

2017

Asset Forfeiture Report

(Covers Feb. 1, 2016 thru Dec. 31, 2016)



Grants and Community Services Division
Byrne JAG Section

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STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
LANSING

RICK SNYDER
GOVERNOR

COL. KRISTE KIBBEY ETUE
DIRECTOR

June 30, 2017

Mr. Jeff Cobb
Secretary of the Senate
Michigan Senate
P.O. Box 30036
Lansing, Michigan 48909

Mr. Gary Randall
Clerk of the House
Michigan House of Representatives
P.O. Box 30014
Lansing, Michigan 48909

Dear Mr. Cobb and Mr. Randall:

I am pleased to present to the Michigan Legislature the 24th annual Asset Forfeiture Report. Michigan's asset forfeiture laws provide for the seizure of cash and property assets of drug traffickers and other criminal organizations when that property is obtained through illegal activity. The report this year is the first to be submitted as required by The Uniform Forfeiture Reporting Act, 2015 PA 148, which became effective February 1, 2016.

The act repealed the prior asset forfeiture reporting requirements and requires submission of a summary to the Michigan Department of State Police of the reporting agency's activities regarding forfeiture of property under the following sections of law: Public Health Code – MCL 333.7521 – MCL 333.7533 (Controlled Substances), the Identity Theft Protection Act – MCL 445.79d, Revised Judicature Act of 1961– MCL 600.4701 – 600.4709 (Omnibus), and Revised Judicature Act of 1961 - MCL 600.3801 – 600.3840 (Public Nuisance). Additionally, the type of information to be reported for each seizure and forfeiture of property was expanded to provide for greater transparency regarding the government seizure of private property.

This report covers the period from the act's effective date through December 31, 2016. Beginning in 2017, reporting will be submitted based upon the calendar year. Over \$12 million in cash and assets amassed by drug traffickers was forfeited. Extensive multi-agency coordination is evident in this report and, as a result, considerable assets were obtained through the joint enforcement efforts of agencies at the federal, state, and local levels.

Asset forfeiture funds were used to enhance law enforcement by providing resources for equipment, personnel, vehicles, training, and supplies. Assets seized pursuant to this program also allowed some agencies to contribute monies to non-profit organizations that assist in obtaining information from citizens for solving crimes.

I commend our law enforcement community for the tremendous job they have done and submit this report for your information and review.

Sincerely,

DIRECTOR

FOREWORD

This is the 24th annual Asset Forfeiture Report, however, it is the first of its kind under the Uniform Forfeiture Reporting Act. Effective February 1, 2016, 2015 PA 148, created the Uniform Forfeiture Reporting Act that repealed prior forfeiture reporting requirements under the Public Health Code and mandated forfeiture reporting requirements under four sections of law: Public Health Code – MCL 333.7521 – MCL 333.7533 (Controlled Substances), the Identity Theft Protection Act – MCL 445.79d, Revised Judicature Act of 1961– MCL 600.4701 – 600.4709 (Omnibus), and Revised Judicature Act of 1961 - MCL 600.3801 – 600.3840 (Public Nuisance).

This report is a compilation of Reporting Agency's Government Asset Forfeiture Report online submissions by Michigan law enforcement agencies, prosecutors, counties, townships, cities, and villages to the Michigan State Police (MSP), Grants and Community Services Division (GCSD), Byrne Justice Assistance Grant (Byrne JAG) Section. As a result of the expanded inventory requirements under the new act, an additional 5,290 forfeited property records (10,580 printed pages) of data were submitted to the MSP over previous report years. All of the records submitted will be maintained in our database, however, their content is summarized for brevity.

Of the 1,343 Reporting Agency's Government Asset Forfeiture Reports submitted to the MSP, 304 law enforcement agencies reported receiving funds from asset forfeiture during this reporting period. More than \$15.2 million in cash and property was seized during this reporting period pursuant to the Uniform Forfeiture Reporting Act or federal law.

Collaboration and coordination are hallmarks of Michigan's effort to overcome drug trafficking and other criminal activity in our communities. A significant portion of the assets seized was obtained as a result of local, state, and federal agencies working together. Michigan's multijurisdictional task forces are a good example of coordinated regional law enforcement aimed at dangerous criminals.

SCOPE OF THE REPORT

The Uniform Forfeiture Reporting Act defines “reporting agency” to mean one of the following: (i) If property is seized by or forfeited to a local unit of government, that local unit of government means a village, city, township, or county. (ii) If property is seized by or forfeited to the State of Michigan, the state department or agency effectuating the seizure or forfeiture is the reporting agency. “Local unit of government” means a village, city, township, or county. Asset forfeiture reporting submissions were solicited from every unit of government in the State of Michigan.

Section I: Identification

The following tables provide information regarding the types of agencies that were requested to submit an asset forfeiture report and the responses received from that request:

Agencies	Agencies Submitting a Report Including Asset Forfeitures	Agencies Submitting a Report With <u>NO</u> Asset Forfeitures	Agencies That <u>DID NOT</u> Submit a Report
Local Police Agencies (470)	186	284	0
Multijurisdictional Task Forces (30)	29	1	0
MSP (1)	1	0	0
Sheriff’s Offices (83)	43	40	0
Prosecuting Attorneys (83)	7	76	0
Total	266	401	0

Added Reporting Agencies	Agencies Submitting a Report	Agencies Submitting a Report With <u>NO</u> Asset Forfeitures
Counties	8	8
Townships	524	524
Cities	37	37
Villages	38	38
Departments of State Government	3	3
Total	610	610

Note: Many local units of government maintain their own police agency or contract for police services. Therefore, the police agency executes and reports asset forfeitures on behalf of the unit of government.

Section A: Number of Forfeiture and Public Nuisance Proceedings
MCL 28.112(1)(a) – (f)

Proceedings	Forfeiture and Public Nuisance Proceedings
1,083	A1. Forfeiture Proceedings Instituted in Circuit Court
388	A2. Forfeiture Proceedings Concluded in Circuit Court
303	A3. Forfeiture Proceedings Pending in Circuit Court
4,784	A4. Forfeitures Effectuated Without a Forfeiture Proceeding in Circuit Court
2,464	A5. Forfeiture Proceedings Concluded by Agreement
553	A6. Public Nuisance Proceedings

Section B: Inventory of Property Received by the Reporting Agency
MCL 28.112(1)(g)

This table includes all items seized, or seized and forfeited, during the reporting period.

Units	Inventory of Property Received
8	B1. Residential Real Property: Number of residential real property units received
0	B2. Industrial or Commercial Real Property: Number of units received
0	B3. Agricultural Real Property: Number of units received
15,288,514	B4. Money: Dollar amount of all money received
276	B5. Negotiable Instruments and Securities: number of units seized
806	B6. Weapons: Number of weapons received
2,037	B7. Motor Vehicles and Other Conveyances: Number of units received
15,160	B8. Other Personal Property of Value: Number of other items of value seized

Section C: Description of Property
MCL 28.112(1)(h)

Each property inventoried in Section B that has been finalized for purposes of appeal is further described in the tables that follow. Requirements C1-C4 are on file in the database but represent over 5,000 unique entries which are not conducive to summarization.

- C1. Case number or other number assigned by the reporting agency that identifies the forfeiture.
- C2. Description of the property (e.g., residential real property address; legal description of agricultural property; vehicle identification number; make, model, and serial number of a firearm).
- C3. Date the property was seized.
- C4. Date the property was ordered forfeited or disposed of.
- C5. Final disposition of property.
- C6. Estimated value of the property.

Items	Disposition of Property Received	Value of Property Received
168	Destroyed	\$12,475
29	Donated	\$26,150
3,108	Retained by agency	\$6,562,859
439	Sale pending	\$282,471
1,431	Sold	\$1,291,969
115	Dispositions not answered	\$339,641

Note: Some reporting agencies' inventory reports were incomplete and were returned to those reporting agencies for correction. Corrected inventory reports have not been returned and are, therefore, not included in the table above. Net proceeds of those agencies are, however, included in Section D below.

- C7. The violation or nuisance alleged to have been committed for which forfeiture is authorized.

Asset Forfeitures by Section of Law

Section of Law	Number of Forfeitures
Public Health Code – MCL 333.7521 – 333.7533 (Controlled Substances)	4,955
Identity Theft Protection Act – MCL 445.79d (Identity Theft)	66
Revised Judicature Act of 1961 – MCL 600.3801 – 600.38340 (Public Nuisance)	139
Revised Judicature Act of 1961 – MCL 600.4701 – 600.4709 (Omnibus)	102
No Answer/Not Identified	28

Asset Forfeitures by Specific Violations

Instances	Specific Violation of Public Health Code
21	333.74012A1 - Controlled substance - Delivery/manufacture - Narcotic or cocaine 1000 or more grams
205	333.74012A2 - Controlled substance - Delivery/manufacture - Narcotic or cocaine 450 to 999 grams
51	333.74012A3 - Controlled substance - Delivery/manufacture - Narcotic or cocaine 50 to 449 grams
205	333.74012B-A - Controlled substance - Delivery/manufacture - Schedules 1,2, and 3 except marihuana and cocaine
5	333.74012B-B - Controlled substance - Delivery/manufacture - Substance added to Schedules 1,2, & 3 by Board of Pharmacy rule
14	333.74012C-A - Controlled substance - Delivery/manufacture - Schedule 4
5	333.74012B-B - Controlled substance - Delivery/manufacture - Substance added to Schedules 1,2, & 3 by Board of Pharmacy rule
14	333.74012C-A - Controlled substance - Delivery/manufacture - Schedule 4
5	333.74012D - Controlled substance - Delivery/manufacture - Schedule 5
157	333.74012D11 - Controlled substance - Delivery/manufacture 5 to 45 kilograms of marihuana or 20 to 200 plants
824	333.74012D3 - Controlled substance - Delivery/manufacture marihuana
9	333.74012F - Prescription forms - Manufacture/deliver
143	333.7401A - Controlled substance - Delivery to commit criminal sexual conduct
2	333.7401B3A - Controlled substance - Delivery/manufacture - GBL
6	333.7401C2A - Controlled substance - Operating/maintaining a laboratory
18	333.7401C2F - Controlled substance - Operating/maintaining a laboratory involving methamphetamine
12	333.74022A - Controlled substance - Creation/delivery counterfeit substance - Narcotic/methamphetamine/ecstasy
9	333.74022B - Controlled substance - Creation/delivery of counterfeit substance - Schedule 1,2, or 3
1	333.74022C - Controlled substance - Creation/delivery of counterfeit substance - Schedule 4
16	333.74022E - Controlled substance - Creation/delivery of an analogue
21	333.74032A1 - Controlled substance - Possession of cocaine, heroin or another narcotic - 1000 or more grams
4	333.74032A2 - Controlled substance - Possession of cocaine, heroin, or another narcotic - 450 to 999 grams
17	333.74032A3 - Controlled substance - Possession of cocaine, heroin, or another narcotic – 50 to 449 grams

Instances	Specific Violation of Public Health Code (Cont'd.)
32	333.74032A4 - Controlled substance - Possession of cocaine, heroin, or another narcotic - 25 to 49 grams
897	333.74032A5 - Controlled substance - Possession of cocaine, heroin or another narcotic - Less than 25 grams
187	333.74032B1 - Controlled substance - Possession of methamphetamine/ecstasy
343	333.74032B-A - Controlled substance - Possession of analogues
24	333.74032B-B - Controlled substance - Possession substance added to Schedules 1,2,3, or 4 by Board of Pharmacy rule
14	333.74032C-A - Controlled substance - Possession of Schedule 5 or LSD, peyote, mescaline, psilocybin, etc.
2	333.74032C-B - Controlled substance - Possession substance added to Schedule 5 by Board of Pharmacy Rule
477	333.74032D - Controlled substance - Possession of marihuana
4	333.74032F - Prescription forms - Possession
2	333.74042A - Controlled substance - Use of narcotic/cocaine/methamphetamine/ecstasy
15	333.74042B - Controlled substance - Use
1	333.74042C - Controlled substance - Use of Schedule 5 or LSD, peyote, mescaline, psilocybin, etc.
6	333.74042D - Controlled substance - Use of marihuana
1	333.7405B - Controlled substance - Manufacture/distribute outside license
66	333.7405D - Controlled substance - Maintaining a drug house
1	333.74071B - Controlled substance - Use of a fictitious license number
9	333.7407A1-A - Controlled substance - Attempt - Felony
2	333.7407A1-C - Controlled substance - Attempt - Misdemeanor
2	333.7407A-C - Controlled substance - Inducing person to violate - Misdemeanor
7	333.74102-A - Controlled substance - Delivery on school property - Narcotic or cocaine - Less than 50 grams
1	333.74103 - Controlled substance - Possession with intent to deliver on school property - Narcotic or cocaine - Less than 50 grams
1	333-74101-A - Controlled substance - Delivery to minor - Narcotic or cocaine - less than 50 grams

Instances	Specific Violation of Public Health Code (Cont'd.)
1	333.7340A - NPLEX violation
2	333.7340C - Ephedrine/pseudoephedrine - Purchase/possess to make methamphetamine
315	Not Answered/Left Blank as unspecified violations of the public health code.

Instances	Specific Identity Theft Violations
36	445.65 - Identity Theft
13	445.65-A - Identity Theft - Second offense
8	445.67-A - Personal identifying information - Obtain/possess/transfer with intent to commit identity theft - Second offense
9	Unspecified/unanswered violations of Identity Theft Protection Act - MCL 445.79d

Instances	Specific Nuisance Violations
40	Property was used by, or kept for the use of prostitutes or other disorderly persons
1	Property was used for conduct prohibited by MCL 750.462a to MCL 750.462h - Human trafficking
84	Property was used for the purpose of lewdness, assignation, prostitution, or gambling
10	Property was used for the unlawful manufacture, transporting, sale, keeping for sale, bartering, or furnishing of vinous, malt, brewed, fermented, spirituous, or intoxicating liquors or mixed liquors or beverages, any part of which is intoxicating
1	Property was used to facilitate armed violence in connection with the unlawful use of a firearm or other dangerous weapon.

Instances	Specific Violations of Omnibus Act
2	750.110 - Breaking and entering - A building with intent
13	750.110A3 - Home invasion - Second degree
20	750.145C3 - Child sexually abusive activity - Distributing or promoting
12	750.145C4-A - Child sexually abusive material – Possession
3	750.145D2F - Computers - Internet - Communicating with another to commit crime - 15 years or more or life

Instances	Specific Violations of Omnibus Act (Cont'd)
6	750.157R - Financial transaction device - Forgery, alteration, or counterfeiting
3	750.2184A - False pretenses - \$1,000.00 or more but less than \$20,000.00
4	750.224F - Weapons - Firearms - Possession by felon
4	750.274 - Fraud - Purchasing/collecting on fraudulent financial document
2	750.3564A - Larceny - \$200.00 or more but less than \$1,000.00
1	750.459 - Prostitution/transporting person
1	750.529 - Robbery - Armed
13	750.5353A - Stolen property - Receiving and concealing - \$1,000.00 or more but less than \$20,000.00
3	752.7973A - Computers - Using to commit a crime - 1 year or less
12	Unspecified/unanswered violations classified as Omnibus Act.

Instances	Other Database Entries
28	Entries with no violation entered for the reported seizure

C8. Whether any person was charged with the violation for which the forfeiture was authorized. If yes, whether that person was convicted, not convicted, or the charge is still pending.

Number	Charged, if yes Convicted?
523	Not charged with a violation for which forfeitures were authorized*
1,547	Charged with a violation - Charges Still Pending
2,490	Charged and Convicted for Violation for which Forfeiture was Authorized
196	Charged but not Convicted for Violation for which Forfeiture was Authorized
449	Charged but Conviction Status Not Answered in Survey
85	Neither Charge or Conviction Status Answered in Survey

Note: Many persons accused of crimes cooperated with authorities, resulting in criminal charges not being pursued. This category will be added next year for tracking.

C9. Whether any person claimed an interest in the property and the number of claimants to the property.

Number	Number of Persons Claiming an Interest in the Property
3,893	0 Persons Claimed an Interest in the Property
1,233	1 Person Claimed an Interest in the Property
65	2 Persons Claimed an Interest in the Property
7	3 Persons Claimed an Interest in the Property
9	4 Persons Claimed an Interest in the Property
83	Not Answered

C10. Whether the forfeiture resulted from an adoptive seizure.

Number	Did the Forfeiture Result from an Adoptive Seizure
382	Yes
4,750	No
159	Not Answered

C11. Whether the property was seized pursuant to a search warrant, arrest warrant, or search incident to arrest.

Number	Search Warrant, Arrest Warrant, or Search Incident to Arrest
1,623	Search Warrant
161	Arrest Warrant
3,081	Search Incident to Arrest
418	Not Answered

C12. Whether a controlled substance was found in the course of the investigation that resulted in the forfeiture of the property.

Number	Controlled Substance Found in the Course of the Investigation
4,903	Yes
362	No
26	Not Answered

Section D: Net Total Proceeds
MCL 28.112(1)(i)

Report the net total proceeds of all property forfeited through actions instituted by the reporting agency that the reporting agency is required to account for and report to the state treasurer.

Amount	Net Total Proceeds
\$12,279,654	Net Total Proceeds Reported to MSP for February 1, 2016, thru December 31, 2016

Note: This report includes only the net proceeds of property that was seized on or after the effective date of the act and forfeited during the reporting period.

Section E: Forfeiture Proceedings under the Public Health Code
MCL 28.112(1)(j)(i)

The reporting agencies were requested to report the use of asset forfeiture funds as a percentage of the agency’s total expenditures of asset forfeiture funds in 13 broad categories: personnel, overtime, vehicles, equipment, federal grant match, informant fees, buy money, training, crime prevention and public outreach, animal expenses, supplies and materials, non-profit organizations, and other expenses.

Expenditures of Funds	
Category	Percentage
Personnel	10%
Overtime	3%
Vehicles	7%
Equipment	30%
Federal Grant Match	2%
Informant Fees	2%
Buy Money	4%
Training	7%
Crime Prevention/Public Outreach	3%
Animal Expenses	4%
Supplies and Materials	7%
Shared with Other Agency	5%
Non-profit Organizations	2%
Other	14%
TOTAL	100%

The following are examples of reported expenditures by category:

Personnel: Asset forfeiture funds are used to fund community policing officers, multijurisdictional drug team personnel, local and county agency drug team personnel, and civilian personnel.

Overtime: Drug investigations are often initiated in the late evening/early morning hours. Certified methamphetamine laboratory responders, raid entry teams, and canine handlers are examples of frequently used personnel that require overtime payment.

Vehicles: The increasing cost of vehicles has been a major factor in increased police department operating cost budgets. The use of asset forfeiture funds has offset some of these costs.

Equipment: Law enforcement is seeing rapid changes in technology to assist agencies in working more efficiently and effectively. Records management systems, mobile data terminals, live stream video, and evidence collection enhancements are examples of expenditures from this category.

Federal Grant Match: Grant matching funds help increase the number of investigators and prosecutors dedicated to drug enforcement. Multijurisdictional task forces rely heavily on federal funds to operate and most of these funds require a cash match.

Informant Fees: Asset forfeiture funds are used for informant fees to assist in solving complex drug investigations.

Buy Money: Assembling cases against drug traffickers requires resources for undercover agents to conduct drug purchases, often over a period of time. Enforcement budgets may be inadequate for this expenditure. Asset forfeiture funds fill this gap and provide needed resources, especially for smaller law enforcement agencies.

Training: The majority of sworn personnel assigned to multijurisdictional task forces require formal narcotics investigative training. Law enforcement agencies are providing more training for personnel to keep current with new technological advances. Asset forfeiture funds can assist agencies with these costs.

Crime Prevention and Public Outreach: Law enforcement agencies are providing education and awareness programs throughout the state. These efforts may include presentations to schools and community groups.

Animal Expenses: Canines have proven to be a valuable asset to law enforcement. Law enforcement agencies and one multijurisdictional task force reported spending asset forfeiture funds on medical and maintenance costs for their canine programs.

Supplies and Materials: Supplies and materials are considered operational items that cost under \$5,000, including computers, copier leases, cellular telephones, and vehicle/building maintenance. Materials and supplies utilized by multijurisdictional task force personnel are not normally provided for in a participating agency's budget so multijurisdictional task forces often use asset forfeiture funds to support their supplies and materials expenditures.

Shared with Other Agency: Some forfeitures result from joint investigations or multijurisdictional task force investigations. Therefore proceeds are shared among participating agencies.

Non-profit Organizations: Many local police agencies, and county sheriff's offices reported contributing a percentage of their asset forfeiture funds to local crime alert organizations as allowed by MCL 333.7524(1)(b)(ii)"

Other: Expenditures reported in this category were utilized for building/utility costs for narcotics unit operations, cellular telephone bills, global positioning tracker services, extradition costs, drug awareness kits, vehicle purchases, off-site storage units for toxic materials, dispatching consortium fees, aviation fees, and evidence collection materials.

F: Donated Grow Lights and Scales
MCL 28.112(1)(j)(ii)

Distribution to Schools

MCL 333.7524(2) allows for the donation of forfeited lights for plant growth or scales to elementary schools, secondary schools, and institutions of higher education.

	Lights and Scales Donated
167	Number of Lights for Plant Growth
51	Number of Scales
8	Number of Schools Receiving Donated Equipment
\$31,035	Total Cash Value of Lights and Scales

Section G: Net Proceeds of Revised Judicature Act (Nuisance) Proceedings
MCL 28.112(1)(k)

Amount	Other persons entitled to the proceeds of Nuisance Proceedings
\$35	Human Trafficking Victims
\$127	Other Persons
\$0	Reported Paid to State Treasurer

Section H: Net Proceeds of Revised Judicature Act (Omnibus) Proceedings
MCL 28.112(1)(l)

Amount	Net Proceeds of Revised Judicature Act (Omnibus) Proceedings
\$51,739	Amount Used to Enhance Enforcement of Criminal Laws
\$17,375	Amount Used to Implement William Van Regenmorter Crime Victim's Rights Act