

SENATE BILL REPORT

2SSB 5882

AS PASSED SENATE, MARCH 18, 1991

**Brief Description:** Creating a drug asset forfeiture and criminal profiteering unit in the attorney general's office.

**SPONSORS:** Senate Committee on Ways & Means (originally sponsored by Senators Pelz, McCaslin, Johnson, Madsen, Moore and Owen).

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** That Substitute Senate Bill No. 5882 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators von Reichbauer, Chairman; Johnson, Vice Chairman; McCaslin, Moore, Owen, Pelz, Rasmussen, Sellar, and Vognild.

**Staff:** Meg Jones (786-7416)

**Hearing Dates:** March 5, 1991

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Second Substitute Senate Bill No. 5882 be substituted therefor, and the second substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

**Staff:** Steve Jones (786-7715)

**Hearing Dates:** March 8, 1991; March 11, 1991

**HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**BACKGROUND:**

Current efforts at drug law and criminal profiteering law enforcement can include seizing assets. The typical legal vehicles used are the federal laws, the state criminal profiteering act or RICO. Specialized legal expertise is required to investigate and prosecute these cases, which are expensive and time consuming. The Attorney General currently funds its efforts through a short-term grant.

In most other states, assets seized or forfeited under criminal profiteering and narcotics law enforcement are deposited into revolving funds. Prosecution and investigative

costs are also deposited. These funds are then used to underwrite further investigations and prosecutions. Washington does not have such an account.

**SUMMARY:**

The Attorney General is directed to assist local governments and state agencies with investigation and prosecution of criminal profiteering cases, with a special emphasis on narcotics cases. The bill is contingent on funding in the budget.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR (Financial Institutions & Insurance):**

The unit is necessary for the Attorney General to effectively carry out the enforcement of the Omnibus Drug Act, RICO and other anti-drug and criminal profiteering laws. The resources currently do not exist to effect the sophisticated investigations necessary to identify and seize the assets related to drug and criminal profiteering activities at the level of need. The unit complements Washington's model anti-drug and profiteering legislation.

**TESTIFIED AGAINST (Financial Institutions & Insurance):** None

**TESTIFIED (Financial Institutions & Insurance):** Richard Heath, Assistant Attorney General (pro); Chip Holcomb, Assistant Attorney General for State Patrol (pro); Mike Redman, WAPA (pro); Pat Sainsbury, King County Prosecutor's office, Fraud Division (pro)

**TESTIMONY FOR (Ways & Means):**

Local governments need assistance in enforcing criminal profiteering and money laundering laws, and the Attorney General lacks jurisdiction in nondrug cases. In the future, asset seizures could allow this function to become self-supporting.

**TESTIMONY AGAINST (Ways & Means):** None

**TESTIFIED (Ways & Means):** Senator Dwight Pelz; Richard Heath, Assistant Attorney General

**HOUSE AMENDMENT(S):**

The Attorney General is authorized to provide various assistance to local prosecutors in criminal profiteering and drug asset forfeiture cases. Provisions are added for distribution of proceeds from litigation. The bill is not contingent on funding in the budget.