

DEPARTMENT OF TREASURY



DEPARTMENT OF TREASURY

Internal Revenue Service

Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
Drug Resources by Function			
Investigations	55.584	57.252	59.206
Total Drug Resources by Function	\$55.84	\$57.252	\$59.206
Drug Resources by Decision Unit			
Criminal Investigations	55.028	57.252	59.206
Total Drug Resources by Decision Unit	\$55.028	\$57.252	\$59.206
Drug Resources Personnel Summary			
Total FTEs (direct only)	329	329	329
Drug Resources as a Percent of Budget			
Total Agency Budget	\$10,597.065	\$10,892.384	\$11,361.509
Drug Resources Percentage	0.52%	0.53%	0.52%

Program Summary

Mission

The mission of the Criminal Investigation Division (CI) in federal law enforcement's anti-drug efforts is to reduce or eliminate the financial gains (profits) of major narcotics trafficking and money laundering organizations through the use of unique financial investigative expertise and statutory jurisdiction. These efforts support the goals of the *National Drug Control Strategy* and the *National Money Laundering Strategy*.

Budget

Criminal Investigations

**Total FY 2009 Request: \$59.2 million
(Includes +\$1.95 million in program changes)**

The IRS uses their unique financial skills in the investigation of major drug trafficking and money laundering organizations and is a key member of the Organized Crime Drug Enforcement Task Force (OCDETF). In the conduct of OCDETF investigations, IRS uses their expertise

along with authority under the criminal provisions of the Internal Revenue Code (Title 26), the Bank Secrecy Act (Title 31), and the Money Laundering Control Act to investigate the financial operations of these organizations.

With the globalization of the U.S. economy and the increasing use of electronic funds transfers, investigations have become more international in scope. As such, IRS has placed special agents in strategic foreign posts to facilitate the development and use of information in support of drug-related investigations.

The FY 2008 resources of \$57.3 million will continue to support the agency as a member of the OCDETF program.

FY 2009 Program Changes (+\$1.95 million)

The Budget provides for an upward adjustment of \$1.95 million.

IRS Criminal Investigations		
PART Review		
Year of Last Review: 2005	Reviewed as part of CI Program	
Selected Measures of Performance	FY 2007 Target	FY 2007 Achieved
» Number of investigations complete for OCDETF cases.	710	654

Performance

Introduction

This section on the FY 2007 performance of the drug control portion of IRS—Criminal Investigation (CI) division’s portion of the OCDETF program—is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary.

The Criminal Investigation program received a “Moderately Effective” rating from the 2005 PART review—the CI OCDETF program was included in this PART review and not rated separately.

Discussion

Significant accomplishments during FY2007 include the successful investigation and subsequent indictment of five key U.S.-based money remitters who had been transmitting the proceeds of drug trafficking to various Middle East locations. This program effort is part of the larger Operation Somali Express investigation by the New York Organized Crime Task Force.

Program investigations resulted in indictments of 40 individuals with strong links to the “Sin City Mafia” and to Black Mafia Family, the latter being a large-scale cocaine distribution and money laundering organization based in Detroit and operating across the country. Defendants have made plea bargains or been sentenced. They were also ordered to forfeit millions of dollars in drug-related assets.

Other successes include the sentencing of key money launderers through the Operation Black Goblin investigation (by the New York Field Office) as well as through Operation Valley Sweep (out of the Los Angeles Field Office). The latter resulted in the forfeiture of drugs, weapons, and \$1.1 million in assets.

Program investigations established the existence of an extensive money laundering operation in Atlanta and Canada that used domestic and international financial institutions to legitimize illicit funds. The leaders were sentenced for laundering over \$15 million in drug money. Approximately \$2.5 million in cash, real estate, and vehicles have been forfeited to the U.S.