



Last month, Attorney General Eric Holder took an important first step towards reforming the DOJ's federal Asset Forfeiture Program.

Under the program, state or local law enforcement authorities may ask federal agencies to take or "adopt" assets that have been seized under state law. Federal agencies then sell the assets and return a significant portion of the proceeds to local law enforcement. In some cases, these proceeds can account for up to 20% of the annual budget for certain police departments and sheriff's offices across the country. [In an order issued on January 16, 2015](#), the Attorney General announced an end to such adoptions, except in certain cases involving property related to public safety. Under the new policy, federal agencies are now prohibited from adopting and forfeiting cash, vehicles, and other property seized by local authorities, except in cases involving firearms, ammunition,

explosives, or child pornography. The reform comes amid calls from both sides of the political aisle to end the practice of federal adoptions. Critics have argued that federally adopted forfeitures are susceptible to abuse by local law enforcement, and create perverse incentives for local authorities. Others have also denounced the seizures as a violation of due process, as local authorities may use forfeiture procedures to seize assets without a search warrant, indictment, or evidence of wrong doing. The policy change, however, is limited in scope. The change does not prevent local authorities from using their own seizure laws to confiscate property, and does not apply to bar seizures made pursuant to federal warrants or resulting from joint operations involving both federal and local law enforcement. [According to the DOJ](#), over the last six years, federal adoptions constituted a mere 3% of the value of forfeitures seized under its Asset Forfeiture Program. Even with its limited scope, the policy change remains a cause for cautious optimism. Indeed, Attorney General Holder seemed to suggest that additional reforms may be on the horizon, calling the recent change but the "first step in a comprehensive review ... of the federal asset forfeiture program." And if a new Attorney General is [confirmed in the coming weeks](#), it will be up to Holder's successor to carry the mantle of additional reforms that safeguard civil liberties.

Explore more in

[White Collar & Investigations](#)

Blog series

White Collar Briefly

Drawing from breaking news, ever changing government priorities, and significant judicial decisions, this blog from Perkins Coie's White Collar and Investigations group highlights key considerations and offers practical insights aimed to guide corporate stakeholders and counselors through an evolving regulatory environment.

[Subscribe ?](#)

[View the blog](#)