

## **RESOLUTION NO. 2014-0176**

Adopted by the Sacramento City Council

June 10, 2014

### **FISCAL YEAR (FY) 2014/15 ASSET FORFEITURE EXPENDITURE MASTER PLAN**

#### **BACKGROUND**

- A. The City of Sacramento Police Department receives a portion of the assets it seizes under the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8 and joint agreements with government agencies.
- B. Depending upon the reason for the forfeiture and the parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed to the following projects: State Asset Forfeiture (SAF) Criminal Profiteering (E11002700), SAF Narcotic Case Assets (E11002800), SAF 15 percent for Drug/Gang Programming, Federal Asset Forfeiture (FAF) Federal Crank Rock Impact Project (CRIP) (E11003100), FAF Department of Treasury (DOT) (E11003200) and FAF Department of Justice (DOJ) (E11003300).
- C. Federal, state and formal agreements govern the administration, budgeting and expenditure of asset forfeiture funding (State of California Health and Safety Code 11469 – 11495 and DOT and DOJ Guides for Equitable Sharing).
- D. Pursuant to City Council direction, the FY 2014/15 Asset Forfeiture Expenditure Master Plan is included as Exhibit A to this resolution.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager, or the City Manager's designee, is authorized to implement the FY2014/15 Asset Forfeiture Expenditure Master Plan (Exhibit A).
- Section 2. The City Manager, or the City Manager's designee, is authorized to adjust the appropriate Police Department Asset Forfeiture project (E11002700, E11002800, E11002900, E11003100, E11003200, E11003300) expense and revenue budgets by \$930,433.

Section 3. The City Manager is authorized to make adjustments to the allocations within the allocation categories approved in the FY 2014/15 Asset Forfeiture Expenditure Master Plan based on operational requirements of the Police Department.

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Exhibit A: FY2014/15 Asset Forfeiture Expenditure Master Plan

Adopted by the City of Sacramento City Council on June 10, 2014, by the following vote:

Ayes: Members Cohn, Fong, Hansen, McCarty, Pannell, Schenirer, and Warren

Noes: None

Abstain: None

Absent: Member Ashby and Mayor Johnson

Attest:

**Shirley A. Concolino**

Digitally signed by Shirley A. Concolino  
DN: cn=Shirley A. Concolino, o=City of Sacramento, ou=City  
Clerk, email=sconcolino@cityofsacramento.org, c=US  
Date: 2014.06.18 13:43:50 -07'00'

Shirley Concolino, City Clerk

## Exhibit A: FY2014/15 Asset Forfeiture Expenditure Master Plan



### **FY2014/15 ASSET FORFEITURE EXPENDITURE MASTER PLAN**

The Sacramento Police Department (SPD) respectfully submits the following annual Asset Forfeiture Expenditure Master Plan (Master Plan). The Master Plan includes an overview, proposed funding plan, funding restrictions and guidelines and a five-year expenditure and revenue history.

#### **OVERVIEW**

Asset forfeiture funds are generated by the SPD as a result of the department's participation in the seizure or forfeiture of tangible property or cash resulting from successful investigations. The asset forfeiture program is regulated by the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8, and joint agreements with government agencies. Depending upon the reason for the forfeiture and parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed into Externally Funded Projects (EFPs).

In general, Federal and State regulations require that asset forfeiture funding be used by law enforcement agencies for law enforcement purposes, and prohibit funds from being used to supplant funds that would otherwise be made available to programs. In addition, guidelines specifically prohibit projecting revenue from forfeiture property until the funds are awarded. Specific details on the regulations pertaining to the expenditure of asset forfeiture funds are provided below.

#### **PROPOSED EXPENDITURE PLAN**

As of March 25, 2014, the SPD has received an additional \$930,433 in asset forfeiture revenues and interest earnings since the approval of the previous Master Plan. This additional revenue brings the total asset forfeiture balance to \$1,454,010.

Below is a summary of previously appropriated balances and additional revenues received since approval of the previous Master Plan.

Project Name/Number	Fund	Remaining Balances Approved in Previous Master Plan (\$)	Funding Received Since Approval of Previous Master Plan (\$) *	Total (\$)
State Asset Forfeiture Criminal Profiteering E11002700	2703	-	840	<b>840</b>
State Asset Forfeiture ** Narcotics Assets E11002800	2703	126,718	335,157	<b>461,875</b>
State Asset Forfeiture ** 15% for Anti-Drug/Gang Education E11002900	2703	296,737	64,790	<b>361,527</b>
Federal Asset Forfeiture CRIP E11003100	2703	31	20	<b>51</b>
Federal Asset Forfeiture U.S. Department of the Treasury E11003200	2703	83,274	376,699	<b>459,973</b>
Federal Asset Forfeiture U.S. Department of Justice E11003300	2703	16,817	152,927	<b>169,744</b>
<b>Total</b>		<b>523,577</b>	<b>930,433</b>	<b>1,454,010</b>

*\*Includes interest earned.*

*\*\* 15% for Anti-Drug/Gang education formula:*

*15% for Anti-Drug/Gang Education - \$55,536*

*85% for state asset forfeiture - \$314,702*

*Total state asset forfeiture without interest - \$370,238*

The SPD proposes that available funding be allocated for the following purposes.

Allocation Category	Remaining Balances Approved in Previous Master Plan (\$)		Funding Received Since Approval of Previous Master Plan (\$)	Total (\$)
	Obligated	Unobligated	New Funding	
Replacement and Repair of Specialized Vehicles and Aircraft	-	213,653	286,347	<b>500,000</b>
Safety Equipment for Front-Line Law Enforcement (e.g., Weapons and Ammunition)	8,308	-	220,145	<b>228,453</b>

Technology Improvements for Front-Line Law Enforcement (e.g., In-car Computers and Cameras)	-	-	125,579	<b>125,579</b>
Support for Specialized Programs, Investigations, and Operations (e.g., Neighborhood Watch Program, Informant Pay and Equipment)	-	-	228,452	<b>228,452</b>
Administration of Asset Forfeiture Program (e.g., Towing of Seized Vehicles)	4,880	-	5,120	<b>10,000</b>
Anti-Drug/Gang Education Programming (State Asset Forfeiture – 15% for Drugs/Gang Prevention)				
Sacramento Police Foundation – Magnet Academy	30,503	22,551	22,294	<b>75,348</b>
Kops-N-Kids Summer Camp	5,491	3,316	3,028	<b>11,835</b>
Sacramento Police Activities League	60,392	37,584	10,000	<b>107,976</b>
Boys & Girls Clubs of Greater Sacramento	22,228	15,590	10,092	<b>47,910</b>
SCUSD – Men’s Leadership Academy	30,000	11,275	6,055	<b>47,330</b>
Cadet Program	33,000	24,806	13,321	<b>71,127</b>
<b>Total</b>	<b>194,802</b>	<b>328,775</b>	<b>930,433</b>	<b>1,454,010</b>

Following is a description of each of the proposed allocations:

**Replacement and Repair of Specialized Vehicles and Aircraft** - The SPD proposes to allocate \$500,000 for the replacement and repair of SPD’s specialized vehicles and aircraft (three helicopters and one fixed wing aircraft). The SPD currently does not have any dedicated local funds to replace and overhaul its fleet of aircraft, and to conduct regular inspections and repairs. This funding will help ensure the proper and long-term operation of the air operations program.

**Safety Equipment for Front-Line Law Enforcement** - The SPD proposes to allocate \$228,453 for the purchase of safety equipment for front-line law enforcement purposes. Examples of anticipated requirements include weapons, ammunition and Tasers.

**Technology Improvements for Front-Line Law Enforcement** - The SPD proposes to allocate \$125,579 for the purchase of technology improvements to support front-line law enforcement operations. Examples of anticipated requirements include in-car computers, in-car cameras, and electronic citation equipment.

**Support for Specialized Programs, Investigations and Operations** – The SPD proposes to allocate \$228,452 to support specialized programs, investigations and operations. For example, this funding will be used for informant pay and the purchase of specialized equipment for the Special Weapons and Tactics (SWAT) Team, K-9 Unit, Gang Enforcement Team (GET), and Neighborhood Watch program.

**Administration of Asset Forfeiture Program** – The SPD proposes to allocate \$10,000 for the administration of the asset forfeiture program. This allocation will primarily fund the cost to tow seized vehicles.

**Anti-Drug and Gang Prevention and Intervention Programming** – The SPD proposes to allocate the remaining balance of \$361,526 to provide funding for anti-drug and gang education programs as required by the State of California Health and Safety Code Section 11489. Each of the identified programs is geared toward high-risk elementary and high school students. These programs also include drug abuse and gang activity education and have a proven track record of success. In addition, all of the programs are collaborative and involve partnerships with educators, parents, sworn law enforcement officers, and local businesses.

Of the \$361,526 in available funding, \$181,614 is currently under formal agreement and approved by the program panel. The remaining balance of \$179,912 is proposed to be allocated to provide continued support for these programs. The following is a summary of each program:

**Sacramento Police Foundation (Criminal Justice Magnet Academy)** – The Sacramento Police Foundation is an independent 501(c)(3) charitable, non-profit organization that provides an opportunity for citizens and businesses to assist in providing resources and programs that will help prevent and reduce crime while developing stronger relationships with the community. The Sacramento Police Foundation provides support to the Criminal Justice Magnet Academies in operation at John F. Kennedy, C.K. McClatchy, Hiram W. Johnson and Grant Union High Schools.

The Criminal Justice Magnet Academy is a four-year program (9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> grades) structured as a “school within a school.” These academies serve approximately 525 students per year and operate within a close family-like atmosphere, integrating academic and career technical education. The academy curriculum is law enforcement focused, coordinated with related academic classes and includes lessons on the dangers of drug abuse and gang involvement. In addition to the Sacramento Police Foundation, the Academies are operated in partnership with the State Department of Education, Sacramento City Unified School District, Twin Rivers School District, Closing the Gap (Non-Profit 501(C)(3)), RCA Foundation, Golden Pacific Bank, and the Target Foundation. The Criminal Justice Magnet Academy has a proven track record of success that includes a 100 percent graduation rate and a 98 percent college entrance rate.

**Kops-N-Kids (Summer Camp)** – For the past 27 years, the Kops-N-Kids organization (Non-profit

501(C)(3)) has partnered with local, state and federal law enforcement agencies, local fire departments, educators, parents, local businesses and community volunteers to provide a week-long summer day camp for high-risk elementary and high school students in the Sacramento area. The Kops-N-Kids Summer Camp features curriculum in gang resistance, drug awareness, and violence prevention. Approximately 350 kids have attended the camp each year.

**Sacramento Police Activities League (SacPAL)** – SacPAL is a 501(c)(3) non-profit organization that serves approximately 325 high-risk elementary and high school students each year by teaching positive citizenship principles through anti-drug and gang education, and recreational and civic programs. The organization consists of SPD officers and community members, and partners with the City of Sacramento Parks and Recreation Department, Sacramento City Unified School District, Sacramento County Probation, Sacramento Housing and Redevelopment Agency, Kops-N-Kids (non-profit 501(c)(3)), Boys and Girls Club, Salvation Army, Positive Coaching Alliance, and local businesses. The programs administered by SacPAL include Spartan Rugby Team, mountain biking, martial arts, teen nights, fishing derbies and fitness camps.

**Boys & Girls Clubs of Greater Sacramento** – The Boys & Girls Club of Greater Sacramento has a long-standing history of contributing to the growth and positive development of high-risk secondary and high school students in the Sacramento area. The Boys & Girls Club provides youth with a safe environment to participate in positive activities while instilling a sense of competence, usefulness and belonging. The Boys & Girls Club works in partnership with SPD, SacPAL, the Sacramento City Unified School District, and Sacramento County Probation to provide a location for a weekly Teen Night at “The Club.” The Boys & Girls Club provides staffing and a facility for approximately 50 students to play basketball, video games, arts and crafts and dance while learning about the dangers of gangs and drug abuse. In addition, the Boys & Girls Club partners with the SPD to provide an internship program for high school students during the summer months.

**Sacramento City Unified School District (Men’s Leadership Academy)** – The Men’s Leadership Academy is administered by the Sacramento City Unified School District. This Academy is offered during the school day to high-risk high school students. Through service learning and a multi-cultural curriculum, the program provides students with the tools to succeed, including teamwork, leadership, life skills, drug and gang education, problem-solving, and resiliency skills. The academy partners with teachers, students, parents, local businesses, and SPD to provide encouragement needed for these teens to complete high school and enroll in college. This program currently operates out of C.K. McClatchy High School and American Legion High School, and serves approximately 35 students each year. Students attending the program have markedly improved grade point averages and behavior.

**Cadet Program** – The SPD, in partnership with local non-profits and businesses, will re-establish a Cadet Program for high-risk teenagers and young adults, 14-21 years of age. The Cadet Program includes a curriculum that prepares youth for a future in law enforcement or other

community service-based careers. The program serves to educate participants on the various aspects of the Sacramento Police Department as well as the criminal justice system, community oriented policing, and other law enforcement-related subjects. Additional life building skills such as drug and gang education, public speaking, resume building, grooming standards, work ethic, and teamwork complete the curriculum. Cadets will be expected to perform community service in the Sacramento area which may include assisting with traffic control, security, decoy operations, and fingerprinting. The asset forfeiture funding will only provide support for teenagers, ages 14-18, participating in the program. Funding for young adults participating in the program will come from alternative sources.

## **PROJECT DESCRIPTIONS AND GUIDELINES**

Depending upon the reason for forfeiture and parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed to the following projects:

### **State Asset Forfeiture**

- Criminal Profiteering (E11002700)
- Narcotic Case Assets (E11002800)
- 15 Percent for Drug/Gang Programming (E11002900)

### **Federal Asset Forfeiture**

- Federal Crank Rock Impact Project (CRIP) (E11003100)
- Department of Treasury (DOT) (E11003200)
- Department of Justice (DOJ) (E11003300)

Following is a description of each of the funds along with

### **State Asset Forfeiture - Criminal Profiteering (E11002700)**

In accordance with State of California Penal Code Section 186 – 186.8, and subsequent memorandum of understanding with the Sacramento County District Attorney, all property forfeited under the provisions of this code shall be distributed 50 percent to the Sacramento District Attorney and 50 percent to the seizing agency. Prior to the distribution, the seizing agency and the District Attorney can recoup from the forfeited funds any reasonable and necessary expenses incurred in the investigation of the crime. This funding is expended based on the policy guidance in City Council Resolution 90-271.

### **State Asset Forfeiture - Narcotic Case Assets (E11002800)**

Funding received by the City of Sacramento from the State of California, pursuant to California Health and Safety Code, Section 11469 – 11495, is deposited into this project. This project



accounts for forfeiture funding received whenever the SPD is involved in state asset forfeitures from convicted drug law violators. The intent of this code is to remove the tools and profits from those engaged in the illicit drug trade. The SPD is permitted by California Health and Safety Code Section 11489 to use the proceeds to purchase safe, more effective equipment that would otherwise not be funded.

#### **Guidelines for Use**

- Funding must be used to support law enforcement efforts (11489(d)).
- Funding shall not be used to replace or supplant local resources (11489(d)).
- No sworn law enforcement officer's employment or salary shall be made to depend upon the level of forfeitures (11469(b)).
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits (11469(h)).

#### **State Asset Forfeiture – 15 Percent for Drug/Gang Education Programming (E11002900)**

In accordance with California Health and Safety Code, Section 11489, 15 percent of funds distributed to the State Narcotics Case Assets Project (E11002800) are deposited into the State 15 Percent for Drug/Gang Education Programming Project (E11002900). This funding must be used for programs designed to combat drug abuse and divert gang activity.

All expenditures must also be approved by a panel consisting of the Chief of Police, Sacramento County Sheriff, Sacramento County District Attorney, and Sacramento County Chief Probation Officer.

#### **Guidelines for Use**

- Funding shall not be used to replace or supplant local resources (11489(d)).
- No sworn law enforcement officer's employment or salary shall be made to depend upon the level of forfeitures (11469(b)).
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits.
- Funding can only be used for programs designed to combat drug abuse and divert gang activity.
- Programs shall, wherever possible, involve educators, parents, community-based organizations, local businesses, and uniformed law enforcement officers.
- Programs evaluated as successful shall be given priority.
- Programs must cause the development and continuation of positive intervention programs for high-risk elementary and secondary school-age students.
- Local law enforcement must work in partnership with state and local agencies, and the private sector in administering the programs.

- Distribution of funding must be approved by a panel consisting of the Chief of Police, Sacramento County Sheriff, Sacramento County District Attorney, and the Sacramento County Chief Probation Officer.

### **Federal Asset Forfeiture – CRIP (11003100)**

This asset forfeiture program is no longer active but there is a remaining fund balance. This project was a joint program between the SPD, Sacramento Sheriff's Department, and the Sacramento County Probation Department. The remaining fund balance will be expended during FY2013/14 according to applicable federal guidelines and City Council Resolution 90-271.

### **Federal Asset Forfeiture - DOT (E11003200)**

The authority for the DOT to share federal forfeited property and funding with participating federal, state and local law enforcement agencies is established by federal law (18 U.S.C. § 981(e), 19 U.S.C. § 1616a(c) and 31 U.S.C. §§ 9703 (a)(1)(G) and 9703(h)). The sharing of property and funding is discretionary.

The four primary goals of the DOT's asset forfeiture program are:

- Deprive criminals of property used in or acquired through illegal activities.
- Encourage joint operations among federal, state and local law enforcement agencies, as well as foreign countries.
- Protect the rights of the individual.
- Strengthen law enforcement.

### **Guidelines for Use**

Permissible use for this funding is outlined in the DOT's *Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies* (<http://www.treasury.gov/resource-center/terrorist-illicit-finance/Asset-Forfeiture/Documents/greenbook.pdf>). This funding can only be used for law enforcement purposes and the DOT will terminate the sharing of asset forfeiture funds with any law enforcement agency that does not directly benefit from these funds.

Examples of permissible use include:

- Activities that enhance investigations.
- Law enforcement training.
- Law enforcement equipment.

- Law enforcement facilities.
- Awards and memorials.
- Anti-Drug education and awareness programs administered by law enforcement.
- Matching funds for law enforcement grants.
- Pro rata sharing of citywide purchases that support law enforcement activities.
- Asset forfeiture accounting and tracking.

Examples of impermissible use include:

- Salaries and benefits for current, permanent law enforcement personnel
  - Exceptions include overtime for officers and investigators, first-year salary of a new law enforcement position, contractual appointments not exceeding one year, and officers assigned to pre-approved specialized programs that do not generally involve traditional law enforcement functions.
- Payment of salaries for existing positions.
- Use of forfeited property by non-law enforcement personnel.
- Payment of non-law enforcement expenses.
- Use contrary to laws of the state or local jurisdiction.
- Non-official government use of shared assets.
- Purchases of food and beverages.
- Extravagant expenditures.

General guidance:

- Funding must not be used to replace or supplant local resources.
- Interest income on funding is subject to the same guidelines outlined above.
- Anticipated funding should not be budgeted.
- Funding should not be retained unnecessarily.
- All interest earnings must remain in the project.

### **Federal Asset Forfeiture - DOJ (E11003300)**

Federal law allows the DOJ to share federally forfeited property with participating local law enforcement agencies (21 U.S.C § 881(e)(1)(A) and (e)(3), 18 U.S.C. § 981(e)(2), and 19 U.S.C. § 1616a). This authority is discretionary and not required.

The DOJ's primary objective with this program is to support law enforcement. This program is designed to enhance law enforcement objectives by creating cooperation among federal, state and local law enforcement agencies.

### **Guidelines for Use**

Permissible use for this funding is outlined in the DOJ's *Guide to Equitable Sharing for State*

*and Local Law Enforcement Agencies*

(<http://www.justice.gov/usao/ri/projects/esguidelines.pdf>). The DOJ will terminate the sharing of asset forfeiture funds with any law enforcement agency that does not directly benefit from these funds.

Examples of permissible use include:

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- Law enforcement training.
- Law enforcement equipment.
- Law enforcement facilities.
- Awards and memorials.
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- Matching funds for law enforcement grants.
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- Interest income on funding is subject to the same guidelines outlined above.
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- Funding should not be retained unnecessarily.
- All interest earnings must remain in the project.

## FIVE-YEAR REVENUE AND EXPENDITURE HISTORY

Fund: 2703 – Externally Funded Program

Projects: E11002700, E11002800, E11002900, E11003100, E11003200, E11003300

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14 (As of 03.25.2014)
<b>BEGINNING FUND BALANCE</b>	<b>2,857,116</b>	<b>2,827,638</b>	<b>3,438,371</b>	<b>3,331,903</b>	<b>931,767</b>	<b>1,274,875</b>
<b>REVENUES &amp; INTEREST</b>	<b>386,824</b>	<b>697,299</b>	<b>414,233</b>	<b>396,527</b>	<b>471,104</b>	<b>346,926</b>
<b>EXPENDITURES</b>						
Administration and Prior Year Adjustments	14,431	9,860	(17,303)	6,960	5,904	564
Air Operations Support	290,865	28,608	157,658	12,771	16,949	9,077
Drug/Gang Education Programs	17,885	19,598	9,431	111,375	41,194	35,229
Informant Pay	38,004	14,053	2,814	-	13,301	1,300
NextGen Project (In Car Camera and Computer System)	-	-	-	2,641,069	23,783	-
Safety Equipment	8,852	6,157	348,399	9,913	26,865	110,844
Support for Specialty Units	1,706	-	272	14,575	-	6,217
Technology Improvements	43,346	290	18,621	-	-	4,312
Training	1,213	8,000	809	-	-	248
<b>TOTAL EXPENDITURES</b>	<b>416,302</b>	<b>86,566</b>	<b>520,701</b>	<b>2,796,663</b>	<b>127,996</b>	<b>167,791</b>
<b>ENDING FUND BALANCE</b>	<b>2,827,638</b>	<b>3,438,371</b>	<b>3,331,903</b>	<b>931,767</b>	<b>1,274,875</b>	<b>1,454,010</b>