

TA

Bulletin

of The International Academy
of Financial Crime Litigators

ISSUE 6 | SPRING 2026

Unexplained Wealth Orders and the Logic of Asset Forfeiture



KARYN HARTY

SHORT ABSTRACT

Asset forfeiture is a central tool in modern law enforcement strategies aimed at disrupting criminal activity by targeting its economic foundations. In Ireland, the forfeiture regime enables the recovery of assets without a criminal conviction in certain circumstances and should be a powerful mechanism for tackling organized crime. A more revealing lens through which to assess its operation, however, is the concept of “unexplained wealth” and the role that evidential constraints and the relative ease of enforcement play in shaping asset forfeiture.

This article argues that asset forfeiture is not a neutral mechanism that simply tracks and penalizes underlying criminality. It is shaped by what can be proven, not necessarily by what is most harmful, which may constrain its impact on organized crime. Focusing on Ireland's model of forfeiture, which explicitly targets unexplained wealth for which a lawful origin cannot be established, this article suggests that the relative and evolving ease or difficulty of enforcement and the location of assets significantly influence which assets are ultimately seized.

THE IRISH MODEL: CIVIL RECOVERY AND THE CENTRALITY OF UNEXPLAINED WEALTH

Ireland's asset forfeiture regime is anchored in the [Proceeds of Crime Acts 1996–2016](#) and is administered primarily through the [Criminal Assets Bureau \(CAB\)](#). CAB is a multi-agency body combining law enforcement, tax, and social welfare functions. It is a highly effective agency whose mandate is not to prosecute criminal offences but to identify and pursue unexplained wealth and deprive individuals of assets derived from criminal conduct. It works closely with An Garda Síochána and other agencies, such as the Revenue Commissioners, to identify and target proceeds of crime.

A defining feature of the Irish system is its reliance on civil proceedings before the High Court, operating on the balance of probabilities rather than the criminal standard of proof. This allows CAB to target assets where criminal prosecution may be infeasible due to evidential limitations. The forfeiture regime enables CAB to seek orders to freeze and ultimately seize and recover assets believed to be the proceeds of crime without requiring a prior conviction.

CAB's establishment marked a deliberate shift away from conviction-based enforcement to a model grounded in financial disproportionality, reflecting a recognition that in many cases, particularly in organized crime, proving specific criminality may be far more difficult than demonstrating that wealth is unjustified. Although Irish law does not formally employ the term "unexplained wealth," the concept is functionally central to how the forfeiture system operates. CAB cases often involve situations where an individual's assets are demonstrably disproportionate to their known lawful income, and the court is invited to infer that the assets derive from criminal conduct unless a credible lawful explanation is provided. Having successfully applied for orders freezing the assets, there is a mechanism for those affected to apply to set aside the orders by demonstrating that they are lawfully held, and CAB must wait seven years before the assets can be forfeited. This extended period of restraint has reflected the constitutional protection of property rights, balanced against the lower civil standard of proof that underpins the forfeiture regime.

There has therefore been a tension between efficiency and personal rights in the Irish model, in that a system that relies on unexplained wealth and civil standards of proof may raise due process concerns, particularly where individuals are required to account for their assets in the absence of a criminal conviction.

WHAT HAPPENS TO RECOVERED ASSETS: A STATE-CENTERED MODEL

An important structural feature of the Irish system is that assets forfeited under the Proceeds of Crime Acts are paid into the Central Fund of the State, effectively becoming part of the general Exchequer. The system is not designed to compensate or return assets to victims of crime.

Forfeiture in Ireland is therefore best understood as a public law tool aimed at depriving criminals of illicit wealth and reinforcing the integrity of the legal and economic system. The result is a highly centralized model in which forfeited assets serve the public good rather than being returned to those impacted by the conduct of the subject of the forfeiture. This feature of the Irish system places it, and other common law jurisdictions which similarly

return forfeited assets to the public purse, in contrast to the system in the [United States](#), which incorporates mechanisms for victim compensation through remission and restoration procedures administered by the Department of Justice. This concept of returning forfeited assets to those affected is not a feature of the Irish model but the public benefits from an increase in exchequer funds.

THE TAX DIMENSION

Drilling down into individual cases, the nature of the assets that CAB tends to recover is revealing. A substantial proportion of CAB's activity involves pursuing individuals for tax liabilities arising from unexplained income. CAB has power to tax all sources of income and can raise tax assessments, issue tax demands and collect unpaid tax. CAB also has the ability to implement all Customs controls and legislation when necessary. For example, [more than €13m](#) in recoveries made in 2024 arose from tax assessments.

At first glance, in the context of the growing problem of largescale fraud, a focus on unpaid taxes may appear to reflect a form of mission drift. However, a closer analysis suggests that it is more accurately understood as deriving from the system's underlying logic. Tax law provides a robust and accessible evidential framework for challenging unexplained wealth. Where it is difficult to obtain direct proof of criminal activity, discrepancies in declared income can serve as a basis for intervention that is significantly easier to establish.

The prominence of tax-related recoveries highlights that unpaid tax is and will continue to be an important feature of the Irish model: it prioritizes effectiveness in legal terms, which may mean focusing on cases that are easier to prove rather than those involving more complex or less visible forms of criminality, particularly where there is an extra-jurisdictional dimension.

IMMINENT REFORMS

Given the scale in the growth of financial crime, including the significant increase in push payment fraud, romance fraud, and the use of money mules, as part of a broader multi-agency strategy to tackle financial crime, the Irish Government is legislating to significantly accelerate CAB's asset

forfeiture processes. The Proceeds of Crime and Related Matters Bill 2025 will reduce the deferral period from freezing to forfeiture from 7 years to 2 years, provide for the appointment of receivers when assets are frozen, to prevent respondents from continuing to enjoy the benefit of them, and for the making of payment freezing orders by the District Court. This new regime is expected to [come into force](#) during 2026 and should significantly streamline asset forfeiture.

SCALE OF RETURNS

A challenge for the State has been that the contribution of seized assets to the exchequer has tended to be relatively modest, creating a mismatch between the scale of complex fraud and organized crime in Ireland and the level of assets ultimately subject to forfeiture. While no definitive official valuation of the level of financial crime exists, available Garda, CAB, Central Bank and international AML data suggest that the value of financial crime affecting or passing through Ireland in 2026 exceeds €1 billion annually.

And the scale of the problem is growing exponentially, with the number of money laundering reports made annually rising from 50 in 2017 to more than 2,700 in 2025, and 741 money laundering arrests in [2025](#). Figures for the first quarter of 2026 suggest that these record numbers are likely to be exceeded this year, with active investigations involving gangland figures and their family members and connections, tax defaulters and low-level money mules without previous criminal records.

Despite the innovative structure of the CAB regime, and the fact that the Irish system appears ideally designed to target organized crime and sophisticated fraud, the level of assets forfeited on a per annum basis has been small, for example totaling around €9.8 million in 2023 and increasing to €17 million in [2024](#), with 2025's figures yet to be released. While such figures must be interpreted with caution—given differences in case duration and the distinction between assets frozen and assets realized, they have nonetheless raised questions about the system's overall efficacy.

A recent advance involving digital assets, however, marks a major step forward for CAB and when taken together with the Proceeds of Crime and Related Matters Bill 2025 may herald a new era of asset forfeiture.

In 2019, gardaí stopped a vehicle in a remote area of County Wicklow, leading them to uncover a massive cannabis grow house [operation](#) by Clifton Collins, a beekeeper of otherwise modest means from Crumlin in south Dublin. Following investigations by gardaí into a major energy surge, it emerged that Collins been mining huge amounts of cryptocurrency. In February 2020 CAB successfully obtained orders freezing 12 digital wallets containing 6,000 bitcoin belonging to Collins, then valued at €52m. Collins was jailed and did not resist the Criminal Assets Bureau actions to freeze and seize the Bitcoin. But there was a problem – the encryption key had been lost, having been written on a slip of paper and kept in a fishing rod, which had since been disposed of by the landlord during a clear out of one of the properties. Efforts to retrieve the fishing rod from landfill were unsuccessful. The wallets lay dormant for ten years, with CAB unable to access the underlying Bitcoin.

In a recent breakthrough, however, following a collaboration with Europol in March 2026 the CAB [announced](#) that using new technology, it had gained access to one of the digital wallets containing 500 Bitcoin, then valued at €30 million, out of the total holding of 6000 Bitcoin. See Irish Times reporting at. The operation required highly complex technical expertise and decryption capabilities, reflecting the historic difficulty in accessing crypto-assets where encryption keys are unavailable, and benefited from local and international expertise and collaboration. Recent unofficial reports suggest that the authorities may in May 2026 have [recovered](#) a further €38.7m from cracking open a second wallet of 500 Bitcoin, the movements of which have been seen on the Blockchain.

These two recoveries dwarf previous annual forfeiture figures, and if CAB's success continues, could see the exchequer receive more than €450m from a single seizure. This represents a major statement of intent by the Irish authorities as to their capabilities and determination to combat financial crime.

This development also demonstrates crime agencies' ability to respond to the evolving concept of unexplained wealth. Crypto-assets have long represented a form of value that can be economically significant but difficult to pin down, combining cross-border mobility with layers of complexity that can frustrate traditional investigative methods. The successful decryption and seizure of this digital wallet places Ireland's CAB at the forefront of international digital asset recovery and demonstrates that, as technical

capabilities improve and cooperation with agencies such as Europol deepens, categories of wealth that were previously resistant to enforcement may become increasingly amenable to forfeiture. The distinction between easy and difficult targets is therefore not static, but contingent on technological capacity and institutional coordination.

THE IMPLICATIONS OF THE NEW EU AML FRAMEWORK

An increased European focus on financial crime should improve the scope for Irish agencies to pursue forfeiture of valuable assets held domestically and across borders. The forthcoming [2027 EU AML package](#), comprising the AML Regulation, [AMLD6](#), and the new cross EU regulator (the Anti-Money Laundering Authority, [AMLA](#)), which is already operational, should strengthen the practical effectiveness of Ireland's unexplained wealth model by making certain forms of illicit value easier to detect and trace. From July 2027, the new EU Anti-Money Laundering Regulation will apply directly across Member States and extend AML obligations to new categories of obliged entities, including most of the crypto sector and traders in luxury goods, while also imposing an EU-wide €10,000 cap on cash payments. At the same time, the sixth Anti-Money Laundering Directive restructures the national AML architecture and strengthens cooperation between supervisors and financial intelligence units, operating alongside the new AMLA, which has been established to provide EU-level supervision and coordination.

These reforms will reduce some of the evidential obstacles that have historically limited the targeting of concealed or sophisticated wealth. Luxury watches, jewelry, art, high-end vehicles, and crypto-assets can function as stores or transfer mechanisms for illicit value, particularly where cash or opaque payment channels are used. By subjecting more of these sectors to AML obligations and limiting large cash transactions, the new rules will generate more customer due diligence records, more suspicious transaction reports, and better audit trails. For CAB, whose effectiveness depends on identifying wealth disproportionate to lawful income, this may broaden the range of assets that become susceptible to enforcement.

Digital assets pose a particular challenge because while the blockchain is transparent, such assets combine speed, cross-border mobility, and, in

some cases, perceived anonymity. The [EU framework](#) does not eliminate those difficulties but brings crypto-asset service providers firmly within the regulated sphere, with associated know-your-customer and due diligence requirement. That may not make crypto-based wealth easy to recover, but should make it easier to detect when illicit proceeds are converted into or out of regulated channels. In this respect, the new EU measures may shift the balance identified in this article: they do not remove the structural preference for assets that are easier to prove, but they may expand the category of assets that are practically capable of proof.

SELECTION EFFECTS AND THE LIMITS OF FORFEITURE

What this analysis shows is that the concept of unexplained wealth highlights a critical limitation of many forfeiture regimes: they do not necessarily target the most harmful forms of criminal activity. Instead, they target the forms of wealth that are most susceptible to legal scrutiny.

This can be understood as a form of selection effect. Enforcement outcomes reflect not only the distribution of criminal activity but also the distribution of evidential accessibility. As a result, forfeiture regimes may disproportionately impact individuals whose financial affairs are more transparent, while leaving more sophisticated actors relatively untouched.

This analysis raises important questions about the purpose, role, and effectiveness of asset forfeiture in Ireland.

On one hand, the focus on evidential practicality is a necessary feature of any legal system. It would be unrealistic to expect enforcement agencies to prioritize cases that are unlikely to succeed in court. From this perspective, the Irish model represents a pragmatic response to the challenges of modern financial crime.

There is, however, a risk that the resulting selection effects may undermine the broader goals of forfeiture. If the system systematically targets easier cases, it may fail to have a meaningful impact on the most serious forms of organized crime, particularly those involving complex financial structures

and cross-border activity. This brings the importance of international cooperation into sharp focus, and the recent collaboration between CAB and Europol demonstrates how transformative such cooperation can be when combined with advancing technical capability. This is important, because when the public sees those widely acknowledged to be actively involved in serious crime enjoying luxury lifestyles beyond their official means, it undermines the rule of law and the authority of the State. In the same way, evidence of valuable assets being successfully forfeited increases public confidence in the system.

CONCLUSION

Asset forfeiture in Ireland is not merely a legal mechanism, but a system inevitably shaped by evidential constraints, institutional design, and the practical realities of enforcement. While it has proven effective in targeting certain forms of unexplained wealth, its operation reflects a broader structural dynamic: what is seized is determined as much by what can be proven as by what is most harmful.

Understanding this dynamic shifts the focus of analysis. Rather than asking whether the system is effective in the abstract, it invites a more nuanced question: effective against what, and under what conditions? The answer lies in the evolving interplay between evidence, technology, and enforcement capacity. As the Bitcoin case illustrates, the boundary between tractable and intractable wealth is not fixed. Rather, it is a function of technological capacity, institutional cooperation, and the willingness to invest in both.

AUTHOR

[Karyn Harty](#) is a partner in the Dublin office of Dentons LLP, where she leads the Disputes and Regulatory Investigations Practice Group, and serves as Global Co-Chair of Disputes and Group Money Laundering Reporting Officer for Dentons UK, Ireland and Middle East.