

**Criminal
Investigation
Mission**



Criminal Investigation serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.



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**CRIMINAL
INVESTIGATION**

**Narcotics - Related
Financial Crimes**

Program Strategy

Internal Revenue

- **Reduce the profit & financial gains of narcotics trafficking and money laundering organizations**
- **Unravel the complex financial transactions leading from the crime to the criminal**
- **Seek to identify, investigate and assist in the prosecution of the most significant narcotics-related tax and money laundering offenders**

Why is IRS Criminal Investigation involved in narcotics investigations?

With its specialized financial investigative expertise, IRS-CI plays a unique role in the federal law enforcement counter-drug effort. Narcotics-related financial investigations fulfill a dual purpose. To foster compliance and confidence in the tax system, IRS-CI conducts tax investigations of unreported drug proceeds involving a wide range of professionals and occupations. Secondly, IRS-CI, through the tracing of illicit drug proceeds, contributes to the prosecution of criminal organizations that undermine our national economy and pose a serious threat to our national interests.

Without IRS-CI's financial investigative expertise, many of the organizations would continue to flourish even though some key members are incarcerated.

Use of Tax & Money Laundering Statutes

People who commit crimes for financial gain need to disguise their illicit proceeds so they can benefit from their criminal activity without detection. According to the Internal Revenue Code, income derived from any source, including illegally earned income, is subject to

income tax. Thus, criminal organizations often go to great lengths to conceal and disguise not only the amount of illegal income earned, but also the source that generated that income. The schemes utilized by these criminal organizations can corrupt the voluntary tax compliance system, undermine the financial system, and disrupt the economy. Some of the schemes include the manipulation of currency reporting requirements, and the layering of financial transactions that are frequently international in scope. For these reasons, money laundering activity involving illicit proceeds is "tax evasion in progress".

OFFICE OF NARCOTICS

The Office of Narcotics at IRS Headquarters provides policy, direction, oversight and support to the 35 IRS-CI field offices relating to issues that fall within the narcotics program.

STRUCTURE

The Office of Narcotics maintains liaison positions at the Money Laundering Section at the Department of Justice's Special Operations Division; Office of National Drug Control Policy; and the El Paso Intelligence Center. The Senior Program Analysts at IRS Headquarters and the Organized Crime Drug Enforcement Task Force Regional Coordinators provide direction and support to field operations while monitoring program goals and accomplishments. The Director of Narcotics is responsible for the operational, administrative and budget functions of the national Narcotics-Related Financial Crimes Program.

STRATEGY

IRS Criminal Investigation has been involved in combating drug-related crimes since 1919, and will continue to investigate drug traffickers by pursuing sophisticated, high profile, income tax, currency, and money laundering charges against these criminals and their confederates.

IRS-CI's Narcotics-Related Financial Crimes Strategy supports the goals of the National Drug Control Strategy and the National Money Laundering Strategy, seeking to reduce or eliminate the profit and financial gains of

narcotics trafficking and money laundering organizations. This is accomplished through vigorous enforcement of all Federal statutes within IRS-CI's jurisdiction including income tax, Bank Secrecy Act, and money laundering violations, and asset forfeiture legislation.

PARTICIPATION IN JOINT AGENCY TASK FORCES

IRS Criminal Investigation has been a participating member of the Organized Crime Drug Enforcement Task Force (OCDETF) Program since its inception in 1982. IRS-CI narcotics-related investigations focus on those sophisticated cases that meet the high OCDETF designation standards, and where our contributions add significant value to the overall investigative effort.

The High Intensity Drug Trafficking Areas (HIDTA) Program was established to provide assistance to federal, state and local agencies operating in areas most adversely affected by drug trafficking. IRS-CI continues to support the HIDTA Program with staffing and other resource commitments. As new HIDTA locations are established, IRS-CI will provide the financial investigative perspective necessary to meet the goals of the National Drug Control Strategy.

UNDERCOVER OPERATIONS

IRS Criminal Investigation utilizes the undercover technique in significant financial criminal investigations, and only when it is not possible to obtain the desired evidence through less intrusive investigative techniques. The primary purpose in using this technique is to detect and expose the criminal activity by acquiring relevant evidence for criminal prosecution.

ASSET FORFEITURE

As one of the most effective tools in the Federal government's anti-crime strategy, IRS-CI uses asset forfeiture statutes to disrupt and dismantle criminal enterprises.