money laundering and money movement is the absence of the concealment phases of the money laundering process, during which time traffickers attempt to hide the true origin of illegally derived profits.

Whereas money laundering occurs in primary markets, money movement is prevalent within secondary and tertiary drug markets. While dealers in primary markets concern themselves with the concealment of proceeds derived from illegal activities, major retail and street level traffickers in secondary and tertiary markets feel little need to conceal their illegally derived wealth. First, cash generated from sales in secondary and tertiary markets are not as great as that realized in the primary markets. Due to a

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<sup>19</sup> "International Narcotics Control Strategy Report, 1997," Bureau for International Narcotics and Law Enforcement Affairs. U.S. Department of State, Washington D.C.: March, 1998.

decrease in the difference between the purchase and sale prices, the gross profit margin on drug sales in the secondary and tertiary markets is narrower than that on the primary market.<sup>20</sup> Additionally, subtracting overhead and operating costs, such as transportation, security, and communication expenses, further reduces gross profits. Finally, secondary and tertiary market drug traffickers limit their sales to local, retail, and street levels. As such, by isolating themselves in everyday, local drug sales, secondary and tertiary drug traffickers believe they are immune from prosecution under federal and state money-laundering statutes. As a result, secondary and tertiary market dealers fail to exert the same level of effort to conceal drug profits in their conversion to wealth.<sup>21</sup> Instead, with the profits from drug sales, they purchase personal goods and luxury items, travel and entertainment, local area businesses, and local area influence. This type of “conspicuous consumption” serves as an enticement to local residents as to the benefits of participation in drug organizations, and has led street and mid-level drug dealers away from money laundering to an emphasis on money movement.<sup>22</sup> Consequently, with the growth of money movement operations within secondary drug markets, such as those markets located within the Commonwealth, there has been a substantial increase in the use of money service businesses for the purposes of converting illegally derived proceeds to monetary instruments.

Correlatively, asset forfeiture, as it relates to money laundering, constitutes the seizing of illegal wealth derived from criminal activities; that is, the direct apprehension of laundered money and/or those assets derived from illegal business operations. Asset forfeiture and sale remains an effective deterrent against money laundering. The threat of asset forfeiture forces drug traffickers to carefully weigh the cost of doing illegal business and consider the fact that being caught will result in a near total loss in profits. Federal and state statutes currently exist that set out the specific guidelines for the processes of asset forfeiture and seizure. In order to completely understand the importance of asset forfeiture and seizure as it relates to money laundering, this chapter will clearly outline the potential effects of these laws. After identifying federal and state statutes regarding money laundering, this chapter will also discuss the utilization of such statutory tools by law enforcement officials. The end result will be a more inclusive discussion of the importance of asset forfeiture legislation in breaking the drug trafficking cycle.

To summarize, in order to fully understand the money laundering process, it is important to clearly outline the prominent methods of money laundering and money movement as well as the current statutory mechanisms designed to deter such activities. Although not all of the methods currently used to move and launder money are manifest in Virginia, many are. As such, a complete discussion of these methods will foster a more comprehensive understanding of money laundering.<sup>23</sup> Chapter two, on the other hand,

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<sup>20</sup> Washington/Baltimore HIDTA

<sup>21</sup> Washington/Baltimore HIDTA.

<sup>22</sup> Washington/Baltimore HIDTA.

<sup>23</sup> Washington/Baltimore HIDTA. Money laundering, in the traditional sense, is outlined for illustrative purposes. While placement, layering and integration often do not occur in domestic drug markets, and in Virginia specifically, traditional money laundering can occur in source drug markets such as New York City or Miami and internationally. Therefore, the inclusion of these components provides a complete overview of money laundering activities, generally.

will focus on Virginia's role in the money laundering cycle. Therefore, since Virginia is a secondary and tertiary market, Chapter two will concentrate on the characteristics of money movement.

Below, money laundering, as well as the related practice of asset forfeiture and seizure, will be clearly defined. Thereafter, germane federal and state statutes will be discussed, and related law enforcement efforts will be highlighted.

## **Definitions**

Throughout the remainder of the money laundering and asset forfeiture sections, there are a variety of terms necessary to ease the reader in understanding money laundering and asset forfeiture generally. The following definitions cover the most common terms used in this section:

**Asset Forfeiture:** The seizing of illegal wealth derived from criminal activities; that is, the direct apprehension of laundered money and/or those assets derived from illegal business operations.

**Bulk Shipments:** Large amounts of cash derived from illegal operations.

**Integration:** The reinvestment of funds into apparently legitimate businesses.

**Layering:** The movement of funds from financial institution to financial institution in order to hide the source of ownership.

**Money Laundering:** A series of multiple transactions, including placement, layering, and integration, employed in order to disguise the true source of financial assets so that those assets appear to be derived from a legal source.

**Money Movement:** The management, handling, and transportation of cash to purchase drugs, pay for operating expenses incurred by the trafficking group, and convert proceeds to wealth.

**Money Service Businesses (MSBs):** Non-bank businesses that offer one or more types of financial services, often bundled with other types of services under the same roof.

**Placement:** Placing illegally derived monies into a legitimate financial service institution.

**Primary Drug Market:** An area, usually a port of entry, into the United States, in which drugs are supplied directly from an overseas source.

**Secondary Drug Market:** An area, usually a metropolitan area within proximity of United States port of entry, that receives no direct shipment of drugs from overseas sources and is supplied through purchases in and through primary markets.

**Smurfs:** Members of drug trafficking operations who make multiple, structured deposits into various accounts.

**Structuring:** The deliberate division of large amounts of cash into transactions amounting to less than the current reporting thresholds.

**Tertiary Drug Market:** An area, often suburban or rural and adjacent to a secondary market, which has either little or no links with primary trafficking groups.

**Traditional Banks:** Insured financial institutions, intensively regulated by the Department of the Treasury, and offering a wide range of financial services.

### **Money Laundering and the Drug Trafficking Cycle: A National Overview**

The movement and transportation of funds represents the most vulnerable point in the money laundering cycle. It is at this point that interception by law enforcement officials would represent a total loss in profit to the trafficker. To illustrate, cocaine has a wholesale price of roughly \$20,000 per kilogram and a retail price of \$100,000. The wholesale price represents the purchase price of cocaine from the primary source market and the retail price represents the price of cocaine once it is sold on the streets in a secondary or tertiary drug market.<sup>24</sup> If law enforcement officials were to seize one kilogram of cocaine immediately after it crossed the United States border, the loss to the Cartel would be minimal - \$20,000. However, if law enforcement officials were to seize the money accrued after the sale of the cocaine by the domestic distribution networks, the loss to the Cartel would be \$75,000. Applied to ten kilograms of cocaine, the loss would amount to a substantial \$750,000. Accordingly, an interception at this point in the cycle, as opposed to before the drugs are marketed and sold, would represent a very substantial financial loss to the Cartel (see **Figure 2.1** below).

*...The movement of those proceeds derived from these illegal activities presents law enforcement officials with an inviting target. Though seizing and interdicting drug shipments before they make their way to the drug user should remain a high priority for law enforcement officials, such tactics need to be combined with anti-money laundering efforts.*

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<sup>24</sup> In this example, the source market would be New York. The wholesale price paid would reflect the amount spent by a drug trafficker in a secondary market such as Baltimore to a primary market source located in New York.

**Figure 2.1 Total Cash Loss**

	<i>Wholesale price (loss if drugs are seized)</i>	<i>Retail Price (loss if money after initial drug sale seized)</i>	<i>Gross Profit<sup>25</sup> on Initial Investment lost if drugs seized after retail sale (note: sold by the gram instead of by the oz., which results in a 280% increase in profit.)</i>
<i>1 kg</i>	\$20,000	\$100,000	\$75,000
<i>5 kg</i>	\$100,000	\$500,000	\$375,000
<i>10 kg</i>	\$200,000	\$1,000,000	\$750,000
<i>15 kg</i>	\$300,000	\$1,500,000	\$1,125,000
<i>20 kg</i>	\$400,000	\$2,000,000	\$1,500,000

Source: Washington/Baltimore HIDTA.

Coupled with this financial loss, is the fact that the domestic distribution network often will not accept new shipments of cocaine unless the funds accredited from the previous shipment have been successfully placed.<sup>26</sup> The inability of drug trafficking organizations to handle the transport and shipment of cash efficiently and effectively will disrupt the flow of the drug cycle.<sup>27</sup> Therefore, the movement of those proceeds derived from these illegal activities presents law enforcement officials with an inviting target. Though seizing and interdicting drug shipments before they make their way to the drug user should remain a high priority for law enforcement officials, such tactics need to be combined with anti-money laundering efforts.

### ***Money Laundering and the Traditional Banking Sector***

Drug trafficking operations move or transport funds in a variety of manners, the most obvious being through bulk shipments. Drug trafficking operations smuggle bulk shipments across the United States border with ranging creativity, from private planes filled entirely with money to entire shipments of household items, such as washing machines, filled with cash. Other incidents of bulk shipments involve cash being sent via a delivery company, such as Federal Express or United Parcel Service, either domestically or to a foreign country. Although bulk shipments, because of their large size, are essentially risky at their inception, once the funds are moved across the border the risk of interception and seizure drops substantially. Once across the border, funds are easily laundered and no paper trail exists for law enforcement officials to trace. Therefore, bulk shipments still remain an attractive way for drug traffickers to place funds into the financial system.

<sup>25</sup> "Gross Profit" equals the total sale price minus the purchase price of the drug.

<sup>26</sup> If a member of the domestic distribution network is arrested by law enforcement officials with a shipment of cocaine and a shipment of money, he or she is responsible for reimbursing the Cartel for both the funds and the unsold shipment of cocaine. By not accepting another shipment, the member reduces his or her financial liability to the Cartel.

<sup>27</sup> FinCEN, US Dept. of the Treasury.

However, since bulk shipments are inherently risky, drug traffickers continue to use the traditional banking sector to launder money. One of the most common methods of placement is “structuring” or “smurfing”. Common methods of structuring involve both traditional and non-bank financial institutions. However, the end goal in all structured transactions is to avoid the reporting requirements instituted by federal and state law. To fully understand the rationale behind structuring, it is first necessary to understand the statutory requirements that regulate both traditional banking institutions and non-bank financial institutions. These statutory regulations dictate the thresholds under which drug traffickers structure transactions. These regulations also act as the key legislative tools for effectively identifying and combating money laundering.

- **Bank Secrecy Act (BSA):** Originally adopted in 1970, the BSA requires Currency Transaction Reports (CTRs) to be filed for any cash deposit amounting to \$10,000 or more. Suspicious Activity Reports (SARs) are required to be filed for any cash deposit amounting to \$3,000 or more or that is generally suspicious in nature. Currency Monetary Instrument Reports (CMIRs) are required to be filed for monies totaling \$10,000 or more deposited from foreign countries into U.S. banks (see **Appendix A** for complete BSA text and a complete list of BSA forms.) Originally, the BSA applied only to traditional banking institutions.
- **Money Laundering Control Act (1986):** Designates money laundering a crime and includes specific prohibitions against structuring funds in order to avoid the reporting conditions required by the BSA.
- **Annuzio-Wylie Anti-Money Laundering Act (1992):** The definition of financial institution under the BSA was expanded to include non-bank financial institutions.<sup>28</sup>
- **Money Laundering Suppression Act (1994):** Pinpoints non-bank financial institutions by requiring all money-transmitting businesses to register with the Department of the Treasury.
- **Money Laundering and Financial Crimes Act (1998):** Requires the development of a five-year anti-money laundering strategy. In 1999, the Departments of Treasury and Justice responded by issuing the first National Money Laundering Strategy, which provides an extensive illustration of all federal government efforts to combat money laundering. Among the initiatives of the strategy, is the creation of High Intensity Financial Crime Areas (HIFCAs), which are designated high-risk money laundering zones that utilize concentrated, coordinated law enforcement efforts to combat money-laundering activities.<sup>29</sup>

The practical nature of structuring involves drug trafficking operations holding numerous accounts at various banks in false names. Then, “smurfs,” associates or

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<sup>28</sup> Non-Bank Financial Institutions regulated by the BSA include brokers and dealers of securities, the U.S. Postal Service, money order vendors, casinos, money transmitters, check cashers, and bureaux de change.

<sup>29</sup> “National Drug Control Strategy, 2000 Annual Report,” Office of National Drug Control Policy.

employees of the drug trafficking operation, make small cash deposits into these accounts on behalf of the operation, often through night ATM deposits. Specifically, “structuring” or “smurfing” involves the deliberate division of large amounts of cash into transactions amounting to less than the current statutory reporting thresholds. Smurfs structure cash deposits under these amounts in order to appear inconspicuous. Therefore, through numerous small transactions, “smurfs” blur the paper trail that links the money to its original illegal source.

Another advantage associated with the structuring of funds is that it eliminates the risk associated with bulk shipments; that is, the transport of structured funds is smaller, easier, and safer than that of bulk shipments. For example, a bulk shipment of cash amounting to one million dollars in \$5, \$10 and \$20 bills (approximately 75,000 bills) weighs roughly 170 pounds and occupies about three cubic feet. It can be easily transported using two suitcases, each weighing approximately 85 pounds. However, if successfully structured into other monetary instruments (i.e. money orders or cashiers checks), one million dollars weighs just under four pounds and can easily fit into a briefcase, handbag, or computer case.<sup>30</sup> The reduced size and ease of transport substantially reduces the risk of interception by law enforcement officials (see **Figure 2.2 below**).

**Figure 2.2 Weight/Volume Comparisons**

<i>Amount</i>	<i>\$20 Bills</i>	<i>\$100 Bills</i>	<i>Money Orders</i>
<i>\$500</i>	25	5	1 \$500 money order
<i>\$2500</i>	125	50	5 \$500 money orders
<i>\$5,000</i>	250	50	10 \$500 money orders
<i>\$100,000</i>	5,000	1,000	200 \$500 money orders
<i>\$1,000,000</i>	50,000	10,000	2,000 \$500 money orders

Source: FinCEN, US Dept. of the Treasury.

The prevalent use of Shell Corporations remains another common method for laundering funds. Shell Corporations tend to be storefronts that possess a minimum of merchandise. These storefronts usually carry out transactions on false or modified records, solely for the purpose of laundering money. Usually, lawyers, accountants, or secretarial companies buy these corporations “off the shelf.” Once established and “operating,” money launderers use shell corporations during the placement stage to receive cash deposits from illegal sources. Moreover, akin to structuring, multiple accounts and transactions often exist to hide the true ownership of the corporation and

<sup>30</sup> FinCEN, US Dept. of the Treasury.

any paper trail associated with the corporation. For example, a corporation might buy and sell real estate numerous times in order to move laundered money further and further away from any association with its illegal source.<sup>31</sup>

Certain types of bank accounts also provide opportunity for money launderers to manipulate the traditional banking sector. For example, Collection Accounts are regularly used to launder money. Collection Accounts are those accounts in which small deposits are placed into numerous accounts and then sent abroad to a single foreign account. These accounts can have legitimate purposes, like aiding groups of persons of foreign descent to send money abroad to their home country. However, criminals have also recognized collection accounts as a tool for laundering money.<sup>32</sup> Additionally, Payable Through Accounts are commonly used to launder funds. These accounts are demand deposit accounts maintained at financial institutions by foreign banks or corporations. The foreign bank funnels all the deposits and checks of its customers, who are usually located outside of the country, into one account held at the local bank. Foreign customers on all of the accounts have signatory power and can conduct normal international banking actions. Commonly, banks are unable to verify or provide information on the majority of individuals acting on these accounts.<sup>33</sup>

Similarly, money laundering operations frequently utilize Loan Back Arrangements. These arrangements are often used in connection with bulk cash shipments. Once the cash is smuggled into another country, it is then deposited into a guarantee for a bank loan. The loan is then sent back to the source country. Notably, not only do Loan Back Arrangements give the appearance of a genuine loan, they also provide tax advantages.<sup>34</sup>

Finally, drug trafficking organizations launder money through traditional banking institutions by means of Wire Transfers, Travelers Checks, Bank Drafts and Money Orders. However, the majority of these services can be obtained via money service businesses. Because of increasingly effective restrictions on banking transactions, more money laundering operations are turning to non-bank financial institutions and the services they offer in order to launder funds.<sup>35</sup>

### *Money Service Businesses*

**Money Service Businesses (MSBs), or Non-Bank Financial Institutions (NBFIs)**, are businesses in the United States that offer one or more types of financial services, often bundled with other types of services under the same roof. For example, an MSB might be a grocery, liquor, convenience, or drug store that sells money orders,

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<sup>31</sup> "FATF-VII Money Laundering Typologies Exercise Public Report," FinCEN, US Dept. of the Treasury, 1997.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> "FATF-VII Money Laundering Typologies Exercise Public Report," FinCEN, US Dept. of the Treasury, 1997.

<sup>35</sup> Ibid.



cashes checks and/or conducts money-transmissions. An MSB might also be a travel agency that sells travelers checks and offers foreign currency exchange. These institutions are covered under the provisions of the BSA, as they are included under the definition of “financial institution.” The five sectors of the MSB industry are:

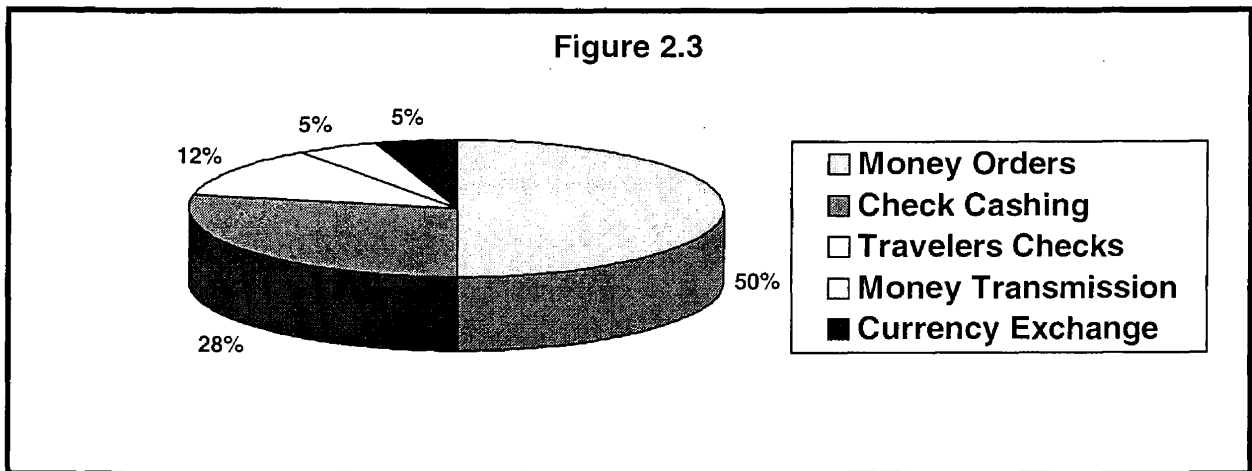
- **Check-cashing:** non-banks offering check cashing as the primary service;
- **Money transmissions:** non-banks with global networks through which they transfer money;
- **Money orders:** non-banks issuing money orders;
- **Travelers checks:** non-banks issuing travelers checks; and
- **Retail foreign currency exchange/bureaux de change/casas de cambio:** non-banks offering over-the-counter conversion of physical bank notes of one country for that of another.

In 1996, there were approximately 146,000 money order outlets, 43,000 money outlets, 5,600 check-cashing outlets, 3,100 retail foreign currency exchange outlets, and 1,850 travelers check outlets in the United States. During that year, MSB sectors accounted for roughly \$200 billion in transactions, with one half of that amount attributable to the money order sector and one-quarter of that amount attributable to the check-cashing sector. The remaining quarter was divided among the travelers’ check, money transmission, and retail foreign currency exchange sectors (**see Figure 2.3 below**).<sup>36</sup> Other *MSB businesses/professions* specifically accounted for under the BSA include:

- **Brokers and dealers of securities:** provide a range of financial services, from investment counseling to the creation of “shell corporations.”
- **U.S. Postal Service:** issues postal money orders.
- **Casinos/card clubs/tribal casinos:** legal gambling facilities that offer a variety of non-bank financial services.

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<sup>36</sup> “Non-Bank Financial Institutions: A Study of Five Sectors,” FinCEN, 1997.



Source: "Non-Bank Financial Institutions: A Study of Five Sectors," FinCEN, 1997.

**MSBs and Money Laundering.** Although MSBs are regulated under the BSA, the regulations are not as stringent as compared to the traditional banking industry regulations. However, all MSBs are required to register with the Treasury. MSBs, because they are not as heavily regulated as traditional banking institutions, remain attractive to criminals as potential tools by which to launder illegally derived funds. By successfully structuring funds into amounts that fall under BSA reporting, record keeping, and I.D. requirements for MSBs, criminals can virtually eliminate any paper trail that connects those funds to an illegal source. Because SARs are not required for MSB transactions, suspicious activity regarding such transactions can go undetected. Coupled with the fact that many traffickers operating within secondary and tertiary markets are often not as concerned with concealing the illegal origin of their wealth, but, rather, with converting it to monetary instruments that can be easily spent, MSBs remain an attractive money laundering and/or money movement vehicle to many drug trafficking organizations. Current BSA requirements for MSBs are as follows:

- **Postal and Commercial Money Orders:** A CTR is required to be filed for a money order of \$10,000 or more. For money orders amounting to \$3,000 or more, only a government or foreign ID is required upon purchase and a record is made of the purchase. Money orders between \$700-\$3000 require a government or foreign ID upon purchase, but transactions are not recorded. Money orders amounting to less than \$700 require no ID at all.<sup>37</sup>
- **Overseas Wire Transfers:** A CTR is required to be filed for wire transfers of \$10,000 or more. Transmissions of \$3,000 or more require U.S. or foreign ID, and records are made of the remitter/receiver IDs. Transfers amounting between \$1,000 and \$3,000 only require a photo ID, and no records are kept. Transmissions

<sup>37</sup> The U.S. Postal Service issues postal money orders. Private companies such as Western Union, Travelers' Express, etc issue commercial money orders.

amounting to less than \$1,000 require no ID at all. All money-transmitting businesses are required to register with the Treasury.<sup>38</sup>

Aside from federal regulations under the BSA, MSBs are primarily regulated at the state level; accordingly, regulations vary from state to state. In Virginia, the State Corporation Commission regulates MSBs. Laws regulating MSBs at the state level can serve to limit the amount of structuring that can be successfully accomplished by a criminal by increasing the paper trail that links such funds to illegal sources. Moreover, increased obstacles at the state level can deter criminals from using MSBs as a means for laundering money, and force them to consider alternate methods of transporting and/or converting funds, such as bulk shipments. By transporting funds via more traditional money laundering methods, such as bulk shipments, such funds become more conspicuous and, therefore, more likely to be intercepted by law enforcement officers.

### ***Case Study: El Dorado Task Force and New York Geographic Targeting Order***

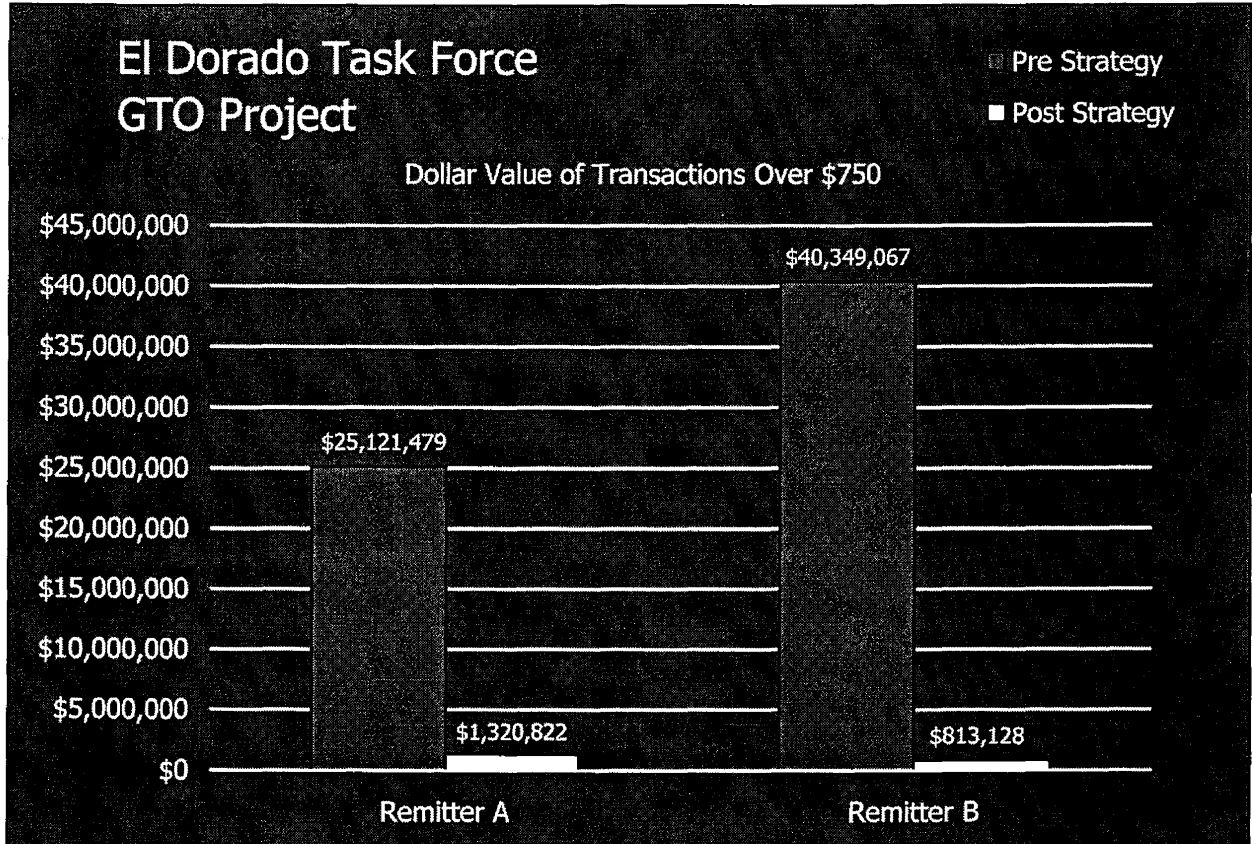
The El Dorado Task Force of the New York/New Jersey HIDTA, led by the US Customs Service and IRS, consists of over 200 representatives from federal, state and local law enforcement agencies. Created in 1992, the Task Force has targeted systems or industries that promote money laundering, relying heavily on Suspicious Activity Reports and on other Bank Secrecy Act data to initiate and supplement investigations. In 1998 alone, the El Dorado Task Force seized over \$100 million in drug money, doubling its cash seizures for 1997. Illustrating the detrimental affect that tightening MSB regulations can have on drug trafficking organizations, in 1998 the El Dorado Task Force successfully curbed the use of money remitters for the purpose of laundering and moving illegally derived funds in the New York City area through its use of a Geographic Targeting Order (GTO). The GTO required money transmitters to report cash transactions amounting to more than \$750 (prior to the GTO, the cap was \$10,000). The result was that the GTO effectively prevented drug traffickers from laundering and moving their illegally derived funds through those remitters (see **Figure 2.4 below**). Traffickers were then forced to use alternative, less secure methods (for example, money couriers) to move their money overseas. Because of this, bulk cash seizures by law enforcement agents drastically increased.<sup>39</sup>

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<sup>38</sup> Registration is not required until December 31, 2001.

<sup>39</sup> NY/NJ HIDTA Strategy 1999.

Figure 2.4: Total Dollar Amount for Money Remitter Transactions Before and after the GTO



Source: NY/NJ HIDTA Strategy 1999.

### Asset Forfeiture: A National Overview

As defined earlier, asset forfeiture, as it relates to money laundering, constitutes the seizing of illegal wealth derived from criminal activities; that is, the direct apprehension of laundered money and/or those assets derived from illegal business operations. The money laundering process represents the most vulnerable point in the drug trafficking cycle; especially if the monies intercepted are those collected and "taxed" by the domestic distribution network.<sup>40</sup> Interception at this point represents a total loss to the drug trafficking operation. If successfully convicted under federal or state money laundering statutes, drug trafficking operations stand not only to lose the laundered money, but also any assets or wealth derived from such laundered monies, or from related criminal activities, in general.

*...If successfully convicted under federal or state money laundering statutes, drug trafficking operations stand not only to lose the laundered money, but also any assets or wealth derived from such laundered monies, or from related criminal activities, in general.*

<sup>40</sup> See Chart 1.1 in Introduction.

Essentially, drug trafficking operations can be seen as “businesses” that not only work on supply and demand, but also calculate certain given expenses and losses into their budgets. Roughly 25% of cash generated by the illegal drug trade industry pays for overhead costs of drug trade operations. This percentage includes payments and salaries for infrastructure employees, communication devices (cell phones and pagers), vehicles, facilities (residences and warehouses), and payments made to businesses that are connected to the organization.<sup>41</sup> According to national arrest data, hundreds of thousands of people in the United States are connected to the illegal drug trade. The vast majority of people who work in the illegal drug industry, however, live in other countries. For example, in Bolivia, the cocaine industry directly employs roughly 350,000 people (5-6% of the total population). In contrast, the legal drug industry in the United States employs approximately 172,000 people.<sup>42</sup> Compared to legal businesses, illegal drug “businesses” are much larger in size and generate higher profits. Illustrating, the legal drug industry in the United States produced \$39 billion worth of shipments in 1987, whereas illegal drug consumers in the United States during the same year spent \$140 billion on illicit drugs.<sup>43</sup>

Calculated among the expenses and losses of the drug trade industry are certain losses associated with “the cost of doing illegal business;” that is, inevitable losses in profits due to the interception of either drugs or laundered money by law enforcement officials. Drugs intercepted after crossing into the United States, before retail sale by drug distribution networks, represent a minimal loss to the illegal drug trade industry. As noted earlier, the money-laundering portion of the drug trade cycle represents its most vulnerable point. Monies intercepted after being collected and “taxed” by the domestic distribution network represent a total loss in profits to the drug trade industry. However, as noted earlier, overall profits for the illegal drug industry are high. Regardless of the overall loss due to law enforcement intervention, losses are often associated with the “cost of doing illegal business,” and written off by the illegal drug trade industry.<sup>44</sup>

Asset forfeiture laws represent a way in which law enforcement agents can substantially impact the pocketbook of the illegal drug trade industry. Asset forfeiture laws present the opportunity for law enforcement officials not only to seize the drugs or money obtained from a bust, but also the assets derived from such illegal business operations. The resulting loss to the drug trafficking operation is not merely a “cost of doing illegal business,” but a substantial hit that can amount to severe financial losses.

*...Asset forfeiture laws represent a way in which law enforcement agents can substantially hit the pocketbook of the illegal drug trade industry... The resulting loss to the drug trafficking operation is not merely a written off, “cost of doing illegal business,” but a substantial hit that can amount to a severe financial losses.*

<sup>41</sup> FinCEN, U.S. Dept. of the Treasury.

<sup>42</sup> “Legal Drug Business” refers to, for example, pharmaceutical companies that manufacture and distribute prescription and over the counter drugs to pharmacies, physicians, hospitals, etc.

<sup>43</sup> “A National Report: Drugs, Crime and the Justice System.” Bureau of Justice Statistics, U.S. Dept. of Justice, 1992: p. 36.

<sup>44</sup> Private testimony before the Virginia State Crime Commission.

The drug trade industry is driven by the accumulation of wealth and of profits. Drug traffickers want to accumulate wealth, and they want to be able to freely enjoy that wealth. If monies generated from drug trafficking are successfully laundered and integrated into the legitimate banking sector, drug traffickers can then use those funds not only to maintain the criminal enterprise, but also to sustain a high standard of living. Particularly in secondary drug markets like those in Virginia, traffickers apply such funds to expensive luxury items (such as real estate, fine jewelry, high fashion clothing, furniture and hi-tech entertainment equipment), travel and entertainment, and the purchase of local area businesses.<sup>45</sup> Asset forfeiture laws allow for the potential seizure of such items, securing a severe financial hit to the drug trafficker and the drug trafficking organization. In this respect, asset forfeiture laws serve as a valuable tool for disrupting the drug trade cycle.

### ***Federal Asset Forfeiture Laws***

**18 U.S.C. Section 981: Civil Forfeiture.** Under 18 U.S.C. Section 981, all property “involved in” a money laundering offense is subject to civil forfeiture; as well, all property traceable to the money laundering offense is also subject to civil forfeiture. However, the government must establish that an individual committed a money laundering offense before any property may be forfeited under this section. In addition:

- In civil cases, the government may bring an action directly against the property involved in the money laundering offense *without* having to obtain a criminal conviction; and
- Civil forfeitures are not limited to the property interests of the of the person who committed the money laundering offense, but also third parties involved in money laundering operations.<sup>46</sup>

**18 U.S.C. Section 982: Criminal Forfeiture.** Under 18 U.S.C. Section 982, all property, real or personal “involved in” a money laundering offense is subject to criminal forfeiture; as well, all property traceable to the money laundering offense is also subject to civil forfeiture. However, the government must establish that an individual committed a money laundering offense before any property may be forfeited under this section.<sup>47</sup>

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<sup>45</sup> Washington/Baltimore HIDTA.

<sup>46</sup> Civil forfeiture is limited by an applicable innocent owner defenses. 18 U.S.C. Section 981 (a)(2) states that no property shall be forfeited if the violation was committed without the knowledge of the owner (See **Appendix B** for full text).

<sup>47</sup> In a criminal case, this means that forfeiture is only available if the defendant is convicted of at least one count of money laundering. If he or she is, the court is required as part of the defendant’s sentence, to order forfeiture of any property belonging to the defendant that was involved in the money laundering offense. The forfeiture order is only required if the prosecutor includes the forfeiture allegation in the indictment. If the prosecutor fails to include the forfeiture allegation in the indictment, the court has no authority to order forfeiture as part of a sentence for money laundering. Federal Rules of Criminal Procedure 7(c)(2). If a defendant pleads guilty, he must plead guilty to a money laundering offense. If there is no conviction for a money laundering offense, then there is no jurisdiction for asset forfeiture. *U.S. v. Aramony*, 88 F.3d 1369 (4<sup>th</sup> Cir. 1996). As well, the defendant must be convicted of a money laundering offense that involves the

## Conclusion

Money laundering is the most vulnerable point in the drug trafficking cycle. Interception by law enforcement during the money laundering point of the cycle results in substantial financial losses to the drug trafficking organization and the disruption of the drug cycle overall. Therefore, law enforcement and legislative actions targeted at money laundering can be very effective tools for disrupting the drug cycle and dismantling drug trafficking organizations.

However, it is imperative that efforts aimed at disrupting drug money laundering activities take into account the type of activities occurring within a targeted area; specifically, whether or not the apparent drug markets are primary, secondary or tertiary in nature. Depending on the type of drug market, the range of drug money laundering activities differs. The following chapter will examine drug money laundering in the Commonwealth, based on Virginia's position as a secondary and tertiary drug market.

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property that the government seeks to forfeit. U.S. v. Bornfield, 145 F.3d 1123 (10<sup>th</sup> Cir. 1998) (See Appendix B for full text).

## ***Chapter Two***

# ***Money Laundering and Asset Forfeiture in Virginia***

Chapter two provides an overview of money laundering and asset forfeiture, as they exist within the Commonwealth. This chapter consists of the following sections:

- Introduction
- Money Laundering and Money Movement in the Commonwealth
- Survey of Virginia Residents: Non-Conventional Banking Practices
- Virginia's Money Laundering and Asset Forfeiture Laws
- Money Laundering Laws in Other States: A Critical Case Comparison
- Training Opportunities for State and Local Law Enforcement
- Conclusion

### **Introduction**

Virginia is a secondary and tertiary market in the drug trade; that is, drugs are transported from primary markets such as New York and Miami, through and into the Commonwealth via major highways and then distributed among Virginia's towns, cities, and counties. Accordingly, the characteristics of secondary and tertiary drug markets dictate the magnitude of money laundering operations in the Commonwealth. Although money laundering occurs in secondary markets, it is not in the same amount or of the same type that occurs in primary markets. Traffickers in secondary markets concern themselves more with money movement rather than with the concealment of illicit cash proceeds. Traffickers transport cash from the secondary market to nearby primary markets, where it is handled, converted, and moved offshore. Often, traffickers in the secondary market convert the cash into money orders and wire transfers prior to it being shipped to the primary market. Furthermore, when traffickers in secondary markets convert cash to wealth, it often takes the form of luxury personal items, travel and entertainment, and the purchase of local area businesses, rather than the form of securities. Tertiary markets, on the other hand, see minimal cash profits. Instead, the tertiary market trafficker often exchanges potential profits for secondary market drug purchases that the trafficker then personally uses.<sup>48</sup>

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<sup>48</sup> Washington/Baltimore HIDTA. Much of the information contained within this chapter, regarding the status of drug trafficking and money-laundering operations in Virginia, is based on the experiences of state and local law enforcement officers operating in the Commonwealth and, specifically, information obtained from the Washington/Baltimore HIDTA. The Washington/Baltimore High Intensity Drug Trafficking Area (HIDTA) was designated in 1994, and includes the Virginia counties of Arlington, Fairfax, Prince William, Fauquier and Loudoun, and the cities of Alexandria, Fairfax City, and Manassas within its boundaries. The Washington/Baltimore HIDTA focuses on drug distribution groups, violent drug offenders and gangs, open-air drug markets, firearms trafficking, interdictions, and money laundering. Over the past two years, the Crime Commission has worked with the Washington/Baltimore HIDTA to identify drug trafficking and money laundering activities within the Commonwealth. In June 2000, the Washington/Baltimore HIDTA released a situation report on the status of money laundering and currency movement in the HIDTA region. This report serves as benchmark for money laundering activities within Northern Virginia. As well, the



## *Money Laundering and Money Movement in the Commonwealth*

Essentially, drug traffickers in Virginia do not concern themselves with the concealment of illegal profits, but, rather, with the movement of currency.<sup>49</sup> Because secondary and tertiary markets allow traffickers to deal with people they know, they feel isolated from the daily operations of the drug distribution network. This isolation allows these traffickers to believe they are immune from prosecution under federal and state money-laundering statutes. As a result, traffickers feel little need to hide the illegal source of their profits and often engage in “conspicuous consumption,” the purchase of luxury items and personal goods with trafficking profits, including travel, entertainment and business investments. Therefore, because drug traffickers in Virginia concern themselves with the movement rather than the concealment of cash proceeds, two areas of the drug trafficking cycle remain essential to the success of their illegal operations as well as vulnerable to law enforcement efforts: (1) the transportation and movement of cash (2) the conversion of cash.

*The Transportation and Movement of Cash.* Drug traffickers in Virginia move cash proceeds in three primary ways: physical transportation, bulk cash shipments, and smuggling. Traffickers physically transport cash or monetary instruments, either by plane, boat, automobile, train, or commercial carrier to neighboring areas and drug markets. Bulk cash shipments, often concealed in special compartments in cars or shipments of household goods, are used to transport currency across the United States, often to primary drug markets. Traffickers smuggle cash and monetary instruments outside of the United States to source countries and/or foreign bank accounts.

*The Conversion of Cash.* Drug traffickers operating in Virginia convert cash to three alternate forms: monetary instruments and wire transfers, wealth, and business investments. Traffickers convert the cash to monetary instruments, including money orders and travelers’ checks, because it reduces the physical size of the illegal cash proceeds and eases in its transport, thereby substantially reducing the risk of interception by law enforcement. Additionally, drug traffickers use money wires to transfer cash within the United States or to other parts of the world. The amount of wealth and profits generated by the drug traffickers is dependent on the size, volume, and efficiency of drug sales. That is, the faster that he or she can carry out the steps of the drug trafficking cycle, the greater his or her profits and accumulation of wealth (which includes luxury items such as expensive cars, designer cloths, and hi-tech entertainment equipment).

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situations found within the HIDTA report easily transpose to the metropolitan regions of Richmond, Tidewater, and Roanoke, rendering a portrait of money laundering activities in the Commonwealth. This report, combined with the briefings of federal, state, and local law enforcement officials operating within the Commonwealth, paints a detailed picture of drug trafficking and money laundering activities in Virginia.

<sup>49</sup> Traffickers within secondary markets such as Virginia face the problem of handling, processing, storing and converting drug proceeds. The management of cash slows down the drug trafficking cycle to the point at which the repurchase of stock (drugs) is delayed because of the amount of time it takes to count, wrap and ship cash to suppliers in the primary market.

Finally, traffickers in Virginia often convert illegal cash proceeds into business investments; often, these are businesses that create the appearance of cash intensive sales.

### ***Businesses and Money Laundering in Virginia***

Summarizing, drug traffickers operating in Virginia often convert illegal cash profits into business investments that provide the guise of cash intensive sales. Essentially, traffickers operating in the Commonwealth use legitimate businesses in two ways: (1) to facilitate their criminal enterprise (2) to mask the source of their criminal proceeds.

**Facilitating Drug Trafficking Activities.** Often, traffickers use legitimate businesses as conduits for conducting their criminal activities without investing in the business outright. Traffickers either purchase goods from these businesses or use the business's services to convert drug proceeds to wealth, monetary instruments, or money wires. Among the businesses that may be used to facilitate drug trafficking activities are car dealerships, auto auction houses, cell phone and pager sales, clothing stores, currency exchanges and check cashers, financial consultants, grocery stores, jewelry stores, travel agencies, and real estate brokers. For example, a grocery store or food mart might offer "underground banking services" that provide virtually anonymous funds transfers from the U.S. to other parts of the world, or provide money services, which a trafficker could then use to convert cash proceeds to monetary instruments or money wires. Additionally, a trafficker might use drug proceeds to purchase designer clothes from a clothing boutique or buy cars for personal use or for the transportation of drugs and cash from an automobile dealership.

In some cases, such as the provision of "underground banking services," local businesses may knowingly participate in drug trade activities. In other cases, businesses may be used, unbeknownst to the owners, for facilitating drug trafficking activities; for example, when a trafficker uses money services to convert illicitly derived funds. However, many local business people are willing to turn a "blind eye" to suspicious cash purchases that are made by seemingly criminal patrons; that is, they fail to report suspicious cash purchases because those purchases maximize their profits.

**Concealing Drug Proceeds.** Again, drug traffickers prefer to invest in businesses that create the appearance of cash intensive sales. Common characteristics of businesses the traffickers choose include: a high volume of customers, a high velocity of sales, cash intensive sales that do not attract suspicion, and minimal record keeping. Businesses used by drug traffickers to conceal drug proceeds include janitorial and cleaning services, lawn care services, gas stations, auto repair shops, beauty parlors, motels, nightclubs, strip clubs, discount stores, restaurants, recording studios, import/export brokers, and construction contractors. For example, a trafficker may invest in a restaurant or nightclub, which he or she then uses to cover the deposit of drug proceeds into bank accounts. The restaurant or nightclub can also serve as a focal point for social activities between the drug trafficker and his or her associates, as well as provide a location for a variety of criminal activities, including, drug sales, gambling, and prostitution.

## *Money Service Businesses and Money Laundering in Virginia*

**Check-Cashers.** According to officials within the Washington/Baltimore HIDTA region, check-cashing businesses in the HIDTA region provide a safe, effective conduit through which traffickers launder their proceeds, largely because the business of check cashing is cash intensive, of high magnitude, and difficult to strictly regulate. Moreover, there are several ways by which check-cashers are suspected of laundering drug proceeds, all of which revolve around the use of drug proceeds for cashing legitimate patron payroll and personal checks. Some of the illegal activities involving check-cashing services include:

- Purchasing drug proceeds, conceivably at a discounted rate, from drug traffickers who are then issued money orders, wire transfers, or cashiers checks.
- Using drug proceeds to cash customer checks, then transferring the deposited check into the account of a trafficker or issuing the trafficker a cashiers check in the amount of the spent drug proceeds.
- Using drug proceeds to issue payday loans at an annual interest rate between 521% and 1820%. Similar to loan shark operations, these services provide traffickers with a prime opportunity to put drug proceeds on the street.<sup>50</sup>

**Money Transmitters.** According to a recent Crime Commission survey, wire transfers are relatively rare in Virginia, with the majority of wire transfers being purchased in amounts less than \$500.<sup>51</sup> Additionally, over 95% of all remittance transactions are conducted either through Western Union or MoneyGram branch locations.<sup>52</sup> However, according to officials from the Washington/Baltimore HIDTA region, unlicensed money transmitter operations continue to grow within the HIDTA region. These operations, because they are unlicensed, are not monitored and often promote cash transfers on behalf of drug trafficking organizations. Some of the underground remittance services operating within the Commonwealth include:

- Southwest Asian “Hawala” or “Hundi” system;
- Southeast Asian “Fei Chien” or “Chinese Underground Banking System;”

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<sup>50</sup> For example, a person borrows \$100 from a check cashing service by issuing the check cashing service a personal check for \$113 dollars, post dated for his or her next payday. At the date issued on the check, the individual may allow the service to cash the issued personal check or buy the check back from the company.

<sup>51</sup> “Summary Findings from a Survey of Virginia Residents: Non-Conventional Banking Practices, E-Commerce, and General Perception of Crime and Police,” Center for Public Policy Research, The Thomas Jefferson Program in Public Policy, The College of William and Mary.

<sup>52</sup> Washington/Baltimore HIDTA.

- Other underground banking systems originating from West Africa, South and Central America, Eastern Europe, Asia and the Pacific Rim.<sup>53</sup>

Moreover, according to HIDTA accounts, storefront businesses that operate as licensed wire transfer agents may serve as “drop off points” for bulk cash deposits, presumably from drug trafficking organizations. As well, these licensed agents have also been known to structure such deposits well under the \$10,000 BSA reporting requirement through false record entries.<sup>54</sup>

However, it remains difficult to prosecute individuals for conducting illegal wire transfers under federal and state statutes because the prosecution must often demonstrate intent and knowledge of illegal activities on the part of the accused. For example, the Virginia Money Laundering Act prohibits a person from knowingly conducting a financial transaction, including converting cash into negotiable instruments or electronic proceeds of an activity punishable as a felony.<sup>55</sup> In addition, it is difficult for law enforcement agents to conduct successful investigations in ethnic areas where illegal money remitter operations are often located. More often than not, language and cultural barriers prevent undercover agents from gaining the confidence of potential suspects.<sup>56</sup>

*Money Orders.* Within the Washington/Baltimore HIDTA region, the largest vendors of commercial money orders are Western Union and Traveler’s Express, which then contract to local businesses, such as supermarkets and convenience stores, where money orders are then sold to the public.<sup>57</sup> Roughly 90% of all money orders purchased within the Commonwealth are in amounts less than \$500, with the majority of those being purchased in amounts less than \$100.<sup>58</sup> These facts are significant because money orders amounting to less than \$700 require no identification upon purchase, and Virginia law requires the name of the payee be designated on money orders in amounts of \$750 or more.

Based on accounts from agents operating within the Washington/Baltimore HIDTA, money orders have become a central component of money laundering operations in the region. Within the HIDTA region, money orders have been illegally used in connection with drug trafficking activities in the following ways:

- Promoting and concealing payments, purchases and expenses;
- Payment for personal expenses including luxury items;
- Buying goods and merchandise for export and resale;

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<sup>53</sup>Ibid.

<sup>54</sup>Ibid.

<sup>55</sup> VA Code § 18.2-246.3.

<sup>56</sup>Ibid.

<sup>57</sup>Ibid.

<sup>58</sup> “Summary Findings from a Survey of Virginia Residents: Non-Conventional Banking Practices, E-Commerce, and General Perception of Crime and Police,” Center for Public Policy Research, The Thomas Jefferson Program in Public Policy, The College of William and Mary.

- Moving and shipping drug proceeds to other regions offshore; and
- Placing illegal proceeds into the banking system.

Furthermore, some currency exchange agents and/or commercial check sellers have joined forces with drug trafficking organizations by attempting to avoid corporate compliance reporting provisions. Additionally, there are occurrences when businesses exert “willful blindness” to the frequent conversion of cash to money orders by members of drug trafficking organizations.<sup>59</sup>

### **Survey of Virginia Residents: Non-Conventional Banking Practices**

In 1998, the Virginia State Crime Commission entered into an agreement with the College of William and Mary Center for Public Policy Research, with the purpose of conducting a survey to examine the use of money orders, money wires, and related financial transactions among citizens of the Commonwealth. There were a total of 1481 survey respondents, with 102 of those respondents being social services clients.<sup>60</sup> The study was prompted by the Crime Commission’s interest in making drug trafficking more burdensome, partially by changing the laws that regulate the purchase of money orders and money wires. The Commission anticipated that lowering the dollar amount threshold for money orders and money wires would make it more difficult for drug traffickers to both move and launder illegal funds by exchanging those funds for legitimate bank notes. Currently in Virginia, the names of the payee must be designated on money orders in amounts of only \$750 or more. However, federal law largely governs wire transfers. Recapping, a CTR must be filed for wire transfers of \$10,000 or more. Transmissions of \$3,000 or more require U.S. or foreign ID, and records are made of the remitter /receiver IDs. Transfers amounting between \$1,000 and \$3,000 only require a photo ID and no records are kept. Transmissions amounting to less than \$1,000 require no ID at all.

**Money Orders.** Regarding money orders, the survey found that approximately **90%** of respondents most often purchase money orders in **amounts less than \$500**. Specifically:

- **49%** of those who report purchasing money orders most often purchase them in **amounts less than \$100**.

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<sup>59</sup> According to officials from the Washington/Baltimore HIDTA region, many local area businesses are willing to turn a “willful, blind eye” to suspicious activities in order to maximize their profits. In these cases, the businesses are neither directly linked nor controlled by trafficking organizations.

<sup>60</sup> Sampling procedures for the survey were selected to produce a representative sample of Virginia residents, and to enhance representation across congressional districts. Sampling methods included mailed questionnaires supplemented by a computer assisted telephone interview survey. In addition, special sampling techniques were applied to provide a significant number of respondents who do not regularly use banks for financial transactions. To do this, the directors of social service agencies across the Commonwealth were contacted for help in reaching residents who would otherwise be under-represented in the survey.

- **27%** most often purchase money orders between \$100 - \$250.
- **15%** most often purchase money orders between \$250 - \$499.
- **10%** most often purchase money orders in amounts greater than \$500, indicating that a lower threshold of \$500 would affect only a very small portion of Virginia's residents.

Of the 10% who report purchasing money orders in amounts greater than \$500, the majority are over the age of 30, have more than a high school education, earn incomes greater than \$25,000 and use a bank or credit union... Given that the most disadvantaged members of society most often use money orders, the 10% of respondents who purchase money orders in amounts greater than \$500 are different than the typical money order user.

In addition, the survey showed that of the 10% who report purchasing money orders in amounts greater than \$500, the majority are over the age of 30, have more than a high-school education, earn incomes greater than \$25,000, and use a bank or credit union. Given that the most disadvantaged members of society most often use money orders, the 10% of respondents who purchase money orders in amounts greater than \$500 are different than the typical money order user. Moreover, the largest number of those who report purchasing money orders in amounts greater than \$500 use them for "other" purposes – purposes other than payments for auto loans, rent, utilities, personal debts, alimony payments, or childcare payments. Therefore, lowering the money order threshold to below \$750 would not hinder the typical money order user from paying for critical services or goods (for example, rent and electricity).

Regarding *where* respondents purchase money orders:

- **39%** of those who regularly purchase large money orders report using banks and credit unions to regularly purchase such money orders.
- **25%** report using convenience stores regularly to purchase money orders.
- **25%** report using postal offices regularly to purchase money orders.
- **12%** report using grocery stores regularly to purchase money orders.
- **0%** report using check-cashing outlets regularly to purchase money orders.

Based on these results, the survey found that lowering the threshold for money orders from \$750 would not negatively impact those businesses that offer money orders. Because a large portion of those respondents who purchase large money orders use banks and credit unions, proposed regulatory changes would have the most dramatic impact on financial organizations best prepared to deal with such additional requirements.

***Money Wires.*** The survey showed that wire transfers are relatively rare in Virginia. Of those few respondents who wire money, the majority are men between the

age of 18-44, and from households earning between \$25,000 and \$100,000. Almost all of those respondents who wire money use banks or credit unions or have checking accounts, and have access to credit cards. Moreover, the largest number of those who reported wiring money within the last year indicated that they use money wires for “other” purposes – purposes other than payments for auto loans, rent, utilities, alimony, or childcare payments. Rather, many of those respondents who wire money report using money wires to pay personal debts. Therefore, according to the survey results, changing the wire transfer threshold from \$1,000 would not adversely affect many users because the majority of users purchase wire transfers in amounts less than \$500, and because those who purchase wire transfers in large denominations are already required to provide purchaser identification.

Specifically, the survey showed the following:

- 48 survey respondents (out of 1481) reported that they wired money in the last year.
- 69% of respondents reported usually purchasing money wires for less than \$500.
- 8 respondents reported purchasing money orders for more than \$3,000.
- The largest money wire amount reported was \$7,000.

### **Virginia’s Money Laundering & Asset Forfeiture Laws**

There are a number of laws in Virginia directly targeted at money laundering that effect both traditional banking and non-bank financial institutions. Traditional banks are primarily regulated at the national level, although there are specific statewide banking regulations through Virginia’s State Corporation Commission. Regarding MSBs, Virginia licenses all money transmitters, check sellers, and check-cashing services. Retail foreign currency exchanges and travelers’ checks purchased through MSBs are not regulated. Presently, there are approximately 28 licensed corporations operating in the Commonwealth, with considerably more than 3,000 agents operating on their behalf. Apart from the licensing requirements for money transmitters, check sellers, and check-cashing services dictated under §§ 6.1-371 through 6.1-378.2 of the *Code of Virginia* and money order restrictions under section § 6.1-378.3 of the *Code of Virginia*, there are no other Virginia laws directly affecting MSBs.

- **Virginia Comprehensive Money Laundering Act (1999)<sup>61</sup>**: Covers the vast spectrum of money laundering activities affecting both traditional financial institutions and Money Service Businesses, and designates such activities as felony offenses. The act also allows for the seizure of the proceeds of any property used in substantial connection with money laundering activities and requires the forfeiture of any business licenses of those convicted under the article.

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<sup>61</sup> VA Code § 19.2-246.

- **Sections 6.1-371 through 6.1-378.2 of the *Code of Virginia*:** Dictates the state licensing requirements for money transmitting, check-cashing, and check-selling services.
- **Section 6.1-378.3 of the *Code of Virginia*:** Prohibits the sale of money orders with face amounts of \$750 or more that do not specifically list the name of the payees.

To elaborate, Virginia gives authority to the State Corporation Commission to regulate Money Order and Money Transmission Services under Title 6.1 Chapter 12, §§ 6.1-370-6.1-380. These regulations require MSB's to have a license to engage in the business of money transmission or selling money orders. The SCC grants licenses to those businesses that meet the financial responsibility, character, reputation, experience, and fitness requirements. In verifying that the MSB's meet these requirements, the SCC checks references, but is not authorized to conduct criminal background checks because it is not a designated law enforcement agency. However, the SCC still has authority to revoke a license for the conviction of a felony offense, to examine the books and records, and to adjust the surety bond. Additionally, inherent in the SCC's supervisory authority is the power to elicit sworn testimony and subpoena documents. The regulations impose liability on MSB's for operating without a license and for the payment of all money orders they sell. The current required bond is \$25,000.

During the 2001 session, the Virginia General Assembly passed House Bill 2161, which makes significant changes to the SCC regulations of Money Order Sales and Money Transmission Services. The law becomes effective July 1, 2001. The new regulations no longer exempt from the licensing requirement those persons who receive money for transmission as an incident to conducting another business. Also, the new regulations no longer require physical presence in the state in order for MSB's to come under the jurisdiction of the SCC, but only that the MSB conducts transactions in Virginia. The new regulations increase the amount of the required surety bond to one million dollars and the annual fee to \$750. Additionally, they allow the SCC to charge for examinations. This change is significant because the SCC receives no state funding, and prior to the new legislation, could not afford to conduct numerous examinations. With the ability to charge for examinations, the SCC can more effectively regulate MSB's. Furthermore, the new regulations require all licensees to have a net worth between \$100,000 and one million dollars.

Originally, the SCC requested to make the operation of MSB's without a license a felony offense. However, due to concerns from members of the Virginia General Assembly over the impact such a penalty would have on the prison population, the amended format of HB 2161 only raised the criminal penalty for conducting business without a license from a Class 3 misdemeanor to a Class One misdemeanor. However, the SCC can now implement a \$1000 penalty for violation of any of the regulations. The \$1000 fine may be imposed for each unlicensed transaction.

Now turning to Virginia's asset forfeiture laws, section 18.2-249 of the *Code of Virginia* allows for seizure of the following items in relation to illegal drug activities:



- Property used in **substantial connection** with the illegal manufacture, sale, distribution or possession with intent to sell or distribute any controlled substances or marijuana;
- Property **derived from** the illegal manufacture, sale, distribution or possession with intent to sell or distribute any controlled substance or marijuana;
- Anything of value furnished, or intended to be furnished, **in exchange for drugs**; or
- All money and/or property, (real or personal) which can be **traced to** the illegal manufacture, sale, distribution or possession with intent to sell or distribute any controlled substances or marijuana. This can include any interest or profits **derived from** the investment of such money or other property.<sup>62</sup>

Section 19.2-386.1 of the *Code of Virginia* governs the procedure for all seizures and forfeitures achieved under this section.<sup>63</sup>

Furthermore, section 18.2-246.4 of the **Virginia Comprehensive Money Laundering Act**, in the *Code of Virginia* provides for the seizure of property used in connection with money laundering. Specifically, this includes:

- All money, equipment, motor vehicles, and all other personal and real property of any kind or character used in **substantial connection** with the laundering of proceeds of some form of activity punishable as a felony under the laws of the Commonwealth; and
- All money or other property, real or personal, **traceable to** the proceeds of some form of activity punishable as a felony under the laws of the Commonwealth, together any interest or profits **derived from** the investment of such proceeds or other property.

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<sup>62</sup> Lee v. Commonwealth (253 VA 222 (1997)) defined “substantial connection” as it pertains to *VA Code* § 18.2-249. The court stated that “the substantial connection” test requires that the property subject to forfeiture must have more than an incidental or fortuitous connection to the criminal activity. In this case, the court upheld the forfeiture of cash and the vehicle used in drug trafficking.

<sup>63</sup> This statute governs the procedure for commencing an action for asset forfeiture pursuant to *VA Code* § 18.2-249, which includes filing an information with the circuit court clerk’s office within three years of the date of the last act giving rise to the forfeiture has taken place. This document must be filed within 90 days of the date it physically takes possession of the property. *VA Code* § 19.2-386.2 outlines the procedure for seizing property, which must be seized at the time of arrest (if property is not seized at the time of arrest, a seizure warrant may be necessary to obtain physical and legal custody over property subject to forfeiture). *VA Code* § 19.2-386.14 outlines how forfeited drug assets are to be shared. All proceeds from forfeiture sale (after deduction of expenses, fees and costs) are paid to the Virginia Treasury into a special fund of DCJS for distribution. The forfeited property and proceeds, less ten percent (retained by DCJS in an Asset Sharing Administrative Fund) is available to federal, state and local agencies to promote law enforcement. See *Code* Sections 18.2-249, 19.2-386.14, and 19.2-386.2 for complete descriptions of the procedures for commencing seizures, seizing property and sharing forfeited drug assets.

Additionally, §18.2-246.5 of the Virginia Comprehensive Money Laundering Act, requires that any person, firm or corporation holding a license or registration to operate any business must forfeit such license upon conviction of a violation of:

- §18.2-248 relating to an imitation controlled substance; or
- §18.2-246.3 relating to money laundering.

Section 19.2-386.1 of the *Code of Virginia* also governs all seizure and forfeitures achieved under this section.

### *Money Laundering Laws in Other States: A Critical Case Comparison*

Careful analysis of Virginia's money laundering and asset forfeiture laws entails a comparative study of similar laws in other states.<sup>64</sup> Specifically, the creation of a critical case sample serves to provide a sample of statutes to which Virginia's own laws can be compared and from which an assortment of "best practices" can be drawn.<sup>65</sup> The states chosen as "critical cases" include Arizona, Florida, New York and Texas. These states have been deemed "critical cases" because of their proactive money laundering statutes and/or regulation and licensing requirements for MSBs.

*Florida.* Essentially, the Florida Money Laundering Act<sup>66</sup>, makes it unlawful for a person to conduct, or attempt to conduct, a financial transaction that in fact involves the proceeds of a specified unlawful activity, if that person knows the property involved represents the proceeds from some form of felonious activity.<sup>67</sup> As well, the Florida Money Laundering Act makes it unlawful for a person to transport a monetary instrument or funds with the specific intent to promote a specified unlawful activity. Likewise, the transportation is also unlawful if the person knows that the monetary instrument or funds involved represents the proceeds of a specified unlawful activity and that the transportation is designed to disguise the criminal nature of the proceeds, or designed to avoid a transaction reporting requirement. Along these same lines, this Act prohibits a person from conducting or attempting to conduct a financial transaction that involves property or proceeds that a law enforcement officer represents as being derived from or being used to conduct or facilitate a specified unlawful activity.<sup>68</sup>

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<sup>64</sup> See Appendix C for a chart comparing critical case state (NY, AZ, FL, TX) MSB regulations to Virginia regulations

<sup>65</sup> See Appendix D for a chart comparing critical case state (NY, AZ, FL, TX) money laundering statutes to Virginia's Comprehensive Money Laundering Act.

<sup>66</sup> Fla. Stat., Title XLVI, Chapter 896, §896.101

<sup>67</sup> The knowledge requirement in this section does not require the person to know which form of felonious activity, but only that the property represents the proceeds from a felonious activity. For this knowledge to be unlawful, however, it must be coupled with specific intent to promote a specified unlawful activity, or with knowledge that the transaction is designed to conceal or disguise the criminal nature or source of the proceeds, or with the intent to avoid a transaction reporting requirement.

<sup>68</sup> The Florida Money Laundering Act does not preclude the defense of entrapment, however, it does not allow as a defense that any deception was employed, or a facility or an opportunity to engage in prohibited conduct was provided, or solicitation by a law enforcement officer occurred. This Act divides violations

Regarding the licensing and regulation of money service businesses, Florida Statute, Title XLVI, Chapter 896, §896.102 requires that all persons engaged in a trade or business, who receive more than \$10,000 in currency in one transaction or through two or more related transactions, must file the information with the Department of Revenue. Failure to comply with the reporting requirements can result in a fine of up to \$250,000. For a subsequent conviction, the resulting fine imposed is up to \$500,000.

Arizona. Arizona's Money Laundering Statute, Ariz. Rev. Stat. §13-2317, divides money laundering into first and second-degree felony offenses. Under Arizona's money laundering statute, a person is guilty of money laundering in the first degree if he/she "knowingly initiates, organizes, plans, finances, directs, manages, supervises, or is in the business of money laundering."

A person is guilty of money laundering in the second degree if he or she acquires or maintains an interest in, transacts, transfers, transports, receives, or conceals the existence of racketeering proceeds. Liability for these actions requires the person to have known or to should have known that the proceeds are proceeds of a racketeering offense. It also constitutes money laundering in the second degree if a person makes property available to another while knowing the property is intended to facilitate racketeering. Additionally, a person is guilty of money laundering in the second degree, if he or she conducts a transaction involving the proceeds of an offense. Liability for this action requires the person to have known or have reason to know that the property is the proceeds of an offense. It also requires specific intent to avoid a transaction-reporting requirement.

Texas. Under Texas Penal Code §34.02, a person commits a money laundering offense if he or she acquires or maintains an interest in, receives, conceals, possesses, transfers, or transports the proceeds of criminal activity or conducts, supervises, or facilitates a transaction involving the proceeds of criminal activity. A person also commits a money laundering offense if he/she invests, expends, or receives, or offers to invest, expend, or receive, the proceeds of criminal activity or funds that the person believes are the proceeds of criminal activity.

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into first, second, and third degree felony offenses. If the violation involves financial transactions between \$300 and \$20,000 in a 12-month period, it is a third degree felony offense. If the violation involves financial transactions between \$20,000 and \$100,000 in a 12-month period, it is a second-degree felony offense. Last, if the violation involves financial transactions exceeding \$100,000 in a 12-month period, it is a first-degree felony offense. Additionally, the offender may have to pay a \$250,000 fine or twice the value of the financial transactions. If it is a subsequent violation, the fine may be up to \$500,000 or quintuple the value of the financial transactions. The offender is also liable for a civil penalty of \$25,000 or the value of the financial transactions. This act also allows a petitioner to obtain a temporary injunction to prohibit a person from withdrawing, transferring, removing, dissipating, or disposing of any monetary instruments or funds traceable to a violation of the Florida Money Laundering Act. The petitioner may also request the issuance of a seizure warrant. This temporary injunction may be entered ex parte and without notice, but the respondent may request a hearing. Florida Statute, Title XLVI, Chapter 896, §896.103 makes each financial transaction in violation of the Florida Money Laundering Act a separate, punishable offense.

This statute allows, as a defense to prosecution, the fact that the person acted with intent to facilitate the lawful seizure, forfeiture, or disposition of funds or other legitimate law enforcement purpose. It also allows as a defense that the transaction was necessary to preserve a person's right to representation, or that a licensed attorney received the funds as bona fide legal fees without actual knowledge the were derived from criminal activity.

Furthermore, Texas Penal Code §34.02 divides money laundering into first, second and third degree offense based on the amount of money involved. If the value of the funds is between three and twenty thousand dollars, it is a third degree felony offense. If the value of the funds is between twenty and one hundred thousand dollars, it is a second-degree felony offense. If the value of the funds is a one hundred thousand dollars, it is a first-degree felony offense.

*New York.* New York's statutes divide money laundering into first, second, third, and fourth degree felony offenses. These statutes make a person guilty of money laundering if that person knows that the property involved in a financial transaction represents the proceeds of criminal conduct and the person conducts a financial transaction that in fact involves the proceeds of specified criminal conduct.<sup>69</sup> Similarly, New York's money laundering statutes state that a person is guilty of money laundering if he or she knows the property involved in a financial transaction represents the proceeds of the criminal sale of a controlled substance, and the person conducts a financial transaction that in fact involves the proceeds of the criminal sale of a controlled substance.<sup>70</sup>

Moreover, New York's money laundering statutes hold an individual liable for money laundering if that person knows that a monetary instrument represents the proceeds of criminal conduct and transports, transmits, or transfers a monetary instrument

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<sup>69</sup>This conduct and knowledge only constitutes a money laundering offense if it is coupled with the intent to promote the carrying on of criminal conduct, or to engage in felonious conduct violating the tax laws (these elements of intent and knowledge are required for liability to exist for the offenses of money laundering in the first, second and third degree as well; the language is the same through each statute, only differing by the act that must be coupled with such intent and knowledge). Likewise, this conduct and knowledge constitutes a money laundering offense if it is coupled with the additional knowledge that the transaction is designed to conceal or disguise the criminal source of the proceeds, or to avoid any transaction reporting requirement (this additional element of knowledge also constitutes liability for the offenses of money laundering in the first, second and third degree as well; the language is the same through each statute, only differing by the act that must be coupled with such additional knowledge). If the value of the proceeds involved in the transaction exceeds five thousand dollars, the person is guilty of fourth degree money laundering (NY Penal Law 470.05). If the value of the proceeds involved in the transaction exceeds fifty thousand dollars, the person is guilty of third degree money laundering (NY Penal Law 470.10). If the value of the proceeds involved in the transaction exceeds one hundred thousand dollars, the person is guilty of second degree money laundering (NY Penal Law 470.15).

<sup>70</sup>If the value of the proceeds exceeds ten thousand dollars, the person is guilty of third degree money laundering. If the value of the proceeds exceeds fifty thousand dollars, the person is guilty of second degree money laundering. If the value of the proceeds exceeds five hundred thousand, the person is guilty of first degree money laundering (NY Penal Law 470.20).

which in fact represents the proceeds of specified criminal conduct.<sup>71</sup> As well, conducting a financial transaction involving property represented to be the proceeds of the criminal sale of a controlled substance, or represented to be property used to conduct or facilitate the criminal sale of a controlled substance also constitutes money laundering.<sup>72</sup> In addition, the New York statutes provide liability for money laundering if an individual conducts a financial transaction involving property represented to be the proceeds of specified criminal conduct or represented to be property used to conduct or facilitate specified criminal conduct.<sup>73</sup> Furthermore, they state that an individual commits a money laundering offense if that individual knows that the property involved in a financial transaction represents the proceeds of a class A, B, or C felony, and he/she conducts a financial transaction which in fact involves the proceeds of any such felony.<sup>74</sup>

Finally, N.Y. Penal Law §470.03 allows financial transactions to be considered together and the value of the property involved to be aggregated as long as the transactions are part of a single criminal transaction. It also permits separate occasions involving the transport, transmittal or transfer of monetary instruments to be considered together and the value of the monetary instruments aggregated, as long as the occasions are part of a single criminal transaction.

In comparison, as indicated earlier, Virginia's Comprehensive Money Laundering Act makes it unlawful for any person to knowingly conduct a financial transaction where the person knows the property involved represents the proceeds of a felonious activity. Violations are punishable by up to forty years in prison and/or a fine of up to \$500,000. Additionally, the Act makes a person liable for converting cash into negotiable instruments or electronic funds for another, knowing the cash is the proceeds of a felonious activity. Violators of this section are guilty of a Class 1 misdemeanor.

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<sup>71</sup> If the value of the proceeds involved in the transport, transmittal, or transfer exceeds ten thousand dollars, the offense constitutes fourth degree money laundering (NY Penal Law 470.05). If the value of the proceeds exceeds fifty thousand dollars, the offense constitutes third degree money laundering (NY Penal Law 470.10). If the value of the proceeds exceeds one hundred thousand dollars, the offense constitutes second degree money laundering (NY Penal Law 470.15).

<sup>72</sup> If the value of the property represented exceeds ten thousand dollars, the person is guilty of third degree money laundering (NY Penal Law 470.10). If the value of the property represented exceeds fifty thousand dollars, the person is guilty of second degree money laundering (NY Penal Law 470.15). If the value of the property represented exceeds five hundred thousand dollars, the person is guilty of first degree money laundering (NY Penal Law 470.20).

<sup>73</sup> If the value of the property represented exceeds fifty thousand dollars, the person is guilty of third degree money laundering (NY Penal Law 470.10). If the value exceeds one hundred thousand dollars, the person is guilty of second degree money laundering (NY Penal Law 470.15).

<sup>74</sup> If the value of the proceeds exceeds one million dollars, the person is guilty of first degree money laundering (NY Penal Law 470.20). Likewise, a person commits a money laundering offense if he/she conducts a financial transaction involving property represented to be the proceeds of a class A, B, or C felony, or represented to be property used to conduct or facilitate such crimes. If the value of the property involved exceeds one million dollars, the person is guilty of money laundering in the first degree (New York Penal Law 470.20).

## *Training Opportunities for State and Local Law Enforcement*

Comprehensive training in the areas of money laundering and asset forfeiture for law enforcement agents, as well as prosecutors, remains a critical component for successfully addressing the drug threat within the Commonwealth. One expert in the field of drug trafficking and money laundering prevention notes that in order to be able to effectively address and attack the problem, law enforcement officers within the region, on all levels, must possess a thorough understanding of the means used by drug traffickers, large and small, to conceal, transport, transmit and otherwise “cleanse” their illegal proceeds.

Currently, there is no formal money laundering and/or asset-forfeiture training program for state and local law enforcement agents within the Commonwealth. While there is an introductory course administered by the Department of Criminal Justice Services, the majority of training for state and local law enforcement officials is informal. There are specialized agent-accountants within the Department of Virginia State Police’s Drug Enforcement Division that do work on money laundering cases. However, while some of these specialized agents have specific training, many have informal training.<sup>75</sup> Because money laundering and asset forfeiture laws are complicated, and because the effective use of such laws is imperative for disrupting the money laundering cycle specifically and the drug trafficking cycle generally, state and local law enforcement agents, as well as Commonwealths Attorneys, can benefit from the various federal training options available. Included among federal money laundering and asset forfeiture training programs available to state and local law enforcement agencies are:

- Federal Law Enforcement Training Center (FLETC);
- FBI National Academy;
- DEA Justice Training Center (JTC);
- Office of Justice Programs (OJP) Training and Technical Assistance Division;
- National Guard and other military-run training centers;
- IRS programs; and
- Department of Justice (DOJ) National Advocacy Center (NAC).<sup>76</sup>

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<sup>75</sup> Based on information provided by the Drug Suppression Division of the Virginia Department of State Police.

<sup>76</sup>**FLETC:** is a bureau of the U.S. Department of the Treasury. The FLETC contains the National Center for State, Local, and International Law Enforcement Training (NC) which provides approximately fifty training program offerings to state, local and international law enforcement personnel, and access to other training programs put on by the FLETC and other agencies. FLETC also contains the Financial Fraud Institute (FII), which offers certain courses to state and local law enforcement agents.

*Survey of Virginia's Law Enforcement and Commonwealth's Attorney's: Efforts to Detect and Deter Money Laundering Crimes*<sup>77</sup>

In 2000, Virginia State Crime Commission staff administered a statewide survey to law enforcement agencies and Commonwealth's Attorneys in order to determine how localities perceive drug trafficking and money laundering, and what efforts they are making to detect and deter these crimes.

*Law Enforcement Agencies.* Crime Commission staff received a 72% response rate (195 of 269 possible respondents) of statewide law enforcement agencies. Specifically:

- 92% consider drug use a serious or moderate problem;
- 88% consider drug sales a serious or moderate problem;
- 41% consider drug money laundering a serious or moderate problem;
- 90% feel they would benefit from drug money laundering training;
- 55% report not knowing how traffickers handle cash;
- 78% never or occasionally seize financial records during drug investigations; and,
- 89% never or occasionally focus on drug money laundering during narcotics investigations.

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**FBI National Academy:** offers the National Executive Institute (NEI) training program for chief officers in large law enforcement agencies, the Law Enforcement Executive Development Seminar for law enforcement executives in medium sized departments, and FBI local police violent crime task force training.

**DEA Justice Training Center (JTC):** offers a variety of drug-crime related courses, including courses in asset forfeiture. The Academy for Drug and Criminal Intelligence offers drug intelligence training for local, federal and foreign law enforcement agencies.

**The National Guard:** offers a variety of training centers. The National Interagency Civil Military Institute, the Northeast Counter-Drug Training Center, and training centers at Indian Gap and Core Beach NC are among the centers frequently used by Virginia state and local police.

**OJP Training and Technical Assistance Division:** provides training, technical assistance programs and state of the art information on trends, new approaches and innovative techniques regarding criminal justice issues. Training and technical assistance can be customized to meet the specific needs of a state or local community. Several training possibilities are available in the areas of money laundering and asset forfeiture.

**NAC:** trains federal, state and local prosecutors and litigators in advocacy skills and management of legal operations; includes training in asset forfeiture law.

<sup>77</sup> Copies of the surveys are contained in **Appendix E.**

Based on these results, the survey found that localities fail to investigate the financial aspects of drug trafficking and to regularly seize financial records. Additionally, the survey concluded that a lack of knowledge of drug money laundering and the financial aspects of drug trafficking exists at the local level. Specifically, smaller law enforcement agencies and those offices serving smaller jurisdictions appear less likely to perceive drug money laundering as a problem. Some of the major obstacles leading to such conclusions are limited financial resources, manpower, time, and training. However, localities desire to do more in the area of drug money laundering

**Commonwealth's Attorneys.** Crime Commission staff also received a 72% response rate of statewide Commonwealth's Attorneys. Specifically:

- 80% feel that their office would benefit from drug money laundering training;
- 59% frequently or always target or seize assets in drug cases;
- 37% report attorneys having received white collar/financial crimes training; and,
- 25% report attorneys having received drug money laundering training.

In addition, respondents noted the importance of investigative grand juries and House Bill 2594, introduced during the 2001 session of the Virginia General Assembly.<sup>78</sup> Comments made by the Commonwealth's Attorneys listed investigative grand juries as "invaluable", "ideal", and "essential" tools for the effective investigation and prosecution of drug money laundering crimes. Other comments indicated that smaller jurisdictions are in need of training and that many offices must prioritize based on limited staffing and resources. As a result, these offices concentrate their efforts on violent crime instead of on drug money laundering.

Based on these results and comments, the survey found that smaller Commonwealth's Attorney's offices and those serving smaller jurisdictions are less likely to have had formal drug money laundering or financial crimes training, or any training at all. Therefore, additional training and increased knowledge of drug money laundering remain essential to increased awareness of these crimes.

## **Conclusion**

Key to assessing the scope of the money laundering problem in the Commonwealth remains recognizing Virginia's position as a secondary and tertiary market in the drug trade. This distinction is essential because the characteristics

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<sup>78</sup> This bill authorizes an attorney for the Commonwealth to request a special grand jury to investigate criminal activity within his jurisdiction in much the same way as may currently be done with regard to criminal activity that crosses jurisdictional lines. The procedures would be similar to those applicable to the multi-jurisdictional grand juries, but the special grand jury would have the power to investigate and indict. However, House Bill 2594 was referred to the Committee for Courts of Justice where it was stricken at the request of its patron.



associated with the different drug markets vary, resulting in different emphases and methods of money laundering in each type of market. Realizing this, Virginia's law enforcement agencies and Commonwealth's attorneys need to receive the relevant training, and actions targeted at disrupting money laundering in Virginia should focus on bulk shipments and the structuring of funds through traditional banking and non-bank financial institutions. Regulation of non-bank financial institutions may be particularly effective, given the lack of federal regulation in this area and given the wide range of state-level discretion regarding licensing and regulation of MSBs.

Emphasizing the need for increased regulation of MSBs is the fact that money movement and money laundering through these conduits remains commonplace within Virginia's borders. Experts in the field note that the use of these monetary instruments, particularly money orders and money wires, continues to replace traditional methods of money laundering. Given their decreased size and weight, monetary instruments remain safer and less conspicuous than alternative bulk cash shipments. Coupled with decreased regulations, they continue to be a tempting, if not feasible, option for traffickers when converting and moving illicitly derived funds.

Nonetheless, it must also be recognized that monetary instruments remain a crucial resource for certain members of society, who do not have access to traditional banking services and would be otherwise unable to pay basic bills. As a result, MSBs continue to perform a needed role within the community. However, it must also be realized that increased regulation of money service businesses is necessary to safeguard against the abuses that are currently occurring within the Commonwealth. As well, heightened regulation would not impact those members of society who rely on these services to pay for crucial goods. Reiterating, the majority of money order users purchase money orders in amounts less than \$100. Given their level of education, income, and access to traditional banking services, those who purchase money orders in larger amounts are not characteristic of the population segment using these instruments to pay for vital services.

Complimenting and accentuating anti-money laundering efforts, asset forfeiture laws also remain effective tools towards combating money laundering and the drug cycle. While the seizure of drugs and cash by law enforcement agents during a bust might impact drug trafficking organizations, they are often written off as a "cost of doing business." However, through asset forfeiture laws, drug traffickers stand to lose a great deal more, including laundered money and any assets derived from their illegal operations. Therefore, asset forfeiture laws act as a valuable weapon in disrupting the drug cycle. Asset forfeiture laws are especially relevant in Virginia, given Virginia's position as a secondary and tertiary drug market. Traffickers in secondary and tertiary markets are often less concerned with investing their profits back into the drug trade through securities, and more likely to purchase expensive personal assets or businesses. Therefore, effectively implementing asset forfeiture laws stands to dismantle drug traffickers in Virginia, and disrupt the drug cycle overall.

Finally, while efforts targeting money laundering and asset forfeiture are valuable tools for dismantling the drug trade, it must be recognized that a comprehensive drug control strategy must also include strong drug seizure and drug interdiction efforts. Therefore, a successful drug control strategy needs to include the necessary mix of drug seizure and drug interdiction efforts, as well as money laundering and asset forfeiture efforts, to be maximally effective.

## **CHAPTER THREE**

### **MULTI-JURISDICTIONAL DRUG TASK FORCES**

Chapter three provides an overview of multi-jurisdictional drug task forces generally, as well as an examination of state and local multi-jurisdictional drug task forces operating in Virginia. This chapter consists of the following sections:

- Introduction
- Definitions
- Federal/State Multi-Jurisdictional Drug Task Forces
- Virginia State/Local Multi-Jurisdictional Drug Task Forces
- Conclusion

#### **Introduction**

In recent years, the challenges faced by law enforcement agencies have grown increasingly complex. As noted earlier, drug arrest rates are up, indicating that a very serious drug threat in the United States remains.<sup>79</sup> This threat poses the challenge of increased law enforcement resources being devoted to drug crime related issues. Coupled with this is the fact that drug trafficking respects neither political boundaries nor jurisdictional boundaries.<sup>80</sup> In response to the increased strain on resources, and the need for enforcement that transcends political and jurisdictional boundaries, multi-jurisdictional task forces have emerged as a tool for combating the drug threat. The term **multi-jurisdictional task force** refers to the collaboration of multiple agencies and authorities to pool individual expertise and resources so that the individual strengths of the participating agencies become collective task force strengths.<sup>81</sup>

Beginning in the 1980s, with the passage of the Anti-Drug Abuse Acts of 1986 and 1988, and the resulting provision of formula grant funds to states, state and local governments began funding and implementing multi-jurisdictional drug task forces. Realizing the increased need and use of multi-jurisdictional efforts, the Bureau of Justice Assistance (BJA) at the US Department of Justice (DOJ) developed the Organized Crime Narcotics Trafficking Enforcement Program (OCN) in 1986. The OCN program is a discretionary grant program that assists federal, state, and local law enforcement agencies in effectively responding to multi-jurisdictional drug trafficking operations.<sup>82</sup> As of 1998, there were 27 OCN task forces operating in the United States. All of these task forces are based on the investigative oriented model, as actualized by OCN.

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<sup>79</sup> See Introduction, Figure 1.1.

<sup>80</sup> "A National Report: Drugs, Crime and the Justice System," Bureau of Justice Statistics, US Department of Justice.

<sup>81</sup> "Lessons Learned from the Organized Crime Narcotics (OCN) Trafficking Enforcement Program Model," Bureau of Justice Assistance: December 1998.

<sup>82</sup> "Lessons Learned from the Organized Crime Narcotics (OCN) Trafficking Enforcement Program Model," Bureau of Justice Assistance: December 1998, p. vii.

According to the OCN, two multi-jurisdictional task force models had evolved by the 1980s: the **activity response oriented model** and the **investigative oriented model**.<sup>83</sup> The first model combines law enforcement resources to perform street-level narcotics enforcement on a more local level, while the latter more often includes local, state, and/or federal agency participants, as well as prosecutors.<sup>84</sup> Both operate through the pooling of resources and expertise of localities to target perceived drug problems that, otherwise, could not be addressed by the individual law enforcement agencies. While the two models may have similarities in terms of members' motivation and the impact that they have on the participating agencies, they differ generally in their organization. Activity response oriented models are often the informal efforts. They are often funded by a pro-rata formula or by task force seizures and forfeitures. Investigative oriented models, on the other hand, are inclined to be more formal in their planning and strategies, and funded not only by asset forfeiture and seizure, but also by additional funding mechanisms.<sup>85</sup>

Formal federal/state level, formal state/local level, and informal state/local level task force efforts currently operate in the Commonwealth, in addition to the Organized Crime Drug Enforcement Task Force (OCDETF) and High Intensity Drug Trafficking Area (HIDTA) efforts.<sup>86</sup> The division of task forces in Virginia falls roughly within the scope of the OCN models (taking into account that these are working task forces, and might not possess all of the characteristics of an ideal task force.). However, the OCN models being more structured and formal than actual working task forces, represent the "ideal" task force organization for formal and informal task forces. With that in mind, federal/state, formal state/local task force, OCDETF and HIDTA efforts fall under the scope of investigative oriented models. Informal state/local task forces fall within the definition of the activity response oriented model.

## Definitions

Throughout the remainder of the multi-jurisdiction task force section, there are a variety of terms necessary to understanding the organization of multi-jurisdictional task forces. The following definitions cover the most common terms used in this section:

- **Federal/State Task Forces:** Task forces primarily created, overseen, and funded by the federal agency involved, and officially recognized through a memorandum agreement.
- **Formal State/Local Task Forces:** Task forces primarily created, overseen, and funded by the state police agency involved, and officially recognized through a memorandum agreement.

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<sup>83</sup> "Lessons Learned from the Organized Crime Narcotics (OCN) Trafficking Enforcement Program Model," Bureau of Justice Assistance: December 1998, p.57.

<sup>84</sup>Local level usually represents citywide, countrywide or regional efforts.

<sup>85</sup>Additional funding mechanisms include, monies and resources provided by state police agencies, resources provided by federal agencies (cars, equipment, etc.), and federal grant formulas.

- **Informal State/Local Task Forces:** Task forces created by local police departments and/or sheriff's offices that do not include formal oversight, funding, or a memorandum agreement. Informal agreements can also occur between localities and existing formal state/local task forces; oversight is then granted to the state police agency, but no official funding or memorandum agreement exists.
- **Activity Response Oriented Multi-Jurisdictional Task Force Model:** Informal, local level task force created by OCN.
- **Investigative Oriented Multi-Jurisdictional Task Force Model:** Formal task force model created by OCN that includes local, state, and/or federal participants, as well as prosecutors.

In order to understand fully the impact of multi-jurisdictional task forces on drug interdiction, it is necessary to first identify (geographically) the location of each task force and then identify the participating agencies in each task force. It is also necessary to realize that fundamental differences in the organization and oversight of federal/state task forces and state/local task forces exist; the most critical difference being that state participants can do little to impact the organization, evaluation, or supervision of federally run task forces. Therefore, effective evaluation of task forces can only occur at the state/local level. Realizing this, the organizational structure of formal state/local task forces must be identified and evaluated, including: the provisions for formation, the funding mechanisms, the supervising agency and evaluation processes, the memorandum agreement and/or mission statement, and the requisite terms for disbanding. Furthermore, outlining the organizational structure of federally run task forces will provide a model for comparison of state/local task forces. The combined assessment of the geographic location, participating agencies, and the organizational structure of state/local multi-jurisdictional task forces will enable staff to identify any overlap or duplication in task force efforts, and evaluate the effectiveness and efficiency of multi-jurisdictional task forces on drug interdiction generally.

### **Federal/State Task Force Structures**

Historically, informal collaboration, such as manhunts, checking leads for other agencies, and general assistance to out-of-town police agencies characterized inter-agency law enforcement cooperation in the United States. It was not until the 1960s that formal multi-jurisdictional task forces came into existence, both at the national and the state level. The 1960s and 1970s saw not only the invention of the multi-jurisdictional task force, but also the development and the specialization of task force efforts toward particular types of crimes. Examples of early development and specialization include:

- **Kansas City Metro Squad (1960s):** One of the first formal, state-level multi-jurisdictional task forces in the United States. Large and small law enforcement agencies agreed to pool resources in order to target felony crimes.

- **US Dept. of Justice Organized Crime and Racketeering Section Strike Force (1960s):** Introduced formal investigative planning and coordination into law enforcement against organized crime.
- **New Jersey Division of Criminal Justice (1970s):** Involved civil and regulatory agencies into task force strategies.
- **South Florida Joint Organized Crime Investigations Task Force (1970s):** Recognized the task force model as important in overcoming obstacles in drug investigations.

The 1970s and 1980s saw the increased use and development of multi-jurisdictional task forces in narcotics investigations. Increasingly, multi-jurisdictional drug task forces began to include federal, state and local law enforcement agents, as well as rural and urban participants. Moreover, single agency domination of task force project agendas gave way to equal participation in task force management and operations. These developments set the criterion for the multi-jurisdictional drug task forces in use today.<sup>87</sup>

### *Federal/State Task Force Structures*

Currently, there are seven federal/state task forces, three Organized Crime Drug Enforcement Task Forces (OCDETF), and one High Intensity Drug Trafficking Area (HIDTA) efforts in Virginia. Currently, the Drug Enforcement Agency (DEA) leads six of the federal/state task forces, while the Federal Bureau of Investigation (FBI) heads one federal/state task force (see **Figure 3.1 below**).<sup>88</sup> In order to understand fully the attributes of federal/state task forces, OCDETF's, and HIDTA's as they relate to drug interdiction, it is first necessary to outline the different organizational structures and objectives of each category of task force.

### *DEA Led Federal/State Task Forces*

The DEA establishes formal federal/state task forces to promote cooperation between DEA and state and local law enforcement officials with the goal of immobilizing drug trafficking groups. Currently, the DEA leads six task forces in Virginia. DEA task force involvement develops most often through "point of contact" meetings, during which Virginia State Police and federal agencies discuss drug trends, the status of current federal/state and state/local task forces, and the possible need for additional task forces. Task forces are initially created on a "provisional" basis; that is, the task force is informally assembled and remains operational for one year. Following this provisional

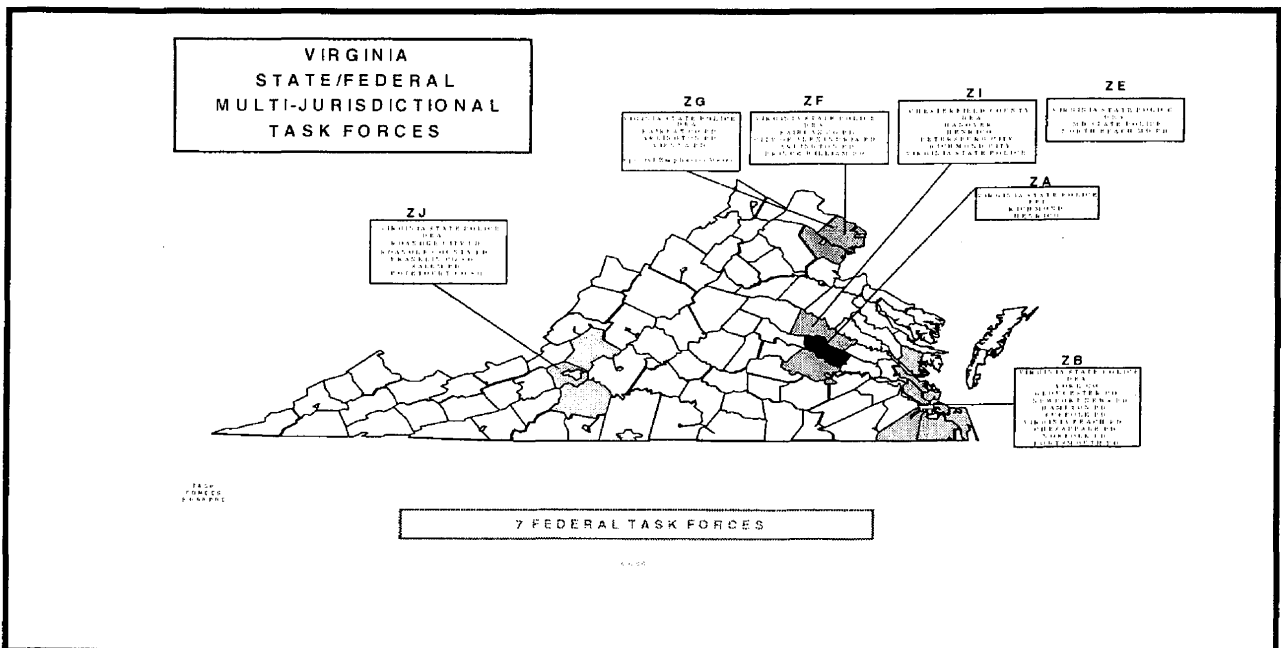
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<sup>87</sup>"Lessons Learned from the Organized Crime Narcotics (OCN) Trafficking Enforcement Program Model," Bureau of Justice Assistance: December 1998, Appendix E, p. 54.

<sup>88</sup>Note, that in the discussion of federal/state task forces, the number of federal/state task forces noted on both the map and in the individual sections may be inconsistent with the actual number of federal/state task forces operating in Virginia. Based on the information available at this time, staff is unable to verify the accuracy of these numbers. Staff will, in future reports, attempt to determine the actual number of federal/state task forces in the Commonwealth.

period, DEA and state and local agencies establish formal contractual arrangements, prepared by the DEA Office of General Counsel Arrangements, and signed by local or state DEA officials. Contracts usually discuss the contribution of manpower and all major aspects of investigative jurisdiction. Except for the officers' salaries, DEA primarily provides funding. In addition, the DEA often provides communications equipment, support personnel, space, overtime payment, purchase of evidence, and payment for informants. The actual organization of the task force is generally standardized. The DEA acts as the primary funding agency and the DEA supervisor usually occupies the "chief" position, with the management of day-to-day activities and enforcement shared among all of the participating agencies. However, if DEA involvement is at the state/local task force level, Virginia State Police usually retains oversight of the task force.

**Figure 3.1: Map of Federal/State Drug Task Forces Operating in Virginia**



***FBI Led Federal/State Task Forces***

There are 56 FBI regional field offices nationwide. Crime trends and available resources dictate the location of these offices. Two of those offices are located in Virginia, the Richmond field office and the Norfolk field office. The Special Agent in Charge (SAC), aided by one or more managers (Assistant Special Agents in Charge), Squad Supervisors (in charge of investigative work) and Administrative Officers (administer support operations), supervises every FBI field office.

There are seven (7) resident FBI agencies also located in Virginia. Resident agencies, or satellite offices, extend the geographic reach of regional offices. Supervisory Senior Resident Agents manage these agencies and report back to the regional field offices. Like the regional field offices, crime trends and resources dictate

the location of resident agencies. The number of resident agencies varies from state to state, and the number of employees assigned to each resident agency, varies from agency to agency. Virginia resident agencies are located in Bristol, Roanoke, Lynchburg, Richmond, Charlottesville, Winchester and Fredericksburg.

Currently in Virginia, the FBI runs one federal/state task force. Virginia State Police, or localities contacting regional field offices or resident agencies, achieves FBI participation in both federal/state and state/local task forces. However, FBI task force involvement, much like DEA task force involvement, most often develops through “point of contact” meetings, during which Virginia State Police and federal agencies discuss drug trends, the status of current federal/state and state/local task forces, and the possible need for additional task forces. From these meetings, if the FBI decides to participate in either a federal/state or a state/local task force, a memorandum of agreement is drafted. If FBI involvement is at the federal/state task force level, then the FBI maintains oversight of the task force and provides the majority of funding. However, if the FBI joins an existing state/local task force, Virginia State Police most likely retains control of the task force.

### ***Organized Crime and Drug Enforcement Task Force Program (OCDETF)***

The Organized Crime and Drug Enforcement Task Force program’s objective looks to coordinate the investigation and prosecution of highly complex and diversified criminal-drug-related and money-laundering organizations. Essentially, the OCDETF program acts as a funding mechanism under which federal agencies can receive money to create a multi-jurisdictional task force that they otherwise would be unable to form. Currently, there are nine regional organized crime and drug enforcement task force regions in the United States. Virginia is located within the Mid-Atlantic OCDETF region; within Virginia, the Attorney General’s Office in each city oversees three OCDETF districts (Richmond, Roanoke and Alexandria). Although the US Attorney’s Office traditionally oversees OCDETFs, the program itself is the collaborative effort of US Attorneys, the Department of Justice Criminal and Tax Divisions, FBI, DEA, IRS, INS, US Customs, US Coast Guard, ATF, the US Marshall’s Service, and numerous state and local law enforcement officials. The composition of agency investigators varies according to which agency initiates the investigation. Furthermore, state and local law enforcement officials work directly with a specific federal agency for the duration of the investigation, and that federal agency oversees task force operations.<sup>89</sup> The federal government funds OCDETF efforts. The Interagency Crime and Drug Enforcement (ICDE) appropriation provides funding through the Department of Justice budget for federal agencies that participate in the OCDETF program.<sup>90</sup>

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<sup>89</sup> Chaiken, Jan and Marcia Chaiken and Clifford Karchmer. “Multi-Jurisdictional Drug Law Enforcement Strategies: Reducing Supply and Demand,” National Institute of Justice. US Dept. of Justice, Washington, DC: December, 1990, p. 46.

<sup>90</sup> “Interagency Crime and Drug Enforcement, Agency Budget Summary, Department of Justice,” 1999 National Drug Control Strategy Budget Summary, Office of National Drug Control Policy: 1999.



## ***High Intensity Drug Trafficking Areas (HIDTAs)***

The Office of National Drug Control Policy identifies crucial drug-trafficking areas that have a harmful impact on other areas of the United States and designates them as High Intensity Drug Trafficking Areas (HIDTAs). Utilizing the joint efforts of local, state, and federal law enforcement agencies, HIDTAs appraise regional drug threats, create strategies for combating those threats, and advance initiatives to implement such strategies. They provide an umbrella of coordination for combined law enforcement efforts and encourage a strategy-driven, systems approach to combining and synchronizing those efforts.<sup>91</sup>

HIDTA organization includes:

- A sixteen-member committee composed of a roughly equal number of local, state, and federal representatives which manages its budget and the daily activities;
- A task force of collected law enforcement representatives led by federal agencies;
- Regional state/local led drug and money laundering task forces;
- A regional joint-intelligence center and information sharing network;
- Supporting initiatives to sustain law enforcement activities; and
- Funding from the National Drug Control Budget.<sup>92</sup>

The Washington/Baltimore HIDTA was designated in 1994, and includes the counties of Arlington, Fairfax, Prince William, Fauquier and Loudoun and the cities of Alexandria, Fairfax City and Manassas within its boundaries.<sup>93</sup> The Washington/Baltimore HIDTA focuses on drug distribution groups, violent drug offenders and gangs, open-air drug markets, firearms trafficking, interdictions, and money laundering.

## ***Multi-Jurisdictional Drug Task Force Models***

Currently in Virginia, the loosely constructed organization model for task forces provides some guidance as to task force organization and little guidance as to the development of task force goals and objectives. Moreover, the Virginia Department of State Police does not have a “model” task force structure by which to compare existing

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<sup>91</sup> “High Intensity Drug Trafficking Areas (HIDTAs): Overview,” Office of National Drug Control Policy.

<sup>92</sup> “High Intensity Drug Trafficking Areas Program,” Office of National Drug Control Policy.

<sup>93</sup> All HIDTAs are designated by the Director of the Office of National Drug Control Policy (ONDCP) pursuant to the Anti-Drug Abuse Act of 1988, as amended, to improve coordination of drug control efforts. Upon designating an HIDTA, the director consults with the Attorney General, the heads of national drug program agencies, and the appropriate Governors in order to discuss the criterion required by the statute. “High Intensity Drug Trafficking Areas (HIDTAs): Overview,” Office of National Drug Control Policy.

state/local task forces. As a result, the organization, as well as the maintenance of goals, objectives, and evaluative processes, varies tremendously from one task force to another.

While the Department of Virginia State Police does not endorse a task force “model,” it uses existing models to organize state and local task forces. These organizational models might prove beneficial to state and local agencies in developing a formal drug task force model. One such model, the OCN task force model, has useful applications for state and local task forces. All OCN task forces include federal, state, and local participants. The application process for OCN task forces requires jurisdictions to outline the multi-jurisdictional operation, identify at least 3 years of narcotics trafficking, discuss previously unsuccessful law enforcement tactics, identify prior prosecutions of individuals in the targeted narcotics organization and provide evidence that the organization continued to operate after those prosecutions. Components of the OCN model also include a memorandum of understanding, which contains a mission statement and outlines goals, and a Control Group that ensures that participants equally share the identity and control of the project. While the OCN model has useful applications for state and local drug task forces, it remains questionable whether the state/local level could replicate this exact model. Specifically, the strict requirements for forming a task force under the OCN model probably prove too burdensome for local agencies. However, certain aspects of the OCN model, for example MOUs that contain mission statements and goals, would be applicable and beneficial to state/local drug task forces.

The International Association of Chiefs of Police (IACP) has also provided a model by which agencies can structure state/local drug task forces.<sup>94</sup> The IACP model gears itself towards state and local agencies, and, therefore recognizes the constraints of such agencies. Included among the beneficial aspects of the IACP model, is the creation of a governing organization (Board of Directors) that equally represents the agencies involved and requires the Board of Directors to establish goals and objectives, the scope of the operations to be conducted, funding, dissolution, etc. (see **Appendix F**.) Therefore, the IACP model remains a useful resource for state and local law enforcement agencies in Virginia to use when developing a formal drug task force model.

### **Virginia State/Local Multi-Jurisdictional Drug Task Forces**

Realizing the need for agents specializing in drug interdiction, in 1970 Virginia State Police assigned twelve investigators and forty-eight troopers dedicated to drug interdiction to the seven statewide field offices. Much like the function of Drug

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<sup>94</sup> The International Association of Chiefs of Police was founded in 1893 and seeks to advance the science and art of police services; to develop and disseminate improved administrative, technical and operation practices and promote their use in police work; foster police cooperation and exchange of information and experience among police administrators throughout the world; to bring about recruitment and training in the police profession of qualified persons; and to encourage adherence of all police officers to high professional standards. Since its establishment, the IACP has launched historically acclaimed programs, conducted ground-breaking research and provided exemplary programs and services to its members; in addition, the FBI Identification Division and the Uniform Crime Records system can trace their origins back to IACP.

Enforcement Division (DED) regional field agents today, these investigators and troopers informally assisted the various localities in combating drug problems.<sup>95</sup>

One of the first federal/state multi-jurisdictional task force efforts began in 1982 with the *Domestic Marijuana Eradication Program*, which combined the efforts of the DEA, Virginia State Police, the Department of Game and Inland Fisheries, the Department of Forestry, Department of Alcoholic Beverage Control, and the National Guard. In 1985, Northern Virginia created the first formal, federal/state task force targeting upper-level drug dealers and drug smugglers. Currently, the *Domestic Marijuana Eradication Program* still exists, totaling 1800 arrests since 1983; the number of federal/state task forces focusing on drug interdiction has grown to seven statewide, with a total of 459 arrests since 1994.

In 1983, Richmond organized the first formal state/local multi-jurisdictional task force, consisting of the Richmond Police Department, the Henrico Police Department, the Hanover County Sheriff's Office, the Chesterfield County Police Department, and the Virginia State Police. The task force devoted itself to drug interdiction, and contained all of the components of an investigative oriented task force, including a special prosecutor and multi-jurisdictional grand jury. Furthermore, to enhance the effectiveness of the task force, local police officers were assigned special state police authority, enabling them to have enforcement power in multiple jurisdictions. The Richmond task force was the forerunner to today's state/local multi-jurisdictional task forces, which now number 25 statewide, accounting for 7300 arrests since 1994.<sup>96</sup> Specifically, the State Police report that during 2000, these multi-jurisdictional task forces "participated in 3,237 investigations that accounted for \$14,694,178 in illicit drug seizures; &1.6 million in seized U.S. currency; and 1,723 person arrested on 2,211 charges."<sup>97</sup>

Other recent multi-jurisdictional and multi-agency efforts focusing on drug interdiction include:

- **Pharmaceutical Drug Diversion Unit:** Committed to eliminating the diversion of legitimate pharmaceutical drugs to illicit purposes, the Pharmaceutical Drug Diversion Unit combines the efforts of Virginia State Police, the DEA, the Department of Health Professions, the Department of Medical Assistance Services, and local law enforcement agencies.
- **Narcotics Interdiction Unit:** Created within the Drug Enforcement Division of the Virginia State Police in 1991, the Narcotics Interdiction Unit, which houses four teams (East, West, Transportation, and Tidewater), has the sole responsibility of monitoring drug trafficking via highways, trains, buses or the air.

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<sup>95</sup> "Virginia State Police: Drug Enforcement Efforts," Colonel M. Wayne Huggins, Superintendent, Virginia State Police: July 14, 1998.

<sup>96</sup> College of William & Mary, Center for Public Policy Research, "Study of Formal State and Local Multi-Jurisdictional Drug Task Forces in Virginia". (Initial Report, July 18, 2001).

<sup>97</sup> Virginia Department of State Police, "2000 Facts and Figures," no date.

- **Asset Forfeiture Unit:** Formed in 1991, the Asset Forfeiture Unit identifies and seizes assets traceable to the sale and/or manufacture of illicit narcotics, as mandated under section 18.2-249 of the *Code of Virginia*. The unit is decentralized, with special agents assigned to specific field offices; members often provide training and assistance to local and state agencies either through investigative assistance or developmental program techniques.
- **Governors Initiative Against Narcotics Trafficking (GIANT):** Born from the Commonwealths Offensive Mobilization Against Narcotics Distribution (COMAND) program in 1995, GIANT combines the efforts of state and local law enforcement agencies to interdict illegal drug shipments and eradicate domestically grown marijuana and other domestically produced illicit drugs.
- **Multi-Jurisdictional Narcotics Interdiction Unit, or the Metro Interdiction Team:** Established in 1996, the Metro Interdiction Team is the collaborative effort of the localities of Chesterfield, Henrico, Richmond, Petersburg, and Hanover, the Richmond International Airport Police Department, Virginia State Police, and the DEA to disrupt the flow of illegal drugs transported via public transportation into or through the Richmond area.

In addition, during the 2000 session of the Virginia General Assembly, the legislature introduced and passed a comprehensive package of legislation (SABRE) aimed at strengthening drug interdiction efforts and reducing substance abuse within the Commonwealth. Among the features of this legislation was the creation of a new multi-jurisdictional drug interdiction unit within the Department of State Police.

### *Virginia State/Local Multi-Jurisdictional Task Force Structure*<sup>98</sup>

Currently in Virginia, twenty-five formal state/local task forces, including some of the efforts listed above, exist. The map below lists the jurisdictional boundaries of each task force, as well as each task force's participants (see **Figure 3.2 below, and Appendix G**).<sup>99</sup> However, it must be noted that the participants listed on the task force map may not accurately reflect the task forces officially recognized in the Memorandums of Understanding (MOU). Informal agreements sometimes occur between localities and existing formal state/local task forces; the Virginia State Police often unofficially recognizes these informal participants that are not recognized on the Memorandum of Understanding.

***Formal Task Force Creation.*** The creation of formal task forces stems from localities realizing a drug problem exists that they lack the resources to address alone and contacting Virginia State Police for assistance, or Virginia State Police recognizing drug trends occurring within given jurisdictions and contacting the jurisdictions for assistance.

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<sup>98</sup> Unless footnoted otherwise, information in this section was provided by the Virginia State Police.

<sup>99</sup> College of William & Mary, Center for Public Policy Research, "Study of Formal State and Local Multi-Jurisdictional Drug Task Forces in Virginia". (Initial Report, July 18, 2001).

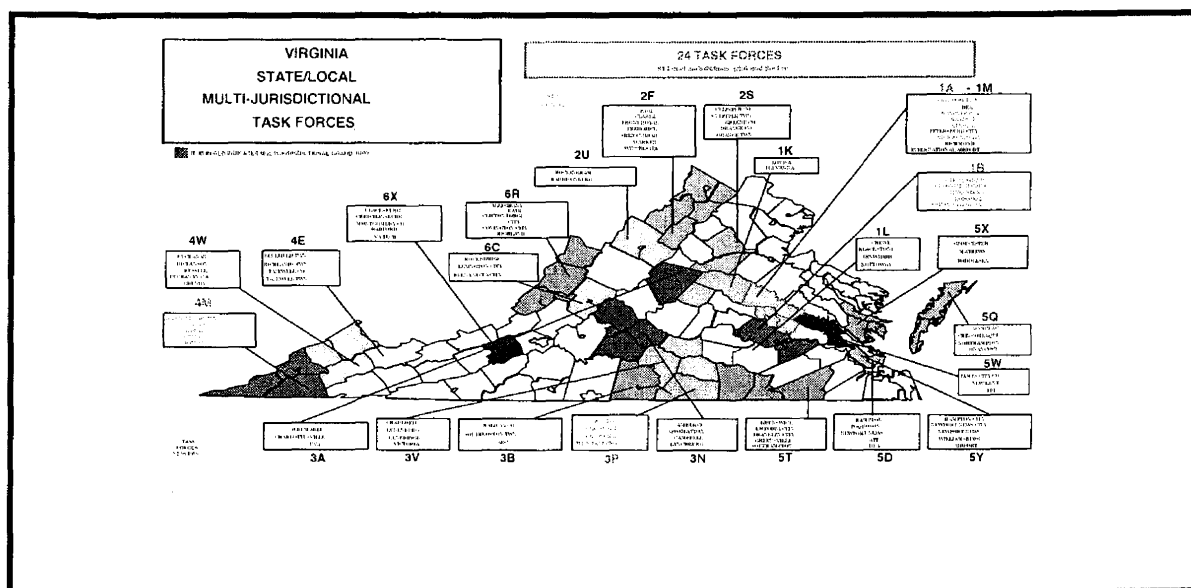
Usually, a command board or chiefs meeting precedes the official creation of a task force. At these meetings the participants establish a MOU and lay out the direction and specific targets of the task force (i.e. street level dealers, mid-level dealers, etc.). However, task forces are not always created to address an existing drug problem. Often, an agent from the one of the seven regional field offices is assigned to work with the sheriffs office or police department in a locality.

**Memorandum Agreements.** Virginia State Police Memorandum of Understanding (MOU) officially recognizes formal state/local task forces as the combination of Virginia State Police and local law enforcement efforts. Today, 70% of Virginia's task forces signed MOUs between 1996 and 2000. The MOU identifies the participating jurisdictions, the specific coordinators of the task force, and the reporting process for the task force. However, it does not set out the specific goals and/or mission of the task force. Rather, the MOU promotes the general mission statement of the Virginia State Police, "to interdict the flow of drugs, identify and apprehend the low level 'street dealers' and identify and disable large drug organizations." Individual task forces may voluntarily adopt goals and/or mission statements, but Virginia State Police do not require their adoption. Currently, the majority of task forces have opted not to adopt formal mission statements. In general, the mission of virtually all Virginia's task forces is to "improve the enforcement of the controlled substance laws as set forth in Virginia Code Section 18.2-247 et seq., as amended", and the goal is to target, investigate, and prosecute individuals/organizations who deal in quantity narcotics (see **Appendix H**).<sup>100</sup>

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<sup>100</sup> Ibid.

Figure 3.2: State/Local Task Forces<sup>101</sup>



**Funding.** Participating jurisdictions and Virginia State Police equally split funding for individual, formal state/local task forces; that is, each member of the task force pays his or her own way. This funding includes administrative costs, such as a building and office staff, and vehicles. Participating jurisdictions pay individual members' salaries and benefits. However, Virginia State Police supplies the majority of other resources, including money for drug purchases.

Virginia State Police acquires funding, in general, for task forces through federal grants, such as Byrne grants, through their budget, and through asset forfeiture and sale.<sup>102</sup> However, when a drug bust produces seized assets and money, Virginia State Police and the participating jurisdictions equally split the money and assets; for long-term investigations, this often includes money that Virginia State Police provided for drug purchases (see Appendix I).<sup>103</sup>

**Organization and Evaluation.** Formal state/local task forces each have a coordinator that manages the activities of the task force. In the majority of cases (approximately 60%), the Virginia State Police provides the coordinator of the task force.

<sup>101</sup> The Virginia State Police is a member of all 25 multi-jurisdictional task forces.

<sup>102</sup> Byrne grants are discretionary grants made available by the Bureau of Justice Assistance to state and local governments for improving the functioning of the criminal justice system with emphasis on violent crimes and serious offenders, and enforcing state and local laws that establish offenses similar to offenses established in the Federal Controlled Substances Act. To receive funds, states must develop a strategic multi-year violence prevention and drug control strategy to demonstrate how the funds will be used. States must also provide a 25% cash match.

<sup>103</sup> This appendix reflects only state and local funding sources since most of the information on federal funding levels by task force has not yet been provided. As Virginia's multi-jurisdictional drug task forces complete the follow-up survey, this information will be updated and provided in next year's report. College of William and Mary, Center for Public Policy Research, "Study of Formal State and Local Multi-Jurisdictional Drug Task Forces". (Initial Report, July 18, 2001).

All task forces have a command board that designates the direction and targets of the task force. Command boards either meet quarterly, monthly, or on an ad-hoc schedule. In some task forces, primarily those in non-metropolitan areas, the task force coordinators, the sheriffs and police chiefs of the participating jurisdictions, and Virginia State Police meet quarterly or monthly at a “chiefs’ meeting” to discuss the progress of individual task forces in participating jurisdictions. In these situations, the “chiefs’ meeting” compares to a task force command board meeting, with the only difference being that it includes the chiefs (instead of high-ranking agents) from only the participating agencies. Note that these meetings do not discuss the progress of the task force, generally, but the activity of the task force in individual localities. Instead, Virginia State Police, through its seven regional field offices, evaluates overall task force success.

In more metropolitan areas, command board meetings often occur in lieu of a “chiefs’ meeting.” Unlike the “chiefs meeting,” the upper level members of the participating jurisdictions (for example, captains and lieutenants) attend the command board meeting instead of the chief officers. The rationale behind the command board meeting results from the idea that the chiefs in these metropolitan areas maintain busy agendas, and the upper level officers can relay any pertinent information to them. “Chiefs’ meetings” may also be held, but they will often include the chiefs from the participant jurisdictions as well as the chiefs from all neighboring jurisdictions and federal and state agencies (for example, DEA and VABC). Command board meetings also differ from “chiefs’ meetings” in that they look at the overall progress of the task force as well as the progress of the task force in individual jurisdictions. In addition, command board meetings are procedural in nature, whereas “chiefs meetings” are more administrative; that is, command board meetings set out goals (although usually not written ones), and often evaluate the success of the task force.

Currently, Virginia State Police maintains no regular evaluation schedule for multi-jurisdictional task forces. The Drug Suppression Division (Virginia State Police Headquarters, Richmond) evaluates task forces approximately every three to four years. Although all the reports include a brief description of task force participants and recommendations for improvement, the quality of reporting varies from report to report. For example, some regional field offices include seizure and arrest data to support their observations and/or recommendations, while others provide no supporting data. The overall nature of the reports is vague, and the length of detail brief. The length of individual task force evaluations range from a half of a page to a little over a page, and only briefly discuss task force participation, successes and/or needs for improvement. The reports rarely mention individual task force goals, including goals pertaining to the type of drug being targeted.<sup>104</sup>

**Power Structure.** The Virginia State Police generally oversees formal, state/local task forces. However, aside from the coordinator, who acts as the manager of the task force, members generally have an equal role in task force investigations. As mentioned earlier, monthly or quarterly “chiefs’ meeting” occur for some task forces, during which

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<sup>104</sup> Based on examination of the Virginia Department of State Police, Drug Suppression Division’s field offices’ evaluation of state/local multi-jurisdictional drug task forces (on file, VSCC).

time the coordinator, chief local law enforcement agents, and Virginia State Police, discuss the activity of the task force. Also noted earlier, these meetings do not mean to discuss the overall success of the task force, but rather the activity of the task force in participating jurisdictions.

**Disbanding.** Most often, a task force disbands because it has outlived its usefulness. When this happens, task force members, along with Virginia State Police and the local law enforcement agencies, usually come to a universal agreement that the task force is no longer necessary. Often, these decisions are not rapidly made; rather, the decision to disband usually develops during “chiefs’ meetings” over a period of time. Also, in some instances, a locality drops out of a task force. In these cases, the locality is then removed from the MOU, and the task force continues. Neighboring localities might be solicited for the vacant spot; however, localities, due to cost factors, are often reluctant to fill vacancies.

It must be noted, though, that Virginia State Police will never be the cause of a task force disbanding. As long as an agency wants a task force, Virginia State Police will support that agency, furthering Virginia State Police’s belief that they are there to assist the locals in the fight against drugs.

### ***Informal State/Local Task Forces***

Local police departments and/or sheriff’s offices create informal state/local task forces, those that do not include formal oversight, funding, or a Memorandum of Understanding. It is impossible to estimate the number of informal state and local task forces existing in Virginia, primarily because these task forces do not normally include Virginia State Police, and therefore do not have an official memorandum agreement. Instead, these task forces operate as a result of an unofficial verbal agreement between local law enforcement agencies to pool resources in order to target a perceived drug problem.

In the instances when Virginia State Police does participate in an informal multi-jurisdictional task force, it most likely will provide some resources to the task force; for example, money for drug purchases. Often, Virginia State Police agrees to participate in these types of task force arrangements because it realizes the unwillingness of certain localities to participate in formal task forces. Localities, for a variety of reasons (for example, because of long-standing disagreements between neighboring jurisdictions) do participate in informal task forces containing a Virginia State Police agent, but reject any type of participation in a formal task force made up of neighboring localities.

**Structure and Funding.** The structure and organization of these task forces varies, primarily because no pre-set structure for them to follow exists. Funding most likely comes from the localities participating, probably in the form of manpower, vehicles, and other resources. However, it cannot be definitively known, without looking at individual agency budgets, whether participating localities provide additional resources to these task forces.



**Obstacles Preventing the Creation of a Formal Task Force.** There are a variety of reasons that localities might agree to adopt an informal task force, rather than a formal task force that includes Virginia State Police. Fiscal constraints might play an important role in determining whether or not a locality will enter into a formal task force. As noted earlier, localities in formal state/local task forces must each pay their own way on the task force, including the members' salaries and benefits. Small localities might not be able to afford to lose the manpower in their jurisdiction full time, and might be unable to pay for an additional officer to be on a task force. Also, localities might decline to participate in a formal task force because they feel they can handle the drug problem in their jurisdictions on their own, making the need for state police involvement unnecessary. Furthermore, long standing disagreements between various jurisdictions, as well as conflicting personalities among localities' chiefs, might prevent localities from coming together to form an official task force.

Additionally, specific obstacles exist that prevent rural areas from successfully operating a formal task force. First, it might be difficult for rural agencies to find qualified undercover narcotics agents. Second, even if the task force includes qualified narcotics agents, it is often difficult for them to infiltrate the drug scene. Drug offenders often recognize local law enforcement officers, while agents imported from state police find it difficult to penetrate drug networks as newcomers.<sup>105</sup>

**Informal Task Force Involvement on Formal Task Forces.** Occasionally, formal state/local task forces are the hybrid of formal task force participation and informal task force participation. In these cases, local law enforcement agencies that are not included on the Memorandum of Understanding participate, along with those localities listed on the MOU, in the activities of the formal task force. Virginia State Police unofficially recognize the participation of these agencies. However, they do not grant multi-jurisdictional enforcement power to them; therefore, participation by informal agency members primarily occurs within their own jurisdictions. Virginia State Police does not provide funding to informal members. However, if a bust occurs in its jurisdiction, they usually receive a portion of the money and assets seized. The distribution of seized money and assets to informal task force participants is recorded on Virginia State Police form 998. This form is the only official record of informal participation of a formal state/local task force.

It is difficult to determine the amount of informal participation occurring on formal state/local task forces. Often, local law enforcement agencies that are now informal participants, were once formal participants of the task force. In these cases, the locality often could not afford to keep their member on full time. However, Virginia State Police often recognize these participants on their listings of task force membership. For example, task force 1K officially includes the jurisdiction of Louisa County and Virginia State Police on its Memorandum of Understanding. Fluvanna County was once included

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<sup>105</sup> Coldren, James R. and Sabath, Michael J. "Multi-Jurisdictional Drug Control Task Forces 1988-1990: Critical Components of State Drug Control Strategies," Bureau of Justice Assistance, US Department of Justice: April, 1992, p. vi.

on the MOU for 1K, but after it dropped off of the task force full time, it was officially removed. However, Fluvanna County still participates on the 1K task force on a part time basis. If asked who are the participating members of 1K, Virginia State Police would respond that the members are Louisa and Fluvanna Counties. Fluvanna County is recognized on both the map that identifies task force participation and the task force evaluations conducted by the regional field offices. However, Fluvanna is not listed on the monthly seizure reports or on the MOU.

Although informal/formal hybrid task forces exist, Virginia State Police discourages such task forces because they often lead to later problems. For example, if an informal participant directs a formal task force to lead and assist with an investigation that leads to a bust, the division of assets between participants often becomes a source of tension. Usually, task forces divide the assets equally among participating jurisdictions, even those jurisdictions informally participating. However, in some cases, because the informal participant directed the task force to the lead, it will demand a much a higher percentage of the assets seized. In a formal task force arrangement, no question arises as to division of the assets because the MOU clearly states such division. However, in hybrid situations, where informal participants are not limited to the terms of the MOU, there remains room for the informal participant to contest the normal division of assets.

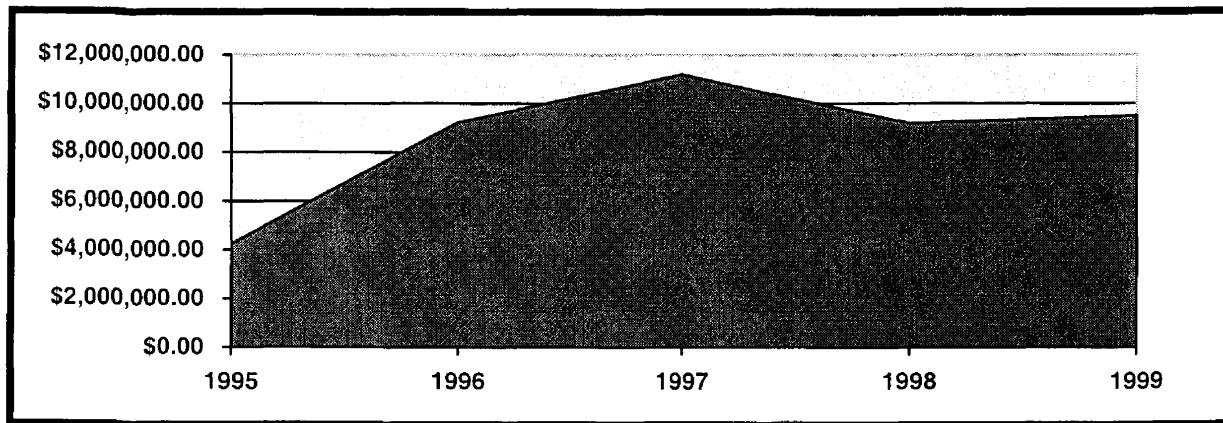
### *Current Status of Virginia's State/Local Drug Task Forces*

While we can at this time assume that multi-jurisdictional drug task forces have the potential to reduce drug crime, the overall effectiveness of multi-jurisdictional task forces at interdicting drugs cannot be verified. Currently, the external methods of evaluation (those conducted outside the task force structure via the task force coordinator or the command board) are minimal. While Virginia State Police does evaluate state and local multi-jurisdictional task forces, those evaluations are vague and sporadic.

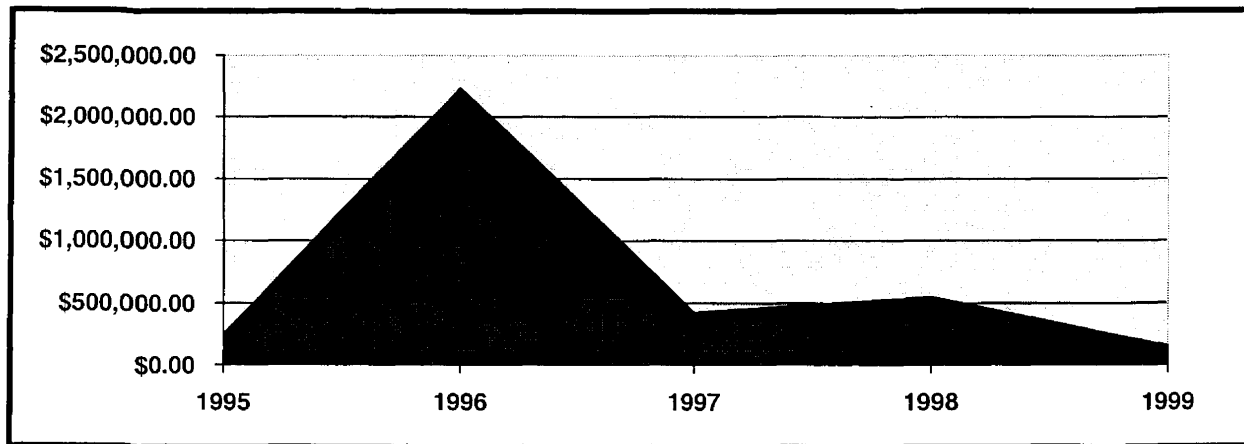
Even when one looks at the seizure rates reported by the multi-jurisdictional task forces, it is difficult to ascertain whether or not task forces, overall, are effective at interdicting drugs. While, overall, statewide seizure rates appear to be high, they began to decline in 1998; resulting in a \$2,024,172 drop in drug seizures from 1997 (see **Figure 3.3 below**). However, 1999 statewide drug seizure totals indicate an increase in drug seizure trends. Regarding statewide totals for currency seizure over the past four years, while the amount seized peaked in 1996 and sharply declined in 1997, 1998 saw the gradual increase in currency seizures (see **Figure 3.4 below**). In addition, while some task forces have had tremendous success at interdicting drugs (indicated through their continually increasing seizure rates), others have declined in their drug seizures, while others have maintained no recognizable trend in drug seizures over the past four years (see **Appendix J**). Therefore, it is difficult to determine whether high statewide seizure rates represent the success of only a percentage of task forces, or of the majority of the task forces. Without a comprehensive evaluation that takes into account fluctuation in crime rates generally, and fails to offer even anecdotal information concerning the volume of illegal drugs that flow into and within the Commonwealth, the true significance of drug seizure rates is unknown. Therefore, lacking comprehensive

evaluations to supplement the drug seizure rates, analyzing fully and accurately the numbers represented in the monthly narcotics reports becomes impossible.

**Figure 3.3: Annual Statewide Drug Seizure Totals for Multi-Jurisdictional Task Forces**



**Figure 3.4: Annual Statewide Currency Seizure Totals for Multi-Jurisdictional Task Forces**



### Conclusion

Multi-jurisdictional task forces, whether they are formal or informal, are all the result of the collaboration of expertise, resources, and efforts of various law enforcement agencies and prosecutors. They are an effective way for law enforcement agencies to target drug problems that, due to individual department constraints, they would not be able to address otherwise. In addition, task forces allow law enforcement agencies to tackle the enforcement obstacles traditionally associated with drug crime and drug

trafficking; specifically, that drug-traffickers do not respect political or jurisdictional boundaries.

Formal multi-jurisdictional task forces have been operational in Virginia since the early 1980's. The successful evaluation of these task forces, based on their organization, funding, and oversight, plays a key role in assessing just how effective task forces are at reducing drug crime. The effectiveness of Virginia's multi-jurisdictional task forces on reducing drug crime has not been thoroughly evaluated.<sup>106</sup> Initial assumptions point to the direction that task forces are successful.<sup>107</sup> Anecdotally, it seems that task forces are achieving some important goals. However, because current internal methods of task force evaluation are sporadic and vague, the success of Virginia's task forces cannot be verified. Therefore, the task forces would likely benefit from adherence to a clearer performance measurement and management system. In such a system, now common at all levels of government, the task force would set goals in terms of measurable outputs that are consistent with the mission and objectives of the task force and that consider other factors such as demographic and financial in setting those goals. In addition, the Virginia task forces would likely benefit from monthly or no less than quarterly meetings. Furthermore, a critical element of a performance based management system is the collection of consistent and accurate data. The FACTS system of the Virginia State Police is a move in the right direction. The further development of that system and its use in performance management should improve the efficiency and effectiveness of Virginia's task forces.<sup>108</sup> The successful evaluation of task force structure, organization, and oversight will identify areas in need of improvement, areas that are operating smoothly, and assess overall task force effectiveness and efficiency.

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<sup>106</sup> The College of William and Mary, Center for Public Policy Research conducted a survey of Virginia's formal state and local multi-jurisdictional drug task forces. This survey was not designed to and, therefore, cannot determine if there is more effective enforcement of drug laws because of the task forces.

<sup>107</sup> College of William & Mary, Center for Public Policy Research, "Study of Formal State and Local Multi-Jurisdictional Drug Task Forces in Virginia". (Initial Report, July 18, 2001).

<sup>108</sup> College of William & Mary, Center for Public Policy Research, "Study of Formal State and Local Multi-Jurisdictional Drug Task Forces in Virginia". (Initial Report, July 18, 2001).

## **CHAPTER FOUR**

### **LAW ENFORCEMENT AND TECHNOLOGY**

Chapter four provides an overview of the evolution of technology within the law enforcement community. This chapter consists of the following sections:

- Introduction
- Technology and Law Enforcement
- Obstacles to the Implementation of Law Enforcement Technology
- Overcoming Obstacles
- Conclusion

#### ***Introduction***

A readily apparent relationship exists between law enforcement, crime, and technology. The early part of the century saw the rise of basic, yet crucial technologies, such as fingerprinting, crime laboratories, automobiles, and two-way radios; all of which are the backbone of modern day policing. The development of police technologies continued through the twentieth century, with advancements such as radar, polygraphs, and the evolution of computers in American policing. However, progress in police technology has often been slow and uneven. Only in recent years have law enforcement agencies recognized that many of the new and emerging technologies captured by the phrase “information technology” can prove significantly helpful in their continuing efforts to fight crime. This section outlines the development of technology within the criminal justice system, highlights the relationship between law enforcement and technology, and identifies contemporary trends in law enforcement technology.

#### ***Technology and Law Enforcement***

Three eras divide the history of United States policing: the Political Era, the Professional Model Era, and the Community Policing Era. Different models of policing and varying levels of communication, as well as distinct technological advances within the law enforcement community characterize each of these eras.<sup>109</sup>

The **Political Era** of policing reflects the character of the policing that occurred from 1840 until about 1920. During this time period, personal and jointly beneficial ties between politicians and police existed in many urban areas of the United States, and the gun and the nightstick indicated the extent of technology during the early part of this era. However, the latter part of the era, primarily the early twentieth century, saw the advent of more critical advancements, including the telegraph, the telephone, and fingerprinting systems.<sup>110</sup>

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<sup>109</sup> “The Evolution and Development of Police Technology,” National Committee on Criminal Justice Technology, National Institute of Justice, July, 1998.

<sup>110</sup> “The Evolution and Development of Police Technology,” National Committee on Criminal Justice Technology, National Institute of Justice, July, 1998.

The **Professional Era**, which spanned from 1920 to 1970, saw the development of more modern policing characteristics. More egalitarian law enforcement characteristics, such as discipline, equal enforcement of the law, and centralized decision making largely replaced the undesirable political influences that marked the Political Era. Technology played a crucial role in fostering the development of these characteristics. Early technological advancements during the 1930s and 1940s included:

- Crime laboratories
- Automobiles
- Two-way radios
- Polygraphs
- Fingerprint and Handwriting Classification Systems
- Radar

The latter part of the Professional Model Era bore witness to a number of federally led efforts to nurture the development of new technologies for the police. Looking to address the increased crime rates and street disorders of the 1960's, President Lyndon B. Johnson appointed the President's Commission on Law Enforcement and Administration of Justice to examine the problem. In 1967, the Commission produced a 308-page report, which included eleven recommendations dealing with police technology. Johnson then began the flow of what would eventually become billions of dollars into direct and indirect assistance to local and state law enforcement. As with many of Johnson's efforts, this money marked the first time the federal government took the position of providing massive assistance to state and local agencies, characterizing the "marble cake" federalism of the 1960s and 1970s. As a result, hundreds of millions of dollars were funneled into the area of police technology.<sup>111</sup>

The introduction of computers into policing roughly coincides with the commencement of the third and current era of American policing, the **Community Policing Era**, which began in 1970. Community policing recognizes that the police and the community working together to identify and solve problems best address crime problems.<sup>112</sup> Technology plays a prominent role in community policing primarily because efficient and effective policing in today's society requires high-tech equipment and applications. Some of the technological developments in recent years include:

- Computer-aided dispatching;

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<sup>111</sup> "The Evolution and Development of Police Technology," National Committee on Criminal Justice Technology, National Institute of Justice, July, 1998.

<sup>112</sup> "National Drug Control Strategy 1999," Office of National Drug Control Policy.

- Computers in patrol cars;
- Automated fingerprinting systems;
- Online offense-reporting systems;
- Geographical Information Systems (GIS); and
- Criminal Justice Integrated Information Networks (CJIIN).

Because of these advancements, local law enforcement agencies have learned the benefits of technology for policing, including enhanced police productivity, increased safety for both citizens and the police, and an overall increase in the effectiveness of police management.<sup>113</sup>

### ***Obstacles to the Implementation of Law Enforcement Technology***

While the arrival and evolution of computers into modern-day policing have provided the law enforcement community with an important resource, they have also defined some of the apparent constraints of community policing; the most troubling being the *fragmentation* of local police. Many of the obstacles to technological applications stem from fragmentation. Illustrating, there are approximately 570,000 police officers in the US, serving 17,000 different agencies, 90% of which have 24 or fewer officers. In addition, local and state police handle 95% of the nation's crime. This diversification is the source of fragmentation, which often results in:

- Small budgets, designating most of the money to personnel and relatively little for equipment purchases;
- Little pooled purchasing because equipment is usually purchased on a department by department basis;
- Varying degrees of awareness and knowledge about new technologies, resulting in some departments being "state of the art" and others lagging years behind;
- Neighboring police agencies buying incompatible technologies, impeding their ability to communicate with one another;
- Agencies being too small to have on staff or on call experts who can provide objective assessments of proposed technologies; and/or

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<sup>113</sup> The Evolution and Development of Police Technology," National Committee on Criminal Justice Technology, National Institute of Justice. July, 1998.

- Lack of authority in establishing standards for law enforcement technology and equipment.<sup>114</sup>

The evolution of computers in policing has also highlighted the recurring problems that can occur within law enforcement agencies with the introduction of new technologies, including:

- Administrative difficulties;
- The reluctance of police to make effective use of new technologies;
- The complexities of using new technologies for law enforcement agencies;
- Lack of funds for training and maintenance; and
- The difficulty in interesting private manufacturers in developing and marketing new police technologies.<sup>115</sup>

### *Overcoming Obstacles*

The continued advancement of law enforcement technology remains critical in effectively addressing crime and ensuring public safety in the twenty-first century. In addition, the evolution of police technology in the next century will focus on attempting to keep up with the criminals' use of technology. The law enforcement community must make a conscious effort to overcome the obstacles noted above, and venture, uninhibited, into the technological arena. Vice President Al Gore summed up the needs of the law enforcement community for the future when he said,

“If we’re going to fight the criminals of the future, we need to develop the crime fighting tools of the future. We must put the best possible tools in the hands of our law enforcement community so they can identify, apprehend and prosecute criminals – swiftly and effectively. For too long crime victims have seen criminals go free due to inadequate or incomplete methods of gathering evidence. Sophisticated technology makes it harder for criminals to get away with their crimes. It can be an important deterrent and also a powerful means of making certain that those who do commit crimes are held accountable and punished”<sup>116</sup>

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<sup>114</sup> The Evolution and Development of Police Technology,” National Committee on Criminal Justice Technology, National Institute of Justice. July, 1998.

<sup>115</sup> The Evolution and Development of Police Technology,” National Committee on Criminal Justice Technology, National Institute of Justice. July, 1998.

<sup>116</sup> Remarks by Vice President Al Gore, Crime Technology Event: Tuesday, May 19, 1998.



So how can law enforcement agencies overcome the obstacles associated with community-based policing? Various federal and state agencies have studied the needs and obstacles currently facing state and local police agencies. These studies have resulted in several areas being identified as critical in effectively moving forward in police technology, including:

- Increasing funding for information technology to support law enforcement; specifically;
- Making those software available to law enforcement agencies;
- Increasing software training for law enforcement professionals; and
- Making law enforcement agencies aware of federal and state resources.<sup>117</sup>

Working from above, Criminal Justice Integrated Information Networks (CJIIN) and Geographical Information Systems (GIS) technologies have emerged today as important and necessary law enforcement tools for the twenty-first century. Criminal Justice Integrated Information Systems allow all public safety databases to easily share information throughout the criminal justice system, resulting in more timely, accurate, and complete data inquiries on which to base decisions. GIS works hand in hand with CJIIN, allowing for the display of integrated information visually, including data on crime, community perceptions, risk factors, and community resources. Furthermore, GIS software, through statistical analysis, allows law enforcement agencies to proactively predict and target crime trends.

## *Conclusion*

The relationship between law enforcement and technology dates back many years. However, throughout the twentieth century, the relationship of technology to law enforcement has ascended from a subsidiary relationship to one crucial in fostering effective law enforcement and promoting public safety. Today increasingly apparent obstacles exist that prevent law enforcement agencies from universally adopting technological advances and law enforcement personnel must circumvent these obstacles to effectively and efficiently combat crime. Many of the technological advancements seen in the private sector have not been deployed in the public sector, generally, and in the law enforcement community, specifically. Today, then, we study how to bring law enforcement officials up to speed - from a technological standpoint - so that they are at least as technologically capable and proficient as the individuals they are looking to apprehend. Related, key information technologies, namely CJIIN and GIS, have been identified as necessary tools for effectively fighting crime today and in the future.

The following sections focus on two specific areas of law enforcement technology, CJIIN and GIS. The areas of CJIIN and (GIS) remain especially important within the scope of SJR 240. Although these areas are important for crime prevention and the promotion of public safety, overall, they are also principally relevant to combating drug-related crimes and improving the overall effectiveness of multi-jurisdictional task forces. Specifically, CJIIN allow for law enforcement agencies, especially multi-jurisdictional

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<sup>117</sup> "Mapping Out Crime: Providing 21<sup>st</sup> Century Tools for Safe Communities," Report of the Task Force on Crime Mapping and Data Driven Management, US Department of Justice. National Partnership for Reinventing Government: July 12, 1999.

task forces, to effectively share strategic and operational intelligence; allowing for the successful collaboration of efforts, reducing any overlap or duplication in efforts, and providing for the timely receipt of any tactical information crucial to seizures and arrests.<sup>118</sup> Moreover, GIS allow law enforcement agencies to visibly map drug trends and denote “hot spots” within the community; allowing for the effective creation of multi-jurisdictional task forces, and permitting law enforcement agencies to track the progress of those multi-jurisdictional task forces over time.

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<sup>118</sup> “National Drug Control Strategy 1999,” Office of National Drug Control Policy.

## **CHAPTER FIVE**

### **GEOGRAPHICAL INFORMATION SYSTEMS (GIS)**

Chapter five provides an overview of the use of geographical information systems for preventing, detecting and predicting crime. This chapter consists of the following sections:

- Introduction
- Components of GIS
- Federal GIS Initiatives
- Case Study: Baltimore County, Maryland, A Regional Example
- Case Study: New York State, Developing a Statewide GIS
- GIS in Virginia: Statewide Initiatives
- Conclusion

#### ***Introduction***

The use of maps as tools for understanding crime dates back to 19<sup>th</sup> century France when cartographers utilized maps to analyze crime patterns. However, the ordeal of drawing maps by hand often impeded early efforts to use maps. Although the invention of the printing press made the creation of maps less burdensome, until recently, maps were still limited in their use for crime analysis. In the 1960s, law enforcement officers routinely used paper maps marked with pushpins to plot the location of crimes. However, because law enforcement saw little need to share results within the community, the results developed by law enforcement agencies often remained within the agency.<sup>119</sup>

A great deal has changed since the 1960s. The criminal justice community now recognizes the presence of certain trends and patterns of behavior even though crime patterns may vary. Thus, the efficient and effective operation of the criminal justice system requires the sharing of knowledge and information regarding statistical and geographic crime patterns.

Today's Geographical Information Systems (GIS), fueled by powerful computers, provide a wide range of information to users, including data on crime, community perceptions, risk factors, and community resources. Through statistical analysis, law enforcement agents identify and analyze crime patterns, ranging from serial crimes, to homicide patterns, to drug-crime "hot spots;" after which, they can strategically deploy resources.<sup>120</sup> As a result, crime mapping has emerged as a useful tool for combating crime in today's society and for targeting crime in the future.

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<sup>119</sup> "Mapping Out Crime: Providing 21<sup>st</sup> Century Tools for Safe Communities," Report of the Task Force on Crime Mapping and Data-Driven Management. US Department of Justice, National Department for Reinventing Government: July 12, 1999, p.4.

<sup>120</sup> Ibid, p.7.

## *Components of GIS*

The availability of a variety of software options allows law enforcement agencies to begin using GIS. In the past ten years, many of these mapping programs have become both widely available and cost efficient. However, aside from federal, state, and locally endorsed and funded software, this report will not discuss the advantages of one particular brand of software over another. Rather, this section will discuss the basic components of all GIS software.

Regardless of which software an agency chooses to use, that GIS software will contain certain universal components. All GIS software allows law enforcement agencies to plot crime related data against a digitized map of a community, city, or region. This data can then be compared and analyzed with other external data sources; that is, one map can display multiple data sets, allowing subsequent statistical analysis to isolate specific factors. External data can include census data, city-planning data, and property-assessment data, or utilities' information.<sup>121</sup>

Crime incident data is then geo-coded into a primary file, or assigned an "x" or "y" coordinate to an address so that it can be placed on a map. Using either street centerlines, where every address within a block is encoded, or using parcels, where each piece of land that can be bought or sold is encoded, accomplish geo-coding. The use of various statistical methods and software tools then allows users to interpret the spatial data. Without an accompanying statistical package, the GIS programs produced descriptive maps; that is, static pictures of information.

## *Data Sources for GIS*

The majority of data sets collected and maintained by various public agencies and organizations include location information; for example, police files contain the addresses of crimes and arrests, and court files contain the addresses of offenders. Other public agencies manage property databases, street and infrastructure records, licensing records, and public health data. The Census Bureau manages block-level demographic information.<sup>122</sup>

National criminal justice databases include the FBI's Uniform Crime Reporting (UCR) database, which provides national information on index crimes, and the National Incident Based Reporting System (NIBRS) database, which is incident based, reflecting information on single crime occurrences. The FBI's National Crime Information Center (NCIC) 2000 is the major federal repository for criminal justice records across the

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<sup>121</sup> Mamalian, Cynthia A. and Nancy G. LaVigne. "The Use of Computerized Crime Mapping by Law Enforcement: Survey Results," National Institute of Justice, US Department of Justice.

<sup>122</sup> Rich, Thomas, "Mapping the Path to Problem Solving," National Institute of Justice Journal, October 1999.

country. The system, which dates back 30 years, houses over 40 million records, serves over 80,000 agencies, and processes roughly 2 million transactions per day.

In Virginia, the Central Criminal Records Exchange (CCRE) houses and maintains the majority of records in the criminal justice system. Currently, the CCRE maintains over 1.2 million criminal records and receives and processes over 330,000 charges and roughly 300,000 case dispositions a year. However, as noted in the CJIIN section, the maintenance of records within the CCRE is often incomplete and inaccurate. Presently, the CCRE's databases have an accuracy rate of 85% and a completeness rate of only 59%.<sup>123</sup>

However, the Department of Criminal Justice Services is currently working on the development of a criminal justice integrated information system to combat some of the current problems facing the CCRE and to address some of the additional strains placed on the criminal justice system in recent years. In addition, other state agencies contain records management systems, from which map data can be retrieved; for example, the Virginia Department of Transportation (VDOT) and emergency communications centers throughout the state.

### ***The Importance of Accurate Data in Implementing GIS***

The efficient and effective operation of GIS requires the availability of accurate and complete data. Without accurate and complete data, the maps and the resulting analyses generated through GIS are virtually useless; that is, if the information used to create the map is inaccurate and/or incomplete, the map is not truly representative of the landscape or the incidents occurring in that landscape. Therefore, any conclusions drawn from such a map would have little relevance to the issues being discussed.

With that in mind, it is imperative that national, state, and local databases maintain accurate and complete information in order for GIS to work correctly. Maps and geographic information maintained in various agency databases must be complete and accurate; otherwise, addresses might prove unable to be mapped. For example, when implementing a GIS program in Chicago, researchers found missing streets near the city out-skirts, unnamed and misnamed streets, and incorrect or missing address ranges. This led to the initial inability of some addresses to be geo-coded.<sup>124</sup>

Geo-coding provides geographic reference information used for computerized mapping. Geo-coding is crucial for computerized crime mapping because it is the primary method of getting crime-related data into a GIS system. However, errors in database and map information can lead to problems with geo-coding and, ultimately, the

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<sup>123</sup> Study of the Central Criminal Records Exchange, Auditor of Public Accounts, November 29, 1999. Note, that the Department of Virginia State Police did refute the numbers presented in the Auditor of Public Account's study.

<sup>124</sup> Rich, Thomas, "The Chicago Police Department's Information Collection for Automated Mapping (ICAM) Program," National Institute of Justice, US Department of Justice.

inability to create an accurate and useful crime map. Common data problems associated with geo-coding include:

- Using the wrong direction identifier on a street name (for example, using North Franklin Street instead of West Franklin Street);
- Using the wrong suffix for a street (for example, using Broad Avenue instead of Broad Street);
- Using a suffix abbreviation that the system does not recognize (for example, using Av. instead of Ave. to abbreviate Avenue);
- Misspelling a street name;
- Using an out of range or impossible address (for example 40000 Grace Street, when there is no 40000 block on that street); and/or
- Omitting an address<sup>125</sup>

Most GIS systems automatically attempt to geo-code addresses against an existing street file database, creating a “hit” rate (the number of addresses successfully geo-coded against the street file database). Misses are then handled manually. However, no minimum standard for geo-coding exists; that is, some maps may have a hit rate as low as 25%. Complicating matters, misses may not be randomly distributed, possibly concealing a critical portion of the database. Moreover, crime analyses often fail to disclose low hit rates, misleading readers to believe that the analyses are based on complete data.<sup>126</sup>

Global Positioning Satellite (GPS) data and GPS corrected maps have countered some of the problems inherent with obtaining an accurate and complete map. GPS corrected maps, utilizing satellite-retrieved information (GPS data), allow for the accurate and precise mapping of jurisdictions. Currently, 911 systems utilize GPS maps; however, the use of GPS maps is not universal. The fact that mathematically correct GPS coordinates are very expensive, costing approximately \$5,000 a unit, accounts for this lack of universality. Often without either federal or state funding, it is difficult for local law enforcement agencies to incorporate GPS data into their GIS systems.

## ***Benefits of GIS***

Crimes result from human action; therefore, the distribution of crime within any given area does not result from geographic chance. In order for a crime to occur, the

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<sup>125</sup> Harries, Keith. “Mapping Crime, Principle and Practice,” National Institute of Justice, Crime Mapping Research Center, December 1999, p. 98.

<sup>126</sup> Ibid, p.99.

offender and victim must exist within the same approximate space for a given period of time. Additional factors, such as geographic proximity and convenience, also influence where criminals choose to commit crimes. Effectively fighting crime requires understanding where and why crimes occur. By allowing them to graphically represent crime-related issues, GIS programs provide law enforcement officials with the opportunity to increase their understanding of where and when crimes occur.<sup>127</sup>

GIS programs offer a variety of benefits to law enforcement agencies, including:

- Indicating where incidents have occurred;
- Calculating crime density values;
- Allowing for the combination of spatial data from sources other than law enforcement;
- Denoting “Hot Spots,” or high concentrations of crime;
- Aiding patrol officers in keeping up with recent crime trends; and
- Tracking serial offenders.<sup>128</sup>

Additionally, in providing the features noted above to law enforcement agencies, GIS could help reduce operating costs for agencies, assist agencies in determining how and where to allocate resources, and evaluate the effectiveness of crime interventions.<sup>129</sup>

### ***Federal GIS Initiatives***

Many federal programs provide GIS software and assistance to state and local governments. The Crime Mapping Research Center (CMRC) of the National Institute of Justice (NIJ) distributes both RCAGIS crime mapping software and CrimeStat statistical analysis software to state and local law enforcement agencies at no cost. CrimeStat, which will be discussed in the next section, is the most effective program for identifying and analyzing clusters of spatial data, or “hot spots.” RCAGIS, also to be discussed, is a crime-mapping program developed by NIJ that works seamlessly with CrimeStat. In addition, three publicly funded agencies currently offer free training courses to help law enforcement personnel comprehend GIS software:

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<sup>127</sup> Sadler, Dan. “Exploring Crime Mapping,” National Institute of Justice, Crime Mapping Research Center.

<sup>128</sup> Sadler, Dan. “Exploring Crime Mapping,” National Institute of Justice, Crime Mapping Research Center.

<sup>129</sup> Rich, Thomas, “Mapping the Path to Problem Solving,” National Institute of Justice Journal, October 1999.

- **Crime Mapping and Analysis Program:** Located in Denver, Colorado, the program offers a two-week introductory course, as well as more advanced courses.
- **Carolinas Institute for Community Policing:** Offered in six cities throughout North and South Carolina, the program offers a series of courses emphasizing crime mapping technology as an element of community policing.
- **Crime Mapping Research Center/Office of Community Oriented Policing:** Offers crime mapping training through Regional Community Policing Institutes through the nation.

The Crime Mapping Research Center also offers technical support to state and local law enforcement agencies using the CrimeStat statistical package. Currently, NIJ is discussing the creation of a training course, administered free of charge, to state and local law enforcement agencies using or wishing to use CrimeStat.

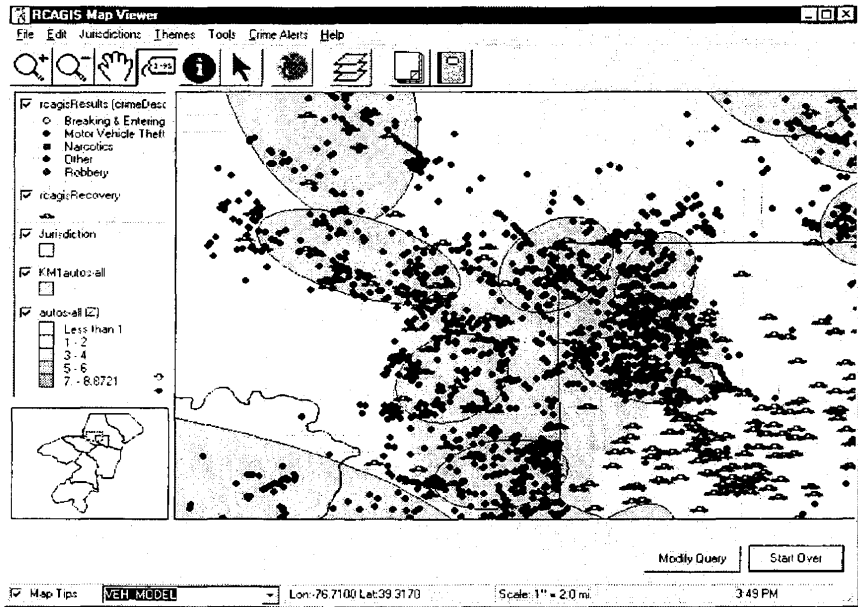
### *CrimeStat: Interpreting Spatial Data*

**CrimeStat**, widely regarded as one of the most effective programs for identifying and analyzing clusters of spatial data, or “hot spots”, developed from a grant through the National Institute of Justice. As such, CrimeStat is distributed at no cost to all federal, state, and local law enforcement agencies. In essence, CrimeStat works with GIS programs to analyze crime incident location data. While GIS programs have highly sophisticated data base operations, they are not capable of performing statistical operations other than means and standard deviations of variables. Specifically, they allow crime analysts to plot incident locations and select data subsets, creating noticeable patterns in the data (for example, hot spots) but do not allow analysts to perform quantitative analyses of the data. CrimeStat provides GIS crime analysts with a large variety of statistical procedures, ranging from very simple to complicated analyses. This feature, in particular, makes CrimeStat useful to almost any agency in that its applications can fit a variety of agency needs and requirements.

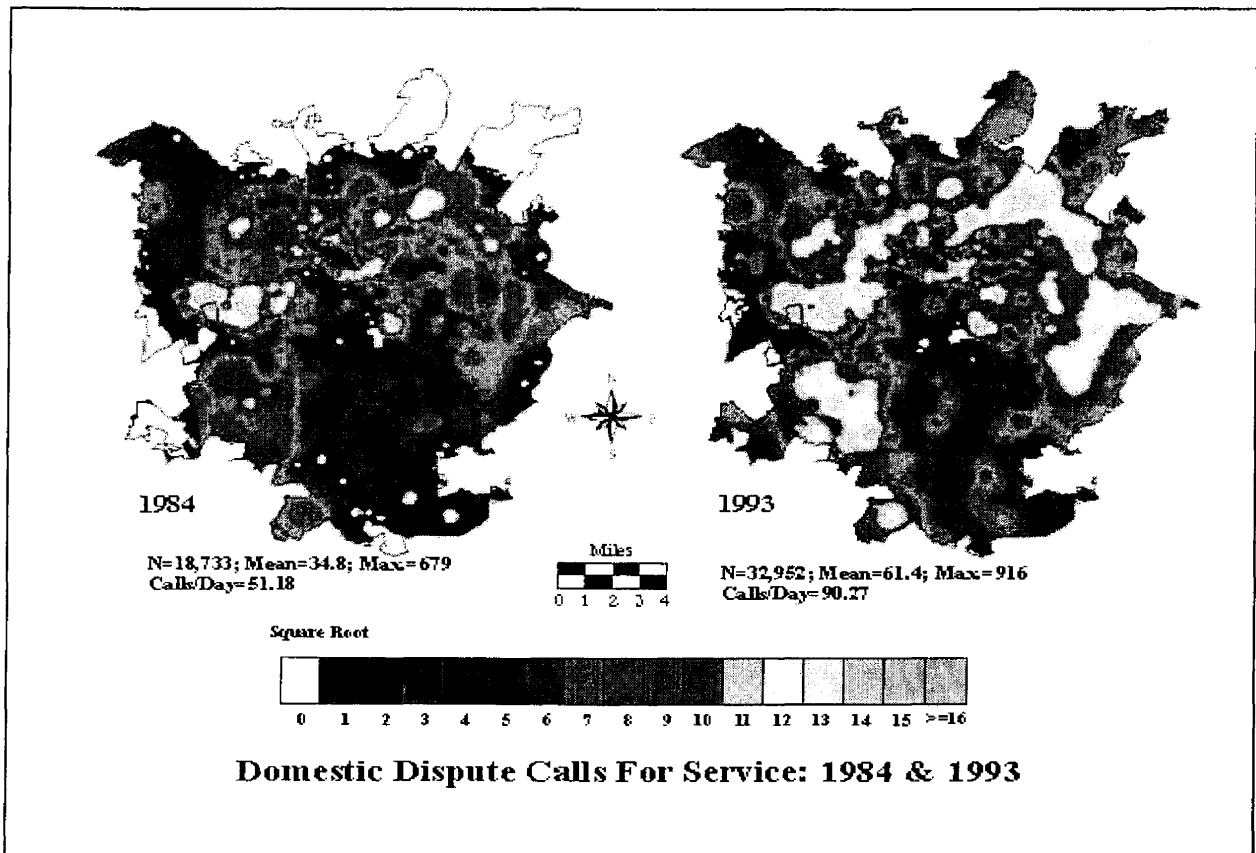
Essentially, CrimeStat constructs ellipses around the densest concentrations of crime or other spatial point data, onto a **cloropleth map**. Cloropleth maps use color to represent different values among land units within a study area (see **Figure 5.1 below**). Cloropleth maps allow the user to look broadly at where crimes occur, without having to interpret a large number of individual locations. CrimeStat also allows law enforcement agents to interpolate crime data; that is, mapping software inserts crime data for locations between the places where the events actually occurred. The result is the creation of an **isopleth map**, which represents the data through color-coded classes (see **Figures 5.2, 5.3, 5.4 below**). Isopleth maps treat crime data as if it occurred continuously over the surface of an area, highlighting specific places with high concentrations of crime events without regard to unrelated land units.



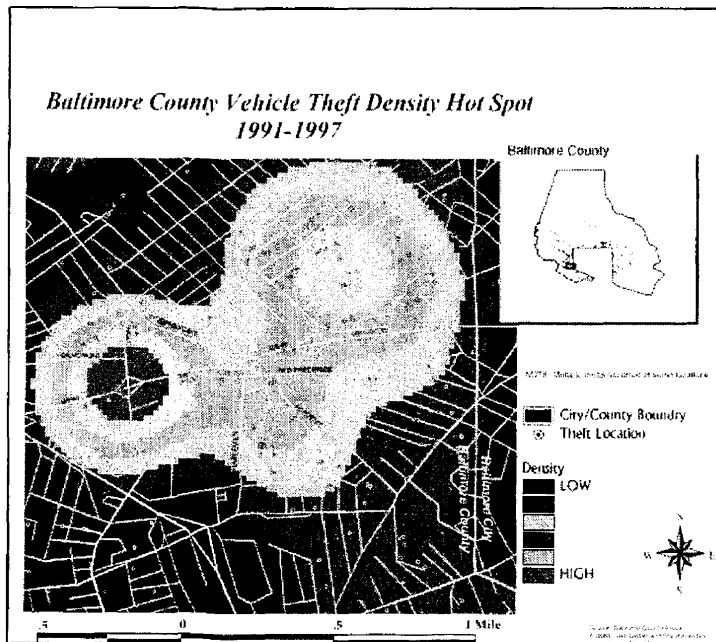
**Figure 5.1:**  
**Clorepeth Map**  
**with HotSpots**



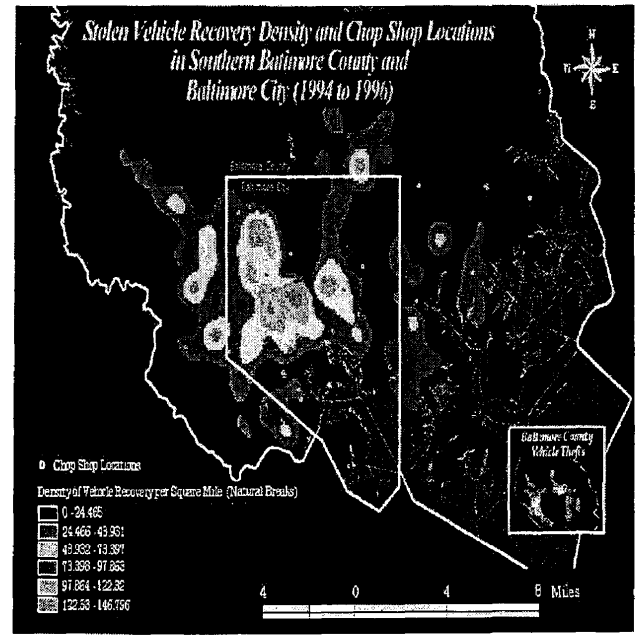
**Figure 5.2: Isopleth Map**



**Figure 5.3**



**Figure 5.4**



**RCAGIS**

The Regional Crime Analysis Geographic Information Systems (RCAGIS) program, public domain software also distributed through NIJ, is another option for state and local law enforcement agencies. RCAGIS is designed for use by nearly all personnel at a law enforcement agency, from upper level management to cops on the beat. Currently, the program links 14 agencies within the Baltimore, Maryland area. Specifically, state and local law enforcement agencies, through a systems link that costs approximately \$100 (licensing fee) per seat, can contribute to and gain access to a centralized data repository, allowing them to map crime and analyze incident based data from any of the contributing jurisdictions.

RCAGIS has three basic entry points, “QuickMap”, “Mapper/Analyst” and “Automated Reports,” which are accessible from a kiosk style screen. QuickMap was designed for police officers with minimal computerized mapping training. Specifically, it allows personnel to collect information on crime types, geographic area, date ranges, etc. Mapper/Analyst, designed for use by crime analysts or personnel with considerable mapping training, provides a more detailed query and furnishes a wide range of sophisticated crime analysis tools. Automated Reports contains reports for police officers, crime analysts, and command staff. Automated Reports will produce a wide

variety of reports based on selected sets of crime incidents from the map itself and/or statistical breakdowns based on crime types and date ranges.<sup>130</sup>

While RCAGIS currently operates in the Washington/Baltimore Area, the end goal of the RCAGIS program is to link agencies all along the I-95 corridor. Therefore, NIJ encourages law enforcement agencies to adopt the RCAGIS software, which works seamlessly with CrimeStat, either to set up an inter-agency system among local law enforcement agencies or to join into the effort to develop a GIS along the eastern seaboard. Under either umbrella, the information entered into the RCAGIS system would be accessible to the Washington/Baltimore HIDTA, helping its efforts to curb drug trafficking in the DC area.

### ***Case Study: Baltimore County, Maryland, A Regional Example***

The Baltimore County Police Department crime analysis unit serves as an excellent example of a successful, cooperative, regional crime analysis program utilizing GIS. As a result, both the National Institute of Justice and the GIS professional and academic communities recognize Baltimore County as a leader in the field of crime analysis. With a total staff of ten people, in addition to three volunteers, the crime analysis staff within the Baltimore County Police Department uses computerized mapping for a variety of purposes, including crime analysis, redistricting, police work, and designating precinct boundaries. Additionally, by using computerized crime mapping for the purpose of tactical crime analysis, analysts in Baltimore County can map where incidents occur, where offenders live, and map possible crime routes; in addition, they can sort data by frequency and count. Moreover, they can incorporate other information, such as public works data, into their analyses.

Currently, the Baltimore County Crime Analysis Unit uses two commercial GIS packages, MapInfo and ArcView. In addition, they make use of the Regional Crime Analysis Program (RCAP) and RCAGIS software and databases, both of which can perform either simple or complex operations, depending on the needs of the department using them. RCAP, developed by officials within the Baltimore County Police Department, is public domain software that can either stand-alone or interface with RCAGIS. Among the features that make RCAP advantageous for law enforcement agencies is that it already has geo-coders built into it, allowing for ease of mapping. In addition, RCAP is an excellent tool for both large and small agencies because it requires only one unit to store data and can be used alone to manage crime data, rather than interfacing with the RCAP data repository.

The push within the Baltimore County Police Department to make the usefulness and importance of crime mapping as a law enforcement tool known to both upper level management and the officer on the beat makes the Baltimore County Crime Analysis

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<sup>130</sup> Mudd, Alex and Nulph, David. "Regional Crime Mapping: Breaking Jurisdictional Barriers," US Department of Justice, Criminal Division. July 19, 1999.

Unit so effective. In addition, the Baltimore County crime analysis staff is quite specialized in its ability to produce crime analysis reports. Currently, there are two divisions within the crime analysis unit, one that looks at individual crimes and another that performs overall analyses. For each individual crime (for example, burglary) there is an assigned analyst who produces a weekly report that is distributed to each officer. In addition, the general crime analysis staff generates an overall crime report for the Baltimore County area. Furthermore, each officer in the agency is required to undergo computerized mapping training, so that they are familiar with all of the GIS software used in crime analyses. Additionally aiding in the effectiveness of the agency's crime analysis unit is the requirement for each officer to fill out a crime analysis worksheet when writing an incident report (see **Appendix K**). Comprehensive in nature, these worksheets allow the crime analysis staff to create a detailed picture of the crime scene. The end result is the retention of highly detailed crime data that enhances the effectiveness of computerized crime mapping.

### **Case Study: New York State, Developing a Statewide GIS**

Looking at the experiences of other states that have developed a statewide GIS, there are inherent obstacles in the process. An excellent illustration of the implementation of a statewide GIS is the New York State GIS Coordination Program. While not exclusively a criminal justice GIS, New York's Program has broader applications, in that it can be utilized by a variety of government agencies. Specifically, the government organization of the Program compares to the Geographic Information Network Division in Virginia, in that it is an executive branch entity governed by New York's Office of Technology. Specifically, the Program was developed to counteract some of the fiscal barriers preventing many smaller agencies from utilizing GIS; that is, it attempted to supplement the costs associated with acquiring and geo-coding information, which, unlike GIS technologies, still present a financial barrier to many agencies. In addition, many of the constraints faced by the New York State government, could very well be transposed with the hurdles facing the Commonwealth in establishing a statewide criminal justice GIS. The strategic vision visualized by the Program was,

“A future where existing data spatial sets would be catalogued and described in a comprehensive and standard way; where potential users could easily contact and negotiate with the data custodians to re-use that data; where costly but highly beneficial projects to develop new spatial data resources would be undertaken by groups of organizations working together to create a shared asset; where GIS practitioners could readily share their problems, questions, and experiences with one another; and where GIS analyses of many kinds would contribute to improved environmental management, health care, social policy, education, land use planning and commerce.”<sup>131</sup>

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<sup>131</sup> Eglene, Ophelia and Sharon S. Dawes. “New Models of Collaboration: GIS coordination in New York State,” Center for Technology in Government, October 1998.

However, as advocates of the program soon learned, the implementation of a statewide GIS was a difficult, if not daunting, task. At the time of the Program's development, New York was one of only four states in the Union (including Virginia) that did not have a mechanism to support GIS coordination. Therefore, New York was faced with the challenge of how to organize and maintain a collaborative GIS effort across all tiers of government, as well as the private sector, that would employ the statistical and analytical capabilities of a GIS to improve government services and stimulate economic development, while at the same time, remaining cost-efficient. Moreover, while New York had an active GIS community within its borders, as well as a large amount of data resources, it soon became aware of more specific obstacles that it would face in developing a statewide GIS, including:

- Lack of awareness of existing data sets;
- Lack of or inadequate meta-data;
- Lack of uniform policies on access, cost recovery, revenue generation, and pricing;
- Lack of uniform policies on data ownership, maintenance, and liability;
- Lack of incentives, tools, and guidelines for sharing; and
- Absence of state-level leadership.<sup>132</sup>

Therefore, advocates of New York's Program began a course of action that would lead to the successful implementation of many of its predetermined goals. Through various presentations and demonstrations, advocates convinced agency leaders and legislators alike, of the value and applicability of GIS. Subsequently, legislators passed a series of laws creating various technology-oriented entities, including the Office for Technology and the GIS council. Looking to tackle some of the hurdles listed above, this office called for the following:

- All New York State agencies must sign the NYS GIS Cooperative Data Sharing Agreement, through which public agencies gain access to GIS data of all the members at virtually no cost. Moreover, agencies do not need to own data to join the cooperative; rather, all agencies are required to contribute corrections and enhancements that they make to any data set.
- There are two levels of data custodianship, primary and secondary. Primary custodians either developed or own the data set made available for sharing. Secondary custodians use data obtained from a primary custodian. Each data set has only one primary custodian, who is responsible for maintaining and distributing the data set to other agencies.

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<sup>132</sup> Ibid.

- The New York State GIS Clearinghouse was created and established on the World Wide Web by the New York State library. Included in the site is:
  - A meta-data repository, describing the various GIS data sets along with information on how to obtain the data sets;
  - Extensive information about New York's GIS Data Sharing Coordination Program;
  - Information on and links to GIS education and training opportunities;
  - Federal GIS resources and GIS resources in other states;
  - GIS user groups throughout New York; and
  - GIS related list-serves.<sup>133</sup>

While the end results of New York States' efforts have been admirable, GIS advocates learned various lessons in implementing the Program.<sup>134</sup> Foremost, advocates realized that dedicated leadership was essential for the Program to get off the ground. This leadership included state-level leadership of the Program itself, agency level leadership in the ongoing adoption of the cooperative and its goals, and the leadership of individual experts involved with the Program. Moreover, many state agencies needed to see, firsthand, the real-world applicability of GIS before coming on board. Once seeing the benefit of GIS to other agencies, many state agencies were willing to share data. In addition, the GIS coordinating committee, a standing sub-committee, represents the interests of all major GIS participants, including federal, state and local establishments, as well as the private and academic sectors. Finally, the Program and the Clearinghouse recognize that various agencies will use and apply GIS data differently. Therefore, they organize and describe data sets for the benefit of all potential users. This concept stems from the philosophy that promotion, communication, and enforcement of standards related to the development and use of GIS data and software is essential for a statewide GIS program to be both efficient and effective.<sup>135</sup>

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<sup>133</sup> Eglene, Ophelia and Sharon S. Dawes. "New Models of Collaboration: GIS coordination in New York State," Center for Technology in Government, October 1998.

<sup>134</sup> The NYS GIS Clearinghouse received the 1998 Exemplary Systems in Government Award in the National Spatial Data Infrastructure Data Partnerships Category. The Federal Data Committee (FGDC), the US National GIS Coordination Program, has formally recognized the NYS Coordinating Body and the Statewide GIS Program as a partner in the effort to create a national spatial data infrastructure. Additionally, the Program received a grant from FGDC to assist in the development of meta-data for the clearinghouse.

<sup>135</sup> Eglene, Ophelia and Sharon S. Dawes. "New Models of Collaboration: GIS coordination in New York State," Center for Technology in Government, October 1998.

## *GIS in Virginia: Statewide Initiatives*

According to a 1997 survey conducted by the National Institute of Justice, only thirteen percent of the 2004 law enforcement agencies surveyed nationwide utilize GIS. To assess the utilization of GIS among Virginia's local law enforcement agencies, Crime Commission staff administered a "Crime Mapping Survey" to Virginia's local police departments and sheriffs' offices. Preliminary findings indicate that GIS trends among Virginia's local law enforcement agencies mirror the trends in the NIJ study, with 11% of Virginia's law enforcement agencies utilizing computerized crime mapping (surprisingly, however, the Department of Virginia State Police does not use GIS).

However, this result does not imply that GIS software is not readily available to local law enforcement agencies. GIS software and technological assistance is readily available to any of Virginia's local law enforcement agencies, although funding, educational, and information obstacles (i.e. accurate maps) do still exist across the Commonwealth. So, while mapping software has significantly decreased in price over the past few years, geo-coding still remains a financial obstacle to many agencies. The Regional Crime Analysis Program (RECAP), developed through grants from the Department of Criminal Justice Services, makes GIS available through public domain software. In addition, local law enforcement agencies may seek technical assistance through the RECAP program, by means of a cooperative agreement between RECAP and the University of Virginia. Through this agreement, university professors act as technical consultants to local law enforcement agencies, providing student interns to assist those agencies in the implementation of GIS. Currently, RECAP is assessing GIS needs in Albemarle County, Charlottesville, the University of Virginia, and the City of Richmond. However, while RECAP software is readily available, the likelihood of RECAP developing into a statewide GIS on its own is doubtful. The University of Virginia houses the RECAP program, and participation in the program is voluntary and often based on willingness by localities to share crime incident data. While RECAP is beneficial in that it exposes localities to the advantages of using a GIS and provides them with the assistance necessary to implement GIS effectively, the development of a statewide mapping system requires a more centralized and coordinated approach. Currently, however, participation in the RECAP program is the most feasible option for local law enforcement agencies seeking to implement GIS in their locality.

Furthermore, Virginia legislators realize the potential that GIS has for increasing the effectiveness of crime prevention efforts in the Commonwealth; illustrating this enthusiasm, within the newly created Department of Technology Planning, the Virginia General Assembly created the Geographic Information Network Division (the Division). The Division, as established under HB 1597 (1997), is charged with fostering the creative utilization of geographic information and overseeing the development of a catalog of GIS data available within the Commonwealth. In addition, the Virginia Geographic Information Network Advisory Board (GIS Board) was created to advise and assist the Geographic Information Network Division. Moreover, the GIS-Fund (a special, non-

reverting fund) receives all money collected from the provision of products and/or services by the Geographic Information Network Division.<sup>136</sup>

## *Statewide Crime Mapping Survey*

As part of the Crime Commission's effort to gauge the extent of GIS use by law enforcement agencies across the Commonwealth, the Commission administered a survey designed to measure the use of crime mapping software among Virginia's law enforcement personnel to all of the Commonwealth's law enforcement agencies.<sup>137</sup> The survey showed that only **11%** of Virginia's law enforcement agencies utilize GIS; and, of those agencies that do use crime mapping:

- **81%** have received mapping training;
- **63%** have 250 or more sworn personnel and 50 or more non-sworn personnel;
- **63%** listed "informal training" as the form of training received;
- **50%** serve a population between 50,000-199,999; and,
- **43%** serve a population over 200,000.

**Figure 5.5 below** depicts how agencies utilize GIS. While agencies report using crime mapping in various capacities, only **19%** report using GIS in a coordinated effort with other law enforcement agencies. Specifically, agencies use crime mapping in the following ways:

- **94%** use mapping to inform patrol officers and investigators;
- **88%** use mapping to assist in resource allocation decisions;
- **69%** use mapping to apply or evaluate specific interventions; and
- **56%** use mapping for redistricting (i.e. beats, reporting areas).

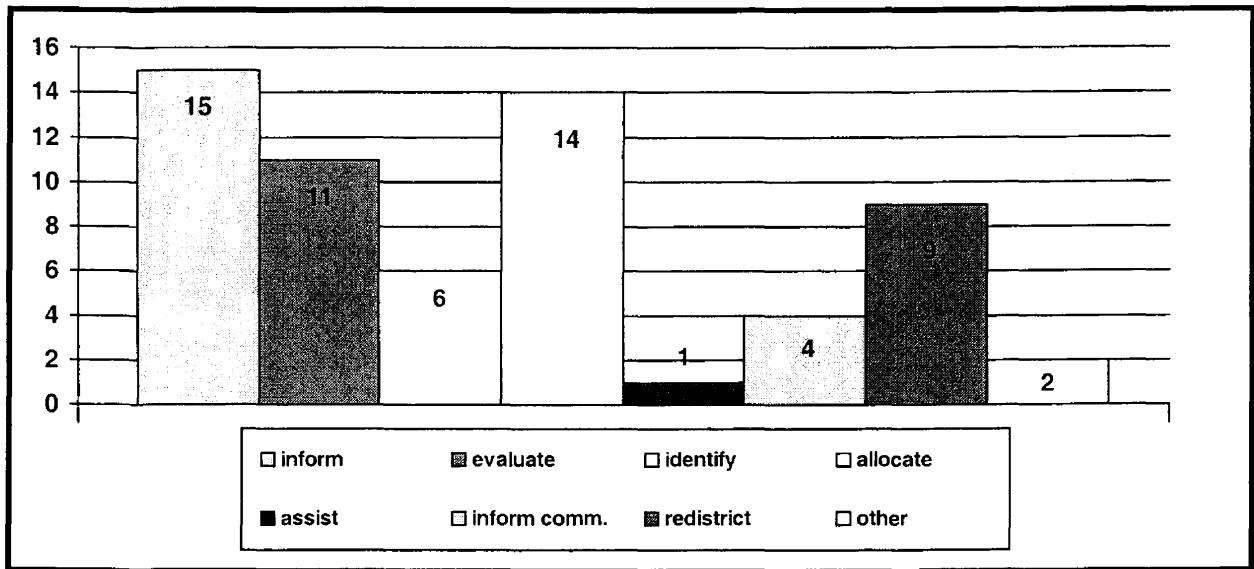
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<sup>136</sup> During the 2000 session of the Virginia General Assembly, the Department of Technology Planning requested \$4.4 million for the expansion of Geographic Information Systems initiatives within the Commonwealth (see "Summary of Governor's Proposed 2000-2002 Budget," p.71). Funding, however, was denied.

<sup>137</sup> The survey was mailed to every law enforcement agency in Virginia, including general municipal police departments, sheriff's offices, general-purpose county police departments, the Department of State Police, and all other law enforcement agencies. The response rate was 53% (of total number of surveys mailed).<sup>137</sup> Of the agencies surveyed, approximately 55% were municipal police departments, 34% were sheriff's offices, 7% were county police departments, 3% were other law enforcement agencies, and 1% were Virginia State Police



Figure 5.5: Frequency of mapping uses among agencies



The majority (89%) of Virginia’s law enforcement agencies do not use crime-mapping software. However, of those agencies that do not map crime, 93% maintain computerized crime data. Moreover, 77% said that crime-mapping software would be useful to their department.

*One agency wrote, “Our SIU office provides monthly crime analysis reports that would be greatly, enhanced and improved with the addition of crime mapping” while two other agencies noted that, “Any software, which helps with needed facts and figures against crime, is useful,” and, “Crime mapping is an essential tool for larger and more populated areas.”*

Conversely, while the majority of agencies think crime mapping would be useful, only 16% had plans to purchase mapping software within the next year. Limited financial resources, time, training, and, computer resources remain some of the most prominent obstacles preventing the implementation of computerized crime mapping in many law enforcement agencies. Specifically, 79% listed limited financial resources as moderately or seriously impacting their ability to effectively map crime; 68% listed limited time; 59% listed limited training; and 53% listed limited computer resources. The survey also indicates a general perception among agencies that state aid in implementing GIS is limited. Illustrating:

*As one agency noted, “Our department has embraced crime mapping as a strategic objective. However, because of the cost of such systems, funding is a very sizable problem. Additionally, we would volunteer to serve as a test site for any statewide efforts.” Another agency added, “Our citizens and department would benefit greatly from crime mapping and analysis however funding and manpower shortage are our greatest obstacles.”*

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*Another agency included an extended discussion of the limited state support for utilizing GIS. They noted that they had great interest in implementing mapping systems, but limited resources. However, they did emphasize that with what limited resources they had, they did make efforts to both upgrade their systems, and connect with the local 911-center and the County Sheriff's Office... "The community has been extremely supportive of our automation process but there is a limit as to what they can afford... We have purchased or have plans to purchase crime analysis software when funds are available or found."*

As well, the constraints of being a small agency or serving a small population also directly relate to an agency's ability to effectively implement crime mapping.<sup>138</sup> Not only financial constraints, but also a lack of information regarding GIS, limit agencies. While the majority of agencies think that GIS would be useful, many simply did not have ample information regarding crime mapping. Illustrating, 73% of those agencies not using GIS listed limited knowledge of crime mapping software as moderately or seriously impacting their ability to effectively use crime mapping. One agency accentuated this need when they wrote; *"Our department has a serious need in the area of crime analysis application. More information in reference to crime mapping would be a great asset."*

### ***Current Status and Hurdles to Overcome***

Currently, a statewide criminal justice GIS within the Commonwealth does not exist. However, located within the Department of Technology Planning, The Virginia Geographic Information Network is responsible for promoting the innovative application of geographic information and supervising the creation of a catalog of GIS data available within the Commonwealth. Along with the Division, there is the advisory GIS Board and the GIS Fund, which provide both a regulatory and funding mechanism within the Division for establishing a statewide GIS. Because of its specialization in GIS and its responsibility of maintaining GIS data within the Commonwealth, the Division remains the most applicable agency for fostering the creation of a statewide GIS generally, and a statewide criminal justice GIS, specifically.<sup>139</sup>

Currently, the VGIN has launched two initiatives that are prospective vehicles for developing a criminal justice GIS. The first initiative is the Virginia Secretary of Technology's GIS (SOTECH), a statewide GIS that allows authorized users, including

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<sup>138</sup> There is a statistically significant relationship between the populations served and whether or not an agency maps crime (Pearson's Chi-Square,  $\alpha = .05$ ).

<sup>139</sup> A criminal justice GIS, while highly dependent on crime-incident data would benefit from the input of data from other agencies, such as public works data and social services data. Likewise, a statewide GIS would benefit from law enforcement data sets; the relationship between the two is mutually inclusive.

state agencies and related public sector and non-profit groups in Virginia, to access a variety of spatial data layers and then map that data visually. According to SOTECH documentation, the goal behind SOTECH is to extend the powerful analysis, research and presentation capabilities of GIS and the spatial data assets of the Commonwealth to as wide a public sector constituency as possible, while minimizing individual partners overhead and costs. Utilizing ArcView and ArcInfo software, SOTECH access is currently available to authorized agencies. Participation requires the following: a signed partnership agreement with VGIN; designation of individual or organization accounts, work spaces, and passwords; and an introductory meeting to complete administrative arrangements, check technical performance, and transfer support materials. While SOTECH could be potentially utilized as vehicle for developing a statewide criminal justice GIS, certain obstacles limit this potential substantially. The sensitive nature of criminal justice data is one such obstacle. Even with safeguards in place, there very well may be hesitation among Virginia's law enforcement community in placing sensitive crime data in a system that allows such broad access.

VGIN's other initiative, the Regional Crime Incident Analysis GIS Project, seeks to establish a comprehensive system that will allow local police and public safety departments, the Department of Criminal Justice Services, the Crime Commission, and the Virginia General Assembly, easy, cost effective remote access to local, regional, and statewide crime data, as well as user-friendly tools for the timely and productive evaluation and analysis of crime data. Some of the proposed outcomes of the Project include:

- The integration of individual crime incident reports from across the Commonwealth into a comprehensive GIS;
- The design, development, and demonstration of a web-based system that provides user-friendly remote access to the GIS, for user defined, interactive identification, evaluation, and analysis of geo-coded crime incident reports both within and across jurisdictions; and
- The development of user-friendly, automated crime analysis, and reporting programs.

Currently, the Project is in the developmental phase. However, even if the Project presents insoluble obstacles and fails to succeed in developing a criminal justice GIS, it is expected to accomplish at least three tasks, including: the development of a conceptual design and implementation plan for all three outcomes listed above; the thorough documentation of any issues or problems that prevent the complete implementation of any outcome, and recommended solutions; and, the production of a proof of concept through a comprehensive integrated demonstration of all three outcomes covering a regional area encompassing several counties and/or cities and their individual public safety jurisdictions (dependent upon available data).

While the potential of developing a statewide GIS in the Commonwealth exists, obstacles must be overcome if such a program is to be initiated. The first hurdle is the

reluctance of law enforcement agencies to share crime data. Traditionally, law enforcement agencies have remained territorial over their crime-incident data. As a result, neighboring law enforcement agencies suffering from similar rashes of crime may well not be aware that there is a similar crime pattern occurring between jurisdictions, hindering them in their ability to effectively curb criminal activities. Moreover, criminals do not respect political or jurisdictional boundaries; that is, while such boundaries might lead agencies to be reluctant to cooperate with one another, such reluctance might lead to criminals slipping through the gaps in communication between agencies.

A second hurdle identified is that once law enforcement agencies do decide to share data, there must be an effective and efficient vehicle for organizing and managing such crime data. For a GIS to work properly, it is essential that there be accurate and complete data entered into the GIS. Without such data, a statewide GIS would be of little use to law enforcement agencies. As noted earlier, the Department of Virginia State Police's Central Criminal Records Exchange (CCRE) currently stores criminal justice records. Currently, the CCRE maintains over 1.2 million criminal records and receives and processes over 330,000 charges and roughly 300,000 case dispositions a year. However, the maintenance of records within the CCRE is often incomplete and inaccurate. Presently, according to a 1999 survey conducted by the Auditor of Public Accounts, the CCRE's databases have an accuracy rate of 85% and a completeness rate of only 59%.<sup>140</sup> Although initial efforts have been made to enhance the CCRE repository with an Integrated Criminal Justice Information System (ICJIS), funding for the current ICJIS plan was denied during the 2000 session of the Virginia General Assembly. However, the development of a criminal justice integrated information network remains an integral factor in implementing a statewide GIS program.

A final hurdle identified involves the need for effective management and oversight of the system. Put another way, there must be a guideline for implementing and using a statewide GIS system. Using RECAP as an example, while the program is beneficial in that it has taken an initial step toward exposing law enforcement to mapping, it alone does not provide the coordination and centralization necessary for implementing a statewide GIS. However, an appropriate state agency or board must be charged with overseeing the implementation and maintenance of a statewide criminal justice GIS in order for such a system to be complete and accurate, as well as an efficient and effective crime prevention tool.

## **Conclusion**

Crime mapping offers law enforcement officials the advantage of visually depicting and analyzing crime patterns. This allows for the realization of numerous other related benefits including, calculating crime density values, denoting crime "hot spots," and tracking serial offenders. Therefore, mapping software can be a valuable tool in aiding law enforcement officials in the fight against crime, by indicating where and why

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<sup>140</sup> The Department of Virginia State Police did issue a formal response to the Auditor of Public Accounts report. While at this time, staff does not have this document at hand; it will be examined in future reports.

crimes occur and allowing law enforcement agencies to most effectively deploy their resources in response to those crimes.

As noted earlier, the majority of Virginia's law enforcement agencies do not utilize crime mapping, even though mapping software and assistance is available through both federal and state programs. In addition, while the majority of law enforcement agencies not currently utilizing GIS feel that it would be useful, only a small percentage have plans to purchase GIS software within the next year. Looking at the experiences of Baltimore County and New York State, the key to implementing a GIS, both at the state and local level, is ample communication. That is, advocates of GIS must communicate the real-world applicability of GIS to agency leaders, and maintain the active support of those leaders throughout the process. Therefore, the successful implementation of a statewide mapping program in the Commonwealth needs to focus on the dialogue occurring between state and local agencies, and the resulting dissemination of information regarding mapping software. In addition to increased communication, the roles of the Geographic Information Network Division, the Geographic Information Network Advisory Board (GIS Board), and the GIS fund may play key roles in fostering the successful statewide implementation of GIS.

## **CHAPTER SIX**

# **CRIMINAL JUSTICE INTEGRATED INFORMATION NETWORKS**

Chapter six provides an overview of criminal justice information networks. This chapter consists of the following sections:

- Introduction
- Components of CJIIN
- Case Studies
- Federal Initiatives
- Virginia and Integrated Criminal Justice
- Virginia and Technology
- Conclusion

### ***Introduction***

Technology remains an indispensable tool in the fight against crime. As well as a practical mechanism for addressing the increased strain placed on criminal justice resources. Recognizing that the demands placed on the criminal justice system are rapidly expanding, the pressure for increased information, greater accountability, and the more efficient and effective delivery of law enforcement services are but some of the challenges facing public safety entities. Building information networks between all public safety agencies and personnel, and expanding the range of existing technologies in the criminal justice system is principle in allocating future resources and addressing existing demands.<sup>141</sup>

Criminal Justice Integrated Information Networks (CJIINs) have emerged as a concept that addresses the current and future information needs of criminal justice systems. Public safety agencies realize the need to share important information, data, and documents. However, the current lack of inter-agency information sharing limits these agencies. Today, criminal justice agencies often maintain discrete databases that are often mutually exclusive and hinder information sharing. CJIIN has the potential to allow all public safety agencies to share information throughout the criminal justice system, resulting in more timely, accurate, and complete data inquiries. It also can potentially reduce unnecessary data entry and help to make criminal justice information accessible at every step of the criminal justice process. CJIIN, then, can aid criminal justice personnel in their efforts to quickly access accurate and complete information,

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<sup>141</sup> Roberts, David J. "Integrated Justice Information Systems Planning and Implementation: Organizing for Change." BJA/SEARCH Symposium and Related Materials. February 1999.

thus increasing the ability of law enforcement officials to apprehend criminals, manage their case loads, process individuals, and track them through the system.<sup>142</sup>

### *Components of CJIN*

The concept of CJIN, depending on the context and the audience, has different meanings; that is, the objectives of a CJIN vary according to the needs of the participating agencies. Therefore, systems integration has both inter and intra-agency objectives. Within agencies, systems integration is seen as eliminating the problems associated with separate and incompatible systems by:

- Eliminating redundant data entry;
- Providing access to information that is not otherwise available; and
- Guaranteeing the timely sharing of important data.<sup>143</sup>

In addition to improving the internal operations of criminal justice agencies, systems integration enables agencies to share critical information between one another. Police departments across the state may each have different and incompatible records systems, making it difficult and cumbersome for officers to retrieve information pertinent to an investigation that crosses jurisdictional boundaries.<sup>144</sup> Inter-agency system integration efforts are often grouped into two categories:

- **Horizontal:** Among different divisions of the same agency branch or level of government, i.e. the local level police department, court, and prosecutor.
- **Vertical:** Among various branches or levels of government, i.e. local agencies, state agencies and federal agencies.<sup>145</sup>

Regardless of whether the information integration is horizontal or vertical, the CJIN concept at the inter-agency level is valued for:

- Automatically querying local, regional, statewide, and national databases;
- Reporting important dealings and events regarding people and cases to local, regional, statewide, and national systems; and,
- Initiating records, transactions, or “pushing” information from one agency or jurisdiction to another based on actions taken within the originating agency.<sup>146</sup>

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<sup>142</sup> Roberts, David J. “Integrated Justice Information Systems Planning and Implementation: Organizing for Change,” BJA/SEARCH Symposium and Related Materials. February 1999.

<sup>143</sup> Ibid.

<sup>144</sup> Roberts, David J. “Integrated Justice Information Systems Planning and Implementation: Organizing for Change,” BJA/SEARCH Symposium and Related Materials. February 1999.

<sup>145</sup> Ibid.

Systems integration also takes into account both sensitivity and privacy issues. Integration efforts seek not to compromise the authority of any of the agencies involved. Rather than providing *all* of the information regarding a particular individual or event, CJIIN systems look to provide only information pertinent to the question at hand. Therefore, rather than overhauling the entire system and breaking down agency boundaries, CJIIN systems are designed to automate many basic functions, re-engineer systems and processes, and achieve new capabilities with greater efficiency and effectiveness.<sup>147</sup>

### ***CJIIN Models***

With today's technology, the CJIIN concept can be adopted in a variety of ways to integrate both new systems and legacy systems.<sup>148</sup> Technology wise, the options available to agencies are virtually limitless, and depending on the goals of the particular CJIIN project, can be embraced in a variety of ways. Three integration models are generally associated with efforts to integrate criminal justice information systems: **centralized systems**, **distributed/mediated systems**, and **open systems**. Currently, five operational statewide-integrated systems are running in the United States: Kansas, Georgia, Florida, Delaware, and Colorado. Each of these is based on the integration models discussed in more detail below.

***Centralized systems.*** Generally speaking, centralized systems are what are commonly referred to as "mainframe" systems. Most often, data is sent from local agencies to a data warehouse, where it is organized and stored, and it is then made accessible to clients via the internet or another computer system (see **Figure 6.1** below). The idea of mainframe systems was most popular in the mid-1980s, when computer technology allowed only for information to be shared between agencies via a centralized system. However, today centralized systems are but one available integration option. In fact, research indicates that a "centralized solution" can actually be more burdensome and expensive to set up than mediated and/or distributed systems.

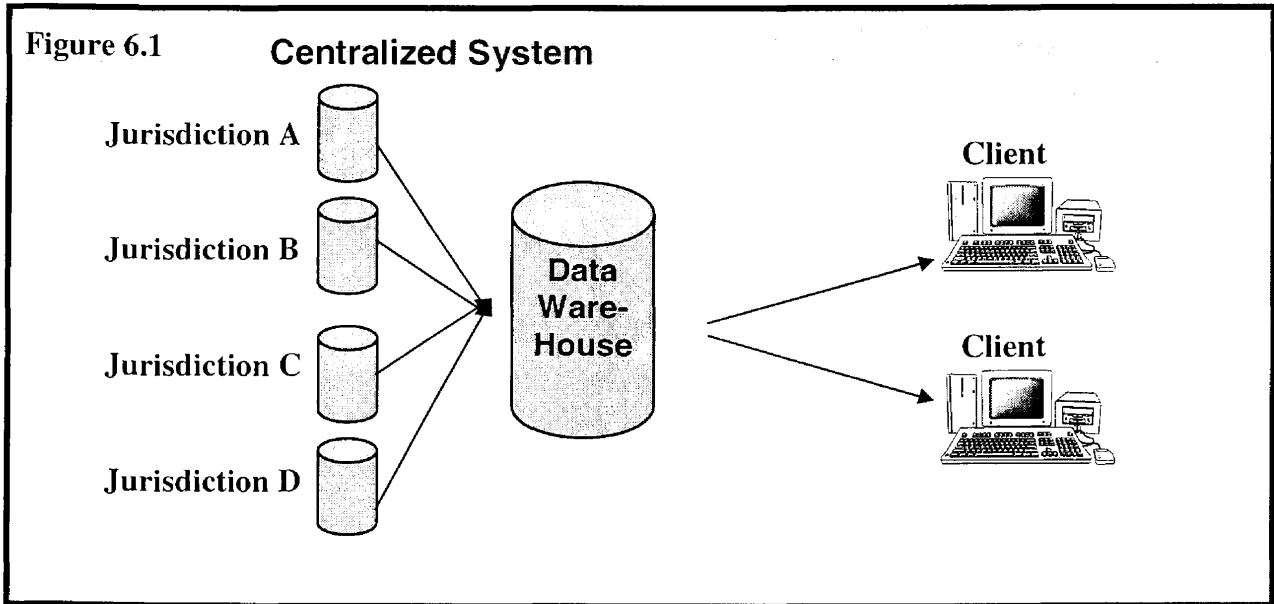
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<sup>146</sup> Ibid.

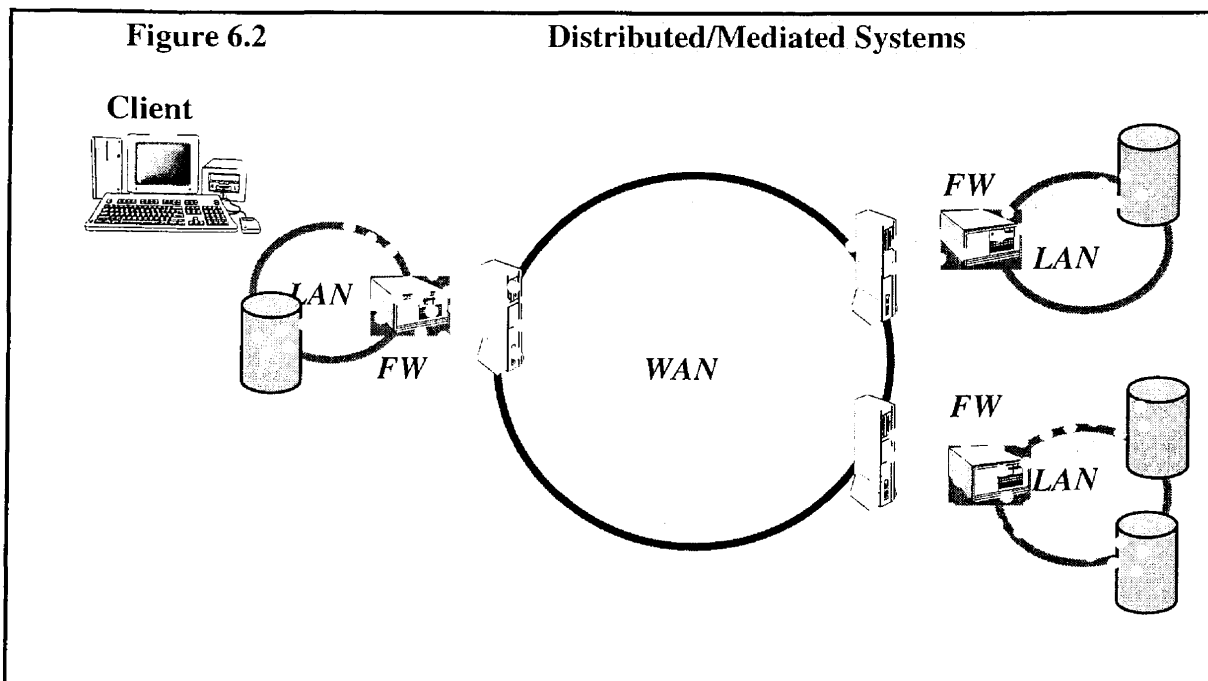
<sup>147</sup> Ibid.

<sup>148</sup> New systems can be defined as newly designed systems that are being introduced to an agency/agencies, often requiring the user to undergo new training. A legacy system is an existing computer system that has been in place at an agency.



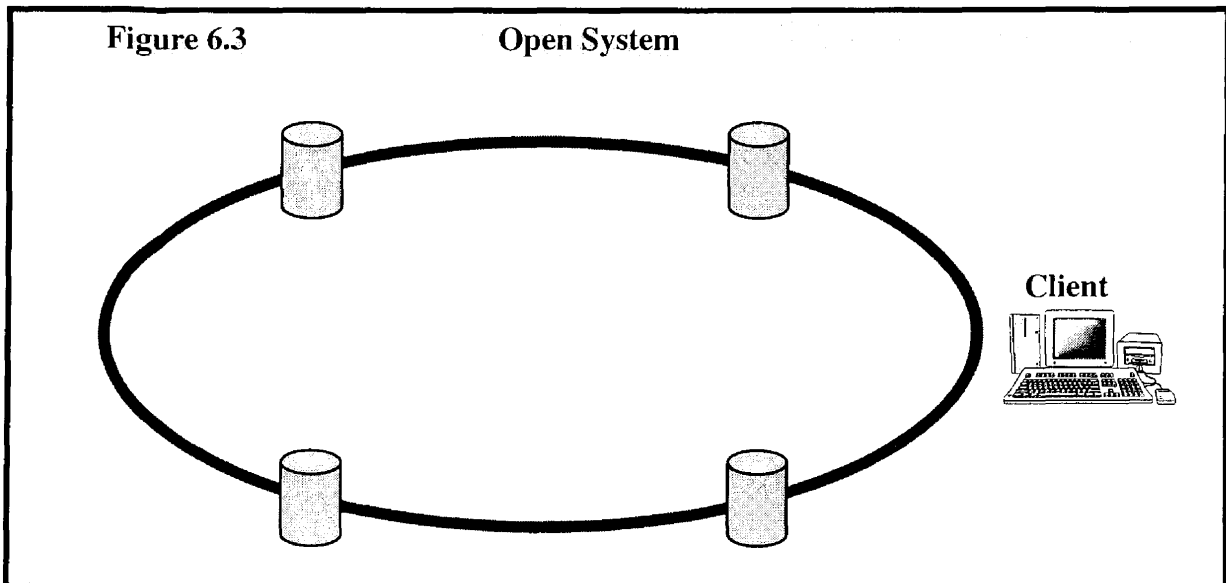


***Distributed/Mediated systems.*** A computer system is distributed or mediated when the computer programming and data that computers work on are spread out over more than one computer, most often over a network. Often, these are legacy systems and/or new systems that are usually linked together via a wide-area network (see **Figure 6.2** below). Most usually, they are comprised of a mix of desktop workstations, local area network servers, regional servers, Web and other servers. An example of a distributed system is client-server computing, in which a client computer can provide certain capabilities for a user and request other capabilities from other computers that also provide services for the clients. Hypertext Transfer Protocol (HTTP) is an example of a client-server system.



**Open Systems.** Open systems are often considered the “next wave” of computing; that is, they most reflect current technology, and are adaptable to technological advancement. Essentially, an open system is one that adheres to a publicly known and sometimes standard set of interfaces so that anyone using it can also use any other system that adheres to that standard. An open operating system model can write application programs that will then run on other companies’ open operating systems currently or in the future. The oldest and most popular and well-known open operating system is UNIX, which was a public collaboration, originally between large universities. Presently, all operating systems that adhere to the Single UNIX Specification can be considered open.

Up and coming trends in open systems include Extensible Markup Language (XML), Portals and peer-to-peer technology. Simply defined, XML is a flexible way to create common information formats and share that format as well as the data on the Web, intranets, and else ware. XML allows individuals, groups and companies to share information in a consistent way, regardless of the system from which they are working. A portal can also be described as a “gateway” for a Web site that is or proposes to be a major starting site for uses when they get connected to the Web, a sort of entry point. For example, the Internet site Yahoo is a major general portal. Typically, portals offer a variety of services, including: a directory of Web sites, a facility to search for other sites and information, e-mail, phone and map information, and sometimes a discussion forum. Finally, peer-to-peer is a communications model in which each party has the same capabilities and either party can initiate a communication session. On the Internet, a peer-to-peer network allows a group of computer users with the same networking program to connect with each other and directly access files from one another’s hard drives. Napster is an example of peer-to-peer network software.



## *Factors in Choosing a System*

The integration model chosen depends, largely, on the goals and objectives of those agencies involved in the project. Generally speaking, however, the CJIN concept can be described as the following:

*A system that links state and local agencies together in a coherent service delivery or administrative environment, that facilitates information sharing for the achievement of mutual program or administrative goals, and addresses both individual and common needs and results from ongoing discourse among participants.*<sup>149</sup>

While there are many technology options available to the criminal justice community in addition to the goals and objectives of those agencies involved in the project, the decision to go with a particular type of system is often based on a variety of other factors, including:

- Cost of implementing a new system;
- Amount of money already expended into existing systems;
- Time-frame of the project;
- Intrusiveness of the system on participating agencies; and
- Potential power of the new system, including its “user friendliness.”<sup>150</sup>

Each of these factors plays an important role in determining which integration model is chosen. In developing statewide CJIN systems, project leaders need to carefully weigh the impact of these factors before implementing a particular system design. If these factors do not receive the required amount of attention, there stands a risk of instituting an integrated system that could prove to be inefficient and/or ineffective.

## *Obstacles*

When potential developers of an integrated information system examine the “factors for consideration” discussed in brief above, certain obstacles tend to present themselves. These include:

- A general lack of education and information about technology and programs;

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<sup>149</sup> “Tying a Sensible Knot, A Practical Guide to State-Local Information Systems,” Center for Technology in Government, University of Albany, SUNY, 1997, p. 9.

<sup>150</sup> Kendall, Paul. United States Department of Justice

- Lack of shared, reliable computing, and network infrastructure;
- Goals that are too ambitious for the resources available to achieve them;
- Human and organizational resistance to change;
- Unrealistic time frames;
- Organizational, programmatic, technological and legal complexity;
- Changing priorities; and
- Overlapping or conflicting missions among the participating organizations.<sup>151</sup>

In addition, there are particular obstacles germane to the public sector, including:

- Divided authority over decisions;
- One year budgets;
- Highly regulated procurement; and
- Few government-wide information and information technology policies.<sup>152</sup>

While these factors do pose barriers to the successful development and deployment of an integrated system, as well as affect the choices that agencies make when deciding on a particular system model, certain precautions can be taken to ensure that the appropriate integration solution is chosen. First, the project should focus on the business processes, practices, and people who will use the system. By including users in the process, initial support and subsequent acceptance of the project will increase. Second, awareness and understanding of the capabilities and costs of different technical solutions is critical. Knowing both the options available and the price tags can avoid hasty or unrealistic goals and decisions. Third, constant communication, joint planning and decision-making, and a long-term perspective are necessary to ensure the continued cooperation and coordination of all participants. Finally, it is necessary to look at past procurement experiences as well as examine the experiences of other states that have implemented CJIN systems.<sup>153</sup>

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<sup>151</sup> "Tying a Sensible Knot, A Practical Guide to State-Local Information Systems," Center for Technology in Government, University of Albany, SUNY, 1997, p. 23.

<sup>152</sup> "And Justice for All: Designing Your Business Case for Integrating Justice Information," Center for Technology in Government, University of Albany, SUNY, 2000, p.16.

<sup>153</sup> "And Justice for All: Designing Your Business Case for Integrating Justice Information," Center for Technology in Government, University of Albany, SUNY, 2000, p.17.

## *Case Studies*

Because a great deal can be learned from the experiences of other states, the five states that currently have operational CJIN systems are included in this section as case studies. An overview of the operating systems in Kansas, Delaware, Georgia, Florida, and Colorado illustrate the various system options available as well as the benefits and costs associated with those systems.<sup>154</sup> As well, these case studies illustrate that the chosen CJIN systems are based on the needs of the individual state and of the involved participants.

### *Kansas Criminal Justice Information System (KCJIS)*

Essentially, the Kansas Criminal Justice Information System (KCJIS) allows authorized criminal justice users and the public (through limited entry) access to all criminal justice information stored in the Kansas Criminal Repository, via the Web. Participating in KCJIS are the Kansas Bureau of Investigation (who maintain the central data warehouse), the Attorney General, local police and sheriffs, prosecutors, the courts, the department of corrections, and the juvenile justice system.<sup>155</sup>

While the Kansas system is based on the concept of data warehousing, an integration solution usually associated with higher costs, the emergence of the Internet has substantially reduced the costs associated with systems integration.<sup>156</sup> At least in part because of the reduction in cost, 500 new agencies have been added to the KCJIS system. Note also that, agency information systems environments have remained static, despite the development of KCJIS; that is, rather than overhauling all existing systems, existing systems, or local area networks, have been integrated using middle-ware.<sup>157</sup>

While cost-efficient, the new system does face certain obstacles, the most pressing of which is getting participants to adapt to a new system as well as change some of their business practices. Under the KCJIS system, statute requires all counties to maintain connectivity to the state message switch network. Data is entered locally into the repository and edited by the inputting agency. Additionally, so as to comply with KCJIS, agencies have had to modify some of their business practices and receive additional training.<sup>158</sup> The support of a technical staff and a help desk aid participating agencies in this effort. Overall, while losing some autonomy, agencies have gained greater access to criminal justice records. Moreover, at least in part, Kansas' decision to embrace the

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<sup>154</sup> There are other states that have made a tremendous effort to develop CJIN plans, some of which are either very near operation or recently operating. Future drafts will explore these plans in more detail.

<sup>155</sup> "Kansas Criminal Justice Information System Project," Search. [www.search.org/integration](http://www.search.org/integration).

<sup>156</sup> With 750 agencies signed on and 15,000 users, KCJIS operates at a cost that is approximately \$12,500 less per participant than the costs associated with how Kansas previously accounted for criminal justice information.

<sup>157</sup> Rohrer, Ron and Norma Jean Shaefer, Kansas Bureau of Investigation, "Securing a Criminal Justice Information System," Presentation to the Global Advisory Committee of the Global Justice Information Network, December 9-10, 1999.

<sup>158</sup> Rohrer, Ron and Norma Jean Shaefer, Kansas Bureau of Investigation, "Securing a Criminal Justice Information System," Presentation to the Global Advisory Committee of the Global Justice Information Network, December 9-10, 1999.

Internet as a common platform for linking the effected agencies attributes to the successes associated with Kansas' effort.

### ***Delaware Criminal Justice Information System (CJIS)***

Delaware's CJIS system, operational since 1990, was the first integrated criminal justice system in the United States. The Delaware system, which directly reflects the computer technology of the 1980s, is fully centralized. Before its creation, five separate databases were operating at the state level (police, UCR, corrections, Justices of the Peace, and courts) with little ability to communicate with one another. CJIS, which replaced these separate systems, is the central repository of all criminal histories and other information related to defendants and offenders. CJIS consists of collective databases and various interfaces between agencies contrived to promote the exchange of criminal justice information between agencies; that is, it works on a mainframe system. The total cost for implementing and maintaining CJIS has been \$8 million.<sup>159</sup>

While the CJIS system is operational and does facilitate the exchange of information between agencies, limitations of a mainframe system and the antiquated technology upon which it is based plague the system. With technology pointing towards distributed systems and the use of the Internet for information exchange, Delaware's system is becoming more and more burdensome for its users. Specifically, the current system creates a tremendous amount of paperwork and is unable to interface with other computer systems (for example, civil systems). Responding to these challenges, the Delaware criminal justice community altered its approach towards integrated information, deciding on a course that recognizes that it will need to migrate toward a distributed system in order to succeed.<sup>160</sup>

### ***Georgia Criminal Justice Record Improvement Plan (CJRI)***

The Georgia Crime Information Center (GCIC) was established in 1973 as an operating division of the Georgia Bureau of Investigation. The GCIC is the chief provider of criminal justice information services in the State, with the mission of assisting all officials and agencies in the criminal justice system in the fulfillment of their responsibilities by providing non-stop access to needed criminal justice information.<sup>161</sup>

GCIC specialists operate the Georgia Criminal Justice Information System (CJIS) Network. CJIS provides direct terminal access to computerized databases maintained by Georgia agencies, agencies in other states and by the National Crime Information Center (NCIC). There are in excess of 1200 member agencies operating over 7,000 terminals that are able to instantly interface with tens of thousands of federal, state, and local criminal justice terminals. Currently, the Georgia system houses criminal history records for more than 2,100,000 individuals. As well, GCIC is the first state repository to have

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<sup>159</sup> "Delaware Criminal Justice Information System (CJIS)," Search. [www.search.org/integration](http://www.search.org/integration).

<sup>160</sup> Ibid.

<sup>161</sup> "Georgia Crime Information Center," Georgia Bureau of Investigation. [www.state.ga.us/gbi/gcic.html](http://www.state.ga.us/gbi/gcic.html).

an automated fingerprint identification system (AFIS) that creates or updates criminal history records as a by-product of the fingerprint identification process.

Customer support analysts located throughout the State provide training and consulting to Georgia's criminal justice community with regard to all GCIC program areas, including: usage and controls of the CJIS network; information reporting responsibilities of agencies set forth in state law; training in security controls for access to the CJIS network or data derived therefrom; reporting and use of crime statistics under the FBI's Uniform Crime Reporting system; and a host of other areas. Additionally, a second GCIC group based locally throughout Georgia conduct evaluations biennially of all agencies operating on CJIS terminals, as required by state law and operating policy of the FBI's NCIC.

Instituted in 1996, the Georgia Criminal Justice Record Improvement Plan seeks to increase access of state and local agencies to three main databases, Computerized Criminal Histories (CCH), Automated Fingerprint Identification Systems (AFIS), Sex Offender Registry, and the courts system. CJRI is grounded in standards for interoperability among local, state, and federal agencies. These standards allow individual agencies to select technology that suits their needs while maintaining interoperability, data classification, and collective linkages. The CJRI Plan is governed by the Criminal Justice Coordinating Council, which represents all of the participating agencies, as well as the academic/research community.<sup>162</sup>

Since its implementation, CJRI has substantially increased the efficiency and effectiveness of the various databases involved. For example, data housed in the CCH is 82% complete for felony arrests, up from 60% in 1996. Moreover, Georgia continues to pursue the goals of increased accessibility, accuracy, and completeness through its attempts to upgrade the system and bring other agencies (for example, the Department of Corrections) on board.<sup>163</sup> Essentially, Georgia has achieved integration without sacrificing a great deal of autonomy at the state and local level. The cost of implementing the system was \$12 million over seven years.<sup>164</sup>

### ***Florida Crime Information Center (FCIC) II***

The Florida Criminal and Juvenile Justice Information System, centered around the Florida Crime Information Center (FCIC) II, is a re-creation of the original FCIC, which was developed in 1970. FCIC II, which is a windows-based system, houses Criminal Justice Net (CJNet), a secure Intranet, linking state and local agency networks to the Florida Department of Law Enforcement Agencies (FDLE) central repository. Arrest data and fingerprint data, as well as other specialized data (for example, DNA data), is captured and transmitted from the originating agency to the central repository,

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<sup>162</sup> "Georgia Criminal Justice Record Improvement Plan," Search. [www.search.org/integration](http://www.search.org/integration)

<sup>163</sup> "Proposed Criminal Justice Records Improvement Plan for FY 2000 through FY 2004," DRAFTS. Fall meeting, Criminal Justice Records Improvement Subcommittee/Georgia Criminal Justice Coordinating Council, Crime Control and System Improvement Advisory Committee, November 15, 1999.

<sup>164</sup> Ibid.

where it can then be shared with participating agencies, including: local law enforcement agencies, district attorneys, public defenders, courts, attorney general, corrections, parole, juvenile justice, highway safety and motor vehicles, state court administrator, and the department of law enforcement. The Florida Criminal and Juvenile Justice Information System Council, which represents all of the agencies involved in CJNet, governs the project. The Intranet system developed for CJNet mirrors the setup of the Internet, however it runs on a parallel line to the Internet, between agencies, and access via a firewall protects it from the Internet. CJNet essentially works as a “one way mirror;” that is, law enforcement agencies can access the Internet, but people on the Internet cannot see or access CJNet. Additionally, each agency is tied to CJNet in a secure manner, so as to protect individual local area networks.<sup>165</sup> The total cost for implementing FCIC II, including CJNet, is \$13.1 million dollars.<sup>166</sup>

Florida’s criminal justice community has generally embraced FCIC II and CJNet. However, compliance with the new system is voluntary, and some agencies are hesitant to jump on board. Highlighting both the effectiveness of the system and lack of participation by some agencies in a recent article in the Gainesville-Sun, Gilchrist County Sheriff David Turner noted,

*“With this new technology what we hope to do is utilize our tax dollars more appropriately...(with the same staff,) we have been able to maintain our case load as the case load steadily increases... We’ve taken our time, because a lot of people are sensitive to all of the issues that can come out of technology.”<sup>167</sup>*

### ***Colorado Integrated Criminal Justice Information System (CICJIS)***

The Colorado Integrated Criminal Justice Information System (CICJIS) is a virtual database. Specifically, it provides entry to information contained on each of the five autonomous systems (Dept. of Public Safety/Colorado Bureau of Investigation, Colorado District Attorney’s Council, Colorado Judicial Branch, Department of Corrections, Department of Human Services/Division of Youth Corrections) without data replication between the agencies’ legacy systems. Through the utilization of three-tier, middle-ware architecture, a user on any of the five systems can view information contained on another system as if it were stored locally.<sup>168</sup>

Summarizing, the CICJIS system connected the five agencies and more than 6,000 users in an 18-month period at a total cost of \$4 million. Additionally, since its implementation, CICJIS has significantly decreased any duplication in effort between

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<sup>165</sup> “Transcript of Infotech Video,” Justice Technology Information Network, National Law Enforcement and Corrections Technology Center, National Institute of Justice.

<sup>166</sup> This represents the cost of implementing the system through July 2005. (Source: “Florida Criminal and Juvenile Justice Information System” Search. [www.search.org/integration](http://www.search.org/integration).)

<sup>167</sup> Barry, Patrick, “High-tech Network Aids Law Enforcers,” *The Gainesville Sun*. Monday, October 11, 1999.

<sup>168</sup> “What is CICJIS?” State of Colorado. [http://www.state.co.us/gov\\_dir/cicjis/intro.htm](http://www.state.co.us/gov_dir/cicjis/intro.htm).



agencies. Moreover, by networking its existing legacy systems, personnel did not have to be retrained on an unfamiliar system; the end result being that state officials continue to use legacy software and hardware to increase productivity and make better decisions, with noticeable results right away.<sup>169</sup>

Colorado officials agree that CICJIS has been a success chiefly because of the cooperation among participant agencies. The CICJIS Task Force that governed the implementation of CICJIS represents all agencies participating in the system. To further its commitment to an equal representation, the Task Force determined that no single agency would control CICJIS; rather, it would be managed by an independent chief information officer and jointly governed by representatives from each of the agencies. Furthermore, the Task Force agreed that each agency should retain its existing computer system, and, for the most part, its existing coding system. Some other features of CICJIS that contributed to its success include:

- Agencies retain their own operating procedures;
- Agencies may access information from other agencies in real time;
- Agencies are able to query other databases directly;
- Agencies may write data to another agency's databases; and
- Agencies may perform updates on other databases.

The data component that allows agencies to perform these functions in a transparent fashion between agencies is the unique state identification number (SID) assigned to each individual that is fingerprinted.<sup>170</sup>

While the new system has been successful at integrating the five participant agencies, there were certain obstacles that need to be overcome. First, the initial development of the system was time consuming and required a great deal of technical support. Second, because each agency was responsible for only its portion of the data, business practices needed to be somewhat standardized across agencies. That is, because each agency maintains and edits its own data, and other agencies using that data need to understand what is in front of them, there needed to be some congruity across the board.<sup>171</sup> This is an obstacle that, while it has slowly been addressed, still remains a hurdle for CICJIS to overcome.

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<sup>169</sup> "Sybase Criminal Justice Integrated Solution; Improving Law Enforcement Communication and Public Safety," [www.sybase.com](http://www.sybase.com).

<sup>170</sup> This SID is a number that is universally recognized by all systems. Each person introduced into the system has a unique SID, which is used to identify the person on any system accessed.

<sup>171</sup> "Colorado Integrated Criminal Justice Information System," Court Technology Bulletin, September/October 1998.

## Federal Initiatives

Realizing the need for integration, the federal government has invested hundreds of millions of dollars into major national automated systems, (both of which are based on the mainframe concept) the FBI's Automated Fingerprint Identification System (IAFIS) and the National Crime Information Center (NCIC) 2000.<sup>172</sup>

IAFIS and NCIC. IAFIS began operating in July 1999. At a cost of \$640 million, IAFIS is the largest financial undertaking in the history of the US Justice Department. IAFIS reduces the time necessary to determine the identity of a criminal suspect from weeks to hours. In addition, it prevents the release of up to 30,000 suspects who are released from custody each year due to delays in identification.<sup>173</sup>

NCIC 2000 is the revised model of the current NCIC system, which has been in existence for approximately three decades. The current system houses over 40 million records, serves over 80,000 agencies, and processes roughly 2 million transactions per day. While the current system is effective, the new model enhances this effectiveness through its advanced features, such as:

- On-line ad hoc inquiry, which allows for the retrieval of records not available through standard transactions;
- Enhanced name search capabilities using common surnames and alternate spellings;
- On-line availability of information relating to the conduct and whereabouts of individuals on parole or probation; and
- Automatic delayed entry inquiries.<sup>174</sup>

Both IAFIS and NCIC 2000 illustrate how critical inter-agency relationships are in providing the most effective and efficient use of integration. Both IAFIS and NCIC 2000 must rely on data provided electronically by state and local agencies. However, many states and localities are unprepared to fully participate in the systems. Realizing this, the federal government offers four different service levels for NCIC 2000, based on the capabilities of state and local governments.

However, the federal government, rather than accepting the constraints of having four different levels of NCIC 2000 service, is attempting to address those constraints by aiding states and localities in bringing information systems up to speed. Furthermore, the FBI provides NCIC-2000 custom-developed software free of charge to state and local law

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<sup>172</sup> Harris, Kelly J, "Bipartisan Congress Funds Technology Act," Government Technology. February, 1999.

<sup>173</sup> Harris, Kelly J, "Bipartisan Congress Funds Technology Act," Government Technology. February, 1999

<sup>174</sup> Meine, Manfred F. "Policy Implications of Technology for Criminal Justice Administrators," CRJ616: February 20, 1998.

enforcement agencies. However, agencies must obtain their own hardware and some additional commercial software for the system to work properly.<sup>175</sup>

***Global Justice Information Network.*** While NCIC 2000 and IAFIS are based on centralized models, the Global Justice Information Network Advisory Committee advocates the development of distributed systems for federal, state, and local agencies. The vision and definition of the Global Justice Information Network is,

*The capability to communicate, exchange and retrieve timely, accurate and complete information in an automated fashion with authorized elements of the justice community.*<sup>176</sup>

The Global Justice Information Network (funded through DOJ and administered by NIJ) seeks not to keep all crime information in a central repository, such as NCIC 2000, but to keep information at the source agency, fostering a cooperative effort between federal, state, and local law enforcement agencies based on the concept of distributed integrated information systems. While NCIC 2000 houses the majority of criminal justice records throughout the country, state and local agencies are burdened with submitting their records to the FBI. The Global Justice Information Network seeks to eliminate this disparity and decrease the burden placed on individual agencies in complying with systems such as NCIC 2000. As Janet Reno noted, as to the purpose of the Network,

*... The Vice President has asked the Department of Justice to take the leadership role in coordinating this effort with state, local and other Federal agencies. In many ways, this our foremost information technology initiative.*<sup>177</sup>

### ***Virginia and Integrated Criminal Justice Information***

Established in 1966 by the Virginia General Assembly, the **Central Criminal Records Exchange (CCRE)** is the sole criminal record repository in the Commonwealth. Currently, the CCRE maintains over 1.2 million criminal records and receives and processes over 330,000 charges and roughly 300,000 case dispositions a year. Access to the Exchange is limited to criminal justice agencies; however, assistance is provided to non-criminal justice agencies for employment and/or licensing purposes. Presently, criminal justice information is stored among various databases, depending on the agency:

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<sup>175</sup> "National Crime Information Center: 30 Years on the Beat," *The Investigator*, Dec 96/Jan 97.

<sup>176</sup> "Global Justice Information Network," Attorney General's Home Page, US Department of Justice. <http://www.usdoj.gov/ag/global>.

<sup>177</sup> "Global Justice Information Network," Attorney General's Home Page, US Department of Justice. <http://www.usdoj.gov/ag/global>.

however, Central Criminal Records Exchange (CCRE) acts as the managing system for all of the databases within the criminal justice system.<sup>178</sup>

### *Early ICJIS Efforts*

The notion of developing an Integrated Criminal Justice Information System (ICJIS) has a long history in the Commonwealth, dating back almost 30 years. The Criminal Justice Information System (CJIS) concept originally emerged among the Virginia criminal justice community in July 1972. Soon thereafter, in December 1973, the Virginia Council on Criminal Justice decided that legislative support was vital to the successful development of such a system. As a result, the Council recommended that the General Assembly establish a commission to study the issues surrounding the development and implementation of a CJIS. Subsequently, during the 1974 session of the Virginia General Assembly, legislators adopted Senate Joint Resolution 63, directing the Virginia State Crime Commission to establish the Comprehensive Criminal Justice Information System Task Force. In June 1974, the Commission appointed 30 members to the Task Force representing the spectrum of criminal justice agencies, the technical community and the general public. Specifically, the study resolution directed the Commission to:

- Make a full and complete study of all matters relating the exchange, collection, storage, security, privacy, and use of information in the Virginia Criminal Justice System; and
- Make recommendations as to the development and implementation of an expanded and integrated system for the collection, storage and exchange of law enforcement and criminal justice information.

At this time, it was determined that two questions would guide the Task Force's evaluation: (1) what are the potential benefits of a comprehensive criminal justice information system; and (2) how can confidentiality of criminal justice data and the privacy of the individual be protected in computerized information systems. After a series of meetings, on November 11, 1974, the Task Force made the following recommendations:

- The Commonwealth should pursue the development of a comprehensive criminal justice information system;

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<sup>178</sup> Currently, the CCE is plagued with inaccurate, incomplete and missing information, all of which hinder the criminal justice process. According to a 1999 study conducted by the Auditor of Public Accounts, the CCE suffers from a variety of weaknesses, including: lack of oversight authority to enforce reporting adherence; lack of an automated reporting process in many agencies; need for improvement in the area of follow-up procedures regarding incomplete or inaccurate reports; and lack of electronically provided case disposition data by the courts. Furthermore, the study showed that the CCE's databases have an accuracy rate of 85% and a completeness rate of only 59%. Again, the Virginia Department of State Police did issue a formal response to the APA's report. While staff does not have this information currently at hand, it will be referenced in future reports.

- An “umbrella” criminal justice commission should be established to insure that the development and operation of a comprehensive criminal justice information system include proper user management control and to regulate other criminal justice services such as law enforcement training and standards, polygraph examiners, and the private security industry; and,
- The Virginia Privacy Board proposed by the Virginia Advisory Legislative Council (VALC) Computer Security and Privacy Bill should set policy for the security and privacy of a criminal justice information system, avoiding duplication. The Board would be composed of eleven members and four of these members would represent the criminal justice community.

As a result of these recommendations and subsequent legislation, the Criminal Justice Services Commission was created under *Virginia Code* section 9-107 and 9-108, which was later repealed by the 1976 Acts of Assembly c. 771 and sections 9-107.1 and 9-108.1 that were repealed by the 1981 Acts, c. 632. The Criminal Justice Services Commission was charged with regulating the collection, storage, dissemination and use of criminal offender record information, among other things. Although the Criminal Justice Services Commission was dissolved, its duties and responsibilities were later relegated to the Department of Criminal Justice Services (DCJS) under *Virginia Code* section 9-170. According to the *Code of Virginia*, DCJS is charged, among other things, with issuing regulations establishing guidelines and standards for the collection, storage and dissemination of criminal history record information and correctional status information and the privacy, confidentiality, and security thereof necessary to implement state and federal statutes, regulations, and court orders.

### ***The Development of ICJIS***

While the ICJIS concept has been apparent for many years, the reasons for developing such a system as well as the overarching concerns guiding its development have remained constant over the years. Moreover, the increased information needs of Virginia’s criminal justice system in recent years, and cognizance of the fact these demands will only worsen in the future, has brought the ICJIS concept into the forefront of legislative concern. Reinforcing this concern is the realization that Virginia’s public safety databases cannot easily share information, resulting in delays, duplication in efforts and resources, and the overall inefficiency of public safety efforts. In response, the General Assembly and the Secretary of Public Safety in 1995 requested that the Department of Criminal Justice Services study the issue. In 1996, the Department of Criminal Justice Services contracted with The Analytical Sciences Corporation (TASC) to examine Virginia’s systems and provide a systems integration plan, including schedule and costs. The TASC study identified a critical factor in the implementation of ICJIS in the Commonwealth, noting,

*“These critical issues cannot be resolved as a result of the implementation of ICJIS technology alone, but rather must be*

*successfully addressed by Virginia criminal justice agency decision-makers as part of the ICJIS implementation effort.”*

Additionally, TASC developed the following list of critical issues concerning both the technical and the administrative implementation of an ICJIS system.

- “Alignment of departmental information system planning with ICJIS plans in order to promote ICJIS development as a by-product of many independent yet commonly guided efforts;
- Adoption of Council on Information Management standards (and possibly the establishment of additional standards specifically needed for ICJIS) as the technical basis for information interchange;
- Development of a common data dictionary for the entire criminal justice community;
- Establishment of a means to indicate the degree of quality associated with any data item;
- Implementation of a certifiable technical and procedural means for ensuring information security to the levels required by statute;
- Identification of what data need to be copied and made part of agency databases, and what data only needs to be stored in one place from which users can access it when needed;
- Ensuring compliance with statutes to ensure completeness of criminal justice records;
- Influence of departmental information systems on the perceived quality of ICJIS;
- Sustaining determined leadership to move ICJIS forward;
- Motivating acceptance of ICJIS by minimizing negative impact on its broad user base and offering clear benefits as a means for saving time and money; and
- Abandonment of the paper-movement paradigm.”

### ***Recent ICJIS Initiatives***

While the ICJIS project at DCJS is still in existence, developments over the past two years have changed substantially the nature and directive of the development of a CJIN system in Virginia. In response to the TASC study, the 1998 General Assembly provided a \$1.5 million dollar budget for the preliminary development of ICJIS in fiscal years 1999-2000. In addition, the Department of Criminal Justice Services, in conjunction with the ICJIS Steering Committee and the ICJIS Advisory Committee

produced an Integrated Criminal Justice Information System Status Report, which it submitted to the Senate Finance Committee on November 5, 1998. The report notes the current objectives of the ICJIS Steering and Advisory Committees and the preliminary status of activities regarding the implementation of ICJIS, which still remains in the developmental phase.

The current objectives noted in the report reflect the recommendations made in the TASC study. Objectives include the development of an ICJIS prototype, the development of a statewide Criminal Justice Data Dictionary, and the refinement of design and analysis requirements for an expanded ICJIS system. Preliminary actions towards the implementation of ICJIS include: the formation of an Interagency Data Dictionary Committee, the formation of an interagency Contract Management Committee, the development of a Request for Proposal (RFP) for an ICJIS prototype, the identification and prioritization of specific ICJIS requirements, and the regular delivery of status reports to the Criminal Justice Services Board and Criminal Justice Information Systems subcommittee.

In June 1999 Litton PRC Solutions, responding to the DCJS Request for Proposals (RFP), submitted a systems proposal for ICJIS. Litton PRC Solutions was then chosen as the software developer for the ICJIS project. The proposal design promotes a mediated two component system, in which participating agencies (Department of Corrections, Department of Juvenile Justice, State Compensation Board, Virginia State Police, State Supreme Court of Virginia, and the Department of Motor Vehicles) transfer information from existing agency systems to a virtual database for individual subject queries and dump information into a data warehouse for aggregate analysis.

Elaborating, there are two types of queries that can be performed using ICJIS; individual subject queries and cross agency queries. For individual subject queries the IDS Virtual Database (or, the Integration Server) makes database elements look the same across agencies, providing an open systems environment for heterogeneous data base systems, that can be accessed via any web browser. For cross-agency queries, a data warehouse approach (oracle data warehouse) will minimize performance impacts on agency systems by performing large queries on new aggregate software, rather than the existing agency system. According to this model, monthly exchange extracts (periodic, full database dumps) allow for the maintenance of data in the oracle data warehouse. Cross agency analysis can then be done using On-Line Analytical Processing (OLAP) software, which enables users to interactively view a wide range of information that has been transformed from raw data, to data in a form that is consistent with the needs of the accessing agency.

While the ICJIS plan presented by PRC Solutions is comprehensive, important questions remain concerning the impact that the proposed plan will have on participating agencies and the criminal justice system, generally. While the PRC plan states clearly the software that is to be used and the intricacies of the system itself, questions concerning how such a system will actually be implemented statewide remain. Further, the long-term impact of the effort is not fully explored. For example, it is unclear whether the

proposed technology will be adaptable for long term use given the current trend of operating systems in the private (and increasingly, the public) sector to be open in nature, embracing XML and even peer-to-peer technology.

### *Current Status of ICJIS*

Unconvinced that the ICJIS plan – in its present form – would result in a fully integrated criminal justice information system, funding for an ICJIS pilot project was denied during the 2000 and 2001 sessions of the Virginia General Assembly. Instead, during the 2000 session, the legislature adopted a budget amendment that directs the Secretaries of Public Safety, Technology, and Finance to conduct an assessment of those criminal justice computer systems and databases currently in use by the Commonwealth's law enforcement agencies. The Virginia State Crime Commission, working with the Secretaries mentioned above, is then to develop recommendations focused on how best to coordinate the development of an integrated information system for all criminal justice computer systems.<sup>179</sup>

Working in accordance with the 2000 budget language, in January 2001, the Auditor of Public Account completed an analysis of Virginia's CCRE system that served as a follow-up to the special report issued by the Auditor of Public Accounts on November 29, 1999. The APA found that roughly 85% of arrest data, 14% of case disposition data, and 65% of confinement data are incomplete. As well, it was found that there were circumstances where individuals listed in the CCRE have more than one, unique identification number within the database resulting in disjointed criminal history records. Finally, the report noted that the information found within the database does not

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<sup>179</sup> "B.1. The Secretaries of Public Safety, Technology, and Finance, or their designees, in consultation with the Virginia State Crime Commission, the Executive Secretary of the Supreme Court, the Virginia Criminal Sentencing Commission, and the Compensation Board, shall assess (a) the condition, capacity, and state of criminal justice computer systems and databases in use by (i) law enforcement, Commonwealth's Attorneys, and the courts; (ii) local and regional jails and juvenile detention facilities; and (iii) the Departments of State Police, Corrections, Juvenile Justice, and Criminal Justice Services; and (b) the estimated costs of integrating criminal justice computer systems, including existing and future systems. The Secretaries shall provide an interim report to the Chairmen of the Senate Finance and House Appropriations Committees and the Chairman of the Crime Commission by December 1, 2000, and a final report by June 30, 2001.

2. The Virginia State Crime Commission, in consultation with the Secretaries, the Executive Secretary of the Supreme Court, the Virginia Criminal Sentencing Commission, and the Compensation Board, shall recommend how best to coordinate the development of an integrated information system for all criminal justice computer systems that allows for the common reporting and sharing of information, while eliminating duplicate information in individual agency systems, and how best to fund future criminal justice computer systems and databases. The Crime Commission shall also recommend standards for collecting and sharing data; eliminating redundant data collection; and linking offender and case records across multiple databases. The intent of these standards is to provide information needed by the users of criminal justice information systems in the most timely and efficient manner possible. Upon request by the Crime Commission, the Auditor of Public Accounts shall provide information and assistance as needed. The Crime Commission shall complete this assessment and provide a final report to the Chairmen of the Senate Finance and House Appropriations Committees by December 1, 2001 (Item 430 # 1c of the Governor's 2000 Budget)."



meet the needs of all users. Based on these findings, the APA recommended the following:

- The General Assembly may wish to consider designating an oversight authority to set and enforce criminal information data exchange and information systems development standards for criminal justice computers and databases;
- The General Assembly may wish to consider legislation requiring that a person arrested and released on a summons report to the jurisdictional law enforcement agency for fingerprinting within a specified period;
- Wherever feasible, regional jails with LiveScan technology should assist localities for criminal intake and booking; and
- The State Police should continue to develop and implement follow-up procedures to resolve incomplete and inaccurate records.

As well, during 2001, DCJS issued a revised business plan for the ICJIS project. While the project was not funded during the 2001 session of the General Assembly, DCJS received \$1.5 million in federal Byrne grant money for the development of the project. The revised ICJIS proposal presents a business plan for developing the ICJIS system over the next five years, organized in a series of two-year phases. The stated, immediate goal of DCJS is the expansion of the magistrate pilot system that they are developing to link those that deal with criminal charges, law enforcement and the courts. The business plan presented takes a conceptual view of the ICJIS system, realizing the obstacles currently faced, the functions that a new system would need to perform as well as basic management and engineering blueprints. Essentially, the system proposed would utilize client-server technology, using gateway software and a Wide Area Network to connect disparate systems, hence encompassing a mediate/distributed approach. A central server described by DCJS as, “a relatively modest suite of computing equipment maintained at some logically central location... to perform integration functions with multi-agency scope, and to provide ICJIS support services to agency systems,” would be the managing server for the ICJIS system.<sup>180</sup> According to the business plan, DCJS would retain control of the project, managing it, setting standards and distributing funds for state and local information systems projects accordingly. DCJS notes:

*The DCJS... is charged with planning and carrying out programs and initiatives to improve the functioning and effectiveness of the criminal justice system as a whole (Section 9-170 of the Code of Virginia)... One of the ICJIS program management functions is to acquire, manage and disburse funds and other resources for ICJIS implementation. When changes to state and local systems and processes are needed to achieve larger*

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<sup>180</sup> “ICJIS Business Case, Executive Summary” Virginia Department of Criminal Justice Services, March 14, 2001, p. 6.

*integration initiatives, the ICJIS program's preferred method of operation is to develop standards and requirements through a cooperative effort involving the affected agencies, then to issue grants to agencies to design and implement changes.*<sup>181</sup>

Although still under development through grant funding, the continuation and full-realization of the ICJIS project proposed by DCJS depends, for the most part, on the Governor's and the General Assembly's budgetary support in the upcoming years. Realizing this, DCJS recommends that key players in the Virginia decision making community do the following to provide for the continuation of the project: authorize and allocate discretionary state grant funding during the next budget biennium; and plan to support ICJIS implementation funding requests in the next two budget biennia.<sup>182</sup>

### **Virginia and Technology**

In the past few years, the administration of technology services in Virginia has been reworked to adapt to the growing technological needs of the Commonwealth. While the changes that occurred will have an impact on the implementation of many technological programs, they will be particularly relevant in the implementation of ICJIS.

During the 1999 session of the General Assembly, with the passage of HB 1727, HB 2188, and SB 808, the Council on Technology Services, the cabinet position of the Secretary of Technology/Virginia's "Chief Information Officer", the Chief Information Advisory Board and the Department of Technology Planning were created. The Commonwealth's Chief Information Officer (CIO), the Secretary of Technology, is required to monitor trends and advances in information technology, direct and improve a comprehensive state-wide, four year planning process (to be updated annually), and plan for the acquisition, management, and use of information technology.<sup>183</sup>

In addition, the CIO must ensure and monitor the assistance and guidance to state agencies and institutions of higher education in developing plans for information technology and preparing budget requests for information technology. After review by the Department of Planning and Budget, the CIO may approve and/or amend these plans; moreover, the CIO is authorized to review budget requests and recommend budget priorities to the Department of Planning and Budget. Because all state agencies and institutions of higher learning are required to maintain information technology plans that have been approved by the CIO, and because the CIO is authorized to disapprove requests that do not conform to the statewide information technology plan and/or the individual plans of the state agencies or institutions of higher education, the CIO has enforcement ability in performing his duties, as required under the *Code of Virginia*.

Furthermore, specifically relative to the implementation of ICJIS, the CIO is required to create, manage, and disseminate policies, standards, specifications and

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<sup>181</sup> "ICJIS Business Case," Virginia Department of Criminal Justice Services, March 14, 2001, p. 6-7.

<sup>182</sup> "ICJIS Business Case, Executive Summary," p. 8.

<sup>183</sup> *Code of Virginia*, Chapter 5.11, Section 2.1-51.47.

guidelines for the efficient management of information technology. This includes the creation of statewide standards for the able exchange of electronic information and technology between state and local governments and public and private sectors within the Commonwealth.

The Council on Technology Services, the Chief Information Advisory Board and the Department of Technology Planning all assist the Secretary of Technology in performing his duties, as required in the *Code of Virginia*. Specifically, the Council on Technology Services and the Chief Information Officer Advisory Board are two advisory bodies, created to advise and assist the Secretary of Technology in carrying out his responsibilities. The Department of Technology Planning is the administrative arm of the Secretary of Technology, and his headed by a director and supervised by the Secretary of Technology.<sup>184</sup>

### ***The New Technology Structure and ICJIS***

While the development of ICJIS has remained in the hands of DCJS, the remodeled structure of technology services bode well for the eventual implementation of a CJIN project in Virginia. The organizational duties of the Secretary of Technology, the Council on Technology Services, the Chief Information Officer Advisory Board, and the Department of Technology Planning directly relate to the critical issues addressed in the TASC study, specifically:

- The adoption of Council on Information Management standards (and possibly the establishment of additional standards specifically needed for ICJIS) as the technical basis for information interchange;
- The influence of departmental information systems on the perceived quality of ICJIS;
- The sustenance of determined leadership to move ICJIS forward;
- The insurance of compliance with statutes to ensure completeness of criminal justice records;
- The alignment of departmental information system planning with ICJIS plans in order to promote ICJIS development as a by-product of many independent yet commonly guided efforts;

### **Conclusion**

The pressures placed on the criminal justice system are drastically increasing. Increased cases, inquiries and information needs generally, demand that all criminal justice agencies share important information, data, and documents. Systems information integration, then, is needed if criminal justice agencies are to address this need. By

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<sup>184</sup> *Code of Virginia*, Chapter 5.11, Section 2.1-51.47.

allowing public safety databases to share accurate and complete information in a timely manner, systems integration fosters the effective and efficient operation of the criminal justice system.

The current form of systems integration in Virginia is inefficient and ineffective. A recent study of the Auditor of Public Accounts has confirmed that CCRE, the current multi-agency database, is inaccurate and incomplete. Addressing the increased demands of the Criminal Justice System and the limitations of CCRE, the Virginia Department of Criminal Justice Services is currently in the process of developing an ICJIS system to integrate Virginia's criminal justice databases. Additionally, the direction of the newly created Department of Technology Planning and the newly appointed Secretary of Technology may prove useful in providing a framework and providing guidance for the new ICJIS program. Based on the proven benefits of system integration, the result of implementing an integrated system should be to increase the overall efficiency and effectiveness of the criminal justice system.

However, questions still remain as to how to best implement such a system. ICJIS has taken many forms over the past twenty-five years, beginning as a legislative initiative and housing itself in the executive branch, specifically, the Department of Criminal Justice Services for nearly 20 years. The longevity of the project illustrates both the traditional obstacles that abound within the criminal justice community when breaching the topics of cooperation and communication as well as the constantly evolving nature of computer technology. Given this, the ICJIS concept needs to be molded for the Commonwealth's needs today; that is, it must seek to overcome these traditional obstacles and encompass the most adaptable, up-to-date technology. Moreover, the history of the ICJIS project must also be re-examined, in that it is filled with stalled initiatives and projects from which key decision-makers can learn. These initiatives and projects amount to millions of dollars spent and lost, and learning from these mistakes can prevent costly and inefficient efforts in the future. To address the information needs of Virginia's criminal justice community, a timely and effective solution must be sought. By evaluating past efforts and assessing Virginia's current needs, an integration system can be created that will ultimately increase the efficiency and effectiveness of the criminal justice system as a whole.

## **V. Identified Issues for Further Study**

### **Money Laundering and Asset Forfeiture**

The detrimental effects of drug abuse and the drug trade affect every citizen within the Commonwealth. In order to safeguard Virginia's citizens it is necessary to embrace a comprehensive drug control strategy. A successful drug control strategy must include efforts that target the most vulnerable points in the drug cycle.

The movement of illegally derived funds is the weakest link in the drug trafficking cycle, and the point at which successful interdiction efforts result in the greatest financial loss to drug traffickers. Combined with the use of asset forfeiture and seizure laws, law enforcement efforts aimed at intercepting the funds derived from the illegal drug trade can successfully hamper the movement of illegal drugs. The key to a successful anti-money laundering strategy is tailoring those efforts to meet the challenges presented by specific drug markets.<sup>185</sup> These focused efforts are likely to occur only if law enforcement officials are aware of the money laundering process and informed of federal and state money laundering and asset forfeiture statutes.

Note also that contemporary money laundering efforts do make use of money service businesses to launder illegal funds. Recapping, money service businesses are not as stringently regulated by the federal government as the traditional banking industry. By successfully structuring funds into amounts that fall under the Bank Secrecy Act's (BSA's) reporting, record keeping and identification requirements for Money Service Businesses (MSBs), criminals can virtually eliminate any paper trail that connects those funds to an illegal source. In addition, because Suspicious Activity Reports (SARs) are not required for MSB transactions, what would otherwise qualify as suspicious activity often goes undetected. Given that MSBs are primarily regulated at the state level, state regulations that target MSBs can act as a powerful deterrent.

The following issues, revolving around the central premise that efforts geared towards making it more difficult for criminals to launder the proceeds derived from their illegal activities will adversely impact their ability to engage in those activities, have been identified for further study. As such, the Virginia State Crime Commission may wish to retain these issues on their workload for continued consideration in expectation of the 2003 Virginia General Assembly session.

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<sup>185</sup> While any attempt by law enforcement to prevent money laundering is commendable, there is no universal, "one size fits all" solution to deterring money laundering. Different drug markets dictate different methods of laundering illegal funds. Illustrating, primary drug markets place an emphasis on reinvesting profits through integration, secondary markets concentrate on the movement of money, either through bulk cash shipments or through the conversion of funds into monetary instruments such as money orders, and tertiary markets see minimal cash profits. Therefore, law enforcement efforts need to take into account the nature of existing money laundering operations. Because Virginia is a secondary and tertiary drug market, law enforcement efforts within the Commonwealth must focus on the distinct characteristics of those markets. Specifically, anti-money laundering initiatives need to target the use of bulk cash shipments and monetary instruments by drug traffickers.

**Finding 1**

The Virginia General Assembly may wish to consider amending Virginia's Comprehensive Money Laundering Act (Chapter 6, Title 18.2, Sections 246.1-246.5 of the Code of Virginia) so as to better ensure the creation of a potential money laundering "paper trail," guard against bulk cash smuggling and other attempts to conceal and disguise the nature of a financial transaction, apprehend professional money launderers, conduct undercover sting operations and confiscate laundered funds.

**Finding 2**

The Virginia General Assembly may wish to consider requesting the Virginia Department of State Police, the Virginia Sheriff's Association, and the Virginia Association of Chiefs of Police to construct and disseminate a guide detailing those training opportunities available to state and local law enforcement that are focused both on drug interdiction as well as the interdiction of those funds derived from the drug trade.

**Multi-Jurisdictional Drug Task Forces**

Multi-jurisdictional drug task forces allow local law enforcement agencies to pool resources and expertise, thereby aiding them in their ability to target and investigate drug crimes. That being said, because of the current methods employed for evaluating Virginia's multi-jurisdictional drug task forces, the true effectiveness of those task forces cannot be verified. The following issues identified for further examination look to better ensure that the effectiveness of these entities is subject to rigorous examination, and that the activities of these task forces are "strategic" in nature.

**Finding 1**

The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to formulate, direct and promulgate policies, standards, specifications and guidelines for the effective development and deployment of state and local multi-jurisdictional drug task force; and to maintain and report on the effectiveness of those existing state and local multi-jurisdictional drug task forces

**Finding 2**

The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to direct and approve the drafting of a comprehensive and strategic plan focused on fostering coordination and information sharing between Virginia's state/federal, and state/local, multi-jurisdictional drug task forces, and with other task forces and states outside Virginia.

### **Finding 3**

The Virginia General Assembly may wish to consider requesting that the Virginia Department of State Police to make a bi-annual report to the Public Safety Subcommittees of the House Appropriations and Senate Finance Committees of the Virginia General Assembly on the effectiveness of Virginia's state/local multi-jurisdictional drug task forces, and to conduct special or continuing studies as directed by the Virginia General Assembly.

## **Geographical Information Systems**

Geographical Information Systems (GIS) are used by law enforcement agencies for identifying and analyzing crime patterns, thereby aiding law enforcement's ability to prevent crime and better allocate manpower and resources. Currently, federal resources are available to both state and local law enforcement agencies for implementing GIS. Unfortunately, only a small percentage of law enforcement agencies within the Commonwealth are aware of either the benefit associated with crime mapping or the GIS resources available to them, and an even smaller percentage actually utilize GIS. As well, state-directed efforts to coordinate the development of a statewide GIS system have only just recently been initiated. The following issues identified for further study seek to promote the dissemination of information and the utilization of computerized crime mapping by Virginia's state and local law enforcement agencies, and to further state led efforts to deploy a statewide GIS.

### **Finding 1**

The Virginia General Assembly may wish to consider requesting that Virginia's Secretary of Technology – or his designee - the Department of Motor Vehicles, the Virginia Department of Transportation, the Department of State Police, and Virginia's Planning District Commissions to develop a strategic plan for implementing a statewide Geographical Information System program; to re-evaluate the strategic plan annually and either reaffirm or amend it as appropriate; and to facilitate the drafting of similar plans at local and/or regional level.

### **Finding 2**

The Virginia General Assembly may wish to consider requesting that Virginia's Secretary of Technology – or his designee – to make an annual report to the Virginia State Crime Commission and the Joint Commission on Technology and Science on the status of Geographical Information Systems in Virginia; and to report annually on federal funding opportunities available for the promotion of a statewide Geographical Information System.

### *Finding 3*

The Virginia General Assembly may wish to consider requesting that the Virginia Geographic Information Network Division, in conjunction with the Virginia Department of State Police, to construct and disseminate a guide detailing the benefits of GIS, available GIS software, and training opportunities available to state and local law enforcement.

## **Criminal Justice Integrated Information Systems**

CJIN, by allowing public safety agencies to share important information, data, and documents in more timely, accurate and complete manner has the potential to make criminal justice information accessible at every step of the criminal justice process as well as increase the ability of law enforcement officials to apprehend criminals, manage their case loads, process individuals, and track them through the system.

In Virginia, the current form of systems integration is inefficient and ineffective. Although an initial CJIN plan has been developed within the Commonwealth, current action of the Virginia General Assembly, as captured and summarized in Item 430 #1c of the 2000 Appropriations Act, calls for a number of entities to coordinate their efforts in an attempt to realize CJIN in Virginia. As such, CJIN should be created with an eye towards increasing the overall efficiency and effectiveness of the criminal justice system. Therefore the following issues have been identified for further consideration over the next year.

### *Finding 1:*

The ICJIS concept needs to be molded for the Commonwealth's needs today; that is, it must seek to overcome the traditional obstacles outlined in this study and encompass the most adaptable, up-to-date technology.

### *Finding 2:*

The history of the ICJIS project must also be re-examined, in that it is filled with stalled initiatives and projects from which key decision-makers can learn. The information needs of Virginia's criminal justice community, a timely and effective solution must be sought. By evaluating past efforts and assessing Virginia's current needs, an integration system can be created that will ultimately increase the efficiency and effectiveness of the criminal justice system as a whole.



## VI. Acknowledgments

The Virginia State Crime Commission extends its appreciation to the following agencies and individuals for their assistance and cooperation on this study:

*The Task Force on Organized Crime and Drug Trafficking*

Senator Kenneth W. Stolle  
Lieutenant Governor John Hager  
Senator Janet D. Howell  
Senator Thomas K. Norment, Jr.  
Delegate James F. Almand  
Delegate R. Creigh Deeds  
Delegate Raymond R. Guest, Jr.  
Delegate A. Donald McEachin  
Delegate Brian J. Moran  
Delegate Clifton A. Woodrum  
The Honorable Stuart Cook, Sheriff, Hanover  
Mr. Frank Ferguson, Office of the Attorney General  
Mr. Terry W. Hawkins  
The Honorable Robert J. Humphreys, Judge, Court of Appeals of Virginia  
The Honorable William G. Petty, Commonwealth's Attorney  
Captain Terry Bowes, State Police  
Dr. Paul Ferrara, Director, Division of Forensic Science  
Colonel M. Wayne Huggins, Superintendent, State Police  
Mr. Bruce Morris, Deputy Secretary, Public Safety  
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Mr. Edward Doyle, U.S. Department of the Treasury  
Ms. Barbara Hurley, Internal Revenue Service  
Mr. Chuck Owens, Federal Bureau of Investigation  
Mr. Lewis Raden, Bureau of Alcohol, Tobacco, & Firearms

*The College of William and Mary, Center for Public Policy*

Dr. David Finifter, Director



## **Appendix A**

### **Bank Secrecy Act Forms**

**Suspicious Activity Report  
(Form TD F 90-22.47)**

**Currency Transaction Report  
(Form 4789)**

**Report of International Transportation of Currency or Monetary Instruments  
(Form 4790)**

**Currency Transaction Report by Casinos  
(Form 8362)**

**Report of Cash Payments Over \$10,000 Received in a Trade or Business  
(Form 8300)**

**Report of Foreign Bank and Financial Accounts  
(Form TD F 90-22.1)**

# Suspicious Activity Report

FRB: FR 2230 OMB No. 7100-0212  
FDIC: 6710/06 OMB No. 3064-0077  
OCC: 8010-9,8010-1 OMB No. 1557-0180  
OTS: 1601 OMB No. 1550-0003  
NCUA: 2362 OMB No. 3133-0094  
TREASURY: TD F 90-22.47 OMB No. 1506-0001

1

ALWAYS COMPLETE ENTIRE REPORT

Expires September 30, 1998

1 Check appropriate box:

a  Initial Report      b  Corrected Report      c  Supplemental Report

## Part I Reporting Financial Institution Information

2 Name of Financial Institution

3 Primary Federal Regulator

a  Federal Reserve      d  OCC

4 Address of Financial Institution

b  FDIC      e  OTS

c  NCUA

5 City

6 State

7 Zip Code

8 EIN or TIN

9 Address of Branch Office(s) where activity occurred

10 Asset size of financial institution  
\$ \_\_\_\_\_ .00

11 City

12 State

13 Zip Code

14 If institution closed, date closed  
(MMDDYY) \_\_\_\_/\_\_\_\_/\_\_\_\_

15 Account number(s) affected, if any

a \_\_\_\_\_  
b \_\_\_\_\_

16 Have any of the institution's accounts related to this matter been closed?

a  Yes      b  No      If yes, identify \_\_\_\_\_

## Part II Suspect Information

17 Last Name or Name of Entity

18 First Name

19 Middle Initial

20 Address

21 SSN, EIN or TIN (as applicable)

22 City

23 State

24 Zip Code

25 Country

26 Date of Birth (MMDDYY)  
\_\_\_\_/\_\_\_\_/\_\_\_\_

27 Phone Number - Residence (include area code)  
( )

28 Phone Number - Work (include area code)  
( )

29 Occupation

30 Forms of Identification for Suspect:

a  Driver's License

b  Passport

c  Alien Registration

d  Other \_\_\_\_\_

e Number \_\_\_\_\_

f Issuing Authority \_\_\_\_\_

31 Relationship to Financial Institution:

a  Accountant

d  Attorney

g  Customer

j  Officer

b  Agent

e  Borrower

h  Director

k  Shareholder

c  Appraiser

f  Broker

i  Employee

l  Other \_\_\_\_\_

32 Is insider suspect still affiliated with the financial institution?

a  Yes

b  No

If no, specify { c  Suspended  
d  Terminated

e  Resigned

33 Date of Suspension, Termination, Resignation (MMDDYY)  
\_\_\_\_/\_\_\_\_/\_\_\_\_

34 Admission/Confession

a  Yes

b  No

# **BANK SECRECY ACT FORMS**

**SUSPICIOUS ACTIVITY REPORT  
(FORM TD F 90-22.47)**

**CURRENCY TRANSACTION REPORT  
(FORM 4789)**

**REPORT OF INTERNATIONAL  
TRANSPORTATION OF CURRENCY OR  
MONETARY INSTRUMENTS  
(FORM 4790)**

**CURRENCY TRANSACTION REPORT BY  
CASINOS  
(FORM 8362)**

**REPORT OF CASH PAYMENTS OVER \$10,000  
RECEIVED IN A TRADE OR BUSINESS  
(FORM 8300)**

**REPORT OF FOREIGN BANK AND  
FINANCIAL ACCOUNTS  
(FORM TD F 90-22.1)**

# Currency Transaction Report

► Use this 1998 revision effective June 1, 1998.

► For Paperwork Reduction Act Notice, see page 3. ► Please type or print.

(Complete all parts that apply—See instructions)

1 Check all box(es) that apply:

- a  Amends prior report
- b  Multiple persons
- c  Multiple transactions

## Part I Person(s) Involved in Transaction(s)

### Section A—Person(s) on Whose Behalf Transaction(s) Is Conducted

2 Individual's last name or Organization's name		3 First name			4 M.I.	
5 Doing business as (DBA)				6 SSN or EIN		
7 Address (number, street, and apt. or suite no.)				8 Date of birth		
9 City	10 State	11 ZIP code	12 Country (if not U.S.)	13 Occupation, profession, or business		
14 If an individual, describe method used to verify identity:						
a <input type="checkbox"/> Driver's license/State I.D.            b <input type="checkbox"/> Passport            c <input type="checkbox"/> Alien registration            d <input type="checkbox"/> Other ..... e Issued by:                                            f Number:						

### Section B—Individual(s) Conducting Transaction(s) (if other than above).

If Section B is left blank or incomplete, check the box(es) below to indicate the reason(s):

- a  Armored Car Service
- b  Mail Deposit or Shipment
- c  Night Deposit or Automated Teller Machine (ATM)
- d  Multiple Transactions
- e  Conducted On Own Behalf

15 Individual's last name		16 First name			17 M.I.	
18 Address (number, street, and apt. or suite no.)				19 SSN		
20 City	21 State	22 ZIP code	23 Country (if not U.S.)	24 Date of birth		
25 If an individual, describe method used to verify identity:						
a <input type="checkbox"/> Driver's license/State I.D.            b <input type="checkbox"/> Passport            c <input type="checkbox"/> Alien registration            d <input type="checkbox"/> Other ..... e Issued by:                                            f Number:						

## Part II Amount and Type of Transaction(s). Check all boxes that apply.

26 Cash In \$ _____ .00		27 Cash Out \$ _____ .00		28 Date of Transaction		
29 <input type="checkbox"/> Foreign Currency _____ (Country)		30 <input type="checkbox"/> Wire Transfer(s)		31 <input type="checkbox"/> Negotiable Instrument(s) Purchased		
32 <input type="checkbox"/> Negotiable Instrument(s) Cashed		33 <input type="checkbox"/> Currency Exchange(s)		34 <input type="checkbox"/> Deposit(s)/Withdrawal(s)		
35 <input type="checkbox"/> Account Number(s) Affected (if any):		36 <input type="checkbox"/> Other (specify)				

## Part III Financial Institution Where Transaction(s) Takes Place

37 Name of financial institution		Enter Federal Regulator or BSA Examiner code number from the instructions here. ► [      ]				
38 Address (number, street, and apt. or suite no.)				39 SSN or EIN		
40 City		41 State	42 ZIP code	43 MICR No.		
44 Title of approving official		45 Signature of approving official			46 Date of signature	
47 Type or print preparer's name		48 Type or print name of person to contact			49 Telephone number	

Sign Here ►

**Part III Suspicious Activity Information****2**

35 Date of suspicious activity (MMDDYY) _____/_____/_____	36 Dollar amount involved in known or suspicious activity \$ _____ .00
---	---

37 Summary characterization of suspicious activity:

a <input type="checkbox"/> Bank Secrecy Act/Structuring/ Money Laundering b <input type="checkbox"/> Bribery/Gratuity c <input type="checkbox"/> Check Fraud d <input type="checkbox"/> Check Kiting e <input type="checkbox"/> Commercial Loan Fraud f <input type="checkbox"/> Consumer Loan Fraud  r <input type="checkbox"/> Other _____	g <input type="checkbox"/> Counterfeit Check h <input type="checkbox"/> Counterfeit Credit/Debit Card i <input type="checkbox"/> Counterfeit Instrument (other) j <input type="checkbox"/> Credit Card Fraud k <input type="checkbox"/> Debit Card Fraud l <input type="checkbox"/> Defalcation/Embezzlement	m <input type="checkbox"/> False Statement n <input type="checkbox"/> Misuse of Position or Self-Dealing o <input type="checkbox"/> Mortgage Loan Fraud p <input type="checkbox"/> Mysterious Disappearance q <input type="checkbox"/> Wire Transfer Fraud
--	---	---

38 Amount of loss prior to recovery (if applicable) \$ _____ .00	39 Dollar amount of recovery (if applicable) \$ _____ .00	40 Has the suspicious activity had a material impact on or otherwise affected the financial soundness of the institution? a <input type="checkbox"/> Yes b <input type="checkbox"/> No
--	---	---

41 Has the institution's bonding company been notified?  
a  Yes b  No

42 Has any law enforcement agency already been advised by telephone, written communication, or otherwise?  
If so, list the agency and local address.  
Agency \_\_\_\_\_

43 Address \_\_\_\_\_

44 City _____	45 State _____	46 Zip Code _____
---------------	----------------	-------------------

**Part IV Witness Information**

47 Last Name _____	48 First Name _____	49 Middle Initial _____
50 Address _____		51 SSN _____
52 City _____	53 State _____	54 Zip Code _____
55 Date of Birth (MMDDYY) _____/_____/_____		
56 Title _____	57 Phone Number (include area code) ( ) _____	58 Interviewed a <input type="checkbox"/> Yes b <input type="checkbox"/> No

**Part V Preparer Information**

59 Last Name _____	60 First Name _____	61 Middle Initial _____
62 Title _____	63 Phone Number (include area code) ( ) _____	64 Date (MMDDYY) _____/_____/_____

**Part VI Contact for Assistance (If different than Preparer Information in Part V)**

65 Last Name _____	66 First Name _____	67 Middle Initial _____
68 Title _____	69 Phone Number (include area code) ( ) _____	
70 Agency (If applicable) _____		

DEPARTMENT OF THE TREASURY  
UNITED STATES CUSTOMS SERVICE



REPORT OF INTERNATIONAL  
TRANSPORTATION OF CURRENCY  
OR MONETARY INSTRUMENTS

▶ This form is to be filed with the United States Customs Service  
▶ For Paperwork Reduction Act Notice and Privacy Act Notice, see back of form.

(U.S. Customs Use Only)

Control No.  
31 U.S.C. 5316; 31 CFR 103.23 and 103.25  
Please type or print.

**Part I** FOR INDIVIDUAL DEPARTING FROM OR ENTERING THE UNITED STATES

1. NAME (Last or family, first, and middle)		2. IDENTIFYING NO. (See instructions)		3. DATE OF BIRTH (Mo./Day/Yr.)	
4. PERMANENT ADDRESS IN UNITED STATES OR ABROAD				5. OF WHAT COUNTRY ARE YOU A CITIZEN/SUBJECT?	
6. ADDRESS WHILE IN THE UNITED STATES				7. PASSPORT NO. & COUNTRY	
8. U.S. VISA DATE		9. PLACE UNITED STATES VISA WAS ISSUED		10. IMMIGRATION ALIEN NO. (If any)	
11. CURRENCY OR MONETARY INSTRUMENT WAS: (Complete 11A or 11B)					
A. EXPORTED			B. IMPORTED		
12. Departed From: (City in U.S.)		Arrived At: (Foreign City/Country)		13. From: (Foreign City/Country)	
				At: (City in U.S.)	

**Part II** FOR PERSON SHIPPING, MAILING, OR RECEIVING CURRENCY OR MONETARY INSTRUMENTS

14. NAME (Last or family, first, and middle)		13. IDENTIFYING NO. (See instructions)		14. DATE OF BIRTH (Mo./Day/Yr.)	
15. PERMANENT ADDRESS IN UNITED STATES OR ABROAD				16. OF WHAT COUNTRY ARE YOU A CITIZEN/SUBJECT?	
17. ADDRESS WHILE IN THE UNITED STATES				18. PASSPORT NO. & COUNTRY	
19. U.S. VISA DATE		20. PLACE UNITED STATES VISA WAS ISSUED		21. IMMIGRATION ALIEN NO. (If any)	
22. CURRENCY OR MONETARY INSTRUMENTS	23. CURRENCY OR MONETARY INSTRUMENTS	NAME AND ADDRESS		24. IF THE CURRENCY OR MONETARY INSTRUMENT WAS MAILED, SHIPPED, OR TRANSPORTED COMPLETE BLOCKS A AND B.	
TYPE SHIPPED	<input type="checkbox"/> Shipped To ▶			A. Method of Shipment (Auto, U.S. Mail, Public Carrier, etc.)	
TYPE RECEIVED	<input type="checkbox"/> Received From ▶			B. Name of Transporter/Carrier	

**Part III** CURRENCY AND MONETARY INSTRUMENT INFORMATION (SEE INSTRUCTIONS ON REVERSE) (To be completed by everyone)

TYPE AND AMOUNT OF CURRENCY/MONETARY INSTRUMENTS	Value in U.S. Dollars	26. IF OTHER THAN U.S. CURRENCY IS INVOLVED, PLEASE COMPLETE BLOCKS A AND B. (SEE SPECIAL INSTRUCTIONS)
1. Coins <input type="checkbox"/> A. ▶ \$		A. Currency Name B. Country
2. Currency <input type="checkbox"/> B. ▶		
3. Other Instruments (Specify Type) <input type="checkbox"/> C. ▶		
4. Total lines A, B and C TOTAL AMOUNT ▶ \$		

**Part IV** GENERAL - TO BE COMPLETED BY ALL TRAVELERS, SHIPPERS, AND RECIPIENTS

27. WERE YOU ACTING AS AN AGENT, ATTORNEY OR IN CAPACITY FOR ANYONE IN THIS CURRENCY OR MONETARY INSTRUMENT ACTIVITY? (If "Yes" complete A, B and C)  Yes  No

28. PERSON IN WHOSE BELIEF YOU ARE ACTING	A. Name	B. Address	C. Business activity, occupation, or profession.
Under penalties of perjury, I declare that I have examined this report, and to the best of my knowledge and belief it is true, correct and complete.			
29. NAME AND TITLE		29. SIGNATURE	30. DATE





# Currency Transaction Report by Casinos

► Use this revision for reportable transactions occurring after June 30, 1997.

► Please type or print.

(Complete all applicable parts—see instructions.)

1 If this Form 8362 (CTRC) is submitted to amend a prior report check here:  and attach a copy of the original CTCRC to this form.

## Part I Person(s) Involved in Transaction(s)

### Section A—Person(s) on Whose Behalf Transaction(s) Is Conducted (Customer)

2  Multiple persons

3 Individual's last name or Organization's name				4 First name				5 M.I.			
6 Permanent address (number, street, and apt. or suite no.)								7 SSN or EIN			
8 City		9 State		10 ZIP code		11 Country (if not U.S.)		12 Date of birth			
13 Method used to verify identity: a <input type="checkbox"/> Examined identification credential/document b <input type="checkbox"/> Known customer - information on file c <input type="checkbox"/> Organization											
14 Describe identification credential: a <input type="checkbox"/> Driver's license/State I.D. b <input type="checkbox"/> Passport c <input type="checkbox"/> Alien registration d <input type="checkbox"/> Other											
e Issued by: f Number:											
15 Customer's Account Number											

### Section B—Individual(s) Conducting Transaction(s) - If other than above (Agent)

16  Multiple agents

17 Individual's last name				18 First name				19 M.I.			
20 Permanent address (number, street, and apt. or suite no.)								21 SSN			
22 City		23 State		24 ZIP code		25 Country (if not U.S.)		26 Date of birth			
27 Method used to verify identity: a <input type="checkbox"/> Examined identification credential/document b <input type="checkbox"/> Known customer - information on file											
28 Describe identification credential: a <input type="checkbox"/> Driver's license/State I.D. b <input type="checkbox"/> Passport c <input type="checkbox"/> Alien registration d <input type="checkbox"/> Other											
e Issued by: f Number:											

## Part II Amount and Type of Transaction(s) (Complete all items that apply.)

29  Multiple transactions

30 CASH IN: (in U.S. dollar equivalent)				31 CASH OUT: (in U.S. dollar equivalent)			
a Purchase(s) of casino chips, tokens, and other gaming instruments \$				a Redemption(s) of casino chips, tokens, and other gaming instruments \$			
b Deposit(s) (front money or safekeeping)				b Withdrawal(s) of deposit (front money or safekeeping)			
c Payment(s) on credit (including markers)				c Advance(s) on credit (including markers)			
d Bet(s) of currency				d Payment(s) on bet(s) (including slot jackpot(s))			
e Currency received from wire transfer(s) out				e Currency paid from wire transfer(s) in			
f Purchase(s) of casino check(s)				f Negotiable instrument(s) cashed (including checks)			
g Currency exchange(s)				g Currency exchange(s)			
h Other (specify)				h Travel and complimentary expenses and gaming incentives			
i Enter total amount of CASH IN transaction(s) ► \$				i Payment for tournament, contest or other promotions			
				j Other (specify)			
				k Enter total amount of CASH OUT transaction(s) ►			
32 Date of transaction				33 Foreign currency used			
(see instructions)				(Country)			

## Part III Casino Reporting Transaction(s)

34 Casino's trade name			35 Casino's legal name			36 Employer identification number (EIN)		
37 Address (number, street, and apt. or suite no.) where transaction occurred								
38 City			39 State			40 ZIP code		
41 Title of approving official			42 Signature of approving official			43 Date of signature		
44 Type or print preparer's name			45 Type or print name of person to contact			46 Contact telephone number		

Sign Here ►

Multiple Persons or Multiple Agents

(Complete applicable parts below if box 2 or box 16 on page 1 is checked.)

Part I Continued

Section A—Person(s) on Whose Behalf Transaction(s) Is Conducted (Customer)

3 Individual's last name or Organization's name 4 First name 5 M.I. 6 Permanent address (number, street, and apt. or suite no.) 7 SSN or EIN 8 City 9 State 10 ZIP code 11 Country (if not U.S.) 12 Date of birth 13 Method used to verify identity: a Examined identification credential/document b Known customer - information on file c Organization 14 Describe identification credential: a Driver's license/State I.D. b Passport c Alien registration d Other e Issued by: f Number: 15 Customer's Account Number

Section B—Individual(s) Conducting Transaction(s) - If other than above (Agent)

17 Individual's last name 18 First name 19 M.I. 20 Permanent address (number, street, and apt. or suite no.) 21 SSN 22 City 23 State 24 ZIP code 25 Country (if not U.S.) 26 Date of birth 27 Method used to verify identity: a Examined identification credential/document b Known customer - information on file 28 Describe identification credential: a Driver's license/State I.D. b Passport c Alien registration d Other e Issued by: f Number:

Paperwork Reduction Act Notice.—The requested information is useful in criminal, tax, and regulatory investigations and proceedings. Financial institutions are required to provide the information under 31 U.S.C. 5313 and 31 CFR Part 103, commonly referred to as the Bank Secrecy Act (BSA). The BSA is administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). You are not required to provide the requested information unless a form displays a valid OMB control number.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is 19 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for improving this form, you may write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. DO NOT send this form to this address. Instead, see When and Where To File below.

General Instructions

Form 8362.—Use the July 1997 revision of Form 8362 for reportable transactions occurring after June 30, 1997. Use the May 1992 revision of Form 8362 for reportable transactions occurring before July 1, 1997.

Suspicious Transactions.—If a transaction is greater than \$10,000 in currency as well as suspicious, casinos must file a Form 8362 and are encouraged to report suspicious transactions and activities on Form TDF 90-22.47, Suspicious Activity Report (SAR). Banks and other depository institutions currently are required to use the SAR to report suspicious activities. A SAR for casinos is under development and, once issued, a casino will use this SAR for reporting a suspicious transaction or activity, rather than reporting such activity on Form TDF 90-22.47.

DO NOT use Form 8362 to (1) report suspicious transactions involving \$10,000 or less in currency OR (2) indicate that a transaction of more than \$10,000 is suspicious.

When a suspicious activity requires immediate attention, casinos should telephone 1-800-800-CTRS, Monday through Friday, from 9:00 a.m. to 6:00 p.m. Eastern Standard Time (EST). An Internal Revenue Service (IRS) employee will direct the call to the local office of the IRS Criminal Investigation Division (CID). In an emergency, consult directory assistance for the local IRS CID office.

Who Must File.—Any organization duly licensed or authorized to do business as a casino or gambling casino in the United States (except casinos located in Nevada) and having gross annual gaming revenues in excess of \$1 million must file Form 8362. This includes the principal headquarters and every domestic branch or place of business of the casino.

Note: Nevada casinos must file Form 8852, Currency Transaction Report by Casinos - Nevada (CTRC-N), to report transactions as required under Nevada Regulation 6A.

What To File.—A casino must file Form 8362 for each transaction involving either currency received (Cash In) or currency disbursed (Cash Out) of more than \$10,000 in a gaming day. A gaming day is the normal business day of the casino by which it keeps its books and records for business, accounting, and tax purposes. Multiple transactions must be treated as a single transaction if the casino has knowledge that: (1) they are made by or on behalf of the same person, and (2) they result in either Cash In or Cash Out by the casino totalling more than \$10,000 during any one gaming day. Reportable transactions may occur at a casino cage, gaming table, and/or

slot machine. The casino should report both Cash In and Cash Out transactions by or on behalf of the same customer on a single Form 8362. DO NOT use Form 8362 to report receipts of currency in excess of \$10,000 by nongaming businesses of a casino (e.g., a hotel); instead, use Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business.

Exceptions.—A casino does not have to report transactions with domestic banks, currency dealers or exchangers, or commercial check cashers.

Identification Requirements.—All individuals (except employees conducting transactions on behalf of armored car services) conducting a reportable transaction(s) for themselves or for another person must be identified by means of an official or otherwise reliable record.

Acceptable forms of identification include a driver's license, military or military dependent identification cards, passport, alien registration card, state issued identification card, cedular card (foreign), or a combination of other documents that contain an individual's name and address and preferably a photograph and are normally acceptable by financial institutions as a means of identification when cashing checks for persons other than established customers.

For casino customers granted accounts for credit, deposit, or check cashing, or on whom a CTRC containing verified identity has been filed, acceptable identification information obtained previously and maintained in the casino's internal records may be used as long as the following conditions are met. The customer's identity is reverified periodically, any out-of-date identifying information is updated in the internal records, and the date of each reverification is noted on the internal

Form **8300**

# Report of Cash Payments Over \$10,000 Received in a Trade or Business

OMB No. 1545-0892

(Rev. August 1997)

▶ See instructions for definition of cash.

▶ Use this form for transactions occurring after July 31, 1997.

Department of the Treasury  
Internal Revenue Service

Please type or print.

1 Check appropriate box(es) if: a  Amends prior report; b  Suspicious transaction.

## Part I Identity of Individual From Whom the Cash Was Received

2 If more than one individual is involved, check here and see instructions

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Document used to verify identity: a Describe identification ▶ b Issued by c Number

## Part II Person on Whose Behalf This Transaction Was Conducted

15 If this transaction was conducted on behalf of more than one person, check here and see instructions

16 Individual's last name or Organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification: a Describe identification ▶ b Issued by c Number

## Part III Description of Transaction and Method of Payment

28 Date cash received M M D D Y Y Y Y 29 Total cash received \$ .00 30 If cash was received in more than one payment, check here  31 Total price if different from item 29 \$ .00

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):  
a U.S. currency \$ .00 (Amount in \$100 bills or higher \$ .00)  
b Foreign currency \$ .00 (Country ▶ )  
c Cashier's check(s) \$ .00 } Issuer's name(s) and serial number(s) of the monetary instrument(s) ▶  
d Money order(s) \$ .00 }  
e Bank draft(s) \$ .00 }  
f Traveler's check(s) \$ .00 }

33 Type of transaction f  Debt obligations paid 34 Specific description of property or service shown in 33. (Give serial or registration number, address, docket number, etc.) ▶  
a  Personal property purchased g  Exchange of cash  
b  Real property purchased h  Escrow or trust funds  
c  Personal services provided i  Bail bond  
d  Business services provided j  Other (specify) ▶  
e  Intangible property purchased

## Part IV Business That Received Cash

35 Name of business that received cash 36 Employer identification number

37 Address (number, street, and apt. or suite no.) Social security number

38 City 39 State 40 ZIP code 41 Nature of your business

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature of authorized official Title of authorized official  
43 Date of signature M M D D Y Y Y Y 44 Type or print name of contact person 45 Contact telephone number ( )

### Multiple Parties

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

**Part I** Continued—Complete if box 2 on page 1 is checked

3 Last name	4 First name	5 M.I.	6 Taxpayer identification number : : : : : : : : : : :
7 Address (number, street, and apt. or suite no.)		8 Date of birth . ▶ (see instructions)	M M D D Y Y Y Y : : : : : : : : :
9 City	10 State	11 ZIP code	12 Country (if not U.S.)   13 Occupation, profession, or business
14 Document used to verify identity: a Describe identification ▶ .....			
b Issued by		c Number	
3 Last name	4 First name	5 M.I.	6 Taxpayer identification number : : : : : : : : : :
7 Address (number, street, and apt. or suite no.)		8 Date of birth . ▶ (see instructions)	M M D D Y Y Y Y : : : : : : : : :
9 City	10 State	11 ZIP code	12 Country (if not U.S.)   13 Occupation, profession, or business
14 Document used to verify identity: a Describe identification ▶ .....			
b Issued by		c Number	

**Part II** Continued—Complete if box 15 on page 1 is checked

16 Individual's last name or Organization's name	17 First name	18 M.I.	19 Taxpayer identification number : : : : : : : : : :
20 Doing business as (DBA) name (see instructions)			Employer identification number : : : : : : : : :
21 Address (number, street, and apt. or suite no.)		22 Occupation, profession, or business	
23 City	24 State	25 ZIP code	26 Country (if not U.S.)
27 Alien identification: a Describe identification ▶ .....			
b Issued by		c Number	
16 Individual's last name or Organization's name	17 First name	18 M.I.	19 Taxpayer identification number : : : : : : : : : :
20 Doing business as (DBA) name (see instructions)			Employer identification number : : : : : : : : :
21 Address (number, street, and apt. or suite no.)		22 Occupation, profession, or business	
23 City	24 State	25 ZIP code	26 Country (if not U.S.)
27 Alien identification: a Describe identification ▶ .....			
b Issued by		c Number	

**REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS**

Do **NOT** file with your Federal Tax Return



OMB No. 1505-0063

<b>1</b> Filing for Calendar Year Y Y Y Y	<b>2</b> Type of Filer a <input type="checkbox"/> Individual b <input type="checkbox"/> Partnership c <input type="checkbox"/> Corporation d <input type="checkbox"/> Fiduciary	<b>3</b> Taxpayer Identification Number
--	--	---

**Part I Filer Information**

<b>4</b> Last Name or Organization Name	<b>5</b> First Name	<b>6</b> Middle Initial
<b>7</b> Address (Number, Street, and Apt. or Suite No.)		<b>8</b> Date of Birth M M D D Y Y Y Y
<b>9</b> City	<b>10</b> State	<b>11</b> Zip/Postal Code
		<b>12</b> Country
<b>13</b> Title (Not necessary if reporting a personal account)		
<b>14</b> Are these account jointly owned? a <input type="checkbox"/> Yes b <input type="checkbox"/> No	<b>15</b> Number of joint owners	<b>16</b> Taxpayer Identification Number of joint owner (if known)
<b>17</b> Last Name or Organization Name	<b>18</b> First Name	<b>19</b> Middle Initial

**Part II Information on Financial Accounts**

<b>20</b> Number of Foreign Financial Accounts in which a financial interest is held	<b>21</b> Type of account a <input type="checkbox"/> Bank b <input type="checkbox"/> Securities c <input type="checkbox"/> Other _____	
<b>22</b> Maximum value of account a <input type="checkbox"/> Under \$10,000 c <input type="checkbox"/> \$100,000 to \$1,000,000 b <input type="checkbox"/> \$10,000 to \$99,999 d <input type="checkbox"/> Over \$1,000,000	<b>23</b> Account Number or other designation	
<b>24</b> Name of Financial Institution with which account is held	<b>25</b> Country in which account is held	
<b>26</b> Does the filer have a financial interest in this account? a <input type="checkbox"/> Yes b <input type="checkbox"/> No If no, complete boxes 27-35.	<b>27</b> Last Name or Organization Name of Account Owner	
<b>28</b> First Name	<b>29</b> Middle Initial	<b>30</b> Taxpayer Identification Number
<b>31</b> Address (Number, Street, and Apt. or Suite No.)		<b>32</b> City
<b>33</b> State	<b>34</b> Zip/Postal Code	<b>35</b> Country
<b>36</b> Signature		<b>37</b> Date M M D D Y Y Y Y

This form should be used to report a financial interest in, signature authority, or other authority over one or more financial accounts in foreign countries, as required by the Department of the Treasury Regulations (31 CFR 103). No report is required if the aggregate value of the accounts did not exceed \$10,000. SEE INSTRUCTIONS FOR DEFINITION. File this form with:

**U.S. Department of the Treasury, P.O. Box 32621, Detroit, MI 48232-0621**

**PRIVACY ACT NOTIFICATION**

Pursuant to the requirements of Public Law 93-579 (Privacy Act of 1974), notice is hereby given that the authority to collect information on TD F 90-22.1 in accordance with 5 USC 552a(e) is Public Law 91-508; 31 USC 5314; 5 USC 301; 31 CFR 103.

The principal purpose for collecting the information is to assure maintenance of reports where such reports or records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The information collected may be provided to those officers and employees of any constituent unit of the Department of the Treasury who have a need for the records in the performance of their duties. The records may be referred to any other department or agency of the United States upon the request of the head of such department or agency for use in a criminal, tax, or regulatory investigation or proceeding.

Disclosure of this information is mandatory. Civil and criminal penalties, including certain circumstances a fine of not more than \$500,000 and imprisonment of not more than five years, are provided for failure to file a report, supply information, and for filing a false or fraudulent report.

Disclosure of the Social Security number is mandatory. The authority to collect is 31 CFR 103. The Social Security number will be used as a means to identify the individual who files the report.

**Continuation Page**

Form TD F 90-22.1

This side can be copied as many times as necessary in order to provide information on all accounts.

<b>1</b> Filing for Calendar Year Y Y Y Y	<b>3</b> Taxpayer Identification Number	<b>4</b> Filer Last Name or Business Name	<b>Page Number</b> OF
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<b>2</b> Type of Filer a <input type="checkbox"/> Individual    c <input type="checkbox"/> Corporation b <input type="checkbox"/> Partnership    d <input type="checkbox"/> Fiduciary	<b>21</b> Type of Account a <input type="checkbox"/> Bank    c <input type="checkbox"/> Other b <input type="checkbox"/> Securities	<b>22</b> Maximum Value of Account a <input type="checkbox"/> Under \$10,000    c <input type="checkbox"/> \$100,000 to \$1,000,000 b <input type="checkbox"/> \$10,000 to \$99,999    d <input type="checkbox"/> Over \$1,000,000
---	---	--

<b>23</b> Account Number or other designation	<b>24</b> Name of Financial Institution with which account is held
---	--

<b>25</b> Country in which account is held	<b>26</b> Does the filer have a financial interest in this account? a <input type="checkbox"/> Yes b <input type="checkbox"/> No If no, complete boxes 27-35.	<b>27</b> Last Name or Organization Name of Account Owner
--	--	---

<b>28</b> First Name	<b>29</b> Middle Initial	<b>30</b> Taxpayer Identification Number	<b>31</b> Address (Number, Street, and Apt. or Suite No.)
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<b>32</b> City	<b>33</b> State	<b>34</b> Zip/Postal Code	<b>35</b> Country
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<b>2</b> Type of Filer a <input type="checkbox"/> Individual    c <input type="checkbox"/> Corporation b <input type="checkbox"/> Partnership    d <input type="checkbox"/> Fiduciary	<b>21</b> Type of Account a <input type="checkbox"/> Bank    c <input type="checkbox"/> Other b <input type="checkbox"/> Securities	<b>22</b> Maximum Value of Account a <input type="checkbox"/> Under \$10,000    c <input type="checkbox"/> \$100,000 to \$1,000,000 b <input type="checkbox"/> \$10,000 to \$99,999    d <input type="checkbox"/> Over \$1,000,000
---	---	--

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--	--	---

<b>28</b> First Name	<b>29</b> Middle Initial	<b>30</b> Taxpayer Identification Number	<b>31</b> Address (Number, Street, and Apt. or Suite No.)
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<b>32</b> City	<b>33</b> State	<b>34</b> Zip/Postal Code	<b>35</b> Country
----------------	-----------------	---------------------------	-------------------

<b>2</b> Type of Filer a <input type="checkbox"/> Individual    c <input type="checkbox"/> Corporation b <input type="checkbox"/> Partnership    d <input type="checkbox"/> Fiduciary	<b>21</b> Type of Account a <input type="checkbox"/> Bank    c <input type="checkbox"/> Other b <input type="checkbox"/> Securities	<b>22</b> Maximum Value of Account a <input type="checkbox"/> Under \$10,000    c <input type="checkbox"/> \$100,000 to \$1,000,000 b <input type="checkbox"/> \$10,000 to \$99,999    d <input type="checkbox"/> Over \$1,000,000
---	---	--

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<b>32</b> City	<b>33</b> State	<b>34</b> Zip/Postal Code	<b>35</b> Country
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This form should be used to report a financial interest in, signature authority, or other authority over one or more financial accounts in foreign countries, as required by the Department of the Treasury Regulations (31 CFR 103). No report is required if the aggregate value of the accounts did not exceed \$10,000. SEE INSTRUCTIONS FOR DEFINITION. File this form with:

**U.S. Department of the Treasury, P.O. Box 32621, Detroit, MI 48232-0621**

**Paperwork Reduction Act.** The estimated average burden associated with this collection of information is 10 minutes per respondent or recordkeeper, depending on individual circumstances. Comments regarding the accuracy of this burden estimate, and suggestions for reducing the burden should be directed to the Department of the Treasury, Financial Crimes Enforcement Network, Suite 200, 2070 Chain Bridge Road, Vienna VA 22182-2536.





# Appendix B

# LII

legal information institute

collection home

US CODE COLLECTION



search

[Next](#)

[TITLE 18](#) > [PART I](#) > [CHAPTER 46](#) > [Sec. 981](#).

Search this title:

Search Title 18

## Sec. 981. - Civil forfeiture

(a)

(1)

The following property is subject to forfeiture to the United States:

(A)

Any property, real or personal, involved in a transaction or attempted transaction in violation of section [5313\(a\)](#) or [5324\(a\)](#) of title [31](#), or of section [1956](#) or [1957](#) of this title, or any property traceable to such property. However, no property shall be seized or forfeited in the case of a violation of section [5313\(a\)](#) of title [31](#) by a domestic financial institution examined by a Federal bank supervisory agency or a financial institution regulated by the Securities and Exchange Commission or a partner, director, or employee thereof.

(B)

Any property, real or personal, within the jurisdiction of the United States, constituting, derived from, or traceable to, any proceeds obtained directly or indirectly from an offense against a foreign nation involving the manufacture, importation, sale, or distribution of a controlled substance (as such term is defined for the purposes of the Controlled Substances Act), within whose jurisdiction such offense would be punishable by death or imprisonment for a term exceeding one year and which would be punishable under the laws of the United States by imprisonment for a term exceeding one year if such act or activity constituting the offense against the foreign nation had occurred within the jurisdiction of the United States.

(C)

Any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of section [215](#), [471](#), [472](#), [473](#), [474](#), [476](#), [477](#), [478](#), [479](#), [480](#), [481](#), [485](#), [486](#), [487](#), [488](#), [501](#), [502](#), [510](#), [542](#), [545](#), [656](#), [657](#), [842](#), [844](#), [1005](#), [1006](#), [1007](#), [1014](#), [1028](#), [1029](#), [1030](#), [1032](#), or [1344](#) of this title or any offense constituting "specified

- [Notes](#)
- [Updates](#)
- [Parallel authorities \(CFR\)](#)
- [Topical references](#)

unlawful activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

**(D)**

Any property, real or personal, which represents or is traceable to the gross receipts obtained, directly or indirectly, from a violation of -

**(i)**

section 666(a)(1) (relating to Federal program fraud);

**(ii)**

section 1001 (relating to fraud and false statements);

**(iii)**

section 1031 (relating to major fraud against the United States);

**(iv)**

section 1032 (relating to concealment of assets from conservator or receiver of insured financial institution);

**(v)**

section 1341 (relating to mail fraud); or

**(vi)**

section 1343 (relating to wire fraud).

if such violation relates to the sale of assets acquired or held by the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, as conservator or receiver for a financial institution, or any other conservator for a financial institution appointed by the Office of the Comptroller of the Currency or the Office of Thrift Supervision or the National Credit Union Administration, as conservator or liquidating agent for a financial institution.

**(E)**

With respect to an offense listed in subsection (a)(1)(D) committed for the purpose of executing or attempting to execute any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent statements, pretenses, representations or promises, the gross receipts of such an offense shall include all property, real or personal, tangible or intangible, which thereby is obtained, directly or indirectly.

**(F)**

Any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, from a violation of -

**(i)**

section 511 (altering or removing motor vehicle identification numbers);

**(ii)**

section 553 (importing or exporting stolen motor vehicles);

(iii)

section 2119 (armed robbery of automobiles);

(iv)

section 2312 (transporting stolen motor vehicles in interstate commerce); or

(v)

section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce).

(2)

For purposes of paragraph (1), the term "proceeds" is defined as follows:

(A)

In cases involving illegal goods, illegal services, unlawful activities, and telemarketing and health care fraud schemes, the term "proceeds" means property of any kind obtained directly or indirectly, as the result of the commission of the offense giving rise to forfeiture, and any property traceable thereto, and is not limited to the net gain or profit realized from the offense.

(B)

In cases involving lawful goods or lawful services that are sold or provided in an illegal manner, the term "proceeds" means the amount of money acquired through the illegal transactions resulting in the forfeiture, less the direct costs incurred in providing the goods or services. The claimant shall have the burden of proof with respect to the issue of direct costs. The direct costs shall not include any part of the overhead expenses of the entity providing the goods or services, or any part of the income taxes paid by the entity.

(C)

In cases involving fraud in the process of obtaining a loan or extension of credit, the court shall allow the claimant a deduction from the forfeiture to the extent that the loan was repaid, or the debt was satisfied, without any financial loss to the victim.

(b)

(1)

Except as provided in section 985, any property subject to forfeiture to the United States under subsection (a) may be seized by the Attorney General and, in the case of property involved in a violation investigated by the Secretary of the Treasury or the United States Postal Service, the property may also be seized by the Secretary of the Treasury or the Postal Service, respectively.

(2)

Seizures pursuant to this section shall be made pursuant to a warrant obtained in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure, except that a seizure may be made without a warrant if -

(A)

a complaint for forfeiture has been filed in the United States district court and the court issued an arrest warrant in rem pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims;

(B)

there is probable cause to believe that the property is subject to forfeiture and -

(i)

the seizure is made pursuant to a lawful arrest or search; or

(ii)

another exception to the Fourth Amendment warrant requirement would apply; or

(C)

the property was lawfully seized by a State or local law enforcement agency and transferred to a Federal agency.

(3)

Notwithstanding the provisions of rule 41(a) of the Federal Rules of Criminal Procedure, a seizure warrant may be issued pursuant to this subsection by a judicial officer in any district in which a forfeiture action against the property may be filed under section 1355(b) of title 28, and may be executed in any district in which the property is found, or transmitted to the central authority of any foreign state for service in accordance with any treaty or other international agreement. Any motion for the return of property seized under this section shall be filed in the district court in which the seizure warrant was issued or in the district court for the district in which the property was seized.

(4)

(A)

If any person is arrested or charged in a foreign country in connection with an offense that would give rise to the forfeiture of property in the United States under this section or under the Controlled Substances Act, the Attorney General may apply to any Federal judge or magistrate judge in the district in which the property is located for an ex parte order restraining the property subject to forfeiture for not more than 30 days, except that the time may be extended for good cause shown at a hearing conducted in the manner provided in rule 43(e) of the Federal Rules of Civil Procedure.

(B)

The application for the restraining order shall set forth the nature and circumstances of the foreign charges and the basis for belief that the

person arrested or charged has property in the United States that would be subject to forfeiture, and shall contain a statement that the restraining order is needed to preserve the availability of property for such time as is necessary to receive evidence from the foreign country or elsewhere in support of probable cause for the seizure of the property under this subsection.

(c)

Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the Attorney General, the Secretary of the Treasury, or the Postal Service, as the case may be, subject only to the orders and decrees of the court or the official having jurisdiction thereof. Whenever property is seized under this subsection, the Attorney General, the Secretary of the Treasury, or the Postal Service, as the case may be, may -

(1)

place the property under seal;

(2)

remove the property to a place designated by him; or

(3)

require that the General Services Administration take custody of the property and remove it, if practicable, to an appropriate location for disposition in accordance with law.

(d)

For purposes of this section, the provisions of the customs laws relating to the seizure, summary and judicial forfeiture, condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale of this section, the remission or mitigation of such forfeitures, and the compromise of claims (19 U.S.C. 1602 et seq.), insofar as they are applicable and not inconsistent with the provisions of this section, shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under this section, except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures and forfeitures of property under this section by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General, the Secretary of the Treasury, or the Postal Service, as the case may be. The Attorney General shall have sole responsibility for disposing of petitions for remission or mitigation with respect to property involved in a judicial forfeiture proceeding.

(e)

Notwithstanding any other provision of the law, except section 3 of the Anti Drug Abuse Act of 1986, the Attorney General, the Secretary of the Treasury, or the Postal Service, as the case may be, is authorized to retain property forfeited pursuant to this section, or to transfer such property on such terms and conditions as he may determine -

(1)

to any other Federal agency;

(2)

to any State or local law enforcement agency which participated directly in any of the acts which led to the seizure or forfeiture of the property;

(3)

in the case of property referred to in subsection (a)(1)(C), to any Federal financial institution regulatory agency -

(A)

to reimburse the agency for payments to claimants or creditors of the institution; and

(B)

to reimburse the insurance fund of the agency for losses suffered by the fund as a result of the receivership or liquidation;

(4)

in the case of property referred to in subsection (a)(1)(C), upon the order of the appropriate Federal financial institution regulatory agency, to the financial institution as restitution, with the value of the property so transferred to be set off against any amount later recovered by the financial institution as compensatory damages in any State or Federal proceeding;

(5)

in the case of property referred to in subsection (a)(1)(C), to any Federal financial institution regulatory agency, to the extent of the agency's contribution of resources to, or expenses involved in, the seizure and forfeiture, and the investigation leading directly to the seizure and forfeiture, of such property;

(6)

as restoration to any victim of the offense giving rise to the forfeiture, including, in the case of a money laundering offense, any offense constituting the underlying specified unlawful activity; or

(7)

In <sup>[1]</sup> the case of property referred to in subsection (a)(1)(D), to the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, or any other Federal financial institution regulatory agency (as defined in section 8(e)(7)(D) of the Federal Deposit Insurance Act). The Attorney General, the Secretary of the Treasury, or the Postal Service, as the case may be, shall ensure the equitable transfer pursuant to paragraph (2) of any forfeited property to the appropriate State or local law enforcement agency so as to reflect generally the contribution of any such agency participating directly in any of the acts which led to the seizure or forfeiture of such property. A decision by the Attorney General, the Secretary of the Treasury, or the Postal Service pursuant to paragraph (2) shall not be subject to review. The United States shall not be liable in any action arising out of the use of any property the custody of which was transferred pursuant to this section to any non-Federal agency. The Attorney General, the Secretary of the Treasury, or the Postal Service may order the discontinuance of any forfeiture proceedings under this section in favor of the institution of forfeiture proceedings by State or local authorities under an appropriate State or local statute. After the filing of a complaint for forfeiture under this

section, the Attorney General may seek dismissal of the complaint in favor of forfeiture proceedings under State or local law. Whenever forfeiture proceedings are discontinued by the United States in favor of State or local proceedings, the United States may transfer custody and possession of the seized property to the appropriate State or local official immediately upon the initiation of the proper actions by such officials. Whenever forfeiture proceedings are discontinued by the United States in favor of State or local proceedings, notice shall be sent to all known interested parties advising them of the discontinuance or dismissal. The United States shall not be liable in any action arising out of the seizure, detention, and transfer of seized property to State or local officials. The United States shall not be liable in any action arising out of a transfer under paragraph (3), (4), or (5) of this subsection.

(f)

All right, title, and interest in property described in subsection (a) of this section shall vest in the United States upon commission of the act giving rise to forfeiture under this section.

(g)

(1)

Upon the motion of the United States, the court shall stay the civil forfeiture proceeding if the court determines that civil discovery will adversely affect the ability of the Government to conduct a related criminal investigation or the prosecution of a related criminal case.

(2)

Upon the motion of a claimant, the court shall stay the civil forfeiture proceeding with respect to that claimant if the court determines that -

(A)

the claimant is the subject of a related criminal investigation or case;

(B)

the claimant has standing to assert a claim in the civil forfeiture proceeding; and

(C)

continuation of the forfeiture proceeding will burden the right of the claimant against self-incrimination in the related investigation or case.

(3)

With respect to the impact of civil discovery described in paragraphs (1) and (2), the court may determine that a stay is unnecessary if a protective order limiting discovery would protect the interest of one party without unfairly limiting the ability of the opposing party to pursue the civil case. In no case, however, shall the court impose a protective order as an alternative to a stay if the effect of such protective order would be to allow one party to pursue discovery while the other party is substantially unable to do so.

(4)

In this subsection, the terms "related criminal case" and "related criminal



investigation" mean an actual prosecution or investigation in progress at the time at which the request for the stay, or any subsequent motion to lift the stay is made. In determining whether a criminal case or investigation is "related" to a civil forfeiture proceeding, the court shall consider the degree of similarity between the parties, witnesses, facts, and circumstances involved in the two proceedings, without requiring an identity with respect to any one or more factors.

(5)

In requesting a stay under paragraph (1), the Government may, in appropriate cases, submit evidence ex parte in order to avoid disclosing any matter that may adversely affect an ongoing criminal investigation or pending criminal trial.

(6)

Whenever a civil forfeiture proceeding is stayed pursuant to this subsection, the court shall enter any order necessary to preserve the value of the property or to protect the rights of lienholders or other persons with an interest in the property while the stay is in effect.

(7)

A determination by the court that the claimant has standing to request a stay pursuant to paragraph (2) shall apply only to this subsection and shall not preclude the Government from objecting to the standing of the claimant by dispositive motion or at the time of trial.

(h)

In addition to the venue provided for in section 1395 of title 28 or any other provision of law, in the case of property of a defendant charged with a violation that is the basis for forfeiture of the property under this section, a proceeding for forfeiture under this section may be brought in the judicial district in which the defendant owning such property is found or in the judicial district in which the criminal prosecution is brought.

(i)

(1)

Whenever property is civilly or criminally forfeited under this chapter, the Attorney General or the Secretary of the Treasury, as the case may be, may transfer the forfeited personal property or the proceeds of the sale of any forfeited personal or real property to any foreign country which participated directly or indirectly in the seizure or forfeiture of the property, if such a transfer -

(A)

has been agreed to by the Secretary of State;

(B)

is authorized in an international agreement between the United States and the foreign country; and

(C)

is made to a country which, if applicable, has been certified under

section 481(h) [2] of the Foreign Assistance Act of 1961.

A decision by the Attorney General or the Secretary of the Treasury pursuant to this paragraph shall not be subject to review. The foreign country shall, in the event of a transfer of property or proceeds of sale of property under this subsection, bear all expenses incurred by the United States in the seizure, maintenance, inventory, storage, forfeiture, and disposition of the property, and all transfer costs. The payment of all such expenses, and the transfer of assets pursuant to this paragraph, shall be upon such terms and conditions as the Attorney General or the Secretary of the Treasury may, in his discretion, set.

(2)

The provisions of this section shall not be construed as limiting or superseding any other authority of the United States to provide assistance to a foreign country in obtaining property related to a crime committed in the foreign country, including property which is sought as evidence of a crime committed in the foreign country.

(3)

A certified order or judgment of forfeiture by a court of competent jurisdiction of a foreign country concerning property which is the subject of forfeiture under this section and was determined by such court to be the type of property described in subsection (a)(1)(B) of this section, and any certified recordings or transcripts of testimony taken in a foreign judicial proceeding concerning such order or judgment of forfeiture, shall be admissible in evidence in a proceeding brought pursuant to this section. Such certified order or judgment of forfeiture, when admitted into evidence, shall constitute probable cause that the property forfeited by such order or judgment of forfeiture is subject to forfeiture under this section and creates a rebuttable presumption of the forfeitability of such property under this section.

(4)

A certified order or judgment of conviction by a court of competent jurisdiction of a foreign country concerning an unlawful drug activity which gives rise to forfeiture under this section and any certified recordings or transcripts of testimony taken in a foreign judicial proceeding concerning such order or judgment of conviction shall be admissible in evidence in a proceeding brought pursuant to this section. Such certified order or judgment of conviction, when admitted into evidence, creates a rebuttable presumption that the unlawful drug activity giving rise to forfeiture under this section has occurred.

(5)

The provisions of paragraphs (3) and (4) of this subsection shall not be construed as limiting the admissibility of any evidence otherwise admissible, nor shall they limit the ability of the United States to establish probable cause that property is subject to forfeiture by any evidence otherwise admissible.

(j)

For purposes of this section -

(1)

the term "Attorney General" means the Attorney General or his delegate;

and

(2)

the term "Secretary of the Treasury" means the Secretary of the Treasury or his delegate

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[1] So in original. Probably should not be capitalized.

[2] See References in Text below.

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TITLE 18 > PART I > CHAPTER 46 > Sec. 982.

Search this title:

### Sec. 982. - Criminal forfeiture

(a)

Search Title 18

(1)

The court, in imposing sentence on a person convicted of an offense in violation of section 5313(a), 5316, or 5324 of title 31, or of section 1956, 1957, or 1960 of this title, shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property. However, no property shall be seized or forfeited in the case of a violation of section 5313(a) of title 31 by a domestic financial institution examined by a Federal bank supervisory agency or a financial institution regulated by the Securities and Exchange Commission or a partner, director, or employee thereof.

- [Notes](#)
- [Updates](#)
- [Parallel authorities \(CFR\)](#)
- [Topical references](#)

(2)

The court, in imposing sentence on a person convicted of a violation of, or a conspiracy to violate -

(A)

section 215, 656, 657, 1005, 1006, 1007, 1014, 1341, 1343, or 1344 of this title, affecting a financial institution, or

(B)

section 471, 472, 473, 474, 476, 477, 478, 479, 480, 481, 485, 486, 487, 488, 501, 502, 510, 542, 545, 842, 844, 1028, 1029, or 1030 of this title,

shall order that the person forfeit to the United States any property constituting, or derived from, proceeds the person obtained directly or indirectly, as the result of such violation.

(3)

The court, in imposing a sentence on a person convicted of an offense under

(A)

section 666(a)(1) (relating to Federal program fraud);

(B)

section 1001 (relating to fraud and false statements);

(C)

section 1031 (relating to major fraud against the United States);

(D)

section 1032 (relating to concealment of assets from conservator, receiver, or liquidating agent of insured financial institution);

(E)

section 1341 (relating to mail fraud); or

(F)

section 1343 (relating to wire fraud),

involving the sale of assets acquired or held by the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, as conservator or receiver for a financial institution or any other conservator for a financial institution appointed by the Office of the Comptroller of the Currency or the Office of Thrift Supervision, or the National Credit Union Administration, as conservator or liquidating agent for a financial institution, shall order that the person forfeit to the United States any property, real or personal, which represents or is traceable to the gross receipts obtained, directly or indirectly, as a result of such violation.

(4)

With respect to an offense listed in subsection (a)(3) committed for the purpose of executing or attempting to execute any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent statements, pretenses, representations, or promises, the gross receipts of such an offense shall include any property, real or personal, tangible or intangible, which is obtained, directly or indirectly, as a result of such offense.

(5)

The court, in imposing sentence on a person convicted of a violation or conspiracy to violate -

(A)

section 511 (altering or removing motor vehicle identification numbers);

(B)

section 553 (importing or exporting stolen motor vehicles);

(C)

section 2119 (armed robbery of automobiles);

**(D)**

section 2312 (transporting stolen motor vehicles in interstate commerce); or

**(E)**

section 2313 (possessing or selling a stolen motor vehicle that has moved in interstate commerce);

shall order that the person forfeit to the United States any property, real or personal, which represents or is traceable to the gross proceeds obtained, directly or indirectly, as a result of such violation.

**(6)**

**(A)**

The court, in imposing sentence on a person convicted of a violation of, or conspiracy to violate, section 274(a), 274A(a)(1), or 274A(a)(2) of the Immigration and Nationality Act or section 1425, 1426, 1427, 1541, 1542, 1543, 1544, or 1546 of this title, or a violation of, or conspiracy to violate, section 1028 of this title if committed in connection with passport or visa issuance or use, shall order that the person forfeit to the United States, regardless of any provision of State law -

**(i)**

any conveyance, including any vessel, vehicle, or aircraft used in the commission of the offense of which the person is convicted; and

**(ii)**

any property real or personal -

**(I)**

that constitutes, or is derived from or is traceable to the proceeds obtained directly or indirectly from the commission of the offense of which the person is convicted; or

**(II)**

that is used to facilitate, or is intended to be used to facilitate, the commission of the offense of which the person is convicted.

**(B)**

The court, in imposing sentence on a person described in subparagraph (A), shall order that the person forfeit to the United States all property described in that subparagraph.

**(7)**

The court, in imposing sentence on a person convicted of a Federal health care offense, shall order the person to forfeit property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense.

(8)

The Court, <sup>[1]</sup> in sentencing a defendant convicted of an offense under section 1028, 1029, 1341, 1342, 1343, or 1344, or of a conspiracy to commit such an offense, if the offense involves telemarketing (as that term is defined in section 2325), shall order that the defendant forfeit to the United States any real or personal property -

(A)

used or intended to be used to commit, to facilitate, or to promote the commission of such offense; and

(B)

constituting, derived from, or traceable to the gross proceeds that the defendant obtained directly or indirectly as a result of the offense.

(b)

(1)

The forfeiture of property under this section, including any seizure and disposition of the property and any related judicial or administrative proceeding, shall be governed by the provisions of section 413 (other than subsection (d) of that section) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853).

(2)

The substitution of assets provisions of subsection 413(p) shall not be used to order a defendant to forfeit assets in place of the actual property laundered where such defendant acted merely as an intermediary who handled but did not retain the property in the course of the money laundering offense unless the defendant, in committing the offense or offenses giving rise to the forfeiture, conducted three or more separate transactions involving a total of \$100,000 or more in any twelve month period

<sup>[1]</sup> So in original. Probably should not be capitalized.

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	Knowledge Requirement	Regulated Conduct	Intent Required	Penalty
Virginia	- involves proceeds of felonious activity	-financial transaction -convert cash to electronic funds		-up to 40 years/ \$500,000
Florida	-involves proceeds of felonious activity -involves proceeds of specified unlawful activity and transportation designed to disguise criminal nature or avoid reporting requirement	-financial transaction in fact involving proceeds of specified unlawful activity or facilitate specified unlawful activity -transport	-promote specified unlawful activity	-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> degree felony offenses depending on amount of money involved.
Arizona	-known or should have known proceeds of racketeering offense	-knowingly initiating, organizing, planning, financing, directing, managing, supervising, in business of money laundering -acquiring interest in, transacting, transferring, transporting, receiving, concealing -make property available to another with knowledge intended to facilitate racketeering	-avoid transaction-reporting requirement	-divided into 1 <sup>st</sup> and 2 <sup>nd</sup> degree offenses
Texas	-believes proceeds of criminal activity	-acquires, maintains interest in, receives, conceals, possesses, transfers, transports proceeds of criminal activity. -conducts, supervises, facilitates transaction involving proceeds of criminal activity -invests, expends, receives, offers to invest, expend, receive proceeds of criminal activity		-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , degree offenses depending on amount of money involved
New York	-proceeds of criminal conduct -proceeds of criminal sale of controlled substance -proceeds of Class A, B, or C felony	-conducts financial transaction in fact involving proceeds of specified criminal conduct/criminal sale of controlled substance/Class a, B, C felony -transports, transmits, transfers monetary instrument in fact represents proceeds of specified criminal conduct		-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> degree offenses



# Appendix C

	Virginia		Arizona	Florida		New York		Texas	
<b>Regulated Entities</b>	Money Order Sales and Money Transmission Services.	Check Cashers	Transmitters of Money	Money Transmitters	Check Cashing and Foreign Currency Exchange	Transmitters of Money	Licensed Cashers of Checks	Check Sellers	Money Transmitters
<b>Citation</b>	Title 6.1 Chapter 12 §§ 6.1-370-6.1-380	Check Cashers Act Title 6.1 Chapter 17, §§6.1-432-6.1-443	Chapter 12 Article 1 §§ 6-1201-6-1219	Title 16A §§ 560.101-560.310	Check Cashing and Foreign Currency Exchange Act, Title 33, Chapter 560, §§ 560.301-560.310.	Chapter 2, Article XIII-B, §§ 640-652b	Chapter 2, Article IXA, §§ 17:15A-30-17:15A-52	Sale of Checks Act Title 3 Chapter 152 §§ 152.001-152.508.	Title 3, Chapter 153 §§153.100 – 153.405
<b>Regulator</b>	State Corporation Commission	State Corporation Commission	Superintendent of Banks	Department of Banking and Commerce		Superintendent of Banking		Finance Commissioner of Texas	Finance Commissioner of Texas
<b>Authority of Regulator</b>	Revoke license §6.1-374. Examine books and records and adjust surety bond §6.1-375.	Investigate affairs, business, premises and records, administer oaths, and compel production §6.1-436. Promulgate regulations §6.1-438. Impose fine. Revoke permit §6.1-442.	Cease and Desist orders, investigate and examine. Suspend or revoke license. §6-1209-1210.	Investigations, subpoenas, hearings, elicit testimony, administer fines, conduct examinations, force compliance through court action, cease and desist orders, removal order. §560.123		Pursuant to application, investigate financial condition and responsibility, financial and business experience, character and fitness. Suspend or revoke license. §642. Investigate, report, and conduct hearings. § 646. Make rules. §649	Suspend or revoke license	Adopt rules, conduct financial audit, investigate qualifications, revoke license, investigate, impose administrative penalty §152.502, cease and desist orders. §152.505	Adopt rules §153.002, investigate, suspend or revoke license, examine records.
<b>Permit From</b>		Commissioner of the Bureau of Financial Institutions. §6.1-432			Department of Trade Commerce and Investments. Must demonstrate good character and fitness. §560.306		Superintendent of Banking.		
<b>License Required</b>	Yes. Required to engage in business of money transmission or		Yes. Only a corporation or a person who becomes an	Yes. Must be registered money transmitter or authorized		Yes.	Yes. Must demonstrate good character and fitness and	Yes. Required to engage in business of selling checks	Yes. Required to engage in currency exchange,

	Virginia		Arizona	Florida		New York		Texas	
	selling money orders §6.1-371. Must meet financial responsibility, character, reputation, experience, fitness requirements §6.1-374. No license required for agents of licensee. §6.1-377.		authorized delegate of a licensee may be licensed. §6-1202	vendor. §560.125 and §560.204. Must have good character and fitness			be beneficial to community. May be denied if licensee been convicted of crime, consorts with criminals § 369		transportation, and transmission business. §153.101. Must meet financial condition, business experience, and character and fitness requirements. Denied if been convicted of felony, crime involving moral turpitude, or if a principal, spouse been convicted of drug trafficking, money laundering, BSA offense, §153.102
<b>Requirements of licensee</b>		Post fees charged, Commission's phone number and info on how to file complaint, and provide receipts §6.1-437.	Designate principal place of business; obtain license for branch offices, display license in each office. §6-1207. File report. §6-1211. Keep records. §6-1213.	Keep record of financial transactions in excess of \$10,000, treat multiple financial transactions as single transaction if have knowledge that are made by or on behalf of any person and result in more than \$10,000, keep record of transactions if suspect involves proceeds of specified unlawful		File reports, maintain books and records	Post License	File certification of net worth, report for maintaining permissible investments, file financial statement	Display license, In advertisements, state any fee or commission charged, §153.205

	Virginia		Arizona	Florida		New York		Texas	
				activity, file reports. §560.123.					
<b>Liability of Licensees</b>	Operating without license §6.1-375. Payment of all money order it sells §6.1-378.	Engage in business of making loans of money, credit, goods, r things; or discounting notes, bills of exchange, items, or other evidences of debt; or accepting deposits or bailments of money without meeting legal requirements, cash post-dated items, making false statements, engaging in unfair, deceptive or fraudulent practices §6.1-439. Operating without license §6.1-441.	Payment of all moneys covered by payment instruments it sells or issues. §6-1214	Good faith exception. §560.107. False or misleading statements. §560.1073. Receive or possess property with intent to defraud, embezzle, abstract, misapply money instruments, falsify records or reports, exercise scheme to defraud. §560.111		Knowingly make false statements or omissions, operate without license, knowingly receive money for transmission greater than \$10,000 or a total of \$25,000 from individual during 30 day period, or \$250,000 during 1 year, knowingly engaging in money transmitting knowing such money is proceeds of criminal conduct, knowingly sells or issues money instruments knowing instruments purchased with proceeds of or derived from criminal conduct, failure to report.	Engage in business of making loans of money, credit, goods or things or discounting of notes, bills of exchange, checks, or other evidences of debt, cash or advance moneys on postdated check or draft or engage in money transmitting.	Payment of checks issued. §152.405. Make false statement. §152.501	Failure to maintain records or file report, false statement or omission, §153.201. Use deceptive name §153.203. Fraudulent practices, refused examination, §153.204, knowingly makes false statement or report, knowingly fraudulently structures transaction §153.401
<b>Electronic Funds</b>	Yes. §6.1-370		Yes; § 6-1201	Yes. § 560.103		Not explicitly: "instrument for the transmission or payment of money." §640		Not explicit: "Check means an instrument for the transmission or payment of money." §152.002	
<b>Net Worth</b>	Not specified.		100% of	\$100,000 but		Not specified.		\$500,000.	

	Virginia		Arizona	Florida		New York		Texas	
<b>Requirements</b>			outstanding payments; §6-1212	maximum of \$500,000. §560.209				\$152.203	
<b>Bonding Requirements</b>	\$25,000. §6.1-372.		\$25,000-maximum of \$500,000. §6-1205	Department rule but not to exceed \$250,000. Extraordinary circumstances may warrant up to \$500,000. §560.209		\$500,000 (\$750,000 for traveler's checks). §643.		\$100,000 - \$400,000; Commissioner may require up to \$1,000,000. §152.206.	\$25,000 at least for currency exchange business; \$300,000 at least for money transmission §153.109
<b>Maximum Fee</b>		Not specified.			(4) Exclusive of the direct costs of verification which shall be established by department rule, no check casher shall: (a) Charge fees, except as otherwise provided by this part, in excess of 5% of the face amount of the payment instrument, or 6% without the provision of identification, or \$5, whichever is greater; (b) Charge fees in excess of 3% of the face amount of the payment instrument, or 4% without the provision of identification, or \$5, whichever is greater, if such payment instrument is the payment of any kind of state		Fees are to be determined by the Superintendent §379.		Fees set by commissioner. §153.303

	Virginia		Arizona	Florida		New York		Texas	
					public assistance or federal social security benefit payable to the bearer of such payment instrument; or (c) Charge fees for personal checks or money orders in excess of 10% of the face amount of those payment instruments, or \$5, whichever is greater. §560.309				
Other					§560.306 denotes standards where the application may be denied: e.g., applicant has been convicted of a crime involving moral turpitude.		§369 indicates a minimum distance requirement that one licensee must be from another. Liquid assets of \$10,000 required.		

# Appendix D

	<b>Knowledge Requirement</b>	<b>Regulated Conduct</b>	<b>Intent Required</b>	<b>Penalty</b>
Virginia	- involves proceeds of felonious activity	-financial transaction -convert cash to electronic funds		-up to 40 years/ \$500,000
Florida	-involves proceeds of felonious activity -involves proceeds of specified unlawful activity and transportation designed to disguise criminal nature or avoid reporting requirement	-financial transaction in fact involving proceeds of specified unlawful activity or facilitate specified unlawful activity -transport	-promote specified unlawful activity	-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> degree felony offenses depending on amount of money involved.
Arizona	-known or should have known proceeds of racketeering offense	-knowingly initiating, organizing, planning, financing, directing, managing, supervising, in business of money laundering -acquiring interest in, transacting, transferring, transporting, receiving, concealing -make property available to another with knowledge intended to facilitate racketeering	-avoid transaction-reporting requirement	-divided into 1 <sup>st</sup> and 2 <sup>nd</sup> degree offenses
Texas	-believes proceeds of criminal activity	-acquires, maintains interest in, receives, conceals, possesses, transfers, transports proceeds of criminal activity. -conducts, supervises, facilitates transaction involving proceeds of criminal activity -invests, expends, receives, offers to invest, expend, receive proceeds of criminal activity		-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> degree offenses depending on amount of money involved
New York	-proceeds of criminal conduct -proceeds of criminal sale of controlled substance -proceeds of Class A, B, or C felony	-conducts financial transaction in fact involving proceeds of specified criminal conduct/criminal sale of controlled substance/Class a, B, C felony -transports, transmits, transfers monetary instrument in fact represents proceeds of specified criminal conduct		-divided into 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> degree offenses



# Appendix E



## VIRGINIA STATE CRIME COMMISSION

### Respondent Contact Information

The following information is requested for clarification purposes only:

Name of Person Completing Survey: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Telephone: \_\_\_\_\_

Years in Position at office: \_\_\_\_\_

*This survey consists of five sections:*

*(1) Descriptive Information*

*(2) Operations*

*(3) Staff/Training*

*(4) Administration*

*(5) Comments and Suggestions*

*Please consider all survey questions carefully. Complete each item on the survey, either writing in the information requested or selecting the appropriate boxes.*

### Section 1: Descriptive Information

1. What is the total number of attorneys in your office? \_\_\_\_\_
2. What is total number of support staff in your office? \_\_\_\_\_

### Section 2: Operations

*This section focuses on how your office prosecutes financial crimes cases related to drug trafficking. Please answer each question by selecting the most appropriate boxes. Attached for your convenience is Virginia Code §18.2-246.3 of the Virginia Comprehensive Money Laundering Act.*

3. Prior to July 1999, how often did your office refer drug money laundering cases to Federal Prosecutors/ United States Attorney's Office?  
 Always     Frequently     Occasionally     Never
4. Since July 1999, how often has your office referred drug money laundering cases to Federal Prosecutors/United States Attorney's Office?  
 Always     Frequently     Occasionally     Never
5. Prior to July 1999, how often did your office bring related financial charges in drug cases using Virginia Code §18.2- 248.6?  
 Always     Frequently     Occasionally     Never

6. Prior to July 1999, how often did your office bring related financial charges in drug cases using *Virginia Code §18.2-248.7*?  
 Always                       Frequently                       Occasionally                       Never
7. How often does your office target and seize assets in drug cases?  
 Always                       Frequently                       Occasionally                       Never

**Section 3: Staff/Training**

*This section focuses on person(s) in your office assigned to investigate financial crimes related to drug trafficking. Please answer each question by checking the most appropriate boxes.*

8. How many attorneys in your office are assigned to narcotics cases? \_\_\_\_\_
9. Are attorneys assigned to narcotics cases centralized in one unit or distributed among the office?  
 Centralized                       Distributed                       No Narcotics Staff/Unit
10. How often do attorneys assigned to narcotics cases investigate drug money laundering (i.e. the transportation of cash or conversion of cash to money orders, wire transfers, wealth and/or profits of consumer goods)?  
 Always                       Frequently                       Occasionally                       Never
11. How many attorneys in your office are assigned to white-collar/financial crimes cases? \_\_\_\_\_
12. Are attorneys assigned to white-collar/financial crimes cases centralized in one unit or distributed among the office?  
 Centralized                       Distributed                       No White-Collar/Financial Crimes Unit
13. How often do attorneys assigned to white collar/financial crimes cases investigate drug money laundering?  
 Always                       Frequently                       Occasionally                       Never
14. Have attorneys in your office received any training in financial crimes?  
 Yes                       No
15. Have attorneys in your office received any training in drug money laundering?  
 Yes                       No
16. What type(s) of financial crimes training have attorneys within your office received in the past two years? *Mark all that apply.*  
 Self-Taught     University or College Course     Informal Instruction by Colleague     Vendor Course  
 Federal Agency Seminar/Course (*Please specify*) \_\_\_\_\_  
 State Agency Seminar/Course (*Please specify*) \_\_\_\_\_  
 Other(*Please Specify*) \_\_\_\_\_  
 None

17. What type(s) of drug money laundering training have attorneys within your office received in the past two years? *Mark all that apply.*
- Self-Taught   
 University or College Course   
 Informal Instruction by Colleague   
 Vendor Course  
 Federal Agency Seminar/Course (*Please specify*) \_\_\_\_\_  
 State Agency Seminar/Course (*Please specify*) \_\_\_\_\_  
 Other (*Please Specify*) \_\_\_\_\_  
 None

**Section 4: Administration**

18. Please rate each of the following factors according to the extent to which they affect your office's ability to effectively prosecute drug money laundering cases.

	Serious Problem	Moderate Problem	Minor Problem	Not a Problem
Limited financial resources				
Limited staff/manpower				
Limited Time				
Limited training opportunities				
Limited communication with other law enforcement agencies				
Limited communication with other Commonwealth's Attorneys				
Difficulties with the Virginia Comprehensive Money Laundering Act				
Other (Please specify) -----				

19. Would attorneys in your office benefit from drug money laundering training?
- Yes   
 No

**Section 5: Comments and Suggestions**

*This section is designed to provide Crime Commission staff with feedback and suggestions that your office may have regarding drug trafficking, financial crimes related to drug trafficking, and the Virginia Comprehensive Money Laundering Act. Please take a few minutes to consider each question carefully. Your thoughts and input are greatly appreciated and helpful to our evaluative process.*

20. In the space provided, please list any comments, concerns or suggestions that you may have regarding the Virginia Comprehensive Money Laundering Act.

21. In the space provided, please list any comments, concerns or suggestions that you may have regarding the use of investigative grand juries for prosecuting drug cases.

22. In the space provided, please list any additional comments, concerns or suggestions that you may have about drug trafficking and financial crimes related to drug trafficking.

***THANK YOU FOR YOUR COOPERATION  
PLEASE RETURN BY JANUARY 5, 2001 TO:***

***VIRGINIA STATE CRIME COMMISSION  
GENERAL ASSEMBLY BUILDING, SUITE 915  
910 CAPITOL STREET  
RICHMOND, VA 23219  
ATTENTION: KATIE YOUNG***



# Virginia State Crime Commission

## Respondent Contact Information

The following information is requested for clarification purposes only:

Name of Person Completing Survey: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Telephone: \_\_\_\_\_

Years in Position at Department: \_\_\_\_\_

*Please consider all survey questions carefully. Complete each item on the survey, either writing in the information requested or selecting the appropriate boxes.*

- This survey consists of six (6) sections:*
1. *Descriptive Information*
  2. *Operations*
  3. *Communication*
  4. *Businesses/Banks*
  5. *Staff/Training*
  6. *Administration*

## Section 1: Descriptive Information

1. Which category below best describes your agency type?
  - General Purpose Municipal Police Department
  - General Purpose County Police Department
  - State Police Department
  - Sheriff's Department
  - Other (*Please specify*) \_\_\_\_\_
2. How many total sworn personnel does your department have? \_\_\_\_\_

## Section 2: Operations

*This section focuses on how your department detects and targets financial crimes related to drug trafficking. Please answer each question by checking the most appropriate boxes.*

3. Is illegal drug use a problem within your jurisdiction?
  - Serious Problem
  - Moderate Problem
  - Minor Problem
  - Not a problem
4. Are drug sales and drug trafficking a problem within your jurisdiction?
  - Serious Problem
  - Moderate Problem
  - Minor Problem
  - Not a problem
5. Is drug money laundering (transportation of cash or conversion of cash to money orders, wire transfers, wealth and/or profits of consumer goods) a problem within your jurisdiction?
  - Serious Problem
  - Moderate Problem
  - Minor Problem
  - Not a problem
6. Does your department know how drug traffickers in your jurisdiction handle and process cash collected from their drug sales?
  - Yes
  - No
7. How often in the course of a drug investigation does your department seize, identify, and/or obtain financial records
  - Always
  - Frequently
  - Occasionally
  - Never

8. Which of the following does your office keep case records by?  
 Fiscal Year                       Calendar Year
9. How many misdemeanor drug cases did your department open in CY/FY1999? \_\_\_\_\_
10. How many felony drug cases did your department open in CY/FY1999? \_\_\_\_\_
11. Of the felony drug cases for CY/FY1999, how many included money laundering charges? \_\_\_\_\_
12. What was the total amount of money your office received from Virginia's state asset forfeiture program in FY1999? \_\_\_\_\_
13. What was the total amount of money your office received from the United States Department of Justice and/or United States Department of the Treasury asset forfeiture programs in FY1999? \_\_\_\_\_

**Section 3: Communication**

*This section focuses on how your department is communicating with other law enforcement agencies to detect and target drug trafficking operations. Please answer each question by checking the most appropriate boxes.*

14. What type of task force does your department participate in? *Mark all that apply*  
 Federal/State                       State/Local                       Local/Local                       None
15. Outside of task force activities, does your department communicate with other law enforcement agencies to detect and target drug trafficking operations and drug money laundering?  
 Yes (*Continue with question 16*)                       No (*Skip to question 18*)
16. What agencies does your department regularly communicate with? (*Mark all that apply*)  
 Local law enforcement  
 Virginia State Police  
 Federal law enforcement  
 Commonwealth's Attorneys  
 Federal Prosecutors  
 Other (*Please specify*) \_\_\_\_\_
17. How does your department currently communicate/share information with other agencies regarding drug trafficking and drug money laundering operations? *Mark all that apply.*  
 Telephone/fax  
 Computer/e-mail  
 Law enforcement computer networks (NCIC, NLETS, etc.)  
 Virginia State Police (FinCEN's Project Gateway)  
 Other (*Please specify*) \_\_\_\_\_

**Section 4: Businesses/Banks**

*This section focuses on how your office communicates with local area banks and businesses and how your department uses commercial financial databases. Please answer each question by checking the most appropriate boxes.*

18. How often does your department share information with local area banks regarding money laundering and other types of financial crimes?  
 Always       Frequently       Occasionally       Never
19. How often does your department share information with local area businesses regarding money laundering and other types of financial crimes?  
 Always       Frequently       Occasionally       Never
20. In prior narcotics investigations, which of the following businesses has your department found to be facilitating or assisting drug traffickers? *Mark all that apply*
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Currency Exchange/check cashers         | <input type="checkbox"/> Boat yards              | <input type="checkbox"/> Jewelry Stores      |
| <input type="checkbox"/> Convenience stores/gas stations         | <input type="checkbox"/> Real estate brokers     | <input type="checkbox"/> Banks               |
| <input type="checkbox"/> Commercial money transmitters           | <input type="checkbox"/> Restaurants             | <input type="checkbox"/> Auto repair/salvage |
| <input type="checkbox"/> Cell phone/pager stores                 | <input type="checkbox"/> Discount stores         | <input type="checkbox"/> Auto dealerships    |
| <input type="checkbox"/> Investment brokerage firms              | <input type="checkbox"/> Insurance brokers       | <input type="checkbox"/> Fast food outlets   |
| <input type="checkbox"/> Beauty parlors/nail salons              | <input type="checkbox"/> Ethnic food marts       | <input type="checkbox"/> Import/export sales |
| <input type="checkbox"/> Music concerts/promoters/record studios | <input type="checkbox"/> Car wash/auto detailing | <input type="checkbox"/> None                |
| <input type="checkbox"/> Other ( <i>Please specify</i> ) _____   |  |  |
21. Does your department have access to commercial and financial database information (Currency Transaction Reports, Suspicious Activity Reports, etc.)?  
 Yes (*Continue with question 22*)       No (*Skip to question 23*)
22. How often does your department obtain and use Bank Secrecy Act data (Currency Transaction Reports, Suspicious Activity Reports, etc.) in financial investigations?  
 Always       Frequently       Occasionally       Never

**Section 5: Staff/Training**

*This section focuses on person(s) in your office assigned to investigate financial crimes related to drug trafficking. Please answer each question by checking the most appropriate boxes.*

23. How many total officers within your department are assigned to criminal investigations?  
\_\_\_\_\_
24. How many total officers within your department are assigned to narcotics investigations?  
\_\_\_\_\_
25. Are officers assigned to narcotics investigations centralized in one unit or distributed among different units of the department?  
 Centralized       Distributed       No Narcotics Staff/Unit
26. How often do officers assigned to narcotics investigations focus on drug money laundering?  
 Always       Frequently       Occasionally       Never



27. What type of drug money laundering training have officers assigned to narcotics investigations received? *Mark all that apply.*

- Self-taught
- University or College Course
- Informal instruction by colleague
- Vendor Course
- Federal agency seminar/course (*Please specify*) \_\_\_\_\_
- State agency seminar/course (*Please specify*) \_\_\_\_\_
- Other (*Please specify*) \_\_\_\_\_
- None

**Section 6: Administration**

28. Please rate each of the following factors according to the extent to which they affect your department's ability to effectively detect and target drug money laundering.

	Serious Problem	Moderate Problem	Minor Problem	Not a Problem
Limited financial resources				
Limited staff/manpower				
Limited training opportunities				
Limited time				
Limited communication with other law enforcement agencies				
Limited communication with Commonwealth's Attorneys				
Limited knowledge of drug money laundering				
Other (Please specify) _____				

29. Would your department benefit from drug money laundering training?

- Yes                       No

30. The following space is provided for additional comments you may have about drug trafficking and drug money laundering.

***THANK YOU FOR YOUR COOPERATION***  
***PLEASE RETURN BY DECEMBER 1, 2000 TO:***

***VIRGINIA STATE CRIME COMMISSION***  
***GENERAL ASSEMBLY BUILDING, SUITE 915***  
***910 CAPITOL STREET, RICHMOND, VA 23219***  
***ATTENTION: KATIE YOUNG***



# Appendix F

**Model Policy**

APPENDIX B

**Subject** Multi-Agency Investigative Teams  
**Effective Date** January 1, 1994  
**Reevaluation Date** January 1, 1995  
**No. Pages** 3

**I. PURPOSE**

The purpose of this policy is to provide the authority for organizing, administering and operating this agency's participation in the multi-agency investigation team (MAIT).

**II. POLICY**

This agency recognizes that the pooling and coordination of resources among regional law enforcement and criminal justice agencies are often the most effective and efficient means of investigating selected major crimes. Therefore, it is the policy of this law enforcement agency to participate in and fully cooperate with the multi-agency investigation team as detailed in the regional mutual aid agreement, the MAIT interjurisdictional agreement, and the policy and procedures set forth herein.

**III. PROCEDURES**

**A. Organization and Jurisdiction**

1. Task force members shall be comprised of agencies that have entered into this region's mutual assistance agreement and have executed the agreement of the regional investigation team.
2. All MAIT agencies shall be equal members of and shall be governed by the MAIT Board of Directors. A board chairman shall be elected annually from among the MAIT Board of Directors.
3. The MAIT Board of Directors shall be responsible for establishing and amending, as appropriate,
  - a. all administrative concerns of the investigation team, to include its goals and objectives, scope of operations, funding, voting, meeting, resignation and dissolution provisions among other matters; and
  - b. all operational policies and procedures relating to unit activation, operation, staffing, supervision, training, logistical support and related matters.
4. Jurisdiction of the MAIT and its assigned members is limited by the laws of these participating jurisdictions and by the provisions of the MAIT and mutual aid agreements.
  - a. Use of the team for investigation of crimes that arise during an authorized investigation but are not specifically designated in the agreement shall require the concurrence of all MAIT members.
  - b. Use of the team for any purpose outside the scope of the interagency agreement shall require an addendum to the MAIT agreement and the approval of all MAIT members.

**B. Command and Supervision**

The composition of specific investigation teams will vary according to the nature and complexity of the case and the jurisdictions involved. However, most MAIT investigations will require the use of the following command personnel or officers who assume one or more of the following supervisory roles

1. **Chief Executive.** The chief executive officer of the agency requesting MAIT services, or a full-time, commissioned officer serving as his designate, shall retain jurisdictional authority over the criminal prosecution but shall serve in an advisory capacity only for operational purposes to the MAIT commander responsible for the investigation.
  - a. Any disagreements with regard to conduct of the investigation may be appealed to the chairman of the MAIT Board of Directors who has final authority for resolution of these matters.
  - b. The chief executive may request that the MAIT investigation be discontinued at any time. The request may be made verbally to the MAIT commander but must also be submitted in writing to the MAIT board.
2. **MAIT Commander.** The MAIT commander is appointed by the MAIT Board of Directors and is in complete charge of the investigation with advice from the executive officer. The commander shall also be responsible for overall administration and coordination of the investigation, support services, case review and analysis, budget preparation and administration, special operations and intelligence functions, and liaison with the chief executive, other unit commanders, the prosecutor's office and any other agencies and officials that are not MAIT members.
3. **Investigative Supervisor.** The investigative supervisor is designated by the MAIT commander to serve as his chief assistant and to be primarily responsible for follow-up investigations and case preparation.
4. **Operations Unit Commander.** The operations unit commander oversees the lead investigator, crime scene technicians, investigative teams and other special team operations.
5. **Support Unit Commander.** The support unit commander directs and coordinates the investigative team's support functions to include facilities and equipment, budget and audit activities—including buy monies and confidential funds accounting—personnel accounting and the coordination of volunteers.
6. **Lead Investigator.** The lead investigator is responsible for conducting and coordinating the investigation, including assisting the prosecutor in case preparation. The lead investigator is the focal point for all aspects of the investigation and is accountable to the Operations Unit Commander.
7. **Case Review Coordinator.** The case review coordinator is responsible for case management, including analyzing investigative information and leads, coordinating evidence collection and processing.

### C. Unit Activation/Deactivation

MAIT member agencies that wish to use the unit for crimes committed within their jurisdiction shall use the following procedures:

1. The case under consideration should conform to the investigative priorities and goals of MAIT operation defined in the MAIT agreement. Other major crimes or suspicious circumstances that may have significant local or regional impact may also be presented to the MAIT commander with approval of the requesting agency's chief executive.
2. To request unit activation, the ranking officer of the requesting agency shall contact the MAIT commander as soon as possible following the agency's response to the crime scene. Undue delays, as specified in the MAIT agreement, shall be considered sufficient grounds to deny MAIT involvement.
3. The MAIT commander shall verify the authenticity of the request and obtain relevant general information on the nature of the crime. The MAIT commander shall submit the request immediately to the board of directors for consideration.
4. The MAIT commander shall recommend deactivation of the team or reductions in force as appropriate as investigative leads are exhausted or when the solvability of the case is insufficient to justify continued team activation.

### D. Personnel

1. Investigative officers desiring assignments to the MAIT shall submit a written request detailing their interest in and qualifications for this assignment to the MAIT commander. Such submission shall be made with the approval of the agency's chief executive officer. Officers shall be selected for possible assignment on a competitive basis based on
  - a. relative number of years of service;
  - b. training and education;
  - c. specialized skills; and
  - d. job performance.
2. Officers selected for MAIT duties shall be considered eligible for assignment upon completion of training required by their parent agency and the multi-agency team.
3. Assignments to the MAIT shall be regarded by agency personnel in the same manner as assignments to duties and responsibilities within their parent agency. Therefore, assigned officers shall
  - a. follow the direction and command of senior MAIT officers and command personnel regardless of the assigned officer's rank, grade or assignment within their parent agency;
  - b. conduct themselves with the highest degree of professionalism and dedication to duty; and
  - c. conduct themselves according to the policies, procedures, rules and code of conduct specified by the MAIT agreement.
4. Assignment to a specific MAIT operation shall be the responsibility of the parent agency's investigative services commander based on personnel availabilities and workload priorities. Available personnel will be assigned with the approval of the MAIT commander.
5. Officers shall maintain contact with their supervisor in their parent agency while assigned to MAIT duties.

### E. Logistical Support/Finances

1. Agencies requesting services of the MAIT are responsible for coordinating availability of
  - a. communication equipment and facilities;
  - b. vehicle fuel, oil, maintenance and repair;
  - c. food and lodging as required; and
  - d. criminalistic and forensic services.
2. Assigned officers shall use personally assigned equipment to include weapons, soft body armor and personal protective gear, vehicles (if not otherwise available through the MAIT) and related equipment normally carried in the line of duty.
  - a. Specialized equipment such as that needed for surveillance operations may be requisitioned from member agencies and will be made available whenever possible.
  - b. The replacement or repair costs of personal or departmental equipment lost or damaged in the course of MAIT operations shall be incurred as detailed in the MAIT by-laws.
3. Overtime pay for personnel working MAIT assignments shall be paid in accordance with the by-laws of the interjurisdictional agreement.
4. Indemnity for accident, injury, death and liability shall be borne by the officer's parent agency.

### F. Debriefing

Following completion of the MAIT assignment, officers shall submit a report of their assignment to their commanding officers. The MAIT commander shall also submit a written report to the MAIT Board of Officers. These reports shall include, but shall not be limited to

1. nature and duration of the assignment;
2. the amount of regular and overtime work devoted to the investigation team assignment;
3. expenditures, losses or damage of resources and personnel injuries as a result of MAIT involvement;
4. outcome of the case with regard to arrests, warrants issued, intelligence gathered, and the like; and
5. recommendations for enhancing future MAIT investigations.

IACP National Law Enforcement Policy Center  
Multi-Agency Investigative Teams  
Concepts and Issues Paper  
February 1995

## INTRODUCTION

### Purpose of Document

This paper was designed to accompany the Model Multi-Agency Investigative Teams Policy developed by the IACP National Law Enforcement Policy Center. This paper provides essential background information.

executives in their efforts to tailor the model to the requirements and circumstances of their community and their agency.

## B. Background

For decades, law enforcement agencies have recognized the advantage of interjurisdictional and interagency cooperation in combating crime in general and specific criminal offenses in particular. Major case squads have been used successfully by contiguous jurisdictions in a variety of contexts throughout the United States for many years. Therefore, it is easy to understand why this approach has been called into play in the fight against illegal drugs, serial murder, organized criminal enterprises and a wide variety of major crimes that involve multiple contiguous jurisdictions. A great deal of the experience of multi-agency investigative teams (MAIT) has been in the eradication of drug trafficking and sales.<sup>1</sup> However, it is clear that the concept and the operational procedures of MAIT can be easily adapted to any significant crime problem as identified and agreed upon by participating jurisdictions.<sup>2</sup> In any major crime investigation, there is special need for intelligence, specialized personnel and equipment, and additional resources that can often be addressed more fully and efficiently through a cooperative interjurisdictional enforcement approach.

The concept is simple, but many law enforcement agencies have learned that developing an efficient and successful operating unit of this type requires attention to numerous details of management and planning. The Model Multi-Agency Investigative Team Policy and this concept paper examine the major legal and planning concerns that law enforcement agencies must address in establishing a cooperative unit of this type.

## II. LEGAL CONSIDERATIONS

This portion of the paper is a survey of the legal considerations involved in creating and operating a MAIT.

### A. Formal Agreement Establishing the Unit

The unit must be established by written agreement of the jurisdictions involved. Oral agreements are unacceptable because (1) they may not satisfy the legal requirements for such agreements imposed by applicable state and regional laws; (2) they are insufficiently detailed to be effective for such a complex undertaking; and (3) they often lead to misunderstandings, resultant ill will between participating jurisdictions and their departments and, potentially, the failure of the unit to accomplish its assigned mission. In addition, the lack of a written agreement significantly increases the exposure of the participating jurisdictions to civil liability as a result of the unit's activities. A written agreement is therefore an absolute prerequisite to form a MAIT.

**Drafting.** This agreement must be properly drafted. A poorly drafted instrument may create ambiguities or leave gaps that will cripple the unit's operations and lead to interjurisdictional disputes that may prove fatal to the success of the regional operation.

To be properly drafted, the agreement must be sufficiently detailed to cover all aspects of the regional unit's activities. It must among other things, define the unit's goals, set the parameters of its operation, provide for administrative and logistical support, establish the chain of command and make clear the financial obligations of the participating localities. It should also set forth the responsibilities of the various jurisdictions in the event that civil liability is incurred for action of the unit.

**Compliance with Federal, State and Local Laws.** Any regional agreement must be authorized by the law of the state or states in which the region lies. Enabling legislation already exists in most states, so that the authority of the localities to enter into such an agreement is seldom in doubt. However, the regional agreement must not only be authorized by, but also must be in strict compliance with, both state and local laws. The assistance of the appropriate prosecutors, city and county attorneys and, if necessary, the state attorney general's office should be sought on this issue.

If federal agencies are to be included in the unit, federal law must also be considered. Provisions relating to asset forfeitures in addition to complying with any applicable state laws, should also take into account federal forfeiture laws and procedures.<sup>3</sup> Coordination with federal law enforcement agencies and the appropriate U.S. attorney's office is highly desirable.

The agreement should include all local jurisdictions within the region. While it is possible to have a regional agreement among fewer than all of the jurisdictions and/or agencies in the region, failure to include all such jurisdictions and agencies will complicate the operation and decrease its efficiency. In extreme cases, such omissions may render the agreement completely unworkable.

**Acceptance and Execution of the Agreement.** The agreement must be accepted by the appropriate officials of all jurisdictions concerned. In order for the acceptance of a jurisdiction to be valid and binding, two conditions must normally be met:

- The governing body of the jurisdiction must approve the agreement in the manner prescribed by state and local laws.<sup>4</sup>
- The authorized local official (e.g., a city manager, county executive, city or county attorney, or other official) must sign the agreement on behalf of the jurisdiction.<sup>5</sup>

It is not normally a legal requirement that the chief executive of the participating police and sheriffs' departments sign the agreement. However, it may be advisable. Even where not required by law, the presence of the signatures of the appropriate law enforcement officials on the agreement establishes conclusively that such officials understand and have approved the agreement. This may in turn lead to better interdepartmental support of the unit in the future.

**Termination of the Agreement.** Termination of or withdrawal from the agreement should be provided for in the agreement. The termination and withdrawal provisions may be tailored to local needs, but should normally include, at a minimum, the following:

- The circumstances under which the agreement may be terminated, or under which a jurisdiction may withdraw from the agreement, should be stated. This may protect the agreement from arbitrary withdrawal by a jurisdiction at some later date.
- Participants in the agreement should normally be required to give reasonable notice of the intent to withdraw. This gives the participating departments an opportunity to adjust to the changed conditions and reduces the disruption that such a termination or withdrawal may cause.<sup>6</sup>
- A procedure should be specified for withdrawal or termination. For example, how is notice to be given? By whom? To whom? In what manner? How is the withdrawal to be accomplished? Who will assume the responsibilities no longer fulfilled by the withdrawing jurisdiction or department? Providing an orderly procedure in such circumstances will minimize disruption of the unit's functions.
- The agreement should provide for the settlement of all financial obligations attributable to the unit at the time of withdrawal or termination. Provision must also be made for the disposition of any property or other assets possessed or used by the unit at the time of the withdrawal or termination. This is particularly important where such property or assets were purchased or otherwise acquired by the unit directly, rather than contributed by member jurisdictions or departments.

**Invocation of the Agreement.** The participating jurisdictions must clearly understand who may request activation of the MAIT and under what circumstances activation may be requested.

Each member agency should designate the person or persons within its organization who are authorized to request activation from other participating agencies. In addition, each member agency should be provided with a list of those currently authorized to request activation on behalf of the other member agencies.

The conditions under which a request may be made and granted should be clearly spelled out both in the mutual assistance agreement between agencies and in any internal policies promulgated by the participating departments. The model policy provides that such requests be made only where they conform to the investigative priorities and goals of the MAIT operation as defined in the MAIT agreement.

The responding agency should be obligated to provide, assistance to another locality only to the extent that the responding agency's ability to provide adequate services within its own jurisdiction will not be threatened. This should be covered both in the mutual assistance agreement and in the internal policies governing the provision of assistance under the MAIT agreement.

Specific persons within each agency should also be designated to receive, evaluate and make decisions regarding any request for unit activation from another agency. Such persons should be trained to make these decisions rapidly and accurately, after duly considering the needs of the home jurisdiction.<sup>7</sup> Care should be taken that at least one such designated person is always on duty and immediately available to receive activation requests, regardless of the day or hour.

**Responsibilities of Chief Executive Officers.** Regular meetings of the chiefs, sheriffs or other chief executive officers of the participating agencies should be held. It is strongly recommended that chief executive officers attend these meetings personally whenever possible.

Each chief executive officer should personally ensure that (1) other participating agencies are fully apprised of the assistance capabilities of his department (2) other departments provide the chief executive officer with similar information and (3) this information is adequately disseminated to those who will be receiving and evaluating the assistance requests.<sup>8</sup> Inadequate information, or a failure to make information available to departmental decision-makers, handicaps the mutual assistance effort and increases civil liability exposure. Mutual assistance agreements that impact MAIT operations and policies must be constantly reviewed by appropriate chief executives. Changed conditions in the jurisdictions, increase decreases in the capabilities of the participating agencies, developments in applicable law may necessitate changes in mutual assistance agreement related internal policies or both. In addition to the adverse effect upon the mutual assistance effort that might result, a failure to modify the agreement to conform to changed laws or conditions may deprive participating departments and/or officials of their legal defense in the event of a civil suit.

**Costs.** The allocation of the cost of MAIT operations should be covered in the mutual assistance agreement or bylaws. A simple approach makes individual agency responsible for the costs they incur in providing assistance. However, participating departments may wish to provide for different cost allocations in the event of extraordinary expense incurred over and above those normally expected. MAIT activities will not necessarily result in civil suits and/or civil liability, nor should they be avoided merely because of potential liability exposure. However, it is important that all participating jurisdictions understand that MAIT operations may result in civil suits against one or more of the jurisdictions providing support and/or the jurisdiction in which they operate.<sup>9</sup>

Consequently, the participating jurisdictions may wish to provide for indemnification in their mutual assistance agreement in the event that civil liability is incurred by assisting agencies or the "host" agency. A "hold harmless" clause may suffice to meet this need. An indemnification or hold harmless clause should cover any and all liability incurred by virtue of the joint operation, including (1) failure or inability to provide assistance when requested, (2) errors or omissions occurring during the period when such assistance is being provided, and (3) withdrawal of assistance after it has been provided.

All indemnification provisions should be specifically examined and approved by the legal advisors of participating jurisdictions to ensure that they comply with state and local laws.

## B. Requests for Assistance

As noted, it is essential that there be detailed agreement to (1) which officials may request team assistance, (2) how such requests are to be transmitted, and (3) which official may approve such requests. In addition, the participating jurisdictions should be in detailed agreement as to (4) the circumstances under which MAIT requests may be granted, and (5) the extent and duration of any MAIT operation.<sup>10</sup> Detailed internal policies should be promulgated within each department regarding the foregoing matters. In addition, all personnel within each department who may receive, process or respond to MAIT assistance requests must be familiarized with, and trained in the implementation of, these policies.<sup>11</sup> All participating jurisdictions must understand that personnel and equipment may be withdrawn by the assisting jurisdiction if circumstances require their re-deployment to meet contingencies arising within the assisting jurisdiction during the period of assistance. The indemnification provisions of the agreement should include coverage of this contingency.

**Command and Control at Emergency Scene.** The applicable MAIT policies and mutual assistance agreements must clearly spell out the lines of authority over "borrowed" personnel in MAIT operations. This is primarily an operational requirement rather than a legal one.<sup>12</sup>

It is, however, absolutely essential if MAIT operations are to be effective and civil liability risk minimized. In particular, assisting personnel must clearly understand both their responsibilities and the extent and limits of their authority as law enforcement officers while in other jurisdictions.<sup>13</sup> Failure to train personnel adequately in these respects prior to the implementation of the mutual assistance policy will greatly increase the potential for operational problems and civil liability exposure.

**Federal and State Law Enforcement Agency Assistance.** Summoning assistance from federal and state authorities requires thorough familiarity with federal and state laws and regulations that govern this assistance, as well as the jurisdictional problems that may be involved. If federal or state assistance is rendered under conditions that do not authorize such assistance, both civil and criminal penalties may ensue. Therefore, applicable federal and state laws and regulations must be thoroughly understood by departmental personnel empowered to request such assistance. Advance coordination and planning with appropriate federal and state agencies and the appropriate U.S. attorney and state attorney general's office are highly desirable.

**Special Areas Within the Participating Jurisdictions.** If the region participating in the mutual assistance pact includes areas with special jurisdictional problems, such as airports, parks, federal reservations or historic sites, where jurisdictions may be uncertain, these issues should be anticipated and resolved before the MAIT is implemented.

Personnel of the participating departments should be alert to possible jurisdictional problems within the area of operations.<sup>14</sup> This is especially true where a department or jurisdiction within the region has not been included in the regional mutual assistance agreement or the MAIT cooperative agreement.

**Insurance.** Both the requesting and assisting jurisdictions and the officials thereof may be civilly liable for events occurring during the period of MAIT operations. Consequently any participating jurisdiction that...

liability policy covers a departments officers only when acting within the home jurisdiction. An endorsement to the policy may be necessary and adequate to cover activities in other jurisdictions served by a MAIT or mutual assistance agreement.

In addition, each departments insurance coverage should extend to liability for acts or omissions of officers of other departments or jurisdictions that occur (1) while department personnel are working in another jurisdiction or (2) when officers of another jurisdiction are assisting the department in its own jurisdiction. Since insurance coverage normally extends only to the acts or omissions of a departments own employees, this additional coverage is necessary.

The foregoing comments apply both to those jurisdictions that have individual commercial liability insurance policies and those that participate in insurance pools. In either case, steps should be taken to ensure that the jurisdictions policy that a policy endorsement be obtained or, in the absence of a special endorsement, that a statement be obtained in writing from the insurance company confirming that the policy covers all of these possibilities.

Self-insured jurisdictions, although not directly concerned with policy language, should be fully aware of the expanded liability associated with MAIT operations and should pay particular attention to the indemnification agreement provisions discussed above.

### III. PROCEDURAL ISSUES

#### A. The Supervisory Board

The MAIT should be subject to the overall direction and supervision of a board of directors. This is important both for the well-being of the unit and for the protection of the participating jurisdictions.

Service upon this board should be regarded by its members as a serious obligation. If the agreement permits the delegation of this assignment to someone other than the chief or sheriff of the participating department, only top-level command personnel should be allowed to serve, and assignment to the board should be treated as a major function of the designated person.

Regular meetings are a necessity. Attendance at such meetings should be given top priority by departmental executives. Inadequate attendance will have serious adverse effects upon the unit's overall effectiveness.

Members of the board should have an equal voice in the conduct of the board's responsibilities. Giving each participating jurisdiction one vote encourages a feeling of participation and control among all of the localities involved. This, in turn, avoids the adverse effect upon the morale of smaller jurisdictions or departments that may be experienced if the larger jurisdictions or departments control both the board and the unit itself. The MAIT must have a single commanding officer who should be appointed by the supervisory board and should be responsible to it. The authority of the unit commander should be spelled out in the agreement. The chain of command from the members of the unit up through the unit commander to the board itself should likewise be included in the agreement's provisions.

**Reporting Requirements.** The MAIT Commander should be required to make periodic reports of the units activities to the board. This ensures accountability of the unit to those who are ultimately responsible for its operations.

In turn, the board should be required to report to the participating jurisdictions at agreed-

upon intervals. This increases understanding of and support for the unit among the city and county officials who make budgetary and other decisions regarding the unit. It also helps to protect the unit against possible charges by discontented officials or citizens that the unit is an independent force operating outside of the knowledge and control of the cities and counties—and their taxpayers—that formed and financed the unit. However, caution must be used to make certain that such reports do not compromise ongoing operations of the unit or place undercover officers and/or informants at risk. This problem should be discussed with the appropriate city and county officials at the inception of the agreement so their understanding and support for these precautionary measures can be obtained.

**Settlement of Disputes.** Disputes regarding the operation of the unit will inevitably arise. The MAIT agreement should provide that such disputes will be settled by the board, rather than on a direct interdepartmental basis. Procedures for the settlement of such disputes, including the calling of any necessary special meetings, should be set forth in the agreement.

#### B. Personnel Assignments and Authority

Assignment of personnel to the unit should be made by the chief or sheriff of the participating departments or a designated command-level alternate. Normally, only full-time, sworn, fully-trained personnel should be assigned to the unit. This is important both for unit efficiency and to minimize the risk of civil liability attributable to unit operations.

In making such assignments, departmental executives should consider only those officers who are capable of working independently, without close or constant supervision, and those who are able to work well with officers from other departments.<sup>15</sup>

Although temporary, such assignments should be regarded as a full-time commitment of indefinite duration. Further, assignment to the unit should be treated by the department as a mark of approval for the officer being assigned. Under no circumstances should assignment to the unit be treated as a punishment nor should the unit be regarded as a place for officers who have proven unable to perform other duties within their agencies. The complex legal and operational requirements of these units demand that only the best-trained and most capable officers be assigned to it. A violation of this principle will increase the liability exposure of the assigning jurisdiction and make the ultimate failure of the team almost certain.

**Number of Personnel.** Determining the number of officers to be assigned to the MAIT is a delicate and complex matter. The team's personnel strength must be sufficient to enable it to accomplish its mission, yet must be within the resources of the participating departments. The size of the region, the scope and objectives of the unit's operations, and the capabilities of the individual agencies must be considered. Once the total number of unit personnel has been determined, the burden of providing the personnel to make up this number must be distributed fairly among the participating jurisdictions. Care should be taken to make certain that the smaller departments are not required to provide more personnel than their departmental strength will permit. However, the smaller departments must be adequately represented in the units operations if the morale, and hence the effective participation, of the smaller departments is to be maintained.

**Supervision and Regulation of Unit Personnel.** Officers assigned to the unit must be subject to the supervision and control of the unit commander. Furthermore, the officers involved must clearly understand this if the commander is to have effective control of personnel.

The unit should have its own written regulatory policies and procedures, which all personnel should understand and observe. Training of unit personnel should include thorough coverage of this subject, both at the time of the units formation and upon the later assignment of new personnel to the unit. Failure to observe this principal vastly increases the exposure of the unit and its parent agencies to civil liability.

One of the more difficult problems encountered in the formation and operation of a MAIT unit is the reconciliation of discrepancies between the policies and procedures of the unit and those of the participating departments.



member departments. Care must be taken to achieve agreement of the various members of the board to any unit policy that differs from that in force in their respective departments.

Of particular concern here are policies regarding (1) the use of deadly force; (2) motor vehicle responses and pursuits; (3) arrests, searches and interrogations and (4) undercover operations. These are aspects of unit activity that are generally employed in MAIT operations and ones that are more likely to result in the filing of civil suits.

**Liability and Indemnification.** As noted earlier, MAIT operations can result in civil suits against the unit itself, against supervisors and officers, or against the participating departments and jurisdictions. In this regard, it should be noted that a participating department and/or jurisdiction may in some instances be sued civilly for activities of the unit even though MAIT officers involved in the incident were not members of that particular agency. This possibility must be considered when drafting indemnity provisions.

The agreement under which the unit is formed should therefore spell out appropriate provisions for indemnification between jurisdictions if civil liability is incurred by reason of the units activities. All such provisions should be specifically approved by the legal advisors of the participating jurisdictions to ensure that they comply with state and local laws.

**Powers of Unit Officers.** All necessary steps must be taken to ensure that unit officers have the powers of sworn law enforcement officers throughout the region served by the unit. Express language to this effect should be included in the MAIT agreement. In addition, any other necessary legal steps should be taken to make certain that unit officers have these expanded jurisdictional powers under applicable state and local law. If state law does not give local officers sufficient extra-jurisdictional powers, a statement in the agreement itself may not be sufficient. In that event, steps such as multiple deputization may have to be taken to avoid any possible claim that an officer lacked authority to act as a law enforcement officer in a town, city or county within the region but outside the officer's parent jurisdiction.

**Financial Support.** The model policy sets forth broad provisions for allocating the financial burdens associated with MAIT operations. In some instances, participating jurisdictions may wish to establish additional provisions dealing specifically with such matters as responsibility for the cost of injuries or deaths among unit personnel, training costs, equipment costs, costs of special operations and the costs incurred when special units from member departments are called upon to assist in unit operations, among other potential matters.

In addition, some may wish to set forth specific formulas for determining the manner of allocating administrative and other overhead costs, especially if a disproportionate share of administrative support, office space, vehicles, equipment or other items is provided by one or more jurisdictions.

**Coordination of Asset Forfeitures.** Formal agreement among participating agencies should be made regarding the handling of asset forfeitures. In view of the present predominance of federal asset forfeitures, care should be taken that asset forfeiture provisions comply with federal requirements. Since these requirements are subject to change, the current status of federal law and policy should be determined before the agreement is promulgated.<sup>16</sup> In addition, legal advice should be sought to ensure that no asset forfeiture provision in the agreement is contrary to state law.

**Special Assistance from Member Agencies.** In addition to setting forth the normal chain of command to be followed in unit operations, the participating jurisdictions may wish the agreement to include the procedures to be followed when it becomes necessary for the unit to seek special assistance from member departments and jurisdictions, as noted above. Special assistance might include such things as laboratory analysis, evidence protection and storage, SWAT team assistance, prisoner transportation and detention, and medical care for arrestees or injured officers, among other matters. The determination of which department or jurisdiction will provide these services, the manner in which they must be authorized and how any resultant financial burden will be distributed should be made during the drafting of the MAIT agreement.

### C. Operational Planning

Operational planning is another component of any regional MAIT operation if it is to succeed. In fact, the units goals, operating guidelines, and logistic and financial support decisions should be incorporated in the written agreement previously discussed. The scope and intent of such cooperative units can vary widely, and law enforcement agencies are obviously very diverse in the types of resources that they can draw upon in these and other operations. Nevertheless, the manner in which law enforcement agencies deal with these planning issues should address several distinct concerns common to most planning functions. The following elements of this process are discussed below. While they are addressed here in sequential fashion, they are often addressed in an overlapping manner. For larger, more complex operations, however, it may be beneficial to address these issues in an orderly, structured manner so important issues will not be overlooked.

**Analysis of Environmental Information.** In forming a MAIT operation, it would appear self-evident that the parties involved understand what they want to accomplish. However, the perceptions and priorities of individual agency administrators concerning the operation may vary. Moreover, the political, social and economic environment of each jurisdiction differs to the degree that agency administrators are often heavily influenced by factors outside their control. For example, political pressures in one jurisdiction, driven by intense media coverage of multiple homicides within a close time span, may make this an overriding priority for one administrator—far more than would otherwise have been the case.

These types of perspectives, attitudes and environmental pressures that may affect the scope and direction of the enforcement effort need to be aired and openly discussed. Objective data on the scope and level of criminal activity must be brought to these discussions, so a realistic appraisal may be made of the area(s) in which the operation should focus its efforts.

**Definition of Objectives.** Once decision makers have assessed the environment and evaluated the nature and depth of the crime problem, it is possible to identify the specific objectives that the unit will attempt to address. For example, the region may have collectively experienced a significant increase in PCP production. As a result the unit may wish to target this for enforcement action by launching undercover investigations and conducting raids on identified laboratories.

Depending on the availability of resources and the scope of the regional problem, the unit may identify several enforcement objectives. Objectives can normally be reached by several alternative means, some of which are more costly than others to implement and sustain.

**Resources and Constraints.** In selecting alternative strategies, unit decision makers will need to identify the types and extent of resources available through the participating jurisdictions, as well as any obvious constraints that will be faced in developing and implementing the operational plan.

Obvious resources include personnel, vehicles, weapons, and special equipment. However, the resource assessment must include qualitative judgments such as the availability of personnel with specialized training, the availability of highly reliable informants and other sources of dependable intelligence, and the cooperation and support of the prosecutor's office and the community in general, among numerous other factors.

Inadequacies in any of the above or other areas can be regarded as constraints to the units operations. A complete assessment of capabilities and constraints will allow the unit commanders to realistically determine whether unit objectives can be met.

**Establishment of Performance Measures.** MAIT commanders need to identify key performance measures for unit personnel. Perhaps the most common of performance measures is arrests, but additional indicators may include leads investigated, warrants served, raids conducted or other factors in keeping with the nature and strategies of the operation. The ability to objectively document performance is important in any operation. In the case of a multijurisdictional enterprise, it is important to maintain this information so parent jurisdictions will be assured that their personnel are being used in constructive and definitive roles. This data is also particularly useful when the unit is called upon to relate its performance statistics to measurable impact on the targeted crime problem.

**Evaluating Impact.** The ability to objectively measure the success of the unit is an important determination for each of the jurisdictions involved and will have direct bearing on whether the operation deserves to be continued or renewed at a later date. The direct impact of unit operations will vary according to the units objectives and operational strategies. However, some of the more common impact measures involve arrests, cases closed, number of convictions obtained, the number of man years of incarceration imposed and the value of assets forfeited to cooperating jurisdictions, among other factors. It is important in the planning process to ensure that these and related statistics are compiled. Invariably, questions concerning unit effectiveness will be raised, and they can only be answered objectively if a procedure is established to compile this type of information.

V. CONCLUSION

The foregoing discussion is designed to help interested jurisdictions form a MAIT. The model policy is intentionally broad in its coverage because individual situations will require additions or amendments to the model in order to provide complete treatment of concerns peculiar to a given region.

In all instances, state and local laws must be reviewed to determine the appropriateness of the provisions of the model policy and this paper for the regional area that the unit will serve. As noted earlier, consultation with prosecutors, city and county attorneys, and/or the office of the state's attorney general is strongly advised. In no instance should the principles discussed herein be implemented unless and until it has been conclusively determined that regional agreements are permitted under the statutes, ordinances, decisions and regulations of the states and localities concerned, and that the requirements of these have been fully satisfied.

Endnotes

1. See for example, "Multi-jurisdictional Narcotics Enforcement Task Forces: Lessons Learned from the OCN Program Model," The Organized Crime Narcotics Trafficking Enforcement (OCN) Program, Institute for Intergovernmental Affairs, Bureau of Justice Assistance, 1992. See also, from a managerial context: Multi-Agency Investigative Team Manual, U.S. Department of Justice, National Institute of Justice, Washington, DC, 1988
2. For example, the FBI's VICAP Program has devoted considerable attention to information management in multi-agency investigations of serial homicide. See proceedings of the "Serial Murder Investigation System Conference," Conference Report, December 16-20, 1991, Quantico, VA
3. It is assumed that forfeitures resulting from the unit's activities will take place under federal procedures. Even if such forfeitures are intended to be accomplished by the unit under state law only, the possibility of using federal forfeiture mechanisms should be considered. Therefore, nothing in the policy should conflict with federal forfeiture provisions.
4. In some instances, a single official, such as a city manager or county executive, may be authorized to bind the jurisdiction without formal approval by the governing body. Care must be taken to ensure that any agreement signed in the absence of prior formal approval by the governing body is authorized by, and valid under, state and local law.
5. If prior approval by the governing body is required, this approval must be obtained before, not after, the official signs the agreement.
6. Such notice may be waived where all parties to the agreement agree to it.
7. Should damage or injury to persons or property within the home jurisdiction be traced to an overcommitment of resources to a neighboring jurisdiction when such resources were needed locally, political and legal repercussions may follow. Therefore, assistance decisions must be made by a knowledgeable official in light of conditions within the home jurisdiction.
8. The department from which assistance is requested must make the final decision as to whether it has the capability to provide such assistance. However, it will help requesting jurisdictions to direct their requests properly, and to keep them within reasonable limits, if the participating jurisdictions are aware of each other's current capabilities.
9. In this regard, it should be noted that the jurisdiction receiving the assistance may incur liability for the actions of the personnel "borrowed" from the assisting department(s). Similarly, a jurisdiction providing assistance may be sued civilly for both the activities of its own personnel while providing assistance and the activities of members of the other department(s) in connection with the receipt of such assistance.
10. In particular, the availability of specialized assistance that may not be included in the MAIT bylaws, such as SWAT teams or bomb disposal should be covered in a mutual assistance agreement.
11. Failure to observe the requirement will substantially increase the departments civil liability exposure. See *Canton v Harris*, 109 S.Ct. 1197 (1989).
12. It is probable that any operationally acceptable guidelines regarding control of the assisting personnel will expose both requesting and assisting departments to civil liability for the actions of the assisting personnel. Since it is essential operationally that the requesting department be able to direct and control the borrowed personnel, the requesting department will all probability be held legally responsible for the actions of the assisting personnel by analogy to the common law "borrowed servant rule." It is also highly probable that since assisting personnel will still be subject to some control by their parent departments, the parent departments will also be held responsible for any errors and/or omissions committed by the assisting personnel. Since this situation cannot be avoided, this liability exposure should be provided by indemnification provisions and liability insurance.
13. Since borrowed personnel will perform law enforcement functions in other jurisdictions, all necessary steps must be taken to ensure that participating MAIT officers have the powers of sworn law enforcement officers throughout the region served by the MAIT agreement. All necessary legal steps should be taken in advance to make that officers who may be rendering assistance in other jurisdictions have these expanded jurisdictional powers under applicable state and local laws. If state law does not give officers suffice extra-jurisdictional powers, a statement in the MAIT bylaws or the regional mutual assistance agreement may not be sufficient. In that case, steps such as multiple deputization may have to be taken to avoid any possible later claim that an assisting officer lacked authority to act as a law enforcement officer.

14. Officers of one jurisdiction may not be aware of unusual jurisdictional boundaries or other jurisdictional problems existing in another city or county. These matters should be covered prior to rendering any cooperative assistance in the jurisdiction in question.
15. This must include the ability to work harmoniously with officers of lesser, equal or greater rank, who may be of greater or lesser seniority, and who may be of a different age, race, sex or background as well as being from a different law enforcement agency. While this is important in any law enforcement assignment, it is especially critical in the case of multijurisdictional units, where any lack of harmony among the members may prove disastrous to the unit's mission. In addition to the above, team members must be able and willing to adopt a unit identity and sense of common purpose and put aside partiality for individual agency or jurisdictional affiliations. Personal attempts to "grab the glory" or the credit for one's parent agency have no place in a multijurisdictional unit that is designed to confront common problems between agencies.
16. After execution and implementation of the regional agreement, federal forfeiture provisions should be reviewed periodically for changes which may necessitate amendment of the agreement.

#### Acknowledgment

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Every effort has been made by the IACP National Law Enforcement Policy Center staff and advisory board to ensure that this model policy incorporates the most current information and contemporary professional judgment on this issue. However, law enforcement administrators should be cautioned that no model policy can meet all the needs of any given law enforcement agency. Each law enforcement agency operates in a unique environment of federal court rulings, state laws, local ordinances, regulations, judicial and administrative decisions and collective bargaining agreements that must be considered. In addition, the formulation of specific agency policies must take into account local political and community perspectives and customs, prerogatives and demands; often divergent law enforcement strategies and philosophies; and the impact of varied agency resource capabilities, among other factors.



# Appendix G

**Summary of Virginia's Formal State and Local  
Multi-Jurisdictional Drug Task Forces: Participation**

Description	Frequency	
	Number	Percent <sup>(a)</sup>
<b>Total Number of Task Forces</b>	25	100%
<b>Relationship to Task Force</b>		
Formal Participants	84	88%
Informal Participants	3	3%
Unknown	8	8%
Total	95	100%
<b>Type of Membership</b>		
Full-time	85	89%
Part-time	3	3%
Unknown	7	7%
Total	95	100%
<b>Agencies/Organizations Involved in Task Forces as Formal or Informal Participants</b>		
Counties	44	46%
Cities	20	21%
Towns	20	21%
State Agencies	4	4%
Federal Agencies	3	3%
Other	4	4%
Total	95	100%
<b>Overlap of Agencies/Organizations Involved in Task Forces</b>		
Agencies/Organizations Involved in Only One Task Force	88	93%
Agencies/Organizations Involved in More than One Task Force <sup>(b)</sup>	7	7%
Total	95	100%
<b>Date of Entry of Participants (Formal and Informal) into a Task Force</b>		
1983 to 1990	34	27%
1991 to 1995	39	31%
1996 to 2000	29	23%
2001 or later	1	1%
Unknown	24	19%
Total <sup>(c)</sup>	127	100%
<b>Signature Date of the Memoranda of Understanding</b>		
1983 to 1990	3	12%
1991 to 1995	5	20%
1996 to 2000	17	68%
2001 or later	0	0%

Description	Frequency	
	Number	Percent <sup>(a)</sup>
Total	25	100%

<sup>(a)</sup> Percentages may not total 100% due to rounding.

<sup>(b)</sup> Agencies/organizations involved in more than one task force are: 1) Chesterfield County, 2) Drug Enforcement Administration, 3) Federal Bureau of Investigations, 4) Hampton, 5) Newport News, 6) Petersburg, and 7) Virginia State Police.

<sup>(c)</sup> Because a locality can be involved in more than one task force and can enter each task force in a different year, the total includes a calculation for participants who are involved in more than one task force. Thus, for example, the Virginia State Police is counted 25 times because it is involved in every task force and entered each task force at different times.





# Appendix H

**Table 4. Summary of Virginia's Formal State and Local Multi-Jurisdictional Drug Task Forces: Targets**

Description	Frequency	
	Number	Percent
<b>Total Number of Task Forces</b>	<b>25</b>	<b>100%</b>
<b>Substances</b>		
All narcotics	23	92%
Methamphetamine, crack cocaine, powder cocaine, heroin, ecstasy, and marijuana	1	4%
Crack cocaine and marijuana	1	4%
Total	25	100%
<b>Drug Offender</b>		
Individuals/organizations that are major multi-jurisdictional violators	13	52%
Individuals/organizations who deal in quantity narcotics and who impact two or more of the jurisdictions signatory to the MOU	3	12%
Individuals/organizations (highest level dealer[s] and wholesaler[s] as possible) believed to be major violators of drug trafficking laws	2	8%
Multi-jurisdiction offenders and organized criminal groups	1	4%
Narcotic couriers using public transportation, specifically rail, aircraft, bus and parcel packages	1	4%
All individuals associated with the distribution and/or possession of narcotics	1	4%
Violent and out of town dealers	1	4%
Middle to upper level narcotics dealers	1	4%
Individuals that have been identified as major and/or repeat offender, multi-jurisdictional violators	1	4%
Individuals/organizations that use public transportation and parcel delivery companies to transfer illegal narcotics and money	1	4%
Total	25	100%

# Appendix I

**Table 6. State and Local Funding by Task Force (FY 2000)**

Task Force Name	Task Force Code	State Funding (\$)	Local Funding (\$)	State Funding (%)	Local Funding (%)	Total State and Local Funding (\$)
Richmond Metro	1M	\$7,500	\$31,500	19%	81%	\$39,000
Central VA Regional Narcotics Enforcement Task Force	1B	\$4,184	\$15,520	21%	79%	\$19,704
Louisa Drug Task Force	1K	\$6,000	\$18,000	25%	75%	\$24,000
Dinwiddie-Nottoway	1L	\$1,500	\$3,000	33%	67%	\$4,500
Northwest VA Regional	2F					
Blue Ridge Narcotics	2S	\$3,562	\$17,826	17%	83%	\$21,388
RUSH	2U					
Jefferson Area Drug Enforcement	3A	\$3,000	\$36,000	8%	92%	\$39,000
Halifax/South Boston Regional	3B	\$18,156	\$36,311	33%	67%	\$54,467
Central VA Drug Task Force	3N					
Southside Drug Task Force	3P	\$3,000	\$12,000	20%	80%	\$15,000
Tri-County Narcotics Task Force	3V					
Tazewell County Drug Task Force	4E					
Southwest Regional Drug Task Force	4M	\$72,625	\$24,208	75%	25%	\$96,833
29th Circuit Drug Task Force	4W					
Pagan River Drug Task Force	5A	\$3,263	\$6,526	33%	67%	\$9,789
Peninsula Narcotics Enforcement Task Force	5D					
Eastern Shore Drug Task Force	5Q	\$3,875	\$11,625	25%	75%	\$15,500
Meherrin Drug Task Force	5T					
Colonial Narcotics Enforcement Task Force	5W	\$5,000	\$13,000	28%	72%	\$18,000
Middle Peninsula Drug Task Force	5X	\$1,500	\$6,000	20%	80%	\$7,500
Peninsula Interdiction Task Force	5Y					
Rockbridge Regional Task Force	6C	\$4,663	\$13,988	25%	75%	\$18,650
Alleghany Highlands Drug Task Force	6R	\$2,000	\$6,000	25%	75%	\$8,000
New River Regional Drug Task Force	6X	\$5,000	\$5,000	50%	50%	\$10,000
<b>TOTAL</b>		<b>\$144,828</b>	<b>\$256,504</b>	<b>36%</b>	<b>64%</b>	<b>\$401,331</b>
<b>AVERAGE</b>		<b>\$9,052</b>	<b>\$16,031</b>			<b>\$25,083</b>

# Appendix J

**Table 10. Dollar Value of Drugs Seized and Number of Seizures by Task Force (CY 1999)**

<b>Task Force Name</b>	<b>Task Force Code</b>	<b>Drugs Seized (\$)</b>	<b>Number of Seizures</b>
Richmond Metro	1M	\$4,686,591	131
Central VA Regional Narcotics Enforcement Task Force	1B	\$160,020	87
Louisa Drug Task Force	1K	\$504,927	4
Dinwiddie-Nottoway	1L	\$33,926	162
Northwest VA Regional	2F	\$1,059,914	288
Blue Ridge Narcotics	2S	\$195,393	95
RUSH	2U	\$1,162,986	155
Jefferson Area Drug Enforcement	3A	\$454,472	201
Halifax/South Boston Regional	3B	\$44,864	151
Central VA Drug Task Force	3N	\$111,627	10
Southside Drug Task Force	3P	\$219,755	159
Tri-County Narcotics Task Force	3V	\$6,407	38
Tazewell County Drug Task Force	4E	\$11,768	132
Southwest Regional Drug Task Force	4M	\$1,146,383	88
29th Circuit Drug Task Force	4W	\$1,151,188	103
Pagan River Drug Task Force	5A	\$1,504	44
Peninsula Narcotics Enforcement Task Force	5D	\$2,945	13
Eastern Shore Drug Task Force	5Q	\$988,291	255
Meherrin Drug Task Force	5T	\$1,403,257	181
Colonial Narcotics Enforcement Task Force	5W	\$0	0
Middle Peninsula Drug Task Force	5X	\$33,304	92
Peninsula Interdiction Task Force	5Y	\$229,560	13
Rockbridge Regional Task Force	6C	\$98,760	127
Alleghany Highlands Drug Task Force	6R	\$29,084	81
New River Regional Drug Task Force	6X	\$267,219	139
<b>TOTAL</b>		<b>\$14,004,145</b>	<b>2,749</b>
<b>AVERAGE</b>		<b>\$560,166</b>	<b>110</b>

# Appendix K

# CRIME ANALYSIS WORKSHEET

## Marking Instructions

Use a No. 2 pencil or blue or black ink pen only.

Do not use pens with ink that soaks through the paper.



Right Mark Wrong Marks

0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9

0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9

0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9

## STREET ADDRESS OFFENSE LOCATION

## APPENDIX E

- CRIME**
- Robbery
  - Robbery/Attempt
  - Robbery/Cleared
  - Robbery/Non-Defensible
  - Burglary
  - Burglary/Attempt
  - Burglary/Cleared
  - Burglary/Non-Defensible
  - Vehicle Theft (see other side)
  - Vehicle Theft/Attempt (see other side)
  - Vehicle Theft/Cleared (see other side)
  - Recovered Stolen Auto-OJ
  - Recovered Stolen Auto-Baltimore County
  - Unauthorized Use
  - Carjacking

## LOCATION OF NON-MOTOR VEHICLE OFFENSE (SEE OTHER SIDE FOR MOTOR VEHICLE THEFT LOCATIONS)

- Residence**
- 41 Single House
  - 42 Rowhome/Townhouse
  - 43 Apt/Condominium
  - 44 Shed/Garage
  - 45 Apt Locker/Laundry Room
  - 46 House/Apt Under Constr.
  - 47 Mobile Home/House Trailer
  - 48 Vacant Dwelling
  - 49 Other/Residential
  - 09 Residential Parking Lot
- Non-Residence**
- 01 Convenience
  - 02 Gas Station
  - 03 Grocery
  - 04 Drugstore/Medical Building
  - 05 Liquor Store
  - 06 Fast Food
  - 07 Restaurant/Bar
  - 08 Business Parking Lot
  - 10 Hotel/Motel
  - 11 School
  - 12 Retail/Small Business
  - 13 Street
  - 14 Jewelry Store
  - 15 Department Store
  - 16 Bank/Financial Institution
  - 17 Office Building
  - 18 Boat Yard
  - 19 Church
  - 20 Construction Site
  - 21 Box Cars/Comm'l Trailer
  - 22 Warehouse/Mfg. Co.
  - 23 Recreational Facility
  - 24 Business Storage Shed
  - 25 Mini Storage Lockers
  - 26 Public Bldgs. (Co. St. Fed.)
  - 27 New/Used Car Lot/Car Repair
  - 30 Other/Non-Residential

- DRUG SECTION**
- Drug Type**
- Marijuana/Hashish
  - LSD
  - Cocaine (Crack)
  - Cocaine (Powder)
  - PCP
  - Heroin
  - Pills
  - Other \_\_\_\_\_
- Drug Activity**
- Possession
  - Sales/Distribution/Manufacture
  - Inhaling/Snorting
  - Paraphernalia
  - Smoking
  - Injection

- ROBBERY SECTION**
- Weapon**
- 1 Handgun  Note
  - 2 Shotgun  Club
  - 3 Rifle  Other \_\_\_\_\_
  - 4 Implied \_\_\_\_\_
  - 5 Knife
  - 6 Physical Force
- Weapon Feature**
- 1 Chrome/Nickel Revolver
  - 2 Blue Steel Revolver
  - 3 Chrome/Nickel Automatic
  - 4 Blue Steel Automatic
  - 5 Single Barrel
  - 6 Double Barrel
  - 7 Single Barrel—Sawed Off
  - 8 Double Barrel—Sawed Off
- Robbery M.O.'s Used**
- 09 Asked for Change
  - 16 Attack Safe
  - 06 Brought Bag for Money
  - 13 Cab Driver Robbed
  - 25 Cut/Disabled Alarm System
  - 07 Cut/Disabled Phones
  - 18 Drugs Taken
  - 04 Shots Fired
  - 02 Forced Employees Back in Business
  - 36 Gun in Waistband
  - 15 Jump Counter
  - 35 Kidnapped Victim
  - 11 Locked Up Victim
  - 08 Made Purchase
  - 34 Night Deposit
  - 12 Physically Abused Victim
  - 01 Pizza Delivery
  - 14 Purse Snatch
  - 05 Robbed Customers
  - 33 Sex Related
  - 03 Shot Victim
  - 19 Tied Victim
  - 19 24 Hour Teller
  - 17 Used Stolen Vehicle/Tags
  - 49 Other \_\_\_\_\_

- BURGLARY SECTION**
- Point of Attack**
- 1 Door
  - 2 Window
  - 3 Roof/Ceiling
  - 4 Floor
  - 5 Airvent
  - 6 Wall
  - 7 Sliding Door
  - 8 Bay Door
  - 9 Unknown
- Area**
- 1 Front
  - 2 Back
  - 3 Side
- Method of Attack**
- 01 Broke Glass
  - 02 Tape Window
  - 03 Cut Screen
  - 04 Remove Molding
  - 05 Pried
  - 06 Forced (Physically)
  - 07 Broke Door Glass
  - 08 Twist Door Knob/Lock w/ Tool
  - 09 Cut Lock
  - 10 Cut Hole
  - 11 Hid in Location
  - 12 Deception
  - 13 No Force Required
  - 14 Removed Hinges
  - 15 Jammed Key Slot
  - 16 Broke Off Door Knob
  - 21 Other \_\_\_\_\_
- Burglary M.O.'s Used**
- 29 Ate Food/Drink Beverage
  - 16 Attack Safe
  - 21 Catburglar
  - 23 Chain/Block Door on Inside
  - 25 Cut/Disabled Alarm System
  - 07 Cut/Disabled Phones
  - 26 Defecate/Urinate
  - 18 Drugs Taken
  - 28 Other Type Bag Used To Carry Property
  - 27 Pillowcase Taken
  - 31 Pocketbook/Wallet Taken
  - 33 Sex Related
  - 32 Smash & Grab
  - 20 Unscrewed Lights
  - 22 Used Matches
  - 17 Used Stolen Vehicle/Tags
  - 30 Vandalism
  - 24 Vending/Game/Washing Machine Attacked
  - 49 Other \_\_\_\_\_
- Property Taken**
- 01 Appliance
  - 04 Auto/Motorcycle
  - 07 Bicycles
  - 10 Cameras
  - 12 Cigarettes
  - 13 Clothing
  - 16 Collections—Coin, etc.

- 19 Computers
- 20 Construction Material
- 22 Entertainment (Other)
- 23 Food
- 25 Handguns
- 28 Household Goods
- 31 Jewelry
- 34 Lawn Equipment
- 37 Liquor
- 40 Microwave
- 43 Money
- 46 Music Instruments
- 49 Office Equipment
- 52 Rifle/Shotgun
- 55 Silverware
- 58 Stereos
- 61 T.V.
- 64 Tools
- 67 VCRs
- 70 Other \_\_\_\_\_

- SUSPECT INFORMATION**
- Sex**
- 1 Male  2 Female
  - 3 Male/Female Team
- Race**
- 1 Black  5 Hispanic
  - 2 Caucasian  6 Gypsy
  - 3 American Indian  7 Other \_\_\_\_\_
  - 4 Oriental
  - 8 Black/White Team
- Age**
- 1 Under 18  4 36-50
  - 2 18-25  5 Over 50
  - 3 26-35
- Height**
- 1 Over 6'3"  5 5'3" to 5'5"
  - 2 6'0" to 6'3"  6 5'0" to 5'2"
  - 3 5'9" to 5'11"  7 Under 5'0"
  - 4 5'6" to 5'8"  8 Tall/short
- Miscellaneous At Time**
- 01 Cap/Hat
  - 02 Glove/Socks on Hands
  - 03 Ski Mask
  - 04 Stocking Mask
  - 05 Costume Mask
  - 06 Well Dressed
  - 07 Uniform/Fatigue Jkt.
  - 08 Hooded Sweatshirt
  - 09 Handkerchief/Bandanna Over Face
  - 10 Speech Accent \_\_\_\_\_
  - 12 Other \_\_\_\_\_
- Glasses**
- 1 Sunglasses
  - 2 Regular Glasses
- Complexion**
- 4 Acne/Pockmarked
  - 5 Freckled
- Teeth**
- 3 Gold  8 Decayed/Dirty
  - 5 Silver  9 Missing
  - 7 Protruding

BTE 60  
BTE AT 61  
17



# Appendix L

[summary](#) | [pdf](#)**SENATE JOINT RESOLUTION NO. 240**

*Requesting the Virginia State Crime Commission to study drug law enforcement and interdiction.*

Agreed to by the Senate, March 6, 1998

Agreed to by the House of Delegates, March 12, 1998

WHEREAS, drug offenders continue to clog our courtrooms and prisons; and

WHEREAS, despite the best efforts of our law-enforcement community, illicit drugs remain readily available; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Virginia State Crime Commission be requested to conduct a statewide study of drug law enforcement and drug interdiction. The study shall investigate (i) the efficacy of current law enforcement and drug interdiction methods, (ii) the manner and effectiveness of the cooperation among local, state and federal law-enforcement agencies in attempting interdiction, and (iii) the measure of Virginia's success in stemming the flow of illicit drugs into and within the Commonwealth and in enforcing the laws against drug possession and commerce. The Commission shall make recommendations as appropriate.

The Commission shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.



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## 2000 SESSION

ENROLLED

### SENATE JOINT RESOLUTION NO. 124

*Directing the Virginia State Crime Commission to continue its study of law-enforcement efforts generally.*

Agreed to by the Senate, February 11, 2000  
Agreed to by the House of Delegates, March 8, 2000

WHEREAS, law-enforcement efforts are being transformed by technological innovations that are dramatically changing the way that the criminal justice information is collected, stored, and shared, and the means by which patterns of criminal activity are detected, electronically displayed, and analyzed; and

WHEREAS, such technological innovations are a double-edged sword, both expanding the resources available to law-enforcement officials in their fight against crime, and spawning an equal expansion in the nature of crime; and

WHEREAS, crime prevention and detection, as well as the apprehension of criminals, remains an important public safety objective of the Commonwealth's state and local law-enforcement officials; and

WHEREAS, organized criminal enterprises are increasingly sophisticated in their operations, requiring targeted and coordinated law-enforcement efforts to stem all manners of criminal activity generally, and the flow of illicit drugs into and within the Commonwealth, the laundering of proceeds derived from these illegal activities, and the proliferation of prostitution, specifically; and

WHEREAS, despite headlines about falling crime rates, in 1998 there was still one serious crime (e.g., murder/non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny, auto theft) reported for every 28 Virginia citizens, and one violent crime (e.g., murder/non-negligent manslaughter, forcible rape, robbery, aggravated assault) reported for every 310 Virginia citizens; and

WHEREAS, in 1998 the actual number of drug arrests in the Commonwealth was more than three times the number of arrests for all violent offenses, and prosecutions for prostitution (a criminal act that has migrated from large urban and commercial areas of the Commonwealth and recently found its way into the Commonwealth's residential districts) are increasing, continually congesting an already overwhelmed court system and jail population in the Commonwealth; and

WHEREAS, illicit drugs remain readily available, and prostitution continues to be widespread, infecting the Commonwealth's communities, draining community resources, endangering neighborhoods and businesses alike, and devastating families; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Virginia State Crime Commission be requested to continue its study of law-enforcement efforts generally, and drug law enforcement, drug interdiction, and prostitution specifically. The Commission shall investigate (i) the efficacy and current status of criminal justice integrated information networks nationally, in other states, and in the Commonwealth; (ii) the related applicability of geographical information systems; (iii) the potential of criminal justice integrated information networks and geographical information systems to allow for detection and prediction of criminal activity, thereby aiding law-enforcement agencies; (iv) the most effective design, management, and use of all existing multi-jurisdictional task forces; and (v) the extent to which increased communication, cooperation and coordination between state and local law-enforcement agencies can maximize the effectiveness and efficiencies of the Commonwealth's law-enforcement efforts. The Commission shall make recommendations as appropriate.

All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Commission shall complete its work in time to submit its findings and recommendations to the Governor and the 2002 Session of the General Assembly of Virginia as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.