



INSTITUTE FOR JUSTICE

March 11, 2016

The Honorable Loretta Lynch
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Madam Attorney General:

I am writing to update your office about developments relevant to a petition for remission or mitigation submitted to your agency on July 16, 2015 on behalf of Randy and Karen Sowers.

Randy and Karen—two Maryland dairy farmers—have asked DOJ to return \$29,500 forfeited under the structuring laws. DOJ has recognized that it was wrong to take this money; in March 2015, DOJ announced a policy change designed to prevent precisely this type of forfeiture by limiting application of the structuring laws to real criminals seeking to conceal illegal activity. Randy and Karen are now asking DOJ to do the right thing and return money taken before that policy change.

Recently, on February 18, 2016, the IRS granted “in full” a nearly-identical petition filed on behalf of a North Carolina convenience store owner named Khalid Quran, agreeing to return \$153,907.99 taken under the structuring laws. Khalid filed his petition on the same day as Randy and Karen, and the petitions use similar language to make essentially identical arguments.

Randy and Karen should be treated the same as Khalid. The only real difference between the petitions is technical in nature: Khalid’s case was processed as an administrative forfeiture because he signed papers consenting to the forfeiture of his money prior to the filing of a complaint, whereas Randy and Karen’s case was processed as a judicial forfeiture because they agreed to forfeit their money after a complaint was filed. This distinction explains why the petitions are addressed to different agencies. But this distinction cannot justify granting one petition and denying the other.

While Randy and Karen agreed to forfeit their money, the same was true of Khalid. Both agreements were exacted under inherently coercive circumstances. As Randy and Karen explain in their petition, the cost to fight the forfeiture would likely have exceeded the amount at issue. Moreover, Randy and Karen were threatened with *criminal* prosecution for structuring if they refused to agree to the forfeiture. As the IRS necessarily determined when granting relief to

The Honorable Loretta Lynch
March 11, 2016
Page 2 of 2

Khalid, that kind of coercive agreement should pose no barrier at all to a petition for remission or mitigation.

Khalid's petition was granted "in full"—meaning that *all* of the money taken from his account will be returned. Randy and Karen deserve nothing less. Their petition should be granted and their \$29,500 returned.

Thank you for your attention to this matter.

Sincerely,



Robert Everett Johnson
Attorney
Institute for Justice

Enc: Letter from Richard Weber re: Petition of Khalid Quran

cc: Members of the House Ways & Means Oversight Subcommittee

The Honorable Peter J. Roskam
The Honorable John Lewis
The Honorable Patrick Meehan
The Honorable George Holding
The Honorable Jason Smith
The Honorable Tom Reed
The Honorable Tom Rice
The Honorable Kenny Marchant
The Honorable Joseph Crowley
The Honorable Charles Rangel
The Honorable Danny Davis

Former Members of the House Ways & Means Oversight Subcommittee

The Honorable Mike Kelly
The Honorable Kristi Noem
The Honorable Jim Renacci

The Honorable John A. Koskinen, Commissioner, Internal Revenue Service

The Honorable Rod J. Rosenstein, U.S. Attorney, District of Maryland

Mr. M. Kendall Day, Chief, U.S. Department of Justice AFMLS



Chief, Criminal Investigation

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

February 18, 2016

Scott Bullock
Robert Everett Johnson
The Institute for Justice
901 N. Glebe Rd., Ste. 900
Arlington, VA 22203
(fax) 703 - 682 - 9321

Re: Petition for Remission or Mitigation of Forfeiture Filed by Scott Bullock and Robert Everett Johnson, of the Institute for Justice, on behalf of Khalid Quran, concerning: \$153,907.99 in U.S. Currency Seized from the Southern Bank and Trust Company Account [REDACTED] Held in the Name 427 Convenient Mart [REDACTED]

Dear Mr. Bullock & Mr. Johnson:

On behalf of your client, Khalid Quran, you submitted a petition for remission or mitigation of forfeiture of \$153,907.99 in U.S. currency seized from the Southern Bank and Trust Company account [REDACTED] held in the name of "427 Convenient Mart," pursuant to a seizure warrant authorized by a federal judge and administratively forfeited.

After careful consideration of your petition, all relevant facts and applying the criteria for remission or mitigation pursuant to Internal Revenue Manual (IRM) section 9.7.7.4.6 and Title 28, Part 9 of the Code of Federal Regulations, I have concluded that mitigation of forfeiture is granted in full.

Sincerely,

Richard Weber
Chief, Criminal Investigation