



Asset Forfeiture (RICO)

Enforcement and Compliance Division

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What is Asset Forfeiture?

- ❖ Loss of right or property
- ❖ Giving up something illegally obtained or used
- ❖ Transfer of property to the government
- ❖ Forfeiture actions are generally based on racketeering.



What is Racketeering?

- ❖ The term R.I.C.O. stands for Racketeering Influenced and Corrupt Organizations
- ❖ **Racketeering**: Means nearly any felony act committed for financial gain.
- ❖ **Examples**: Forgery, Theft, Drug Offenses, Fraud, Money Laundering, Counterfeiting, Gambling, etc.

R.I.C.O. Statutes

- ❖ RICO statutes utilized in Arizona are modeled after the Federal RICO Statutes.
- ❖ Federal RICO Statutes - 18 U.S. Code Chapter 96 1961-1968

These laws were put in place as a direct result of the RICO Act that was passed by Congress back in 1970. The RICO act was created to combat the mafia or organized crime. In 1972, 33 states adopted state RICO laws.

R.I.C.O. Statutes cont.

Arizona State Statues used to pursue asset forfeiture
as a result of racketeering:

ARS Title 13 Chapter 23

- o A.R.S. 13-2301 (definitions, lists of offenses)
- o A.R.S. 13-2314 (racketeering civil remedies)

ARS Title 13 Chapter 39

- o A.R.S. 13-4301 thru 13-4315

These statutes provide the procedures for seizing,
litigating and disposing of property.



Why pursue forfeiture?

- ❖ Repurpose criminal proceeds
- ❖ Help victims
- ❖ Lessens economic power of criminal enterprises
- ❖ Protects legitimate commerce
- ❖ Deterrence
- ❖ Further law enforcement objectives even when criminal prosecution cannot



How does a case get submitted for Forfeiture?

Forfeiture cases are submitted to and processed by one of two agencies.

- ❖ Local County Attorney's Office
- ❖ Arizona Attorney General's Office

Each forfeiture case is submitted on a case by case basis. Not all property seized is filed for forfeiture. The law enforcement agency should use some discretion when submitting cases for forfeiture.



How are the assets distributed?

If the agency has successful forfeiture case, where funds and/or property is awarded to the state by a judge, then those funds are distributed as follows:

County attorney, AG's office – 20%

Law enforcement agency – 80%

If a case involved multiple law enforcement agencies that 80% would be divided and each agency could have claim to it. .



RICO Case Example

In 2015 the Office of Inspector General, which operates under the umbrella of the Enforcement and Compliance Division, had a Forgery case that was worked over a 3 month period. The suspect was charged with **Forgery, Theft, Fraudulent Schemes and practices, Aggravated Identity of Another Person and Trafficking in the Identity of Another Person**. All charges were identified by the courts as being directly tied to proceeds gained by the suspect as a result of racketeering.



RICO Case Example cont.

As a result of the case the following assets were seized from the suspect, forfeited and ultimately awarded to the state:

CASH – Totaling \$2,725.67

Vehicles – 2012 Chevy Sonic Sedan
2005 Chrysler 300 Sedan