

MEMORANDUM OF UNDERSTANDING

BETWEEN

U.S. CUSTOMS SERVICE

AND

UNITED STATES COAST GUARD

CUSTOMS FORFEITURE FUND

The U.S. Customs Service and the United States Coast Guard hereby enter into the following Memorandum of Understanding.

A. PURPOSE OF AGREEMENT

To establish a working relationship and processing system to facilitate U.S. Coast Guard access to the Customs Forfeiture Fund for reimbursement of seizure and other expenses in accordance with 19 U.S.C. 1613b.

B. AGREEMENT

Customs and the Coast Guard hereby agree that

1. Customs will, pursuant to 19 USC 1613b(a)(1) and the terms of this Agreement, make the Customs Forfeiture Fund (the Fund) available to the Coast Guard, with respect to seizures under any law enforced or administered by the Coast Guard for payment or reimbursements for payments, for all proper expenses of seizure. "Proper expenses" are defined as direct costs associated with the management of a specific seizure which would not have occurred but for the seizure. These costs include transportation, inventory, emergency repairs, security and maintenance of custody of the property, as well as costs incurred prior to a seizure which led to a seizure, and were incurred solely in furtherance of a seizure. Salary expenses, with the exception of overtime expenses, incurred in carrying out a seizure are not reimbursable.

2. In the event that monies available in the Fund are insufficient to pay both Customs and Coast Guard seizure expenses, Customs and Coast Guard seizure expenses will be paid on an equitable basis taking into account the percentage of total reimbursable costs of seizure expended by each agency. Customs will promptly notify Coast Guard upon determination that monies in-the fund are insufficient for payment of Coast Guard reimbursement claims.

3. The Coast Guard will implement an internal system to record and report proper seizure expenses reimbursable from the Fund. This system will include review and certification by appropriate level managers of all such expenses, and the maintenance of files for three years from the date the expense was recorded which contain all necessary and appropriate supporting documentation.

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4. On a monthly basis the Coast Guard will forward to U.S. Customs a memorandum requesting reimbursement from the Fund for identified proper seizure expenses. This memorandum will conform to the sample format attached, and will be signed by an appropriate level Coast Guard management official. The attached sample format dictates conformance with the following requirements:

a. A monthly accumulated total will be requested for reimbursement

b. This total will be broken down by individual seizure number and the following cost categories:

) transportation (including fuel costs)

- 2) emergency repairs
- 3) inventory
- 4) security
- 5) storage
- 6) other (specify)

c. The following statement will be included: "This is to attest that the costs listed in this request for reimbursement from the Customs Forfeiture Fund are proper expenses of seizure as defined in 19 USC 1613b(a)(1) and the Memorandum of Understanding between U.S. Customs and the U.S. Coast Guard."

This memorandum will be addressed as follows:

U.S. Customs Service
FP&F Section Room 1319
1301 Constitution Ave.
N.W. Washington, D.C. 20229-0001

5. The Coast Guard will submit requests for reimbursement for the month of September no later than 15 working days after 30 September.

6. When and if the Coast Guard identifies expenses not addressed in this MOU which they feel may be reimbursable from the Fund, Customs and the Coast Guard will meet to jointly resolve the issue. Customs and the Coast Guard will maintain an ongoing Headquarters-to-Headquarters liaison for this purpose, to resolve misunderstandings that may arise, and to insure the smooth operation of this agreement. Customs and the Coast Guard will identify specific individual points of contact for this purpose.

7. Upon receipt of a properly executed and formatted request from the Coast Guard, Customs will provide reimbursement to the Coast Guard within 30 days. Requests that are not properly executed and formatted may be returned for correction. Such requests must be returned within ten days following receipt of the request for reimbursement.

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8. Customs reserves the right to request the provision of supporting documentation -for any reimbursement request and withhold payment until it is provided. such requests must be made within ten days of receipt of the request for reimbursement.

9. In the event that in a future fiscal year funds appropriated under 19 USC 1613b(f) (2) are in excess of \$10,000,000, the implementation of the provisions of 19 USC 1613b(b) will be jointly determined at that time by the Coast Guard and U.S. Customs.

C. TIME OF AGREEMENT

This agreement will be effective from the date of signature and will continue indefinitely until terminated. It may be terminated by either agency upon 30 days advance written notice to the other; however, record retention requirements incurred by either party pursuant to this agreement shall remain in effect until expiration of the periods specified.

D. REVISIONS (AMENDMENTS AND MODIFICATIONS)

Revisions, amendments and modifications to this agreement may be made upon the written approval of both agencies and shall become effective upon the date of approval.

E. NO PRIVATE RIGHT CREATED

This document is an internal government agreement and is not intended to confer any right or benefit on any private person or party.

F. CONTACT OFFICES

For Customs:
Director, Seized Property Division
Room 1417
U.S. Customs Service
Washington, D.C. 20229

For Coast Guard:
Chief, Operational Law Enforcement Division
Room 3110
U.S. Coast Guard
Washington, D.C. 20593

Each agency may assign alternate contact offices after notifying the other agency in writing.

DATE: 12/28/89

APPROVED:

[signed]
CLYDE T LUSK, JR
Vice Admiral U.S. Coast Guard
Acting Commandant

COAST GUARD SEIZURE EXPENSE DETAILS

Customs Seizure Number: _____ Date Seized:

Expense Details:

1) transportation \$ _____

(inc. fuel costs)

2) emergency repairs \$ _____

3) inventory \$ \$

4) security \$ _____

5) storage \$ \$ _____

6) other (specify) \$ _____

TOTAL \$ _____

REMARKS: _____

