

DEPARTMENT OF THE TREASURY



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Internal Revenue Service

Resource Summary

	Budget Authority (in Millions)		
	FY 2008	FY 2009	FY 2010
	Final	Enacted	Request
Drug Resources by Function			
Investigations	\$57.252	\$59.206	\$60.257
Total Drug Resources by Function	57.252	\$59.206	\$60.257
Drug Resources by Decision Unit			
Criminal Investigations	\$57.252	\$59.206	\$60.257
Total Drug Resources by Decision Unit	57.252	\$59.206	\$60.257

Drug Resources Personnel Summary			
Total FTEs (direct only)	329	329	329
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$ 10.892	\$ 11.523	\$ 12.126
Drug Resources Percentage	0.53%	0.51%	0.50%

Program Summary

Mission

The mission of the Internal Revenue Service's (IRS) 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 Administration and the *National Money Laundering Strategy*.

CI plays a unique role in addressing drug-related crime. The criminal provisions of the Internal Revenue Code (Title 26), the Bank Secrecy Act (Title 31) and the Money Laundering Control Act are particularly useful in the financial investigation (and prosecution) of major narcotics traffickers and money launderers and the seizure and forfeiture of

their profits. CI's international strategy places special agents in strategic foreign posts to facilitate the development and use of information obtained in host nations in support of its investigations. Such information is especially crucial to the success of high-level narcotics and money laundering investigations.

CI supports the overall IRS mission by the investigation of criminal violations under its jurisdiction through three program areas: the Legal Income Source Program, the Illegal Income Source Program, and the Narcotics Program. The Narcotics Program supports the National Money Laundering Strategy through continued support of multi-agency task forces including OCDETF, OCDETF Fusion Center (OFC), High Intensity Drug Trafficking Area (HIDTA), and the High Risk Money Laundering and Financial Crimes Areas (HIFCA).

Budget

Criminal Investigations

**Total FY 2010 Request: \$60.2 million
(Reflects \$1.05 million increase from FY 2009)**

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 2009 resources of \$59.2 million will continue to support the agency as a member of the OCDETF program.

FY 2010 Total Changes (+\$1.05 million):
The Budget provides for a price growth increase of \$1.05 million.

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

Performance

Introduction

This section on the FY 2008 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 OMB review.

IRS Criminal Investigations		
Selected Measures of Performance	FY 2008 Target	FY 2008 Achieved
» Number of investigations completed for OCDETF cases	710	827

Discussion

The Criminal Investigation division focuses its narcotics efforts on high-priority OCDETF cases that yield the highest impact on drug trafficking and money laundering. Out of the 827 OCDETF investigations completed in FY 2008, 88% were convicted. The agency plans to add “conviction rate” to its list of measures for monitoring program performance.

Significant accomplishments during FY 2008 include the successful investigation and indictment of a key trafficker on a variety of drug, money laundering and tax evasion charges. The defendant was sentenced to 130 months in prison. In addition, a monetary judgment was leveled against the defendant ordering him to pay \$5 million to the United States. This monetary amount consisted of \$736,497 in United States currency and the profits from the sale and/or liquidation of several properties the defendant agreed to forfeit.

Other successes include the investigation of a defendant who sold illegal steroids for profit and failed to report the profits from the steroid sales on his income tax returns. Criminal Investigations assisted in the conviction of a defendant on drug and money laundering charges who was sentenced to 240 years in prison. Additional evidence linked the defendant to the murder of an informant. According to court documents, the defendant distributed quantities of controlled substances including cocaine and Oxycodone.

Another example of a narcotics-related investigation success is the sentencing of 10 individuals linked as cocaine suppliers of the

“Gangsta Killa Bloods” street gang. According to court documents, the defendants pleaded guilty to various federal drug, money laundering, firearms, and immigration violations. The sentences the individuals received varied from 6 to 262 months.