

**ASSET FORFEITURES:  
AN ENFORCEMENT TOOL VIEWED AS FINANCIAL RESOURCE**

by

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PEACE OFFICER STANDARDS AND TRAINING (POST)**

**Sacramento, California  
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**This Command College Independent Study Project is a FUTURES study of a particular emerging issue in law enforcement. Its purpose is NOT to predict the future, but rather to project a number of possible scenarios for strategic planning consideration.**

**Defining the future differs from analyzing the past because the future has not yet happened. In this project, useful alternatives have been formulated systematically so that the planner can respond to a range of possible future environments.**

**Managing the future means influencing the future--creating it, constraining it, adapting to it. A futures study points the way.**

**The views and conclusions expressed in this Command College project are those of the author and are not necessarily those of the Commission on Peace Officer Standards and Training (POST).**

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Abstract

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### Abstract

The study consists of five parts: an introduction giving the background and current status of the asset forfeiture process; a futures study of the impact of the asset forfeiture process on the fiscal operation of a medium sized law enforcement agency by the year 2001; a model strategic plan for the City of Fullerton; a model transition management plan to implement a preferred strategy; and opinions, conclusions and recommendations for further study. Five trends and potential events were selected which might impact the future of the forfeiture process with three possible scenarios developed from their forecasting. Policy recommendations emphasize measures to protect the revenue aspects of the forfeiture process. The model strategic plan includes generic concepts and specific implementation systems. The transition management plan presents a feasible management structure and supporting technologies. Survey and non-extrapolative forecasting results; graphics in text, with additional data; instruments in appendixes; endnotes and bibliography.

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EXECUTIVE SUMMARY

(POST # 13-0258 )

This study examines the question: **What impact will the asset forfeiture process have on the fiscal operation of medium sized law enforcement agencies by the year 2001?** Five sections discuss the research to establish the relevance of and need for the study, futures forecasting, strategic management planning, transition management and a conclusion with opinions and recommendations for future study.

Introduction

The issue question was developed after extensive research and interviews with experts in the asset forfeiture process at the federal, state and local level. An overview of the history of the forfeiture process as an enforcement tool and the benefits and concerns generated by law enforcement's management of the process.

Futures Forecasting

From this background information, three sub-issues were selected for inclusion in this study. Those are:

- How will competition for available resources impact the use of forfeited assets?
- How will local political influences impact the use of forfeited assets?
- How will the acquisition of forfeited assets impact the enforcement priorities of the agency?

With the issue and sub-issues identified, a futures study was conducted using a Nominal Group Technique (NGT) for forecasting. The NGT panel identified trends and events that might impact the future of the issue and reduced them to the five deemed by the panel as most important for policy development. The trends and events selected were:

Trends:

1. Forfeiture funds are used to supplant the normal budget.
2. Competition exists for all available resources.
3. Service demands impact the use of forfeited assets.

4. Pressure is placed on narcotics units to seize money.
5. Potential for corruption exists.

Events:

1. Forfeiture laws are repealed.
2. Major scandal occurs within the department.
3. Audits of forfeiture cases result in sanctions.
4. Legislature defines "proper" use of forfeited assets.
5. Major drug cartels move trafficking to another state.

The NGT panel forecasts generated data from which three possible future scenarios were then developed. Those scenarios represent what the future will be like if nothing happens to change the present course of events, what will happen in the worst case scenario and what will happen if the issue is managed to produce the most desirable future.

### Strategic Management Plan

A strategic management plan was developed to accomplish the most desirable future using the Fullerton Police Department as a model agency for the plan. Through a panel's analysis of the agency's weaknesses and strengths and the environmental threats and opportunities, the overall capability of the organization to successfully implement desired change was assessed. Individuals were identified as "stakeholders," those who can impact the change, are impacted by the change, or are interested in the change. Three policy strategies were identified, from which one was chosen as the "preferred strategy" to implement in order to achieve the desirable future.

### Transition Management

The transition management plan describes action steps needed to implement the preferred strategy. This plan identifies the "critical mass" actors with an assessment of their present level of commitment and what commitment level is needed for the plan to succeed. A management structure and the negotiations strategies to move each person toward the desired changes are included in the plan.

### Opinions, Conclusions and Recommendations

This section articulates the researchers answers to the issue and sub-issue questions and warns that present practices may jeopardize the forfeiture process as an enforcement tool. Opinions are offered about alternatives for managing asset forfeitures in the future, including expanding the uses of the funds and relieving many of the restrictions now placed on forfeited assets. The suggestions for future studies on this topic include the areas of political lobbying and enforcement of money laundering cases.

**Section One: INTRODUCTION**

Based upon an extensive literature search and expert interviews, Section One introduces the reader to the present status and background of the issue question and establishes the reasons and need for this study.

**Section Two: DEFINING THE FUTURE**

The question, "What impact will the asset forfeiture process have on the fiscal operations of a medium sized law enforcement agency by the year 2001?" is used to forecast what the future may look like within the next 10 years.

**Section Three: STRATEGIC MANAGEMENT PLAN**

A strategic plan is developed for managing the asset forfeiture process within the operational setting of a model agency, the Fullerton Police Department.

**Section Four: TRANSITION MANAGEMENT**

An analysis is made of the transition state of the model agency, the critical mass actors involved in transitioning to a preferred state and the management structure necessary to make the transition successful.

**Section Five: OPINIONS, CONCLUSIONS AND RECOMMENDATIONS**

A review of the study offers conclusions about the issue and sub-issue questions with opinions about how the issue can be appropriately handled and recommendations for future study on this topic.

**In dedication....**

To Detective Tommy De La Rosa of the Fullerton Police Department, whose life was tragically taken on June 21, 1990, while fighting the war against drugs,

to Captain Lee DeVore for his continual support, counsel and friendship throughout my career and the Command College Program,

to Chief Philip A. Goehring for his leadership, friendship and the confidence he has projected through the many opportunities he has afforded me over the years,

to Silvia Palmer-Mudrick, for her expertise and assistance in editing this paper,

and above all,

to my wife Donna, for her unfailing love, devotion and understanding, especially during the past two years.

Thank you all!

## PREFACE

In today's world, change is constant and seems to occur at an ever increasing pace in almost every industry. The impact of change on today's law enforcement manager is a significant concern because most police organizations are very traditional in their structure and respond very slowly to change in any form. This can be a tremendous block to moving an organization successfully into the future.

With the financial constraints growing tighter each year, it becomes imperative that managers, even in the public sector, become adept at implementing changes to ensure the organization operates more efficiently and economically. That requires a consistent review of job tasks and individual responsibilities to ensure they are needed and contributing to the overall goals of the organization. New methods of doing the work and new sources of revenue must be sought at every turn.

The asset forfeiture process is a good example of a new method of doing business that doubles as a new revenue source as well. As an enforcement tool, forfeiture enables law enforcement to strip assets from the criminal element and in turn, utilize them to enhance law enforcement capabilities. But there is a concern that in the case of asset forfeitures, "all that glitters may not be gold." The potential to confiscate literally millions of dollars can easily turn the attention of law enforcement away from narcotics as a target, replacing it with a pursuit for cash. The result can bring new forms of corruption, compromised integrity, increased danger for the officers and an unhealthy spirit of competition where the initial goal was to improve the cooperation between law enforcement agencies.

The desire to look more closely at the future impact of the asset forfeiture process on the fiscal operation of law enforcement agencies has prompted this study.

## TABLE OF CONTENTS

<b>SECTION ONE.....</b>	<b>1</b>
INTRODUCTION	
Issue Statement.....	2
Definitions.....	2
Background.....	3
<b>SECTION TWO.....</b>	<b>9</b>
DEFINING THE FUTURE	
Issue and sub-issue selection.....	9
Selection of trends and events.....	11
Trend forecasting.....	14
Event forecasting.....	16
Cross impact analysis.....	18
Scenarios.....	20
Policy development.....	24
<b>SECTION THREE.....</b>	<b>26</b>
STRATEGIC MANAGEMENT PLAN	
The mission statement.....	27
Situational analysis.....	28
The organization's capability.....	31
Stakeholder analysis.....	34
Developing alternative strategies.....	34
The implementation plan.....	38
<b>SECTION FOUR.....</b>	<b>41</b>
TRANSITION MANAGEMENT	
Development of commitment strategy.....	41
Transition management structures.....	47
Implementation technologies.....	48
<b>SECTION FIVE.....</b>	<b>51</b>
OPINIONS, CONCLUSIONS AND RECOMMENDATIONS	
Opinions about issue questions.....	51
Conclusions.....	54
Recommendations.....	57
<b>ENDNOTES.....</b>	<b>59</b>

<b>APPENDICES.....</b>	<b>61</b>
A - Futures Wheel.....	61
B - Bibliography.....	62
C - Results of expert interviews.....	67
D - Nominal Group Technique Panel Members and Letter..	72
E - Candidate Trends.....	76
F - Candidate Events.....	77
G - Trend forecasting graphs.....	78
H - Event forecasting graphs.....	79
I - WOTS-UP Analysis Panel.....	80
J - Stakeholder assumptions.....	81
K - Stakeholder Assumption Map.....	82
L - Organization capability chart.....	83
M - Methodologies for managing transition.....	84
N - Responsibility Chart.....	86

**LIST OF TABLES**

Table 1 - Trend Evaluation.....	15
Table 2 - Event Evaluation.....	17
Table 3 - Cross Impact Evaluation.....	19
Table 4 - Policy Cross Impact Analysis.....	25
Table 5 - Commitment Chart.....	42

**SECTION ONE**

**INTRODUCTION**

## INTRODUCTION

Asset forfeiture is one of the most promising and powerful tools that law enforcement has in its war against crime.<sup>1</sup> The asset forfeiture process authorizes law enforcement officials to seize assets from a criminal enterprise and then utilize those assets to increase enforcement efforts against other criminal elements. Such capabilities create a poetic justice equaled only by the tales of Robin Hood.

Forfeiture was a routine punishment under England's common law, and was incorporated into the jurisprudence of the United States in statutes ranging from taxation acts to moonshine laws.<sup>2</sup> However, the potential to use forfeiture as an enforcement tool was seldom applied in the United States until passage of the Comprehensive Crime Control Act of 1984. This act extended authority to the U.S. Attorney General to share federally forfeited property with cooperating state and local law enforcement agencies. Prior to 1984, the Government simply did not exercise the kind of leadership and management necessary to make asset forfeiture a widely used law enforcement technique.<sup>3</sup>

The asset forfeiture process has since evolved into a major emphasis for many law enforcement agencies who see it as a way to negatively impact drug traffickers while providing sorely needed resources to finance the nation's war against drugs. Recognizing the importance of this tremendous law enforcement tool, Attorney General Dick Thornburgh has stated, "We must all be vigilant in maintaining the integrity of the program so that it will continue to be available to us for years to come."<sup>4</sup> It is therefore prudent for law enforcement managers to carefully consider what administrative actions and policies are needed to protect the integrity of the asset forfeiture program.

In 1989, Lieutenant Edward Tunstall of the Orange, California

Police Department, concluded in his Command College thesis paper titled, "Managing the Changes in California Narcotics Enforcement Brought About by Asset Seizure Laws," that "the ethical considerations surrounding asset seizure procedures must be evaluated and policies must be established within organizations to regulate seizures. The asset seizure laws are very broad, giving considerable latitude. If this latitude is abused, the courts or the legislature will certainly impose reforms."<sup>5</sup>

Such comments make it clear that the asset forfeiture program is not a guaranteed enforcement tool or financial resource for law enforcement, and could be jeopardized if not administered properly. Incidents of abuse, political interference or opposition, acts of corruption, and ineffective administration could all contribute to a redefinition or revocation of asset forfeiture laws. If these things occur, law enforcement could see the asset forfeiture program be diminished or eliminated as an effective strategy.

Many law enforcement agencies, to varying degrees, have come to rely upon forfeited assets to finance portions of their operation. Consequently, managers should be concerned about the stability of this financial resource over the long term and how changes in the forfeiture process might impact the future of their fiscal operations. For these reasons, the researcher has selected the topic, **"What Impact will the Asset Forfeiture Process Have on the Fiscal Operations of Medium Sized Law Enforcement Agencies by the Year 2001?"** as the focus for this study.

#### DEFINITIONS

The following operational definitions are offered to provide a clear understanding of the research conducted under this study.

**Asset Forfeiture Process:** The manner in which law enforcement identifies, targets, acquires, processes, accounts for, and

uses forfeited assets.

Fiscal Operations: The manner in which financial resources are identified, acquired, budgeted for, allocated, accounted for, and utilized by an agency.

Supplanting the budget: The use of forfeiture funds to replace general fund monies typically budgeted to pay for expenditures associated with normal operations.

Supplementing the budget: The use of forfeiture funds to pay for expenditures associated with new or additional enforcement efforts intended to increase enforcement beyond levels typically included within an agency's operational budget.

### BACKGROUND

The Attorney General's Guidelines on Seized and Forfeited Property states:

"The Department of Justice asset forfeiture program has three primary goals: (1) to punish and deter criminal activity by depriving criminals of property used or acquired through illegal activities; (2) to enhance cooperation among federal, state and local law enforcement agencies through equitable sharing of assets recovered through this program; and (3) to produce revenues to enhance forfeitures and strengthen law enforcement. To meet these goals it is essential that the program be administered in a fiscally responsible manner which will minimize the costs incurred by the United States while maximizing the impact on criminal enterprises. Moreover, the integrity of the entire forfeiture program depends upon the faithful stewardship of forfeited property and the proceeds thereof."<sup>6</sup>

The published guidelines specify that "all equitably shared cash and tangible property, and any income generated by this property, **must be used for law enforcement purposes.** Cash and tangible property shall be shared with state or local agencies only where it will increase and not supplant law enforcement resources of that specific state or local agency."<sup>7</sup> The guidelines also delineate that the DAG-71 form used by local agencies to apply for forfeiture sharing, and which specifies the intended uses for forfeited assets

will be treated as a contractual agreement between the requesting agency and the Department of Justice, with the terms binding on both parties.

Liberal and creative interpretations of these written guidelines have caused conflict between law enforcement executives and top level managers within other governmental units over what are or are not appropriate uses for forfeited assets. The political struggles to control the use of forfeited funds are real and problematic for the chief executive of any law enforcement agency. Such conflict causes pressure to compromise and creates a basis to challenge law enforcement's stewardship of assets derived from the forfeiture program. This is particularly true when the use is clearly for non-law enforcement purposes or to supplant the normal budget process.

For example, in one Southern California city, against objections from the Chief of Police, forfeiture funds were used to purchase carpet tiles for the City Library. City Council minutes from July 3, 1990, describe how a councilman suggested that narcotics-related police overtime be funded with Asset Seizure monies, thereby freeing General Fund money to fund the carpet tiles. This motion received the support of other council members and was passed.<sup>8</sup> The minutes go on to describe how the budget manager reported to the council that the budget includes funding for the Library carpet tiles through use of asset seizure monies...<sup>9</sup> One might question how the purchase of Library carpet tiles could qualify as a legitimate law enforcement purpose.

Similar problems at other agencies have been noted in the press. In San Diego County, Sheriff William Duffey established his own bank account to maintain personal control over the receipt and disbursement of forfeiture funds. The County Board of Supervisors reacted by filing a lawsuit to "regain control of the money."<sup>10</sup> In Somerville, Massachusetts, the Mayor petitioned that State's

Legislature to allow forfeiture funds to be used to avert laying off police officers already on the force.<sup>11</sup> Such conflicts will likely continue and even escalate unless forfeiture laws are revised to clarify what are or are not appropriate uses, and who is to maintain control and administer expenditures from forfeiture funds when disagreements exist.

The large sums of cash seized pursuant to the forfeiture process have created several new concerns for law enforcement officials. A real danger lies in allowing the vast amounts of money available to skew police priorities.<sup>12</sup> One cannot help but ask whether civic officials are unduly pressuring the police to "solve" budget problems by focusing on forfeiture. Part of the challenge with such large sums involved is to make sure that the police themselves don't become greedy.<sup>13</sup> This is a legitimate concern when one recognizes that, in reaction to the enactment of asset forfeiture laws, "almost overnight, communities that had never had a decent narcotics unit in the first place formed exotic task forces to join the very profitable war on drugs."<sup>14</sup> Law enforcement leaders must work diligently to resist the potential and very real temptations for their officers to develop a mercenary mentality relative to the forfeiture sharing process.

Another concern is the potential for corruption which accompanies access to large amounts of cash. Recently, a series of reports on law enforcement corruption was reported in Southern California where, for the past 20 years, almost any act of corruption was viewed as an anomaly. This is no longer true as evidenced by an article in the Los Angeles Times which stated, "conviction of six Los Angeles County Deputies on conspiracy charges in a money-skimming scandal is expected to accelerate a federal probe of corruption among the region's narcotics investigators."<sup>15</sup> Newspaper headlines such as, "Victim Claims Second Robber Also a Deputy,"<sup>16</sup> "Ex-Agent for DEA Guilty of Drug Charges,"<sup>17</sup> and "Police Chief's Arrest Shakes Rochester's Self-Image,"<sup>18</sup> confirm

the rise in incidents of corruption related to drug enforcement and the forfeiture process. The increased evidence of corruption should alert police managers to the importance of checks and balances aimed at maintaining the integrity of their organizations.

A related concern is the level of interest and ability police officers possess to properly account for and track seized assets involved in the post-seizure forfeiture process. The United States Congress developed a renewed interest in what was happening with forfeited assets when the Federal Asset Forfeiture account reached one billion dollars. This interest prompted Congress to begin a probe into how these funds were being administered by federal, state and local law enforcement agencies.

The Federal Senate Committee on Government Operations is charged with overseeing the efficiency and economy of government. Its Sub-Committee on Government Information, Agriculture and Justice called for the General Accounting Office to audit federal agencies involved in the asset forfeiture process to determine their level of efficiency. This audit produced alarming concern over how forfeited assets were being processed and accounted for by law enforcement officials. In his report to the Committee on Government Operations, Sub-Committee Chairman, Senator John Conyers, stated:

"Serious concerns about problems in the administration of the asset forfeiture program continue. On January 23, 1990, the Comptroller General identified the asset forfeiture program as one of the Government programs plagued by breakdowns in its internal control and financial management systems which were so serious that 'unless something more is done to correct the material deficiencies in management information and accounting systems, and material weaknesses in internal controls, **major losses of federal funds and the collateral fraud and abuse incidents will continue.**' Accordingly, the General Accounting Office has targeted the program for special review. Similarly, the Attorney General of the United States has identified the program as the focus of major management initiative and [it] has been re-elevated to material weakness... To focus the necessary management

attention on resolution of problems and to improve operations, an Executive Officer for Asset Forfeiture has been created in the Deputy Attorney General's Office."<sup>19</sup>

In a similar report, J. William Gadsby, Director of Federal Management Issues for the General Accounting Office, testified before the Committee on Government Affairs that the Comptroller General had identified seized and forfeited assets as a "high risk" area because it had been characterized by mismanagement and internal control weaknesses.<sup>20</sup>

The poor showing at the Federal level has extended the General Accounting Office's inquiry to include random audits at the state and local level. Those audits are intended to determine what state and local agencies are doing with their share of forfeited assets. The results of the audits in California will be presented to the Sub-Committee on Government Information, Agriculture and Justice in late 1991 or early 1992. The agencies involved in the audit will remain anonymous to the sub-committee. At the time of this writing, representatives from the General Accounting Office were unwilling to discuss the findings of these local audits.<sup>21</sup>

It is likely the audits will reveal uses inconsistent with the Attorney General Guidelines. That finding will certainly increase the potential for punitive sanctions to be imposed against violating agencies. Such actions could jeopardize an agency's right to participate in the asset forfeiture process altogether.<sup>22</sup> Subtle warnings of this potentiality have been expressed repeatedly by officials such as Associate Deputy Attorney General George J. Terwilliger, who recently said, "Our firm policy is that equitable sharing payments must be used for law enforcement purposes only, and must supplement, not supplant, regular funding of the receiving agency."<sup>23</sup>

In California, the State statutes for asset forfeitures have been revised to mirror those at the federal level. It may be reasonable

to assume that any sanctions imposed by the Federal Government against a local agency would be followed in short order by State authorities. It is therefore important that law enforcement managers implement strict administrative guidelines and procedural safeguards to properly direct and control employees involved in narcotics enforcement and the asset forfeiture process.

It can not be over-emphasized that everyone attached to the asset forfeiture process must "remember that forfeiture and equitable sharing are not 'revenue programs.' Rather, these funds represent the 'financial justice' component of the comprehensive effort to attack drug-trafficking operations."<sup>24</sup> This perspective is easily lost as an agency begins to receive hundreds of thousands or even millions of dollars from the forfeiture process. One cannot ignore that the revenues are then available to enhance law enforcement efforts and that access to such funds will impact the fiscal operation of the organization. It is incumbent upon police managers to project clear expectations and values that are responsible and non-mercenary in relation to narcotics enforcement. "We are in this for the "long haul" and it is essential that both forfeiture and sharing be conducted with the utmost of integrity. As with other weapons, if forfeiture and sharing were to be abused, the program could face criticism and curtailment."<sup>25</sup>

In the course of this paper, the researcher will endeavor to identify local agency concerns related to the future of the asset forfeiture process, and how that process may impact the fiscal operations of an agency. This will be done through the use of a future forecasting methodology called the Nominal Group Technique, which is described in Section Two. In Section Three, the researcher will establish a strategic plan to manage the future within the context of the organization and its environment. In Section Four, a Transitional Management Plan will be established to implement the preferred strategy. The researcher will then draw opinions and conclusions from the research, and offer suggestions for continued study in the field of asset forfeitures.

**SECTION TWO**

**DEFINING THE FUTURE**

## DEFINING THE FUTURE

### PHASE I

#### Selection of the Issue Question:

The selection of the "issue question" and related sub-issues for this project was based on three criteria: first, that the issue will have a direct impact on a medium sized law enforcement agency; second, that the issue is or could be influenced by forces outside the organization; and third, that the issue is one for which the agency could establish policies to positively impact the future course of the organization.

With that criteria established, the issue and sub-issues were selected through an environmental scanning process which included and extensive literature search and construction of a futures wheel (Appendix A) which identified potential issues for consideration. The "issue question" was identified as:

**What impact will the asset forfeiture process have on the fiscal operations of medium sized law enforcement agencies by the year 2001?**

Three sub-issues were also identified to better focus the direction of the study. They are:

- **How will competition for available resources impact the use of forfeited assets?**
- **How will local political influences impact the use of forfeited assets?**
- **How will the acquisition of forfeited assets impact the enforcement priorities of the agency?**

The literature search was conducted over a 14 month period which included the review of books, magazines, newspapers, other research papers, periodicals and government reports. Many of these are listed in the endnotes and others are included in the bibliography. ( Appendix B). A number of structured interviews were also conducted with recognized experts in the field of asset forfeitures

at the federal, state and local levels. The results of these interviews are capsulized in Appendix C. Information derived from these efforts provided the foundational data necessary to conduct the forecasting process, accomplished through a nominal group exercise, using a panel of local experts to forecast future trends and events. An explanation of the panel's efforts to select and forecast trends and events that impact the issue question follow.

Identification of trends and events:

A panel of local experts was assembled to identify and forecast trends and events for this study. The group was composed of law enforcement supervisors and managers and municipal finance managers. The participants were sent a letter explaining the purpose of the meeting, their individual responsibilities as panel members and definitions of terms to help them prepare for the process. The panel members and the letter are shown in Appendix D.

Utilizing the Nominal Group Technique, each member compiled a list of trends he or she felt were presently impacting or could impact the issue question. Each member's individual trends were then shared with the group and the panel ranked the top five trends according to their personal perception of how the trends impacted the issue question. The panel then voted to select the trends they felt were most significant for forecasting. During the process of selecting trends, group discussion resulted in combining several that were originally stated separately. The group ultimately identified a total of 21 trends. (Appendix E) This list shows each trend as originally suggested with notations identifying those eventually omitted or combined with another trend on the list.

The same process was then followed by the group to identify and rank events that might impact the issue and sub-issue questions. While discussing the listed events, the group considered combining

some of the events as they had trends; however, the group preferred to leave the events as originally stated until the voting process was completed. By combining and restating similar events, other events were included in the "top five" category as selected by the group. A total of 18 events were identified by the group. (Appendix F) Again, notations indicate which events were combined and restated as a result of the discussion phase of the process.

## PHASE II

### Selection of Trends and Events:

Phase II of the process reduced the overall list of trends and events to a manageable size for forecasting. This time, the panel was asked to consider their ranking of trends and events on the basis of their potential impact on the issue and sub-issues. Although the group was given a new criteria, considering trends and events for forecasting, it ultimately selected the same top five trends and events for forecasting. The considerable attention given by the group to phase one of the process was therefore validated.

### Trends selected for forecasting:

The following trends were selected by the panel for forecasting:

#### **Trend 1 - Forfeiture funds used to supplant normal budget.**

The panel felt forfeiture funds are being used to supplant rather than supplement the normal budgeted process in direct violation of the Attorney General's Guidelines for sharing in asset forfeitures.

#### **Trend 2 - Competition for available resources.**

Competition among local government departments for all available resources makes it inevitable that those outside of law enforcement will want to benefit from the funding source created by asset forfeitures. This has been seen where programs are described in anti-drug terms

and used to support requests for funding out of asset forfeitures. The competition has also resulted in suggestions to cut General Fund monies out of the law enforcement budgets to make those dollars available for other City departments.

**Trend 3 - Service demands impact use of forfeited assets.**

Service demands on local police agencies are increasing as community growth continues and in spite of declining government revenues. Tighter fiscal constraints will certainly impact the use of forfeited assets which are viewed as a definite revenue source for law enforcement and unavailable to other departments of the city.

**Trend 4 - Pressure placed on local narcotic units to seize money.**

As Government agencies become reliant on forfeited funds to support portions of their operation, the unavoidable perception that pressure exists for narcotic units to continue seizing assets will result. This mercenary outlook must be resisted but becomes almost inevitable as narcotic units view forfeitures as a measure of success.

**Trend 5 - Potential for corruption.**

The potential for corruption in the form of conspiracy, thefts and unethical practices to ensure success attach to any situation where enormous amounts of cash become easily accessible to employees. Such temptations bring with them increased opportunity for individual or group failure or compromise which could bring significant embarrassment to an organization.

Selection of events for forecasting:

The panel was asked to select the top five events which they felt were most likely to occur and/or which would have the most impact on the issue question if it did occur. The five events selected by the group were:

**Event 1 - Forfeiture laws are repealed.**

The panel felt there is significant concern over how forfeiture cases are being worked and how the funds are being used after the sharing process. Inspection of law enforcement's adherence to established guidelines could establish improprieties and generate enough public reaction and political pressure to have the laws revised or repealed.

**Event 2 - A major scandal occurs within the department.**

Should a major scandal occur as a result of the agency's involvement in forfeiture cases or its use of forfeited assets, significant changes would likely result in how and to what extent forfeiture cases would be pursued by that agency in the future.

**Event 3 - Audits of forfeiture cases result in sanctions.**

The panel felt that use of forfeited assets could be audited by State or Federal officials with sanctions invoked for violating established guidelines. (Since the panel met, federal audits have been conducted on a random and anonymous basis to determine how forfeited funds are being used by California agencies. Experts say punitive sanctions are a very real potential for the future.)

**Event 4 - Legislation defines "proper" use of forfeited assets.**

Conflicting opinions over appropriate uses for forfeited assets could prompt the State or Federal Legislature to redefine existing laws specifying what are and are not appropriate uses for forfeited assets.

**Event 5 - Major drug cartels move trafficking to another state.**

The panel felt major drug cartels might move their trafficking activities out of California to states where anti-drug efforts are less sophisticated in order to

reduce the potential for forfeitures to occur. Such a move would have a significant impact on the number and size of forfeiture cases worked in California.

### PHASE III

#### Trend Forecasting:

The panel was next asked to forecast the selected trends using a ratio scale. The value for trends at their current or present level was set at 100. Using 100 as the base value for today, panel members could project their estimates, correlating applicable changes to that base figure. Panel members were asked to estimate what they considered the condition of the individual trends to have been five years in the past, and to forecast what they expected the condition of each trend to be five and ten years into the future. Table 1 on the following page shows the results of this process.

Graphs were also prepared to display the group's forecasting in more detail, depicting panel high, low and median estimates for what the future "will be" (nominal forecasts), and their median estimates for what the future "should be" (normative forecasts) for each trend. (Appendix G) The graphs help to easily identify where broader ranges exist in the panel estimates, allowing for some interpretation or explanation about why the range exists.

TABLE 1

## TREND EVALUATION

TREND STATEMENT (Abbreviated)		LEVEL OF THE TREND ** (Today = 100)			
		5 Years Ago	Today	*5 Years from now	*10 Years from now
1	Forfeiture Funds Used to Supplant Normal Budget	5	100	125 100	100 100
2	Competition For Available Resources	50	100	150 75	150 50
3	Service Demands Impact Use of Forfeited Assets	25	100	150 50	150 50
4	Pressure Placed on Local Narcotic Units to Seize Money	0	100	150 0	120 0
5	Potential for Corruption	0	100	120 0	0 0

\*\* Panel Medians, N=9

\* Five/Ten years from now  
Will Be / Should BeDiscussion of the Range of Estimates:

In reviewing the ranges that occurred among the forecasted trends, **Trend 1** - "Forfeiture Funds Used to Supplant Normal Budget", **Trend 3** - "Service Demands Impact Use of Forfeited Assets", **Trend 4** - "Pressure Placed on Local Narcotics Units to Seize Money", and **Trend 5** - "Potential for Corruption", all showed significant ranges between the high and low "will be" estimates. Discussion revealed that members of the group holding to these extreme forecasts had completely differing views of what part asset forfeitures will play in the fiscal operations of the agency in the future. The member with the highest forecasts believed forfeiture laws will be expanded to include other types of criminal activity and therefore grow in both volume and significance for the future. The majority of the group had lower forecasts, thinking forfeiture laws will be

either severely constrained or even repealed in the future causing the forfeiture process to have little or no impact on fiscal operations for police agencies in the future.

All estimates for five years ago showed far less of a range between the high and low estimates of the group, due obviously to the panel's thorough knowledge of the issue's history to date. The median forecasts for five and ten years into the future showed a much more moderate range than did either the high or low extremes. Only in **Trend 4** - "Pressure Placed on Local Narcotic Units to Seize Money", and **Trend 5** - "Potential for Corruption", did the median "will be" estimates meet the low as forecasted by the group. In these cases, the group agreed that the ideal future will have found a solution for these current problems making them non-issues within 10 years.

In the case of **Trend 1** - "Forfeiture Funds Used to Supplant Normal Budget" and **Trend 4** - "Pressure Placed on Local Narcotic Units to Seize Money," forecasts went up for the five year period and reduced slightly at the ten year mark because it is anticipated that agencies will continue in the next five years to find ways to creatively interpret the guidelines for using forfeited funds. By the ten year mark, such efforts will be deterred by refinements in the legislation, thereby making these trends less of an issue.

#### Event Forecasting:

Panel members were next asked to forecast the future of the five top events selected during earlier phases of the process. They were asked to identify the number of years until the probability of the event occurring first exceeds zero, and were instructed to use decimals to represent periods of less than a full year. The panel was also asked to estimate the probability of the event occurring five and 10 years from now, using a percentage scale of 0 to 100. With this scale, 0 represents that the event probably will not happen within the given time frame and 100 represents the event

probably will occur within the time frame. Any estimate more than 0 and less than 100 is the percentage of probability as seen by the panel members.

In addition to estimating the probability of each event occurring within the listed time frames, each member also estimated the degree of impact the events would have on the issue question should they occur. This was estimated from the perspective of having a positive and a negative impact using a 1 - 10 scale as a gauge. Table 2 follows and shows the results of these forecasts, listing the median responses of the panel in each category.

**TABLE 2**

**EVENT EVALUATION**

Event No.	Event Statement	Years until probability first exceeds zero	Probability 0 - 100 %		Impact on the Issue Area if the Event occurred 0 - 10 Scale	
			5 yrs from now	10 yrs from now	Positive	Negative
1	Forfeiture Laws are Repealed	2	50	50	1	10
2	A Major Scandal Occurs Within the Department	1	50	50	0	10
3	Audits of Forfeiture Cases Result in Sanctions	1.5	50	100	5	9
4	Legislature Defines "Proper" Use of Forfeited Assets	2	75	100	8	3
5	Major Drug Cartels Move Trafficking to Another State	3	50	100	10	4

All Forecasted Figures Represent Panel Medians, N=9

The panel again discussed the ranges existing between its high, low and median estimates. Graphs were also prepared to display this information, listing the "will be" high, low and median estimates of the group. (Appendix H)

Discussion of the Range of Estimates:

From the panel discussion, it was identified that panel members had significantly different expectations about what the future holds for the issue question. Again, the extremes from low to high estimates occurred because one member thought forfeiture laws will be non-existent in the future, while others thought they will be expanded to other criminal offenses and used on an ever-increasing basis. It was apparent that the group's median marked the mid-range of opinions and almost centered in the range between the high and low estimates as seen on the graphs. Only in the case of **Event 3** - "Audits of Forfeiture Cases Result in Sanctions," did the median meet an extreme of the range. Discussion revealed that most panel members feel this event increases in likelihood each year and will definitely occur within ten years if the current trend remains unchanged. (Again, since the panel met, random and anonymous audits have occurred from the Federal level at local agencies in California to determine how forfeited funds are being used.)

PHASE IV

Cross-Impact Analysis:

The last task of the panel was to complete a cross-impact analysis to estimate how the events, if they were to occur, might impact the trends and the other events. Panel members projected the percentage of change (increase or decrease) from their original forecast should each event impact every other event, and the trends. In addition, the panel members were to estimate the years until the maximum impact of each event might be reached. Table 3 illustrates the result of this effort, with panel medians shown to represent the estimates of the group.

TABLE 3

CROSS IMPACT EVALUATION  
MATRIX  
(Panel Medians)

Maximum Impact (% change + or -)											"Actor" Impact Totals
Years to Maximum Impact											
N=9											
**	E1	E2	E3	E4	E5	T1	T2	T3	T4	T5	
E1	<u>0</u>	<u>- 95</u>	<u>- 90</u>	<u>-100</u>	<u>- 80</u>	<u>-100</u>	<u>25</u>	<u>-100</u>	<u>- 90</u>	<u>- 90</u>	<u>9</u>
	0	1	1	0	1	2	2	0	1	1	
E2	<u>25</u>	<u>0</u>	<u>50</u>	<u>50</u>	<u>0</u>	<u>- 50</u>	<u>25</u>	<u>- 20</u>	<u>- 50</u>	<u>75</u>	<u>8</u>
	1	0	1	1	0	2	1	1	1	2	
E3	<u>25</u>	<u>50</u>	<u>0</u>	<u>60</u>	<u>0</u>	<u>- 50</u>	<u>10</u>	<u>0</u>	<u>- 30</u>	<u>75</u>	<u>7</u>
	2	1	0	1	0	2	1	0	1	1	
E4	<u>-100</u>	<u>25</u>	<u>75</u>	<u>0</u>	<u>0</u>	<u>- 75</u>	<u>0</u>	<u>- 75</u>	<u>0</u>	<u>25</u>	<u>6</u>
	0	1	1	0	0	2	0	1	0	1	
E5	<u>0</u>	<u>- 90</u>	<u>- 90</u>	<u>- 80</u>	<u>0</u>	<u>- 75</u>	<u>0</u>	<u>- 50</u>	<u>- 50</u>	<u>- 50</u>	<u>7</u>
	0	1	1	1	0	1	0	2	2	1	
"Reactor" Impacted Totals											
	E1	E2	E3	E4	E5	T1	T2	T3	T4	T5	
	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>5</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>5</u>	

## \*\* LEGEND

E1 = Asset Seizure Laws Repealed

E2 = Major Scandal in the Department

E3 = Audits Result in Penalties

E4 = Legislation Defines Specific Use

E5 = Major Reduction of Drug Trafficking Occurs

T1 = Supplanting Regularly Budgeted Items with Asset Seizure Funds

T2 = Competition for Available Resources

T3 = Service Demands Impact the Use of Asset Seizure Funds

T4 = Reliance on Asset Seizure Funds Creates Pressure on Individual Units to Produce More Asset Seizures

T5 = Potential for Corruption

The impact of each event on the other events and trends is noted by the numbers listed in the "Actor Impacted Total" column and the "Reactor Impacted Total" row of Table 3. The higher numbers in the "Actor" column identify the events that have the most impact on other events and trends. The higher number in the "Reactor" row show the greatest reaction to each event's occurrence.

From that evaluation, it is apparent that **Events 1 and 2** have the most impact on the other events and trends overall. As seen earlier in the event evaluation, **Trends 3, 4 and 5** are more likely to occur within the next ten years but with less impact on the issue and sub-issues. **Trends 1 and 5** were most consistently impacted by each event that might occur although each event is projected to generate significant impact on the other events and trends. The reaction of the events and trends were varied to the extremes of 1 as the low and 5 as the high.

#### PHASE V

##### Development of scenarios:

From the data generated in the forecasting process, three scenarios were developed to represent three separate possible futures. The "Nominal Scenario" suggests what the future will be if nothing occurs to alter the present course of the issue studied. The "Normative Scenario" represents what the future should be if we take action to manage the issue to create the most desirable future. The "Hypothetical Scenario" suggests what the future might be if the worst case events impact the issue to the disadvantage of the Department.

The following scenarios are representative of the possible futures that may occur in each of these categories. They are presented in news article style and should be reviewed as though they were actual media accounts of events as they occurred.

**The Nominal Scenario:**

**"ATTORNEY GENERAL BANS C.P.D.  
FROM ASSET SEIZURE CASES"**

(Dateline 4-15-97)

The Attorney General announced today that he has issued notice to the City of Collegetown that it can no longer participate in the distribution of forfeited assets confiscated during the enforcement of narcotics cases. From their inception, forfeiture laws have included provisions limiting the use of forfeited assets to "law enforcement purposes only" while specifically prohibiting such funds from "supplanting" the regular budget. Early in 1991, audits were done by the federal government which showed wide spread misuse and abuse of forfeited assets by law enforcement agencies at the federal, state and local level. Attempts by the legislature in 1994 to redefine the proper use of forfeited assets failed due to public pressure generated by fears that removal of this funding source would seriously hamper law enforcement's ability to fight the war against drugs.

The Attorney General reported today that "An audit into the use of forfeited funds by Collegetown officials over the past seven years has revealed a number of violations which show clearly that City officials have consistently ignored the legislative intent and administrative guidelines for use of these funds."

State audits were begun in December of 1995 as a routine and random mid-year review of

fiscal operations. The report on Collegetown shows the City used forfeiture funds for such things as purchasing City Hall carpet and paying City legal fees associated with labor relations and law suits filed against the City by the Peace Officers' Association and its members.

The report disclosed that no capital expenditures from general fund money have been approved for the City Police Department since 1989. The Attorney General said, "Our audit shows obvious evidence that normally budgeted items have been supplanted for years by this city." He refused to comment on the potential for legal action against specific City officials. A confidential source has revealed that the auditor's report suggests there are some irregularities which could be viewed as criminal. The Attorney General reserved comment on that issue until the report is reviewed and analyzed thoroughly by his staff.

Since the mid 1980s, police agencies throughout the state have applied forfeiture laws to hit drug dealers where it hurts most - their wallets. Successes from this form of interdiction were encouraged by the negative impacts derived by confiscating a dealer's financial resources along with his drugs and using those assets to finance the continued war against drugs.

That practice ended today when the City of Collegetown was charged with violating asset forfeiture procedures specified within the Attorney General's guidelines. Former Chief Alex

Rosen was quoted as saying, "The potential for this problem to occur has long been feared by law enforcement officials in many communities. We tried for years to establish reasonable guidelines and were resisted at every turn by the short-sighted goals of the City's financial officers to offset the costs of law enforcement. Today, our citizens have paid the price for irresponsible decisions made at the expense of our future."

City Manager, Bernard Jackson, and current Police Chief Sharon Atkins refused to comment, indicating the City will appeal the Attorney General's decision.

#### The Normative Scenario:

**"REDUCED CRIME COSTS POLICE MONEY - BUT WHO CARES?"**  
(Dateline 6-21-98)

Drug enforcement efforts have proven very effective in California over the past decade. With the advent of asset forfeiture laws, drug enforcement escalated to record levels and literally millions of dollars were confiscated and put to use in all areas of law enforcement. Concerns from the late 1980s and early 1990s that the forfeiture process created overwhelming temptations for corruption were forestalled in late 1991 following a random audit conducted by the Federal General Accounting Office. Concerns raised by the audits prompted new legislative guidelines, enacted in 1992 which clarified the proper uses

of forfeited funds and mandated extensive accounting procedures to track those assets after they were seized. This created safeguards for the future that prevented in large measure any potential for added corruption.

As was the case in Florida in the late 1980s, interdiction efforts in California have dramatically increased the potential for detection and apprehension of major drug dealers. To add insult to injury, the improved capability was financed almost exclusively by forfeiture funds used to enhance law enforcement's war on drugs.

This prompted a shift in the cartel's importation systems by midyear in 1995, moving a large segment of local traffickers to the Sunbelt States of the Southwest. This exodus of the large scale trafficker has significantly reduced the size and number of forfeiture cases being worked by local law enforcement agencies. Many agencies are attempting to offset the absence of such seizures by expanded operations that target money laundering efforts of the cartels. It is hoped this will continue to supplement the budgets of many agencies.

Captain George Williams of the Colletown Police Department says his agency would prefer financial concerns associated with a reduction in revenues from the forfeiture process over the enormous social problems and dangers that accompanied the drug war in California. Williams said, "If winning the drug war in

California means citizens will pay a higher price for more general law enforcement services, it is well worth the trade. Our victory over drugs is the cheapest insurance we could ever buy for the future of our children. It is cheap at any price!"

**The Hypothetical Scenario:**

**"THE LOVE OF MONEY PROVES ROOT OF ALL EVIL FOR POLICE"**  
(Dateline 12-10-98)

The incidents of corruption within law enforcement in California have never been as prevalent as they are today. Application of asset forfeiture laws to combat increased drug trafficking during the late 1980s held hopes of forcing drug lords to finance their own demise. However admirable that intention, seizing assets has served just as effectively to undermine local law enforcement during the first five years of this decade.

The increasing incidence of corruption has led to the current efforts in the legislature to repeal asset seizure laws altogether. The 1991 conviction of Los Angeles Police detectives for taking hundreds of thousands of dollars for personal use and suits against Sheriff Duffey of San Diego for his flagrant misappropriation of seized assets were only the beginning. To date, a long list of officers have fallen victim to the perceived opportunity for making the quick and easy buck. In addition to the disgraceful

end of too many careers, lives have been lost due to tactical errors encouraged by the pressures to pursue the "almighty buck." Beginning with Fullerton Officer Tommy De La Rosa's death in 1990, many narcotics officers have taken what some consider to be unreasonable or unnecessary risks to accomplish that "record setting deal," hoping to make the largest seizure of cash or drugs on record for their geographical area or the state. The six officers killed and dozens more wounded in drug cases since 1990 causes one to ask, "Was it ever worth it?"

The expected fiscal impact should the legislature repeal the asset seizure laws in their January 1999 session is equally disturbing. Should that occur, police agencies will be left with tremendous financial shortfalls.

Many municipal police budgets are reliant upon forfeiture funds for continued funding of both manpower and equipment. With seizure laws repealed, police officer positions and capital expenditures will be lost due to the inability of the cities' General Funds to pick up the slack.

In essence, repealing these laws will cause the collapse of a false economy, upon which the viability of law enforcement efforts have been contingent for years. As in the Savings and Loan scandals of the early 1990s, the price for poor management will once again be paid by the over-burdened tax payers!

## PHASE VI

### Generating policies from collected data:

The final phase of this study involved suggesting policies that could be implemented to help bring about a desired future or to reduce the negative impact of undesirable futures. For this purpose, the Nominal Scenario was selected because it included potential impacts caused by Event 3 - "Audits Result in Penalties." From the forecasted data, this event was the only one in which the median forecasts reached the highest estimate for the event to occur within 10 years. The researcher therefore selected policies to mitigate the negative impacts represented in the Nominal Scenario. The selected policies are:

**Policy 1 - Expenditures approved by committee.** To require all uses of forfeited assets be approved by a committee consisting of the City Manager, the Chief of Police, and the City Finance Director with review by the Deputy Attorney General or District Attorney in charge of the Federal or State Asset Forfeiture Units.

**Policy 2 - Separate fiscal calendar and procedures:** To avoid the appearance or temptation of "supplanting" regularly budgeted items with forfeiture funds, require the budgeting process for expenditures from forfeited assets to be managed separately and in a different time frame from the General Fund budgeting process. This will discourage service demands from becoming the driving force behind the expenditures from forfeiture funds.

**Policy 3 - Invite an annual audit.** To avoid the potential for inappropriate expenditures from forfeiture funds, invite an annual audit of expenditures by the Department of Justice. This will identify appropriate officials to whom inquiries can be made throughout the year if recommendations seem to fall into a questionable category, thereby avoiding potential problems from a

"surprise" audit and conflict generated from differing opinions about the appropriate use of these funds.

Policy Impact:

Policy impacts were estimated by the researcher in consultation with several members of the forecasting panel. Consensus estimates for this group are represented in the Cross-Impact Analysis Matrix shown in Table 4.

**TABLE 4**

**POLICY CROSS-IMPACT ANALYSIS**

IMPACTING POLICY	IMPACTED EVENTS					IMPACTED TRENDS				
	E1	E2	E3	E4	E5	T1	T2	T3	T4	T5
P1 - Expenditures approved by committee	0	-90	-98	50	0	-75	-25	-30	-20	-98
P2 - Separate Fiscal calendars and procedures	0	-90	-98	50	0	-80	-75	-25	-30	-50
P3 - Invite annual audit by DOJ	0	-95	-98	60	0	-95	-75	-40	0	-98

All impacts were estimated by the researcher in consultation with panel members and reflect the percentage of change, plus or minus, from the panel's original forecasts.

With policies identified and recommended, it becomes necessary to focus on a specific organization to prepare a strategic plan for implementing the policies. Section III will introduce the selected agency to describe the formulation of that strategic plan.

**SECTION THREE**

**STRATEGIC MANAGEMENT PLAN**

## **STRATEGIC MANAGEMENT PLAN**

Conclusions drawn from the forecasting process suggest that by acting now, managers can position the organization to improve their potential to achieve the desirable future. This section describes the preparation of a strategic plan for the Fullerton Police Department intended to prevent the nominal scenario from occurring. That plan will lead the Department into the future and adapt the organization to achieve a more desirable future.

The City of Fullerton is located in the Southern California County of Orange, and is attached to the many cities that constitute the metropolitan area of Los Angeles. Fullerton is a conservative City, with a population of about 115,000 contained within a 22 square mile area. The Police Department is medium sized with 157 sworn officers and 93 civilian employees. The City is managed by a five member City Council and a City Manager who serves at the pleasure of the Council. The City Manager has the authority to hire and fire Department Heads within the City, a fact that has some impact on the considerations in this study.

A representative group of all Police employees met over a period of months to develop a mission statement for the Police Department. Once composed, it was officially adopted by the Fullerton Police Department about 18 months ago. With an overall mission statement in place, a strategic plan can be formulated in the context of the organizational goals. By focusing on a specific agency, the plan can also consider individual personnel at various levels of the organization and the City government environment within which the Department operates.

### **THE MISSION STATEMENT**

It is important to develop the strategic plan as a link between the

goals for accomplishing the plan and those already established for the overall organization. A "Macro Mission Statement" is a formal expression of the broad purposes and mission of the entire organization. The macro mission statement for the Fullerton Police Department states:

**"The Fullerton Police Department is dedicated to the protection of the community, ensuring the public's right to a crime free environment, with a commitment to provide exemplary and professional service, using traditional values and innovative techniques."**

A "micro mission statement" is one that defines a specific organizational activity, function or program in an effort to delineate how the organization will accomplish that portion of its overall mission. The following micro mission statement was developed for the stated issue question:

**The Fullerton Police Department is dedicated to protecting the community while providing law enforcement services in the most cost effective manner. To help relieve the financial burdens associated with combatting crimes that threaten the safety of our community, we will aggressively pursue every opportunity to seize assets from the criminal element. To insure continued success over time, the Department is resolved to administer these assets carefully, adhering to all restrictions and requirements which framed the legislative intent leading to the adoption of asset seizure laws.**

This section will outline the researcher's efforts to develop strategies to accomplish this micro mission statement. The process will lead to the selection of a single strategy and offers an implementation plan for negotiating with key stakeholders to gain their acceptance of and support for that strategy.

## **SITUATIONAL ANALYSIS**

Having the trends and events that impact the issue forecasted, the researcher was able to project the issue question into an organizational environment to assess potential threats and opportunities. Additionally, the strengths and weaknesses of the organization can be evaluated along with the perceived position of each "stakeholder," which are persons or groups which can impact, is impacted by or who cares about the proposed strategy. A panel of managers from the Fullerton Police Department, identified in Appendix I, were assembled to discuss these issues and identify the status each one within the organizational structure of the agency. Through this process, a preferred strategy can be selected to achieve success of the overall strategic plan.

### **THE ENVIRONMENT**

#### **THE SOCIAL ENVIRONMENT**

##### **THREATS:**

Service demands continue to increase on an annual basis while financial resources are becoming more limited, forcing reductions in the normal operating budgets. Drug resistance training in the schools is expected over time to reduce the market for illicit drugs. Coupled with increased and more sophisticated enforcement activities this may cause traffickers to eventually relocate their efforts to other geographical areas limiting the opportunity for seizures locally.

##### **OPPORTUNITIES:**

The indictment and conviction of Los Angeles officers for skimming funds during the operation of narcotic units and other improprieties by law enforcement officers has increased public interest. This challenges law enforcement to improve its system

for administering and controlling forfeiture funds. The national economic recession has also increased the need to identify and utilize alternative funding sources in an effort to relieve budgetary constraints within the City. Both of these concerns make for an opportunity to "fine tune" existing policies and procedures relating to forfeited assets.

## THE POLITICAL ENVIRONMENT

### THREATS:

Competition between City Departments for available resources diminishes support to allocate forfeited funds exclusively for law enforcement purposes. Supplanting regularly budgeted items with forfeiture funds risks inviting audits by the Department of Justice and possible sanctions which could include elimination from the forfeiture sharing process. The use of "reverse sting" operations has been seriously questioned because of the ethical considerations and increased safety concerns following the murder of a narcotics officer. Consequently, it is likely this tactic will be avoided in the future. The Department of Justice has begun actual audits in Southern California cities indicating the Federal government is serious about violations of established guidelines which increases the potential that sanctions could result from mismanagement.

### OPPORTUNITIES:

The local audit by the Federal government can also be seen as an opportunity as it should help convince officials outside law enforcement that the potential for sanctions is real. As agencies come to rely on asset seizure funds to support personnel as well as equipment, it enhances the perspective that this resource needs to be protected for the long term. Police officials recognizing these factors can also take steps to improve their lobbying efforts to

convince the legislature to better define the appropriate uses for forfeited assets.

### THE TECHNOLOGICAL ENVIRONMENT

#### THREATS:

The criminals involved in drug trafficking have adjusted their tactics continually and effectively to reduce the potential for police seizures. This has been seen in the use of pagers, call forwarding, wire and metal detectors, money transfers by wire and the use of computer networking to track the profile of police officers from many agencies.

#### OPPORTUNITIES:

Funding from forfeited assets makes the purchase of high tech equipment for law enforcement more feasible. For example, current plans exist to buy mobile data terminals and a new 800 MHZ radio system for the Fullerton Police Department within the next three years. Personal computers are also being funded out of forfeiture funds at a time when the Police budget is being reduced on the General Fund side of the ledger.

### THE ECONOMIC ENVIRONMENT

#### THREATS:

The City of Fullerton has experienced a reduction in revenues due to a drop in sales tax within the community. The murder of a narcotics officer during an undercover narcotics operation precipitated a wrongful death suit filed by his survivors. His death and the resulting financial exposure for the City could create a perception that threats to life and legal defense costs associated with working large forfeiture cases are not worth the risks involved.

OPPORTUNITIES:

The potential to expand operations targeting new sources for asset seizures is almost unlimited. The need for alternative sources of revenue makes the potential income from large forfeitures an almost irresistible funding source for many agencies. The potential for audits which could adversely impact our ability to continue in the asset forfeiture business makes improving our administrative strategies a cheap form of insurance for securing the potential financial benefits.

THE ORGANIZATION'S CAPABILITY

STRENGTHS OF THE ORGANIZATION:

In 1990, the City Council approved expenditures from forfeiture funds to increase the number of personnel assigned to narcotics. This added two detectives, one secretary and one community service officer to the existing five man unit. This improved the capability of the unit and clearly identifies the support it receives from Police managers, the City Manager and the City Council.

Staffing levels at the Fullerton Police Department have been below allocated strength for years and only recently affected the Narcotics Unit. The death of Tommy De La Rosa created a vacancy which could not be filled due to shortages in the patrol force. Budget reductions in the current fiscal year initiated a hiring freeze which will perpetuate this condition for the remainder of this fiscal year.

The City has grown accustomed to using forfeited assets to augment

the budget for major capital expenditures and to some extent, to add personnel to the Police Department. Although the City Manager and Finance Director have previously held a firm position to personally monitor the use of these funds, they are reasonable people and should react favorably to solid arguments establishing a need for adjustments in policies impacting forfeited assets. It is likely they will be responsive if it can be shown current policies unnecessarily limit acquisition of seized assets or could jeopardize the City's access to that funding source in the future.

The Command Staff is also comprised of reasonable people and if a clear case is presented substantiating a need for changing policy, they will also be receptive. All staff members have a clear understanding of the issues associated with the administration and use of forfeiture funds and would probably be willing to support a well organized and solidly based plan to revise the current policies. These are considered strengths at the staff level.

Overall, accomplishing the micro-mission statement is contingent more on changing the administrative policies than on the operational strategies of the organization to seize assets. The fact that redefining administrative policies would have little impact on the functional operation of the department is in itself considered a strength.

#### WEAKNESSES OF THE ORGANIZATION:

On June 21, 1990, Detective Tommy De La Rosa, the only Hispanic member of the unit, was killed during a "reverse sting" operation aimed at a record seizure for the Department. (A reverse sting is when the police arrange to sell narcotics to would be drug buyer.) The unit suffered a natural set back due to the personal impact of losing a close friend and because there was no Hispanic officer available to step into these undercover operations. The high productivity previously enjoyed by the unit took months to re-

establish for a number of reasons. Some believe narcotics activity may have diminished in this geographical area due to major enforcement efforts by agencies throughout Southern California. The make-up of the Fullerton Narcotics Unit has changed since De La Rosa's death and a number of special assignments, including trial preparation for De La Rosa's killers impacted the return to normal operations. The operational focus of the unit was redesigned due in large measure to the absence of an Hispanic officer who can function effectively under cover. The uncertainties attached to these changes and to what new direction and image the unit will have are considered weaknesses.

The present policies relating to the expenditure of forfeiture funds are perceived as adequate by the Chief of Police, the City Manager, Finance Director and the City Council Members. Although functional, the written policy is not always strictly followed as it allows flexibility at times when alternative funding is sorely needed. Occasionally, allocations from forfeiture funds have occurred somewhat spontaneously when money was needed to fund a position or equipment and other sources were unavailable to accommodate the need. Such expenditures have been categorized by some as a function of creative financing and were very controversial to many members of the Police Department.

The Chief of Police inherited the present asset forfeiture policies from his predecessor. The Chief has voiced disagreement at times over individual expenditures, but some of the spontaneous uses for these funds were accomplished with minimal resistance. The Chief must face the political realities and it is not always clear if he agrees with the proposed uses for the funds or if he does not feel those decisions warrant major resistance. Command level managers (Captains) have complained that the City has made inappropriate uses of forfeiture funds but with little, if any, impact. These negative reactions are shared by a number of line level and supervisory personnel in the department.

The current political climate for seeking major change is less than optimal. The Police Officer's Association is strong and has taken several opportunities to challenge the Chief's decisions. Acting to make significant changes in the Asset Forfeiture Policies might create unnecessary controversy and a new avenue of attack. The Chief and one of his Captains are nearing retirement and it is anticipated that he would prefer leaving this and any other non-essential political battle for the future.

Concerns have grown out of a few instances when the City Council approved spending forfeiture funds for items considered beyond the established guidelines. This practice could jeopardize the entire forfeiture sharing process should the agency be audited and these uses be deemed officially inappropriate. A recent federal audit of the Department's asset forfeiture procedures and expenditures makes this potential seem even more realistic.

#### **STAKEHOLDER ANALYSIS**

As stated earlier, "Stakeholders" represent those people or groups who impact the issue, are impacted by the issue or care about the issue. As stakeholders, they each have specific assumptions about the issue question. Following this detailed analysis, the stakeholders and their individual assumptions relative to this issue were identified by the researcher and varified by the panel. (Appendix J) The researcher charted the assumptions to show graphically how each stakeholder might react to the proposed strategy if or when it is implemented. (Appendix K)

#### **DEVELOPING ALTERNATIVE STRATEGIES**

Using a Modified Policy Delphi Process, the same 10 member panel (Appendix I) was used to generate a list of alternative strategies

that could be used to accomplish the micro-mission statement. The panel first considered the present capability of the organization to accomplish change. That information is depicted on a capability analysis form as Appendix L. The panel then brainstormed various strategies and through a voting process, selected the best three for more detailed analysis. That analysis identified which strategy the panel preferred to implement in order to accomplish the mission.

The first of the three strategies was an operational approach, based on the theory that by broadening the activities from which assets are seized, more assets would be available for forfeiture over the long term. This strategy could focus the Department's efforts beyond narcotics, targeting the less obvious financial holdings of narcotic traffickers, money laundering operations and any other crimes that fall within the statutes that allow for assets to be seized. Specific operational suggestions were discussed, like developing a program to actively work the Municipal Airport to identify and apprehend drug smugglers or increasing participation in the regional narcotics task force.

In analyzing this strategy, the panel recognized that increased seizures would make additional funds available to the City while taking them away from the criminal element. This "more is better" approach would enhance the existing "major violators" program by extending forfeiture efforts beyond narcotics. The undesirable perceptions that pressure exists to seize assets would no longer be exclusive to the narcotics unit as other officers would then be involved in pursuing forfeiture cases. The negative factors attached to this strategy included the need for additional manpower, more training and equipment, and the concern that some might see the focus as mercenary. Additional considerations were identified - that abandonment of all street level narcotics enforcement should be avoided and that this strategy is reactive in nature, attacking the symptoms rather than the true cause of the problem.

The second strategy focused on changing the accounting policies and procedures relative to seized assets. By incorporating a completely separate budgeting process and fiscal year for forfeited assets, any temptation to supplant regularly budgeted general fund items with forfeited funds could be discouraged. Such a process would provide a clear status of forfeited funds at all times, identifying assets already received, those that are still being processed, those that are encumbered and those that are available for use. Under the present design, it is sometimes difficult to identify the exact status of forfeited assets as they are commingled and accounted for within the regular budget document.

The panel identified the benefits of this strategy as being a deterrent to "spontaneous" uses of seized assets, elimination of the present confusion over the status of the funds, improved accountability for everyone involved and improved capability for the long term planning of expenditures. The negatives associated with this strategy were the time requirements and personnel costs associated with a dual accounting system, the unavoidable duplication of effort in the process, reduced coordination in planning expenditures from the General Fund in conjunction with forfeiture funds and the possible perception that the City would have less control of the expenditure of forfeiture funds.

The third strategy involves a significant change in policy and philosophy about the use of forfeited funds - restricting their application to only short term expenditures. To date, the City has used these funds for a wide variety of reasons, including funding positions and expensive equipment. This has not been recognized as a problem because the prevailing expectation among executive level managers is that forfeited assets will always be available. The reality that they may not be, raises a concern that the infrastructure of the Department may be supported in part by what

is potentially a "false economy." This could threaten the long term effectiveness of the Department.

The panel saw the benefits of this strategy as preventing long term reliance on forfeited assets for the normal operations of the Department, improved accountability and planning for the use of seized assets, enhanced input by the Police Department and more certain and immediate procurement of needed police equipment. The negatives were seen as the possible elimination of positions already funded by forfeited funds, the limitations of a short-term approach that may also be short-sighted, and the perception that the City would have less control over the funds.

The stakeholder analysis proved critical to the panel as they selected a "preferred" strategy. The panel felt that the Narcotics Unit, Police Managers, Police Association, Citizens, other Department Heads, and Department of Justice authorities would all support or be neutral to the three strategies because they all enhance the potential to share in forfeited assets, improve narcotics enforcement efforts and help to relieve the already strained finances. The panel also felt the City Council would support any plan proposed by the Chief and endorsed by the City Manger. The critical stakeholders therefore became the City Manager, Finance Director and the Chief of Police.

The panel expected the City Manager and Finance Director to oppose any strategy that could be perceived as reducing their control over the use of forfeited assets. Although the Chief of Police could benefit from any of the three strategies, the panel felt he would resist the two strategies involving changes in City policy because those could be interpreted as him "taking on" the City Manager and Finance Director. Success of those strategies would rely on the Chief's willingness to champion the cause, convincing the City Manager and Finance Director of the need for immediate policy changes.

The panel felt the current political climate is not conducive for the Chief to create unnecessary controversy and his time is too short for this to be worth the personal risks and headaches involved. For that reason, the panel selected the operational approach, aimed at increasing the potential to make seizures, as the preferred strategy because they felt it could be accomplished with far less resistance from the key stakeholders.

The panel did however, recognize the critical need for changes in the City's current policies relative to the use of forfeited assets. For that reason, the researcher elected to include that strategy as a secondary focus, to be "sold" to the key stakeholders during the implementation of the more acceptable and "preferred" strategy. The rationale for changing City policy will therefore be presented continually during negotiations for and implementation of the panel's preferred strategy, setting the stage for City policy changes in the future. Policy changes can then be pursued when the political climate is of less concern for the present Chief or when a new Chief is appointed to the Department. The panel was confident that at that stage, the recommendations of the management team would be supported by the Chief, whoever fills that position.

#### **THE IMPLEMENTATION PLAN**

The Transition Management Plan for Fullerton Police Department will be discussed in detail in Section Four. It may be helpful however, to identify some of the general action steps considered necessary by the panel for this strategy to be successful.

As stated earlier, the change of policy is considered more crucial in the long term but less feasible at the present time. It is therefore critical that policy issues be discussed during the negotiations process to implement the preferred strategy. By

conveying specific information to stakeholders, the stage can be set for policy changes in the future.

The selection of specific operational methods to implement to expand asset seizure efforts is less critical and therefore more flexible. Control is a major concern to the key executive level stakeholders and is also flexible as long as the mission is being accomplished. With those considerations, it is hoped that the old adage, "It is amazing how much you can get accomplished when you don't mind who gets the credit" could be proven.

The Investigation Division Commander should be responsible for the implementation of the preferred strategy. As a manager of the Department, he supports the strategy of expanding the base of operations to increase the acquisition of forfeited assets. This cannot occur however, without additional resources or redirecting the resources currently available. The Investigation Division is overdue for an internal audit. This would be a timely opportunity to identify what resources might be redirected without adversely impacting other operations and what change in focus might be beneficial for the existing narcotics unit.

Expansion into new areas where increased seizures can occur could be done in increments, beginning with the uncomplicated efforts and moving to those that are more complex. Selection might also be made on the basis of what activity would give the best return for effort involved. Implementation can be accomplished within the Division Commander's normal sphere of influence and responsibility.

A philosophical presentation of the new direction should be made to the Chief and in turn the City Manager obtaining their approval to move forward. In view of the ever-tightening resources available from the General Fund, any increase of forfeited assets is sure to bring welcomed financial relief even though there are limitations on how the funds may be used.

In addition to explaining new methods for pursuing forfeiture cases, the concern over public opinion and the moral and ethical responsibilities attached to each phase of the forfeiture process should be restated to the key stakeholders. Doing so will allow for the "planting of seeds" necessary to encourage policy changes desired in the future. This is an important part of the philosophical presentation, emphasizing the mutual benefits derived from protecting these alternative funding sources for the long term. It must also be emphasized that the focus of all enforcement efforts must remain the undermining of drug trafficking capabilities within the geographical region.

Assistance that might be available from other Departments within the City can also be identified in advance to obtain conceptual approval from the City Manager. An example of such assistance would be the security and maintenance workers at the Municipal Airport who, with very little training and effort, could identify and report to the police any potential smuggler aircraft recognized by unique damage caused when aircraft land on remote air strips that are not well maintained.

Multiple options for pursuing asset seizures can be identified from which the Chief may select. Once approved, the concept and operational plans will be presented to line level personnel, recruiting volunteers to avoid any assignment being forced upon them. When necessary, specialized training will be provided enabling line level officers to develop expertise in a given area. They can then take the lead in implementing the Department's new strategy for increasing asset seizures.

Section Four will offer more details about how to move the organization from its present state to the desired future state. The Transitional Management Plan will focus on considering the more important stakeholders and their reactions to each step of the plan, thereby ensuring success of the "preferred" Strategic Plan.

**SECTION FOUR**

**TRANSITION MANAGEMENT**

## TRANSITION MANAGEMENT

In the futures forecasting process, scenarios representing possible futures were developed, showing clearly that the issue could be managed to enhance the potential for achieving the most desirable future. A strategic plan was then developed specifying what changes the organization should make to manage the issue for that purpose. In this section, a "Transition Management Plan" will be developed, aimed at managing the organization as it moves from its present state to the desired future state.

Policy changes identified in the strategic plan are intended to enhance the City's ability to manage seized assets in accordance with the legislated intent that framed the restrictions and requirements contained in the asset forfeiture guidelines. Strong opinions exist that the intent of those guidelines has been violated on occasion by the manner in which the City has used funds derived from asset forfeitures.

### DEVELOPMENT OF COMMITMENT STRATEGY

#### CRITICAL MASS

In Section Three, a "Stakeholders" list was developed identifying people or groups who might impact this issue, be impacted by the issue or who cared about the issue. For the purpose of managing the transition of the organization, the original list of 10 stakeholders will be reduced to identify only those actors who comprise the "critical mass." The critical mass is the minimum number of people who, if they support the desired change, it is likely to be successful; and who, if they oppose the change, it is likely to fail. Using the information obtained while developing the Strategic Management Plan, the researcher identified the critical mass actors for the transition management process.

The following actors are therefore targeted as the "critical mass":

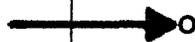
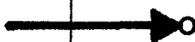
- \* The Investigation Division Commander
- \* The Chief of Police
- \* The City Manager
- \* The Finance Director
- \* The City Council

COMMITMENT CHARTING

Table 5 reflects the critical mass actors in their present level of commitment to changing current policies and procedures. It also projects the minimum level of commitment required from each actor for the desired changes to be successful. An assessment of the critical mass actors and the intervention strategies necessary to move them to the required commitment level for success of the transition plan follows the chart.

TABLE 5

COMMITMENT CHART

Critical Mass Actors	Block Change	Let Change Happen	Help Change Happen	Make Change Happen
Captain			XO	
Chief		X 		O
City Manager	X 	O		
Finance Dir.	X 	O		
City Council		XO		

X = Present position

O = Position Necessary for Change

**Investigation Captain** - The Captain is one of three Division Commanders and is the senior staff member below the rank of Chief. In that capacity, he has direct supervision over the Narcotics Unit of the Police Department. As the Division Commander, he must buffer the frustrations and concerns of unit members who complain that forfeited assets have been used for questionable expenditures while a number of Police Department budget requests went unfunded.

The Captain recognizes the potential for the Department to be excluded from the Forfeiture Sharing Program should the City be audited and deemed to have used these funds for purposes that violate the established guidelines. Of even more concern, is the perception that City officials have disregarded clarification letters received over the years from state and federal authorities offering opinions on the proper uses for forfeited assets.

The Captain has aspirations of becoming the next Chief of Police and is sensitive to the political realities faced by the Chief as well as the importance of the Chief's relationships with the other critical mass actors. Recognizing the difficulties attached to this issue, he has not persisted in pursuing the need for policy changes. This places his present level of commitment in the "Help Change Happen" category.

The Captain's high level of commitment to accomplish the desired changes must be tempered to avoid the appearance of applying inappropriate pressure toward or undermining the Chief. The Captain is the likely candidate to manage the changes once a decision is made to revise existing Departmental policies and procedures, but he is not in a position to champion the cause before the other critical mass actors. For that reason, he will remain in the "Help Change Happen" category allowing the Chief to lead efforts among the critical mass actors even if he is assigned to do the actual work.

**The Chief of Police** - The Chief has held his position for four years and is expected to retire within the next year or two. In recent months, he has been strongly challenged by leaders of the Police Officers Association who have contested his decisions with some frequency. He has weathered those storms, and projected a spirit of compromise but would likely avoid actions that would unnecessarily jeopardize his standing with the officers, his superiors or the other City Department Heads. Consequently, he will move with caution.

The recent U.S. General Accounting Office audit strengthens the Chief's perception that a "real" audit could occur in the future with punitive sanctions applied against agencies making inappropriate use of seized assets. Recent reductions in City revenue required a \$1.3 million cut in the Police budget, the largest reduction of any City Department. In addition, the Chief is tired of the never-ending debate over the use of forfeited assets and would like to resolve this issue for the long term. Although previously opposed to changing existing procedures regarding forfeited assets, these recent developments strengthen his position and motivation to argue for needed changes, placing him in the "Let Change Happen" category.

The current management structure within the City makes it necessary for the Chief to personally sell the need for change to critical mass actors outside the Department. For the plan to succeed, he must personally move into the "Make Change Happen" category. This will happen when the Chief acquires the confidence in supporting data he feels is needed to safely champion the cause for change. Once the Chief has convinced the other actors of the need for change, the mechanics and management of the transition can be delegated to other members of the organization.

The Chief should also recognize that changes do not have to be immediate or even specific at this point. The critical concern is

to establish agreement among the critical mass actors that changes in the present procedures are necessary and advantageous. Raising the Chief's awareness of these facts will eventually move him to the required commitment level.

**The City Manager** - The City Manager has a broad accounting and financial background, having previously served as the City's Director of Finance. He has a reputation of relying heavily on the current Director of Finance when making decisions about finances, even those unrelated to the Finance Department. The City Manager is a reasonable man and will consider sound arguments for change, although he would resist any change which appears to be ego centered. From previous debate about forfeited assets, it is clear he is concerned about properly accounting for these funds. He was instrumental in getting the current accounting and management system in place and probably feels they are sufficient to cover any liability the City might incur from use of forfeited funds. For that reason, he is seen as currently being in the "Block Change" category.

To change that position, the City Manager must be persuaded that the risk of potential audit and punitive sanctions will increase should existing practices regarding use of forfeited assets continue. Such persuasion will best be achieved over time, not by an attempt to convince him in one session where information presented is so overwhelming that change is presented as the only reasonable option. That approach could be perceived as threatening or invoke suspicions that the arguments are contrived.

With the Chief's assistance in presenting new and persuasive information about the potential for audits and sanctions to occur, the City Manager can be convinced that unnecessary risks are attached to the present procedural design. By educating him about these facts, he can be moved to the "Let Change Happen" category.

**Finance Director** - The Finance Director has considerable influence with the City Manager. She is a politically powerful department head and took an active role in defining how seized assets would be accounted for and expended. She has made proposals and, at times, unilateral decisions to move forfeited assets into accounts, slating them for expenditures that many believe clearly violate federal and state guidelines.

The finance manager will want her department to remain in physical control of forfeiture funds as well as retaining a significant role in deciding what expenditures will be made from them. Existing procedures have afforded her that position and for that reason, she is presently seen in the "Block Change" category.

For this plan to succeed, the Finance Director must move to the "Let Change Happen" category. This could be accomplished by either convincing her that changes desired by the Police Department are mutually beneficial or by having the City Manager invoke his authority to require her to accept the changes. The better approach is to involve her in discussions with the Chief and City Manager to collaborate in formulating a new perspective aimed at protecting this enforcement tool and revenue source for the City. At the same time, safeguards can remain in place to ensure she continues to hold and account for all the funds, is kept informed about any potential expenditures and has input on the use of forfeited funds.

**City Council** - This body is composed of five members, one of whom is selected each year by the group to serve as Mayor. The present Council is composed of two very conservative members and two somewhat liberal members. The fifth member, often holding the "swing vote" on local issues, is a retired Captain of the Police Department who was in charge of the Investigation Division when the Major Violator Program was initiated. He is very familiar with the forfeiture laws and process and will likely become the City's Mayor

in the coming year.

Typically, the Council will support any change that comes as a recommendation of City Staff and agreed upon by the City Manager. The Council approved the current asset seizure procedures and would likely approve recommended changes as long as they retain the opportunity to approve expenditures from the fund before they are made. The Council is, therefore, in the "Let Change Occur" category and would only need to hold that position for this plan to be successful.

### **TRANSITION MANAGEMENT STRUCTURES**

Organizational change occurs in three phases: the present state, the transition state and the future state. In regard to procedures for managing forfeited assets, the department left the "present state" when it first deviated from the established guidelines for using forfeited assets. Since that time, a "transition state" has existed but has not been managed, if it has even been recognized at all. Departures from established guidelines have occurred because of the City's policies being ill-defined or misunderstood. The resulting inconsistency and uncertainty has generated conflict and the critical mass actors have all reacted by exhibiting a desire to personally exercise some control over the assets.

Recognizing the need to manage this transition to the desired future state and that politics of the City government cannot be avoided in the process, utilization of the existing management structure is seen as both effective and least disruptive. Clear lines of authority already exist among the critical mass actors which, if followed, can avoid provoking resistance and opposition.

The existing structure is more than effective for accomplishing the desired goals of this plan. As previously explained, the Chief

must be the spokesman for the Police Department, championing the cause for changing the existing policies and procedures. His time will be limited for doing the required research and preparation of data to support solid arguments before the other critical mass actors. This responsibility can reasonably be delegated to the Investigation Division Commander who could serve as "project manager" within the existing chain of command. The foundation for the arguments and recommendations for specific changes can be prepared by the Captain and his staff, reviewed and approved in advance by the Chief before his presentation to the critical mass actors.

The Investigation Captain, as an executive level manager, enjoys an excellent reputation with all critical mass actors. He is well respected for previous projects he initiated within the community, one of which recently earned the Governor's Award for Community Crime Prevention presented by the Office of Criminal Justice Planning. His management of the project and his involvement in meetings with the Chief and other critical mass actors would be natural for everyone. In reality, his high level of interest would serve as the driving force behind the project while the Chief would retain the image as the leader of the project in the eyes of the other critical mass actors.

#### **IMPLEMENTATION TECHNOLOGIES**

The final phase of transition planning involves identification and selection of the methodologies which can be used to support implementation of the desired changes. Critical to this process is the assessment of what contributed to placing the organization in the unmanaged change state that exists today.

The uncertainty that has existed since established procedures were first violated created an impression that "the City" would no

longer be consistent in its use of forfeited funds. This generated stress and energy that was manifested in the form of conflict and an attempt on the part of several members of the critical mass to control the use and/or acquisition of forfeited assets rather than allow those conditions to persist. The methods selected for implementation of this plan must address and minimize the potential for these conditions to reoccur.

The specific methodologies which can be utilized to ensure success of this plan are listed and defined in Appendix M. In addition to the specified methodologies, communication between the critical mass actors can be reinforced through the technique of "responsibility charting." The use of a responsibility chart clarifies the behavior required by each actor in order to implement specific tasks or decisions. It helps to reduce ambiguity, wasted effort and adverse emotional responses between the actors involved in managing the transition. A responsibility chart for this transitional management plan was prepared and is presented in Appendix N.

#### CONCLUSION

This transition management plan has addressed the issues necessary to "make change happen" in order to accomplish the desired future state. It has identified individuals who comprise the critical mass and assesses the extent to which those and other people have the information needed to support the desired changes, their motivation or willingness to do what is necessary to accomplish the changes and their capability to achieve the desired changes. As addressed in previous intersession exercises, the political climate can be tenuous and becomes a critical factor in the transition process. While this paper establishes a clear plan by which the desired changes could be accomplished, the question of timing remains a major concern. The decision of when to make the changes occur ultimately remains with the Chief of Police in concert with

the other critical mass actors. From the researcher's perspective, it is not a question of if the changes will happen but when they will happen as continuing events show them to be inevitable.

In the following Section, opinions, conclusions, and recommendations will be drawn from the research and work represented in this paper. It is hoped that the efforts of the researcher will be of benefit to other agencies, whether they are presently involved in the sharing of forfeited assets or are only considering that as a potential strategy for their agency.

**SECTION FIVE**

**OPINIONS, CONCLUSIONS, AND RECOMMENDATIONS**

## OPINIONS, CONCLUSIONS, AND RECOMMENDATIONS

The issue question for this study was stated as, "What Impact Will the Asset Forfeiture Process Have on the Fiscal Operations of Medium Sized Law Enforcement Agencies by the Year 2001?" To focus the study, three sub-issues were identified. They were:

- How will competition for available resources impact the use of forfeited assets?
- How will local political influences impact the use of forfeited assets?
- How will the acquisition of forfeited assets impact the enforcement priorities of the agency?

In concluding this paper, the researcher will answer each of the sub-issue questions, the main issue question, and, finally make recommendations for future research in this field of study.

### 1. How will competition for available resources impact the use of forfeited assets?

From the research and forecasting process, it became apparent that competition for available resources has and will continue to impact the use of forfeited assets. Even within the confines of the law enforcement agency, competition exists to gain access to or control of forfeited assets to fund special projects, purchase equipment or even to add personnel. The availability of the funds alone fosters a competitive spirit to obtain a piece of the "pie" for various units within the organization.

When extended beyond the confines of the law enforcement agency, it is apparent that many people see an advantage to expanding the applications for which forfeited funds may be used. To date, the official guidelines remain firm in restricting the use to law enforcement purposes only. Looking to the future, one can anticipate efforts will be made by a number of interested parties

to revise those guidelines, relieving some or all of the restrictions. This potential is even greater should the fiscal restraints that exist today grow even tighter.

**2. How will local political influences impact the use of forfeited assets?**

Politicians who have watched the forfeiture fund "pie" grow from year to year pose the greatest threat to revise existing guidelines and/or laws. The political influences may manifest themselves in subtle ways, with continued fine-tuning of forfeiture laws in search of the "lowest common denominator" - the point where "forfeiture sharing" provides only the lowest percentage of return necessary to maintain law enforcement's interest sufficiently to keep local agencies actively involved in the process. This will ensure that local agencies continue to funnel forfeiture funds into the state and federal coffers but at bargain prices by today's standard. It can also be expected that until sanctions are applied for violating the guidelines, politicians will continue to dispute their technical meaning and use forfeiture funds to supplant their operating budgets or otherwise violate the funds' intended purpose.

Internal political pressures can complicate the process well. Like any business, law enforcement agencies have individuals who compete for control of the purse strings. Individuals with the most influence and clout are typically better able to maneuver resources to fund their pet projects. With the availability of forfeiture funds, competition has been spawned, even between working units of the same agency. Unless spending is controlled by a group decision process, the likelihood of unhealthy competition increases greatly, creating a potential for adverse impacts on the agency.

**3. How will the acquisition of forfeited assets impact the enforcement priorities of the agency?**

As has been discussed, many agencies have developed specialized programs to target cases more likely to involve asset forfeitures.

In some instances, enforcement priorities have changed completely, even to the point of abandoning local level narcotics enforcement in order to pursue this potential "pot of gold." This is dangerous ground, especially with the close attention directed toward law enforcement in reaction to improprieties in other matters such as the use of force. As police are subjected to increased scrutiny, their managers will have to recognize their responsibility to maintain a tight reign on these funds. They will also have to be constantly aware of what is happening at every stage of the process. Decisions relating to how narcotic cases are selected and worked, and how the enormous funds from asset forfeitures are used may someday become the focus of close public attention. With that comes a tremendous potential for severe backlash should violations of established policies or obvious impropriety be alleged and/or substantiated.

**So, how will the forfeiture process impact the fiscal operations of law enforcement agencies by the year 2001?** It will depend on a number of management decisions. How law enforcement managers coordinate enforcement efforts, how they establish the accounting procedures for seized and forfeited assets, and how they use forfeited assets over time will impact the future significantly. Law enforcement cannot afford to allow narcotics enforcement decisions and priorities to be driven by the opportunity to seize assets through the forfeiture process. When that happens, the element of greed which has traditionally given police an edge over the narcotics dealers, can and will be used against law enforcement. That greed factor will also increase the potential for compromises to be made to enhance the pursuit of forfeiture cases. As compromise begins to happen, the potential for corruption and a loss of integrity also escalates, all done under the banner of "fighting the war against drugs."

Secondly, law enforcement must realize the pitfalls associated with becoming too reliant on this source of funding. If personnel

positions are contingent upon these funds, the organization's future capabilities become predicated, at least in part, on an unstable, if not false, economy. By allowing positions to be funded out of forfeited assets, law enforcement loses an equal portion of General Fund monies that would otherwise be included in the police agency budget. Once lost, these dollars will be difficult to recover, especially in these days of severe recession. Should the forfeiture funds drop to levels that will not support those positions, how will the money be found to continue the employment of key personnel?

Even more worrisome is what impact the forfeiture process really has on the major narcotic traffickers. It has been said that more than one hundred billion dollars from the narcotic trade goes through this country's banking system each year.<sup>26</sup> If that is true, a local agency seizure would not amount to much more than what a dealer might be willing to spend for a "payoff" to law enforcement. The drug trafficker can therefore view the distractions of a forfeiture as an acceptable price for doing business. Such distractions serve to cloud the primary goals of law enforcement, which are to work drugs and those that sell them, not the assets of the drug dealer. Distractions, whether the result of payoffs or a change in law enforcement's focus, accomplish the same end - fewer drugs are removed from the street and the dealer's product remains on the market.

#### CONCLUSIONS

To win the war on drugs, law enforcement must adversely impact the user market that exists within society. It is doubtful that this will be accomplished from the enforcement side. More likely, it will have to be accomplished through the education of the youth and those currently using drugs to remove the demand that exists in this country. Forfeiture funds are being used to some degree for that purpose, but existing laws prohibit use of forfeited funds for

school programs not managed by law enforcement.<sup>27</sup> This policy seems terribly shortsighted when one recognizes that policemen are not experts in the field of education.

Additional problems exist with forfeiture funds in that law enforcement officials are called upon to do the accounting work, property management and maintenance associated with the process - areas that are beyond their realm of expertise. A better approach might be similar to changing the traditional law enforcement model to one of community or problem oriented policing. Success overall is more likely if law enforcement goals are approached in partnership with those having a common interest and the technical expertise to ensure success. Such a partnership could also help prevent the unavoidable temptation for law enforcement to consider the size of forfeitures as the "new" and perhaps more valid measure of success.

Perhaps law enforcement should re-think the entire forfeiture process, viewing it as a collective effort from various agencies within government. After all, individual narcotic units can only become so big before they are out of proportion for their agency. At that stage, law enforcement sets itself up for critical review and probable embarrassment. The criminal justice community may have moved too quickly to protect forfeiture funds for the sole use of law enforcement. It might be even more effective to take a collective approach, working with other government entities to manage and utilize forfeited assets.

This may be best illustrated in a parable with family relationships representing a law enforcement's relationship with its city or other "parent" entity within government. In this example, parents have supported their adult son for years with the agreement that he will contribute to the family unit by doing yard and house work on a daily basis while his parents pursue careers to provide for the family financially. Due to unforeseen circumstances, a pay scale

reduction or demotion, the parents income becomes significantly reduced. At the same time, their son receives a "reward" for a heroic act that saved the life of a wealthy man's daughter, risking his own safety in the process. All family members immediately recognize the money given to this son is desperately needed to get them through this financially difficult time. The son, however, refuses to assist the family, insisting instead that his money be used only for him, not for his support, but to allow him to enjoy "extra" activities that he has always wanted to experience. The frustrations and animosities that would likely well up within the parents may well be building within governments as the recession continues and forfeiture funds are hoarded for law enforcement purposes only.

Why not allow the politicians to assume ultimate control of the funds, recognizing they have a natural oversight from the electorate that does not exist in law enforcement? Law enforcement could still work in concert with them, having a voice in directing resources to appropriate projects aimed at winning the war on drugs. And, perhaps financial experts should be allowed to manage forfeited funds, tracking the receipts and expenditures as the professionals in that field. With legislated safeguards in place, law enforcement can ensure it gets a fair share of the money to continue quality enforcement efforts. In that design, law enforcement can avoid the covetous association it presently has with forfeited assets. It is that outlook which produces the harmful mercenary mentality and temptation to alter traditional narcotics targets away from areas which directly impact the communities served by local law enforcement. In that sense, scripture is proven when it says, it is the love of money, not money itself that is the root of all evil.

The potential is great for law enforcement to get caught up in this frenzy for cash. How many agencies would be comfortable if the public had a clear perspective of their enforcement priorities - of

how they spend tax dollars to work narcotics cases in cities and counties or even states far removed from the local community? If that question raises even a twinge of doubt about community reaction, it is likely that something is wrong with the way some agencies are doing business.

Participation in a regional task force may be a better alternative. This approach allows for significant participation in the forfeiture sharing process, without the negative potential generated by creating a narrowly focused "Major Violators Unit" within the smaller agencies. Regional enforcement teams share the responsibility, accountability and oversight so important to the desire to guard against corruption. This approach requires less manpower and resources from individual agencies while allowing them to share in the forfeiture process without abandoning local narcotics enforcement.

#### RECOMMENDATIONS

Law enforcement needs to consider new methods for locating and identifying the proceeds of the narcotics trafficker. Expansion of that effort should be a present goal of agencies serious about using forfeiture as an enforcement tool. The sophisticated training needed to effectively work money laundering cases can be funded by the forfeiture process, expanding the potential to dig deeper into the trafficker's pockets. Drug dealers have employed more creative methods like wiring money to make payments rather than exchanging cash, to do their business. After all, they can afford to hire the best minds in the country to identify methods for accomplishing their goals with a minimum of risk and expense.

This typically places law enforcement in a reactionary mode, always catching up with the traffickers as they change directions, locations or methodologies. To respond effectively, law

enforcement needs to hire some of those same well-trained minds. Police types are not interested in working money laundering cases because they are "not as much fun!" By employing the right types of people armed with the right technical skills and interests, money laundering schemes can be identified and worked more effectively.

Additionally, law enforcement needs to improve its political base and lobbying capabilities. The power of politics lies in money and votes. Law enforcement is only beginning to see politicians become interested in the forfeiture process because it is producing significant amounts of cash which are sorely needed by politicians at every level of government. If law enforcement hopes to have a strong impact on the future of the asset forfeitures process, a strong political base must be built and maintained in advance.

Both of these areas would be excellent topics of continued study associated with asset forfeitures. Forfeiture is not likely to go away in the near future. It may very well expand with new and even more lucrative applications. In that case, it is almost certain that politicians will be increasingly interested in what happens to the money and what uses are really in the best interest for everyone. Money laundering represents the future for substantial forfeitures and politics will be a key ingredient to removing the enforcement blocks which exist in banking laws today. It would be worthwhile for someone to pursue this topic, helping law enforcement identify the more desirable future in these categories and design a plan to move law enforcement to that improved state as a profession.

## ENDNOTES

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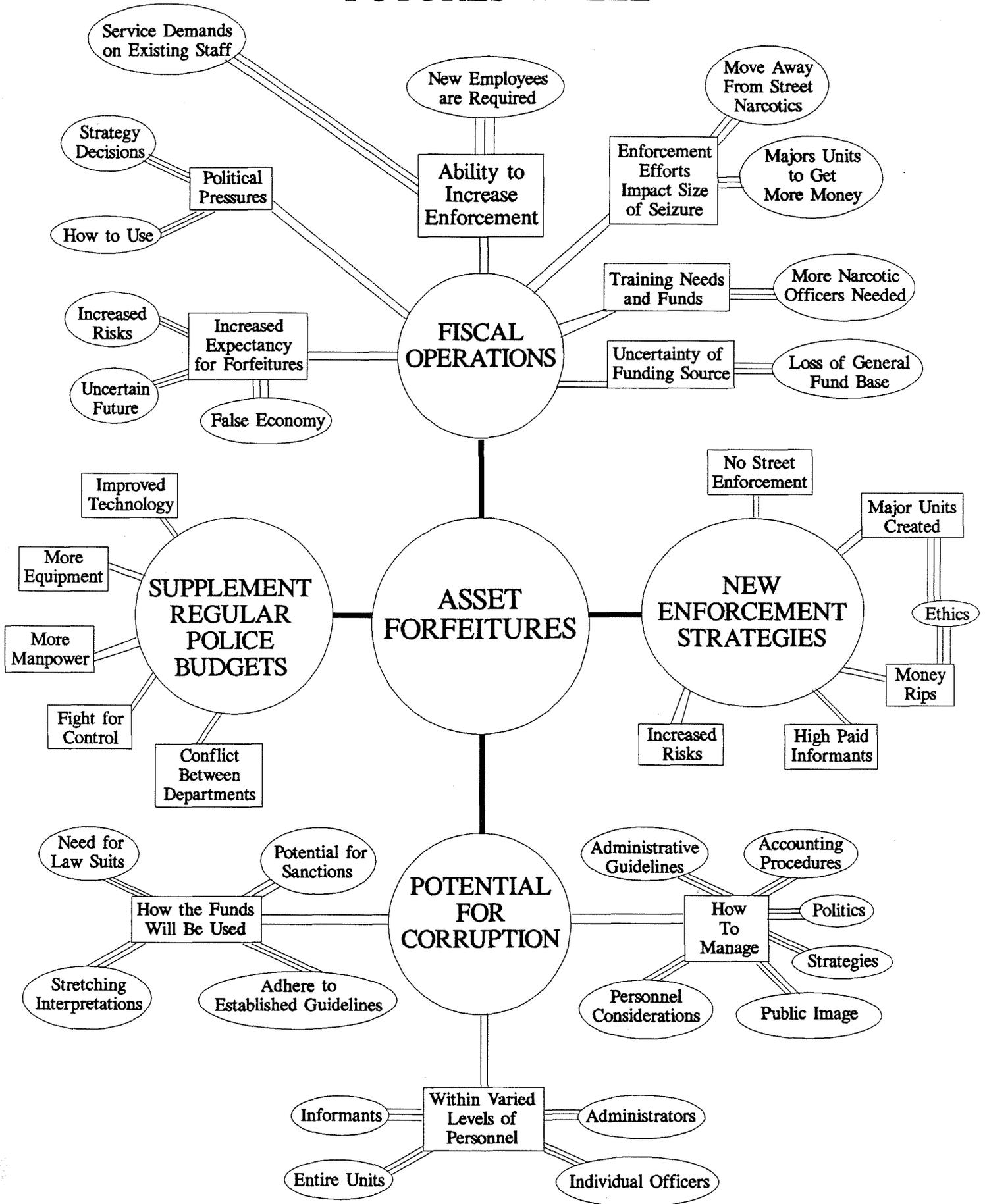
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## EXPERT INTERVIEWS

## Persons interviewed:

Cary Copeland	- Director of the Asset Forfeiture Unit Department of Justice, Washington D.C.	8-22-91
Bill Schroeder	- Unit Chief, Legal Forfeiture Unit Federal Bureau of Investigation Washington, D.C.	8-22-91
Steve Basha	- Assistant Chief Council for Enforcement U.S. Customs, Washington D.C.	8-22-91
Roger Lively	- Staff Evaluator, General Accounting Office Washington, D.C.	8-22-91
Richard Harris	- Special Agent Supervisor California D.O.J., Bureau of Narcotics	8-6-91
Michael Zeldon	- Special Counsel, Money Laundering Unit U.S. Department of Justice	8-2-91
Gary Schons	- Deputy California Attorney General San Diego, CA.	8-5-91
Craig Robison	- Deputy District Attorney Orange County, CA	7-30-91
Steve Bushendorf	- Supervisory Special Agent Drug Enforcement Administration	8-7-91
Thomas Neill	- Special Agent in Charge U.S. Customs Service, Los Angeles	8-8-91
Peter Glick	- Deputy District Attorney Los Angeles County, CA	8-6-91
Manuel Medrona	- Chief of Asset Forfeiture Unit U.S. Attorney's Office, Los Angeles	8-5-91
Mike Post	- Glendale Police Captain	8-1-91
Larry Bower	- Ventura County Sheriff's Department President, CA. Narcotics Officers Assoc.	7-5-91
* Ed O'Connell	- Staff Member, Senate Judiciary Committee Washington, D.C.	8-5-91
* Kathy Seddon	- Staff Member, Senate Sub-Committee on Government Information, Agriculture and Justice, Washington, D.C.	8-23-91

The persons listed on the previous page are recognized experts in the field of narcotics enforcement and/or the asset forfeiture process at the local, state or federal level. They were each contacted by phone or in person and interviewed regarding the issue question for this study. The focus of the study was explained to each person and they were asked to respond to the same pre-determined questions. (Those marked with an asterisk were not included in the question survey as they are Senatorial staff employees and were not comfortable offering personal opinions.) Each question is listed below with a tabulation of the respondents affirmative or negative answers and a synopsis of their collective comments and opinions.

- 1. In your opinion, will competition for available resources within government agencies impact the use of forfeited assets in the future and if so, how?**

11 YES                      2 NO                      1 UNSURE

The vast majority of the group feel that this is already evident to a large degree. They expect more of the same in the future, particularly if the pro-law enforcement tendencies of Congress begin to taper off or if current audits show use inconsistent with guidelines. It is apparent that many special interest groups would like to get a portion of asset forfeiture funds seized by law enforcement and as those groups are able to lobby for support, legislation may change to allow for them to do so. Such efforts will only increase as the available funds continue to grow and it is likely that politicians will continue to reduce the "cut" to law enforcement to whatever reduction can be accomplished.

The two negative responses are based on the perception that agencies are adhering to the guidelines as they are written or finding legal avenues to venture beyond them. Both felt the threat of being excluded from the process would keep organizations in line and prevent any significant misuses from occurring.

2. In your opinion, will political influences within government impact the use of forfeited assets and if so, how?

12 YES                      1 NO                      1 UNSURE

Again, the overwhelming majority believe this will be a certainty. As the size of the funds increase, so does the political interest in how the money will be used. Many other groups attempting to show a correlation to drug enforcement, education, awareness etc. to get a piece of the pie. This will continue to increase as general fund monies get tighter and alternative resources are more difficult to find.

The negative opinion came from a state attorney who feels the money is relatively insignificant and not worthy of the politician's attention. He also feels the return to law enforcement is the incentive for participation in the process and if that is removed, many agencies will simply stop working seizure cases and return to traditional local street level enforcement.

3. In your opinion, will the acquisition of seized assets impact the enforcement policies of local agencies, and if so, how?

14 YES                      0 NO

All respondents believe this is already apparent and will continue or increase in the future. Many voiced concern about the tactical considerations that project a mercenary mentality to work money rather than drugs. Overzealous officers could jeopardize the entire system through abuses which must be guarded against by management. Tendency today is to venture into forfeiture arena simply because of the high return on the investment. Such cases provide more funds to work them better and on an increased basis, similar to the concept of "feeding the goose that lays the golden eggs." A comparison was also made to General Schwartzkopf's success in Iraq being centered on his efforts to wipe out the resources of the Iraqi army, rather than fighting man to man, thereby depleting Iraq's ability to wage a war at all.

**4. In your opinion, will forfeiture laws at the state or federal level be changed in the future and if so, how?**

13 YES                      0 NO                      1 UNSURE

Each respondent believes the laws will continually be revised in response to current trends. Today, there is a significant push for awarding defense attorney fees out of seized assets before sharing occurs. The law enforcement lobbies are not as effective as the attorney's and this could easily be approved. Most feel the laws will be expanded to other crimes and that tighter controls will likely be implemented as the numbers get larger. Several feel that with the amount of money involved today, it is already more appropriate for the politicians to control the funds rather than law enforcement, due to the higher level of technical expertise and public scrutiny and accountability.

**5. In your opinion, what are the most important trends relative to this issue?**

- Many agencies looking at forfeitures as a revenue source.
- Forfeitures are getting more difficult due to narcotic cartel's sophistication efforts to avoid them.
- Anticipate more public scrutiny over how the funds are used.
- Increases in political interest and need for emphasis on quality in how cases are worked and integrity of officers.
- Increasing importance in working laundering cases to locate and seize drug trafficking assets.

**6. In your opinion, what other issues do you feel would be important to this study?**

- Efforts to reduce "cut" for law enforcement and to tighten restrictions will discourage involvement by state and local agencies.
- Law enforcement needs to enhance ideas to improve their overall efforts; money is not the ultimate solution.
- Disciplinary sanctions are a real possibility to ensure all

participating agencies are working within established guidelines.

- Need to guard against seizure of money becoming a law enforcement performance measure, rather than a residual benefit.

## NOMINAL GROUP TECHNIQUE PANEL

- Captain Lee DeVore** - Captain DeVore is the Investigation Division Commander for the Fullerton Police Department - responsible for the management of the Narcotic Unit and the Asset Forfeiture Program.
- Captain Ron Kaczor** - Captain Kaczor is the Uniform Division Commander for the Fullerton Police Department.
- Captain Gene Hernandez** - Captain Hernandez is the Administrative Captain for the Orange Police Department and has previously managed that agency's Narcotic Unit.
- Lt. Tony Hernandez** - Lt. Hernandez is the Training Manager for the Fullerton Police Department. He previously served as a Narcotic Detective and Supervisor of the Narcotic Unit.
- Lt. Al Burks** - Lt. Burks is a Watch Commander for the Fullerton Police Department.
- Lt. Jeff Roop** - Lt. Roop is the Administrative Lieutenant for the Fullerton Police Department and in that capacity, works closely with the Staff in budget review.
- Lt. Vince Howard** - Lt. Howard is the Manager of the Narcotic Unit for the Anaheim Police Department and established their Major Violators Unit. He is well known in the field and considered an expert in the area of asset forfeiture.
- Sgt. Dan Becerra** - Sgt. Becerra is the supervisor of the Crimes Person Detail of the Fullerton Police Department. He has served as a Narcotic Detective and previously supervised the Narcotic Unit, structured as a Major Violator Unit.
- Sgt. Mike Vice** - Sgt. Vice is the current supervisor of the Narcotic Unit, operating it as a Major Violator's Unit.
- Glenn Steinbrink** - Mr. Steinbrink is the Accounting Manager for the City of Fullerton and is familiar with all of the accounting procedures involved in managing the police department and the asset forfeiture accounts.
- Jackie Lewis** - Ms. Lewis is the Budget Manager for the City of Fullerton and is responsible for monitoring and approving expenditures from the budget, both from general funds and the asset forfeiture accounts.



## POLICE DEPARTMENT

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PHILIP A. GOEHRING CHIEF OF POLICE

October 24, 1990

Dear Panel Members,

REFERENCE TO

I appreciate your willingness to participate in this Nominal Group Technique (NGT) exercise. This process is the first stage of the futures research for my Command College project. In order to minimize the time required for the process, which could take as long as four hours, I would like to give you some information to consider in advance of our meeting.

You will be asked to consider an emerging issue for law enforcement in terms of the trends and events that might impact this issue in the next ten years. To give us a collective perspective, I will state the issue and define the terms "trend" and "event" as you need to consider them for this process.

The issue is:

**"What Impact Will the Asset Forfeiture Process Have on the Fiscal Operations of Medium Sized Law Enforcement Agencies by the year 2001?"**

Sub-issues are easily derived from this general question. For the purpose of our group exercise, I would like you to focus your thinking on the main issue in the context of the following sub-issues:

- How will competition for available resources impact the use of forfeited assets?
- How will local political influences impact the use of forfeited assets?
- How will the acquisition of forfeited assets impact the enforcement policies of the agency?

The following definitions and examples for the terms "event" and "trend" are offered to assist you.

Event - A single occurrence, that can be traced to a given point in time. (Several events occurring over time create a trend.)

Example: New legislation is passed to prevent use of forfeited funds for anything other than direct narcotics enforcement.

Trend - Several similar events which take place over a relatively short period of time. They are indicators of possible change.

Example: Cities use forfeited funds to reduce normally budgeted items associated with their costs for law enforcement.

This topic is somewhat controversial, but I'm hoping to assess the potential for projecting ways in which our current track could be changed by identifying potential problems continuing into and occurring for the first time in the future. All of you have a good working knowledge of the process and laws pertaining to asset forfeitures and should be able to forecast trends and events for this issue without a lot of difficulty.

The NGT process as it is projected will include the following events at our meeting:

Step 1 - Individually identify the trends and events (done separately) you feel will impact the issue by the year 2001. Each member offers one of their trends/events and it is placed on a chart in the front of the room until everyone's choices are listed in total.

Step 2 - Each member then selects their top five trends

and events from the group list. Using the NGT process, select the top 10 trends eliminating the remainder of the group list and complete the Trend Screening forms. Repeat the NGT process from the list of events to select the five most important events. Discuss the results as a group.

Step 3 - After clarifying the meaning and reasoning behind the top five trends and events, complete the Trend Evaluation Form and the Event Evaluation Form individually. Transpose the results on to the board showing the group's high, low and median answers for each trend and event. Discuss these results and the range of differences.

Step 4 - If time allows, we will also complete Cross-Impact Evaluation Matrix and discuss the results.

This entire process is confusing and takes a significant amount of time. I would ask that each of you come to the meeting prepared for a concentrated effort and a lot of work. I will do all I can to explain the process as we go along but for the sake of time, following the directions given will allow us to complete the process in the least amount of time.

Again, I appreciate your willingness to participate and hope you will find the experience worthwhile. I will be glad to send copies of the project that result from this exercise to any of you that would like to have them.

Sincerely yours,

Ron Rowell

## TRENDS

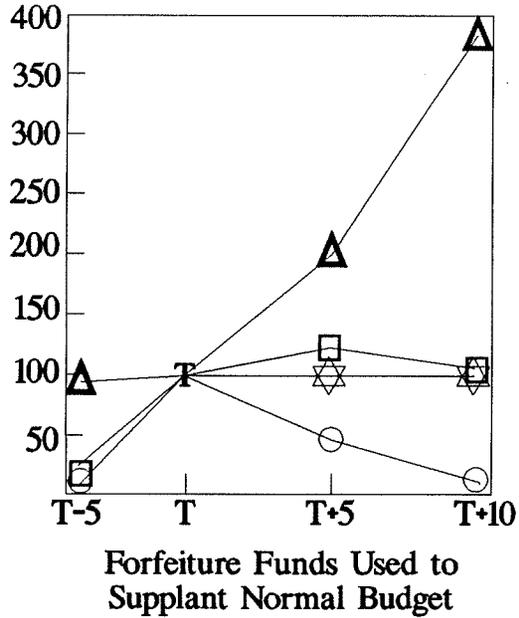
1. Competition for available resources.
2. Forfeiture funds used to supplant normal budget.
3. Potential for corruption. (Combined with number 16.)
4. Difficulty in interpreting "proper" use of asset seizure funds.
5. Service demands impact use of forfeited assets.
6. Need for social programs paid for by asset seizure funds.
7. Organizations restructure to enhance acquisition of assets.
8. Pressure placed on local narcotic units to seize money. (During voting process, combined with number 10.)
9. Societal viewpoint impacts extent of drug use (less acceptable today than in the past).
10. Government reliance on forfeited funds creates pressure for police to work money rather than narcotics. (Combined with number 8.)
11. Lobbying for legislature to restate rules applicable to forfeiture cases.
12. Criminals changing tactics to avoid seizure of assets.
13. Creation of position(s) to manage seized assets.
14. Agencies search for alternative sources to fund police services beyond the general fund.
15. Competition between units from different departments.
16. Potential for corruption due to insufficient rules regarding the management and processing of forfeited assets. (Restated and combined with number 3.)
17. Recruitment problems impact ability to assign more manpower to work forfeiture cases.
18. Potential to be eliminated from the forfeiture programs due to misuse of forfeited funds.
19. Access to high-tech equipment with which to combat crime.
20. Dependence upon forfeited assets to fund new officer positions.
21. Differing opinions regarding who should control the use of asset seizure funds.

## EVENTS

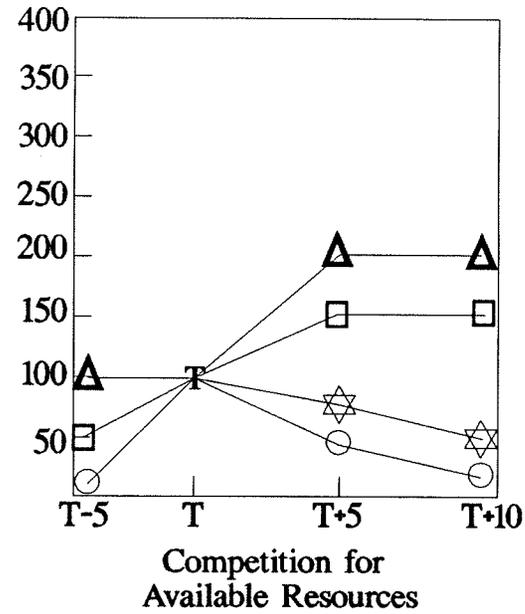
1. Legalization of cocaine occurs in California.
2. Audits of forfeiture cases result in sanctions against an agency for misuse of forfeited funds. (Restated after combining with number 7.)
3. Staff makes decision to stop working forfeiture cases.
4. Forfeiture laws are repealed.
5. Management of forfeited assets is mandated to the state and federal government agencies.
6. Legislation is passed to define "proper" uses for forfeited assets. (Combined with number 8.)
7. Federal and/or state audits are imposed on all cities using asset seizure funds. (During discussion, combined with number 2 due to similarities.)
8. Legislation passed to "free up" the uses of forfeited assets for any governmental purpose. (Combined with item number 6.)
9. Fullerton has a second officer killed in pursuit of asset forfeiture case.
10. Major suit won against the city in a forfeiture case creating impression the risks are too high.
11. Major drug cartels move trafficking to another state to avoid risk of forfeitures.
12. Proposition 133 (appropriating a quarter of one percent in sales taxes to support law enforcement efforts) passes, reducing pressure to obtain forfeited funds.
13. Complete closure of the US/Mexican border occurs.
14. Major scandal occurs within the Department associated with forfeiture cases or use of forfeited assets.
15. Medical breakthrough ends the demand for illicit drugs. (One to end addiction easily or to duplicate the euphoria without addiction.)
16. US becomes involved in a major war.
17. Economic embargo placed by US on all Columbian exports.
18. Policy adopted to allow forfeiture funds to be used to a certain level without council approval.

# TREND FORECASTS

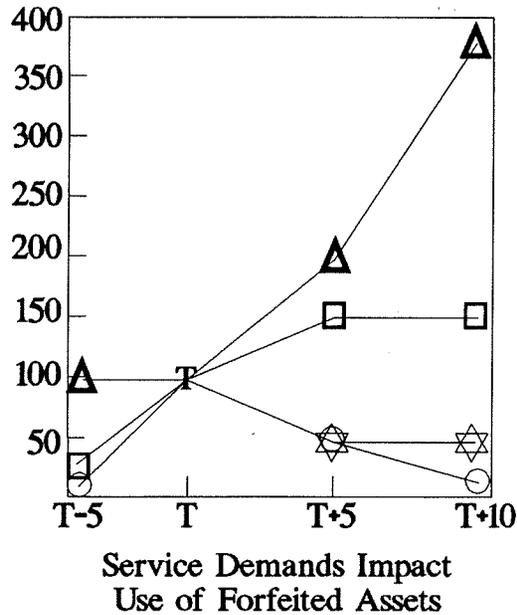
## TREND ONE



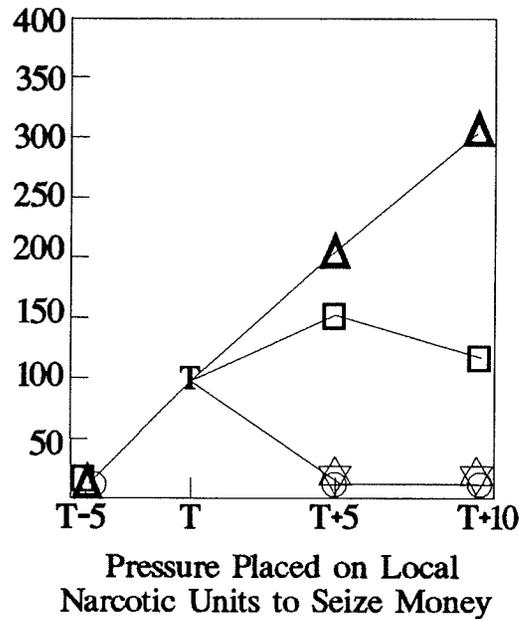
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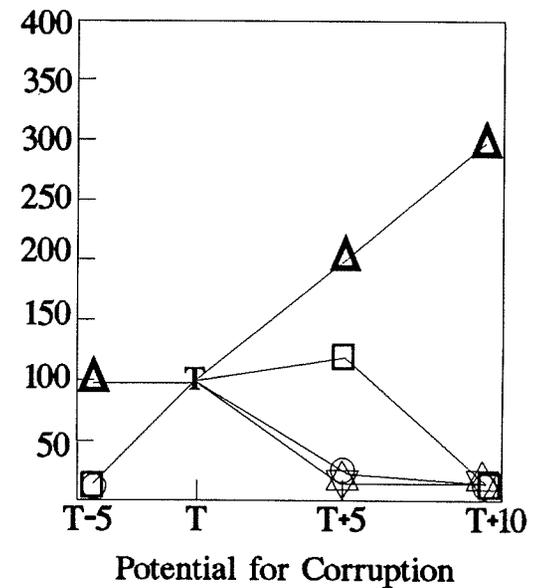
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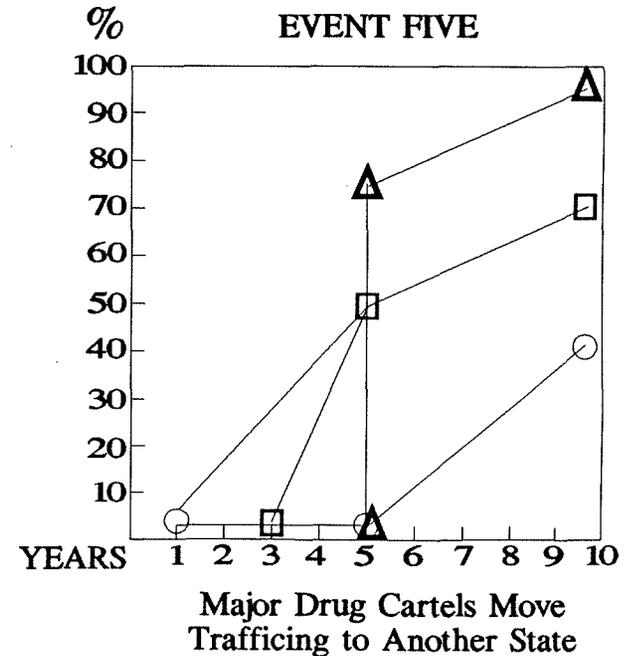
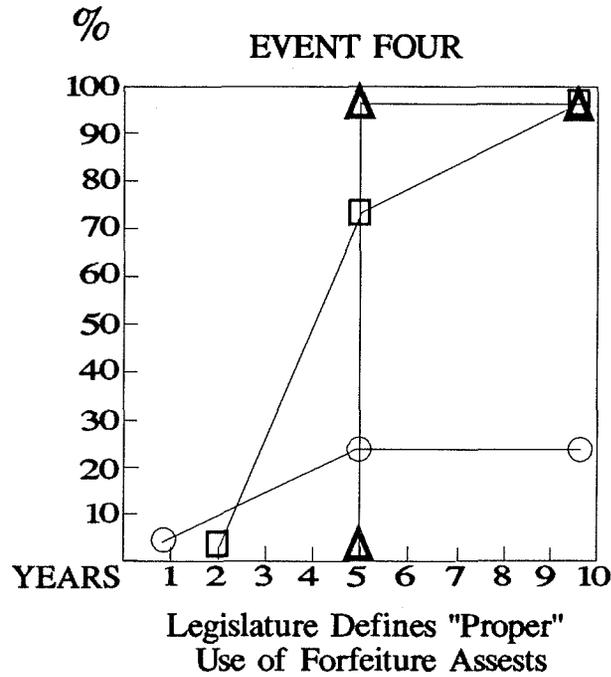
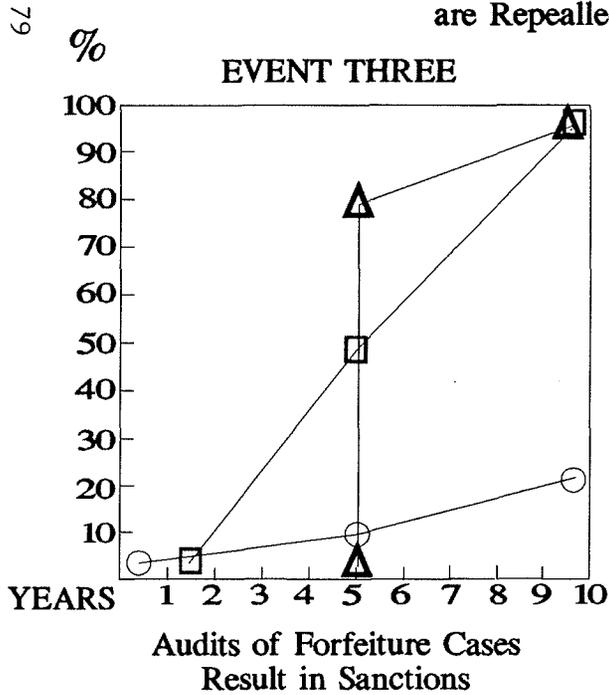
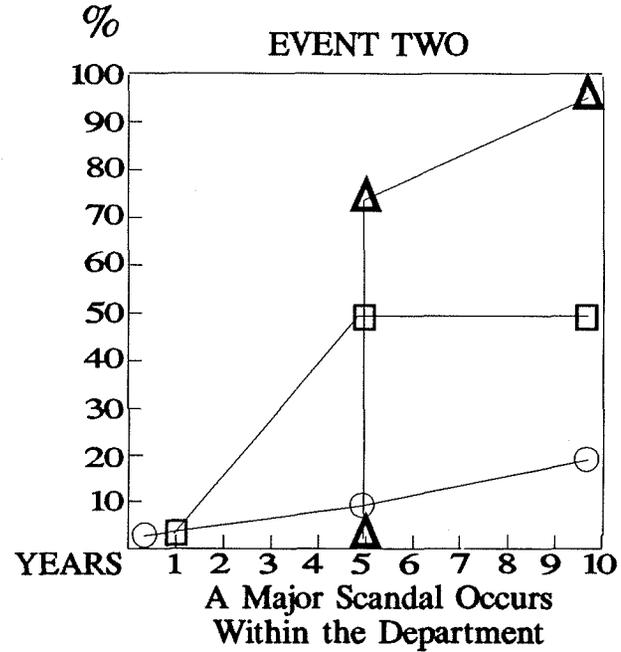
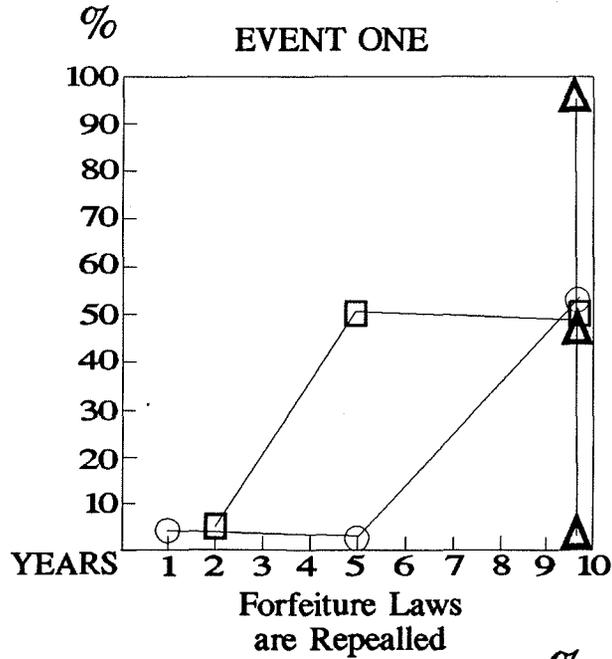
## TREND FOUR



## TREND FIVE



# EVENT FORECASTS



HIGH      MEDIAN      LOW

**"WOTS-UP" ANALYSIS PANEL**

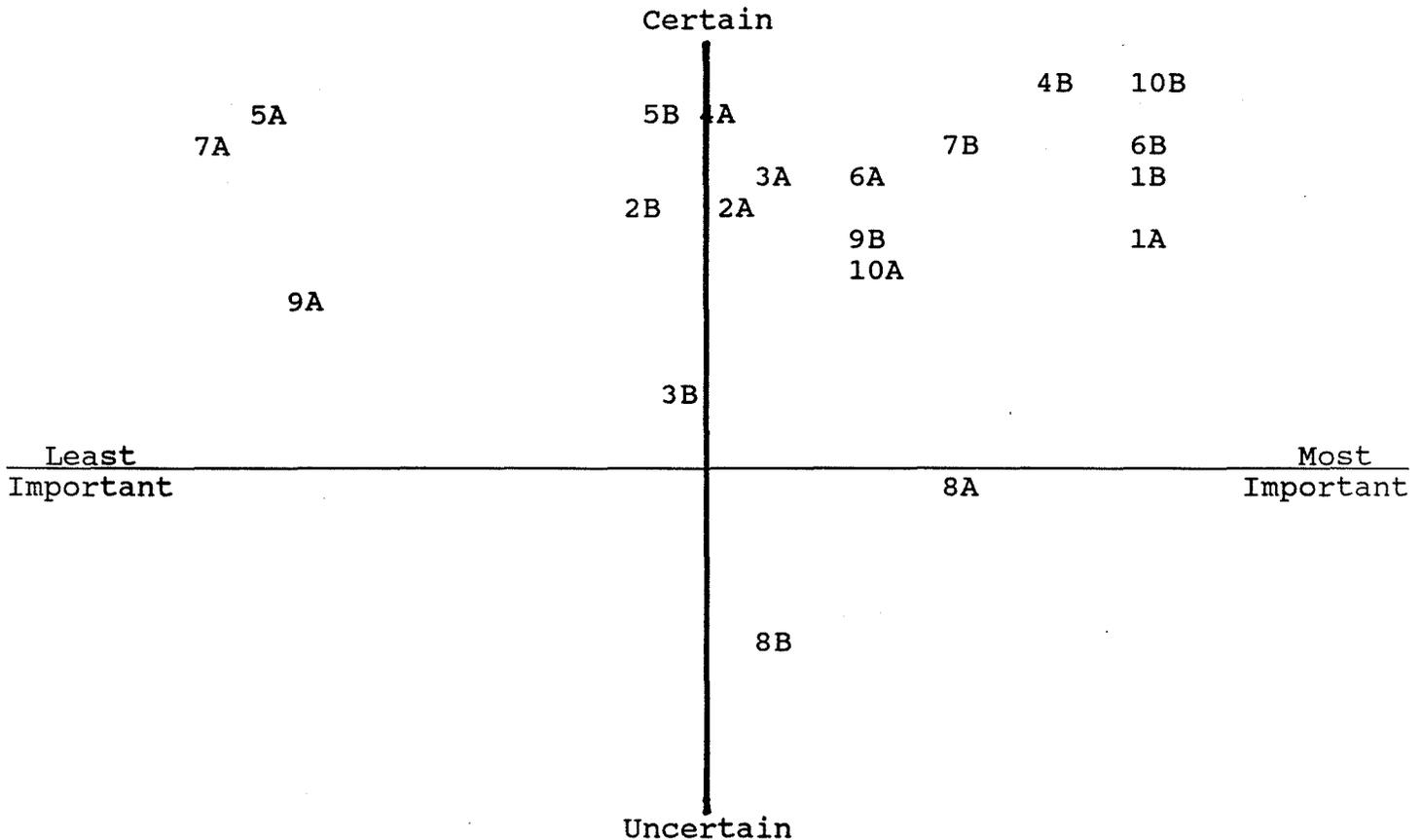
The following members of the management team from the Fullerton Police Department took part in the "WOTS-UP" analysis, assessing the strengths, weaknesses, opportunities and threats that exist in the agency and its environment relative to the issue question. The panel included:

- Captain Lee DeVore - Commander of the Uniform Division and direct supervisor of the Narcotic Unit.
- Captain Richard Kvancz - Commander of the Services Division and past supervisor of the Narcotic Unit.
- Captain Ron Kaczor - Commander of the Uniform Division
- Lt. Tony Hernandez - Watch Commander in Patrol and previous member of the Narcotic Unit.
- Lt. Al Burks - Watch Commander in Patrol.
- Lt. Ken Head - Technical Services Manager.
- Sgt. Mike Vice - Current Supervisor of the Narcotic Unit.
- Sgt. Danny Becerra - Supervisor of the Crimes Person Detail and previous supervisor of the Narcotic Unit.
- Sgt. Mike Stedman - Uniform Division Commander Adjutant and previous member of the Narcotic Unit.
- Richard Blansett - Administrative Analyst responsible for budget preparation and administration. Also responsible to monitor and annually audit the Asset Forfeiture records.

## STAKEHOLDER ASSUMPTIONS

<u>STAKEHOLDERS</u>	<u>ASSUMPTIONS ABOUT THE ISSUE</u>
1. Chief of Police	A. Current policy is working adequately. B. Poor timing to pursue new issues/changes.
2. Police Managers	A. Current policies allow for violations. B. Changes are needed to protect the process.
3. Narcotics Unit	A. City is using them as mercenaries. B. Administrative violations of the law represent a lack of support for them.
4. City Manager	A. Current policy is working - if it is not broken, don't fix it. B. Will listen to all reasonable arguments.
5. Finance Director	A. Forfeiture process is not in jeopardy. B. Police are "crying wolf" to gain control of these large sums of money.
6. Citizens of Fullerton	A. Police and City officials administer all available funds ethically and legally. B. Alternative funding sources are needed - should be pursued and protected.
7. Police Association	A. Prefer all forfeiture funds be used only for police department needs. B. Becoming more militant in their views - willing to take on both Department and City managers.
8. Department of Justice Authorities	A. Compliance with forfeiture guidelines is important and not optional. B. Sanctions for violations are possible and probable in reaction to obvious violations.
9. Other City Departments	A. Jealous about police access to forfeiture funds to augment the regular budget. B. Desire a cut of forfeiture fund "pie" if that is possible and can be justified.
10. City Council	A. Typically supportive of narcotics unit and staff recommendations approved by City Manager.
(Snaildarter).....	B. Lead by the newest Councilman, will resist any change that would reduce their control over use of these funds or attempts to change policy in a direction that would limit their input.

## STAKEHOLDER ASSUMPTION MAPPING



## Stakeholder Assumptions Charted Above

- 1A - Chief of police thinks current policy is working adequately.
- 1B - Chief of police perceives this poor timing to pursue new issues.
- 2A - Police Managers feel current policies violate the law.
- 2B - Police Managers feel changes are needed to protect the process.
- 3A - Narcotics Unit feels the City is using them as mercenaries.
- 3B - Narcotics Unit feels administrative violations mean lack of support.
- 4A - City Manager feels current policy is working, not broke, don't fix.
- 4B - City Manager will listen to any reasonable arguments.
- 5A - Finance Director does not feel forfeited assets are in jeopardy.
- 5B - Finance Director feels the police are trying to gain control of funds.
- 6A - Citizens of Fullerton believe funds are administered appropriately.
- 6B - Citizens of Fullerton alternative funding sources are necessary.
- 7A - Police Association prefers forfeiture funds to be used only by police.
- 7B - Police Association is more militant and will take on management.
- 8A - Dept. of Justice believes guidelines are important and must be followed.
- 8B - Dept. of Justice will invoke punitive sanctions if violations occur.
- 9A - Other City Departments are jealous of police access to "extra" funds.
- 9B - Other City Departments want to get a cut of the forfeiture pie.
- 10A - City Council typically support staff/City Manager recommendations.
- 10B - City Council will not want to relinquish control of the funds.

FULLERTON POLICE DEPARTMENT CAPABILITY ANALYSIS

FUTURE CAPABILITY TO IMPLEMENT CHANGE

Instructions: Evaluate each item for the Fullerton Police Department, and select the type of change activity it encourages for each of the following categories.  
 (Please mark only one for each category.)

- I Custodial - Rejects Change
- II Production - Adapts to Minor Changes
- III Marketing - Seeks Familiar Change
- IV Strategic - Seeks Related Change
- V Flexible - Seeks Novel Change

Category:	I	II	III	IV	V
<b>Top Managers:</b>					
Mentality and Personality	_____	_____	<u>  X  </u>	_____	_____
Skills and Talents	_____	_____	_____	<u>  X  </u>	_____
Knowledge and Education	_____	_____	_____	<u>  X  </u>	_____
<b>Organizational Climate:</b>					
Culture and Norms	_____	<u>  X  </u>	_____	_____	_____
Rewards and Incentives	_____	_____	<u>  X  </u>	_____	_____
Power Structure	_____	_____	<u>  X  </u>	_____	_____
<b>Organizational Competence:</b>					
Structure	_____	<u>  X  </u>	_____	_____	_____
Resources	_____	_____	<u>  X  </u>	_____	_____
Middle Management	_____	_____	<u>  X  </u>	_____	_____
Line Personnel	_____	_____	<u>  X  </u>	_____	_____

X = Panel Medians, n = 9

## METHODOLOGIES FOR MANAGING TRANSITION

**FORCED COLLABORATION OR TASK FORCE APPROACH** - Recognizing that opposition has existed between some of the critical mass actors, forming them into a "transition management team" would allow them to identify areas of concern and existing conflict that could cause the City to lose access to the Asset Seizure Program altogether. Developing a "winning" strategy can be clearly identified as the collective responsibility of this group.

**PROBLEM FINDING ACTIVITIES** - Involve the critical mass actors in discussion about what problems exist in the present system from their individual perspectives. This will raise everyone's awareness of the issues and how they are perceived by each member.

**EDUCATIONAL ACTIVITIES** - Invite representatives from agencies that have experienced a "real" audit and individuals responsible for the tracking and distribution of seized assets to present an accurate picture of the risks associated with using seized assets contrary to the legislated intent.

**COMMUNICATING THE VISION** - Once the critical mass actors agree on the changes necessary for the management and use of seized assets, the new procedures should be carefully reviewed with all affected personnel to inform them of the rationale for the changes selected and to explain what the program will look like when the desired changes are achieved.

**CHANGING REWARDS** - Implement new rewards applicable to the management of seized assets to encourage creative thinking and a cooperative approach to finding applications for these assets that benefit the entire City while remaining within legal guidelines.

**ROLE MODELING** - The Chief and Investigation Captain will set the example for other critical mass actors by modeling the new

"cooperative behavior" sought as the policies and procedures for management and use of seized assets are redefined.

**RESPONSIBILITY CHARTING** - This process clarifies the roles to be assumed by individuals during and after the changes are in place. It establishes what actions, tasks, decisions, and responsibilities must be accomplished by individuals and to what extent they will be personally involved. Of utmost importance for this plan to succeed is to identify the person in charge when conflict cannot be resolved with an established procedure for appealing issues or decisions to that person.

**MILESTONE RECOGNITION** - Milestones should be established within the plan for such things as implementation dates and dates of significant events. As these are achieved, they should be announced and celebrated to keep everyone involved or affected informed about the progress of the plan. This will assist everyone in leaving the previous state behind as the organization moves toward the desired future state.

APPENDIX N

RESPONSIBILITY CHART

DECISION OR ACTION	CHIEF	CAPTAIN	CITY MANAGER	FINANCE DIRECTOR	CITY COUNCIL
Research plans at other cities	A	R	I	I	-
Develop New strategies	I	R	-	-	-
Select preferred strategies	R	S	A	I	-
Prepare support information	S	R	I	S	I
Introduce New Strategy to Narcs	A	R	I	-	-
Consider Need for Policy Changes	R	S	A	S	-
Arrange Executive Level Mgmt. Mtgs.	R	S	A	I	-
Implement New Strategy	R	S	S	S	A
Monitor Results of New Strategies	R	S	A	I	-
Recommend New Policies	A	R	I	I	-
Implement a New Policy	R	S	A	S	S
Monitor Fiscal Impact	S	S	A	R	I
Review Overall Strategy/Results	R	S	A	S	S

R = Responsibility (Not necessarily Authority)

A = Approval (Right of Veto)

S = Support (Commit resources toward)

I = Inform (To be consulted)