

SENATE BILL REPORT

SB 5882

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 11, 1991

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

SPONSORS: 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

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 drug asset and forfeiture and criminal profiteering unit of the Attorney General's office is created. The unit shall work with local enforcement officials to investigate, build cases, litigate and conduct seminars and training sessions on the investigation and prosecution of asset forfeiture and criminal profiteering cases.

The drug asset forfeiture and criminal profiteering account is created. Fifty percent of the proceeds from drug asset forfeiture and/or criminal profiteering in the office of the Attorney General shall be deposited into the account. The proceeds shall be used to support the Attorney General's drug asset forfeiture and criminal profiteering unit.

One million dollars is appropriated from the general fund to establish the unit.

EFFECT OF PROPOSED SUBSTITUTE:

The Narcotics Forfeiture and Criminal Profiteering Unit of the Attorney General's office is created to aid local law enforcement officials investigate and prosecute and to institute its own prosecutions and investigations in the area of drug asset seizure and forfeiture. The sum of \$400,000 is appropriated to fund the unit until June 30, 1992.

The drug asset forfeiture and criminal profiteering account is deleted.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

The Attorney General is directed to assist local governments and state agencies, but no separate unit is created. The appropriation of \$400,000 is deleted and the bill is made contingent on funding being provided in the budget act.

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