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## Law is well-intentioned, but federal thieving from innocents must stop

By Roger Chesley  
The Virginian-Pilot  
October 28, 2014

What happened to Army Sgt. Jeff Cortazzo is beyond crazy: Because he saved money for his daughters' education, he ran afoul of the feds.

All because the government claimed the Arlington man tried to evade a required report that's triggered when someone deposits at least \$10,000 in the bank. It's a practice called "structuring."

Cortazzo had to pay nearly one-third of the \$66,000 he'd squirreled away for his children to settle with the IRS in 2012, Cortazzo's attorney, David B. Smith of Alexandria, told me Monday.

The agreement was akin to legal thievery.

Such seizures are allowed under the rubric of civil asset forfeiture laws. The New York Times recently reported how those laws, designed to catch drug dealers and terrorists by tracking their cash, have been broadened perversely to sweep up small businesspeople and average wage earners.

"That was basically college money (Cortazzo) was saving for his girls," said Smith, a former federal prosecutor who's handled 50 structuring cases. "A lot of these forfeitures cause hardship for people. They're mostly middle-class people who have the savings."

Many have never been charged with a crime. Folks often don't know they're being investigated. Cortazzo was charged, Smith said, but he was allowed into and completed a diversion program.

The Times notes that the IRS is among several federal agencies that pursue forfeiture cases and then refer them to the Justice Department. It's an area that practically invites abuse:

Civil asset forfeiture allows law-enforcement officials to take property they suspect of being linked to a crime, even if no criminal charges are ever filed. Those same agencies then get to keep a share of what's forfeited - creating an inherent conflict of interest.

Meanwhile, instead of the government having to prove guilt, the concept is turned on its head: Individuals must prove they're innocent. Many people don't have the money or the patience to fight.

The IRS just announced it would curtail the seizures. Instead, Richard Weber, chief of criminal investigation, said in a statement by email that the agency would focus on cases where money is believed to have been gained illegally or seizure is considered justified by "exceptional circumstances."

That's an improvement, though it's limited to the IRS.

Robert Everett Johnson is a lawyer for the Arlington-based Institute for Justice, a property rights and civil liberties law firm. "The concern is government is seizing bank accounts without any in-depth investigation or warning," Johnson told me Monday, "and they're taking money from ordinary people who have no idea they could be breaking the law.

"That's not just wrong, it's unconstitutional."

Added Smith: "It's a great money-raiser for law enforcement.... It's very easy to make a case and very hard to defend them in court."

The Times reported that the Justice Department doesn't track the number of structuring cases pursued and the amount of money seized. But the Institute for Justice analyzed data and found that the IRS made 114 seizures in 2005. That number grew more than fivefold by 2012, to 639.

It's also lucrative for the government. The institute, in a news release Monday, said the IRS seized nearly \$243 million in structuring cases between 2005 and 2012.

A Michigan Republican, U.S. Rep. Tim Walberg, introduced legislation this year to curb abuses. The bill hasn't gotten far, but even in this partisan Congress, the legislation should unite Republicans and Democrats who seek fairness.

We want the government to have the tools it needs to bring major drug dealers and money launderers to justice. The civil forfeiture laws, however, are too often threatening the livelihoods of innocent people.

Reckless federal agencies must be reined in.

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