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Description of document: US Customs Service Seized Asset Management and Enforcement Procedures Handbook, 2002

Requested date: 2018

Release date: 23-February-2018

Posted date: 06-May-2019

Source of document: FOIA Request
FOIA Officer
US Customs and Border Protection
90 K Street, NW
9th Floor, Mail Stop 1181
Washington, DC 20229
[FOIA Online](#)

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Subject: Final Disposition, Request CBP-2017-023101

This is a final response to your Freedom of Information Act (FOIA) request to U.S. Customs and Border Protection (CBP), requesting a digital/electronic copy of the CBP Seized Asset Management and Enforcement Procedures Handbook.

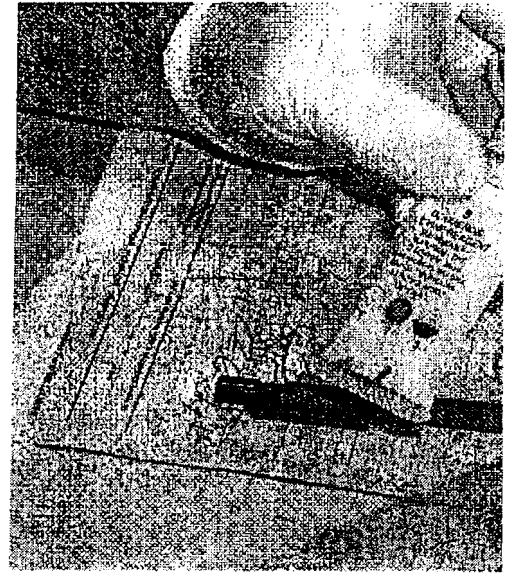
CBP is granting your request under the FOIA, Title 5 U.S.C. § 552. Upon initial review of your request, we have determined that the following documents can be found on the internet at the following links:

https://foiarr.cbp.gov/docs/Manuals_and_Instructions/2009/283231839_19/0910011234_seized_management_Part1.pdf

https://foiarr.cbp.gov/docs/Manuals_and_Instructions/2009/283231839_19/0910011242_seized_management_Part2.pdf

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Seized Asset Management and Enforcement Procedures Handbook



CIS HB 4400-01A

January 2002

Office of Field Operations

Office of Investigations

Office of Internal Affairs

Office of Finance



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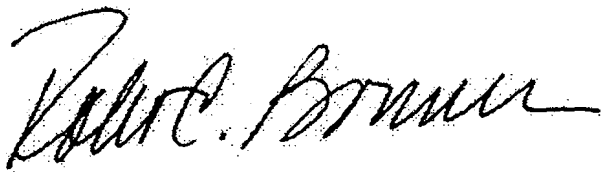
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This handbook contains the standards that Customs personnel must follow when initiating seizure, penalty, or liquidated damages actions; processing and managing cases; and handling seized property. It is intended to aid inspectors, special agents, import specialists, entry specialists, cashiers, paralegal specialists, and seized property specialists in applying Fines, Penalties, and Forfeitures/Seized Property programs. The handbook delineates roles and responsibilities for those personnel, as well as for their supervisors, port directors, SAICs, FP&F Officers, Directors of Field Operations, and Headquarters offices.

The Office of Field Operations, Seizures and Penalties Division in coordination with the Office of the Commissioner, Seized Property Systems will periodically review and update this handbook with the most current information and statutory changes that affect the policies and procedures for documenting, processing, tracking, and reconciling Customs enforcement actions regarding seizures, seized property, penalties, and liquidated damages. Changes, additions, and updates to this handbook from any office or division must be processed through the Director, Seizures and Penalties Division. Any publications issuing instructions, directives, handbooks, or other official publications affecting any processes with regard to seizures, seized property, penalties, and liquidated damages must be routed through the Director, Seizures and Penalties Division. Comments or suggestions about the handbook should be forwarded to the Office of Field Operations, Seizures and Penalties Division, 1300 Pennsylvania Avenue, N.W., Room 5.2C, Washington, D.C. 20229.

Any deviation from these guidelines must be requested in writing and jointly approved by the concerned Assistant Commissioners to ensure uniformity, establish accountability, and promote communication.



Commissioner of Customs

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Seizure Cases

This chapter is designed to provide guidance to Customs officers in seizure case initiation, tracking, analyzing, adjudicating, and closure. In addition, it provides the standards that govern the management of seized assets.

Customs approaches seizure case initiation and processing from a [REDACTED] perspective; that is, [REDACTED]

(b)(2)

[REDACTED] Seizures expose Customs to the highest level of risk since they involve the taking of property and the attendant due process and property protection requirements.

Additional information on seizure case processing can be found in the OR&R Mitigation Handbook.

Part 1 Initiation

2.1.1 General

Port Directors and SAICs are responsible for seizure case initiation. They are responsible for establishing the facts of the case, seizing property if appropriate, and timely and accurate case initiation. Case initiators and their supervisors are responsible for knowing the regulatory, statutory, and policy basis for all enforcement actions and for quality case initiation (legally sufficient and fully documented cases).

FP&F is responsible for verifying that cases are fully supported and documented so they can be effectively processed to completion and for the integrity of the seized property under Customs custody. Initiating officers should keep FP&F informed of local trends and problems encountered in their compliance mission.

FP&F will act as a conduit to seizing officers to transmit information received from counsel, OR&R, and other agencies when regulatory or policy changes occur. FP&F will provide training and constructive feedback to seizing officer supervisors when cases require additional support or documentation.

(b)(2)

[REDACTED]

2.1.2 Alternatives to Seizure

Seizures are made against property ("in rem") and are intended to keep inadmissible property out of the commerce or to deprive violators of the fruits of a crime. A seizure is a drastic and severe action, involving arrest of the asset. Just as the arrest of an individual sets in motion a judicial process with a very time-sensitive protocol, so does the seizure of an asset.

The right to property is protected by the Constitution. Therefore, when the government contemplates taking someone's property it must not only ensure that due process of law is afforded, but also consider whether or not an alternative to physically taking possession of that property is viable.

[REDACTED]

(b)(5)

(b)(7)(E)

1) Detention

Reference: [REDACTED]

(b)(2)

Detention is withholding release of property pending review for admissibility or proper importation or exportation. Often, detention is a viable alternative to seizure where merchandise can be detained for rehabilitation or for clarification of the underlying issues (e.g., country of origin marking, trademark authorization, anti-dumping). When reviewing potentially violative imports and exports, officers should not overlook the use of detention.

19 U.S.C. 1499(c) covers the general rules Customs must follow when processing detained imported merchandise. (Section 1499 excludes detentions made on behalf of other government agencies, e.g., Food and Drug Administration (FDA), Consumer Products Safety Commission (CPSC), etc.; follow instructions of the other agency.) It is the responsibility of the detaining officer to send a notice of detention that includes the data elements contained in 19 U.S.C. 1499(c)(2). Although detention is an alternative to seizure, it is still an action that deprives someone of property. Due process of law requires timely notice of detention.

A detention can evolve into a seizure. In that event, the notice of detention becomes part of the seizure-supporting documentation forwarded to FP&F. If FP&F determines that detention procedures were not followed or that notice was not properly issued, the seizure action may be cancelled and the property returned.

Customs must safeguard detained property. Seized property personnel will not become involved in storing detained property.

There are specific situations that require the detention of violative merchandise. Information obtained during the detention must be documented and forwarded to FP&F as part of the seizure supporting documentation. If a detention develops

into a seizure, a copy of the detention notice must be part of the supporting documentation forwarded to FP&F. The following are examples:

(b)(2),
(b)(7)(E)

a) **Detention of Cultural Property—References:** [REDACTED]

[REDACTED] Also reference 19 CFR 12.104 for additional guidance.

- b) **Detention for Copyright, Trademark, Patent—References:** CD 099 2310-005A, 4/7/00, Copyright Protection; CD 099 2310-006A, 12/16/99, Exclusion Orders; CD 099 2310-008A, 4/7/00, Trademark and Trade Name Protection; CD 099 2310-010A, 12/11/00, Detention and Seizure Authority for Copyright and Trademark Violations; and CD 099 2310-011A, 1/24/00, Personal Use Exemption: Unauthorized Trademark; and 19 CFR 133.43.

2) **Refusal of Admission/Denial of Entry**

In instances where the law does not require seizure or detention, refusing admission of violative merchandise achieves the same result by preventing the introduction of prohibited or restricted merchandise into the commerce of the United States. At a land border, simply making the importer return immediately to the foreign country with the merchandise solves the problem.

Importers and/or their authorized agents (e.g., a Customs broker) should be advised of reasons for the refusal of admission. In addition, importers should be warned that future violative behavior could result in seizure of their merchandise or the assessment of a penalty. [REDACTED]

(b)(7)(E) [REDACTED] The authority to deny entry is provided in 19 U.S.C. 1499.

3) **Issuing CF 4647 for Country of Origin Marking**

Reference: 19 U.S.C. 1595a(c)(2)(E) and (F).

An alternative to seizing merchandise for failure to mark with country of origin is to conditionally release the merchandise for marking under a CF 4647, Notice to Mark and/or Notice to Redeliver. The CF 4647 requires the importer to mark within 30 days or redeliver the violative merchandise to Customs custody. If the importer does not comply with the CF 4647, Customs may seize the merchandise if available, issue a claim for liquidated damages, or issue a penalty under 19 U.S.C. 1595a(b). Whichever of these actions is taken, a copy of the CF 4647 must be part of the supporting documentation forwarded to FP&F.

4) **Admitting to a Warehouse or Foreign Trade Zone (FTZ)**

Restricted merchandise may proceed to a bonded warehouse or an FTZ for correction or rehabilitation. This alternative is not available for prohibited merchandise.

(b)(2),
(b)(7)(E)

2.1.3 Pre-seizure Coordination

References: [REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

and TEOAF Directive #33, 6/7/99, Seizure of Motor Vehicles, Payment of Liens and Official Use Requirements

The deteriorating value of seized property in proportion to its associated storage and disposal costs is a primary concern to Customs, Treasury, and Congress [REDACTED]

(b)(5),
(b)(7)(E)

[REDACTED]

The FP&F role in pre-seizure analysis is that of a facilitator or liaison between OI and the national seized property contractors.

(b)(2),
(b)(7)(E)

[REDACTED]

- 2) **Operating Businesses**—When an operating business is the contemplated subject of seizure and forfeiture, it is the responsibility of the seizing agent to discuss the seizure with the FP&FO as part of the pre-seizure coordination actions.
- 3) **Criminal Indictment Documentation**—The seizing agent is responsible for notifying FP&F immediately if any item that has been seized has been included

(b)(5),

(b)(7)(E)

in a criminal indictment. [REDACTED] If appropriate, the administrative process should be stayed pending judicial disposition. Refer to Part 10 of this chapter for CAFRA processing guidelines and [REDACTED]

(b)(2)

4) Pre-Seizure and Lis Pendens— [REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

5) **Property Valued over \$100,000**—Seizures with a domestic value over \$100,000, including, but not limited to, real property and operating businesses, must be referred to the appropriate Headquarters office for approval through the DFO or SAIC.

a) **Office of Field Operations (OFO) Seizures**

(b)(2),

(b)(7)(E)

[REDACTED]

b) **OI Seizures**

[REDACTED]

c) Exceptions to Reporting Requirements

(b)(2),
(b)(7)(E)

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

2.1.4 Seizing Officer Responsibilities

The discovering officer is responsible for beginning the seizure case initiation process. The officer who discovers a violation is responsible for case development, timely input in SEACATS, documentation, and property verification and handling. [REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED] Upon deciding to effect a seizure the seizing officer must complete an SAS report in SEACATS and a CF 6051 documenting the seizure and all items seized within [REDACTED] of seizure.

(b)(2)

All Customs personnel involved in making and processing seizures are reminded that due process requires timely notification of seizure to all known parties-in-interest. Customs policy is that FP&F must issue timely notices of seizure. To accomplish this, the seizing officer must deliver all necessary supporting documentation to FP&F within [REDACTED] of seizure. This documentation includes full and accurate identification (name, address, identification numbers, etc.) of all parties with a financial or legal interest in the property—owner, lienholder, exporter, importer, or other.

(b)(2)

1) Case Development

(b)(2),
(b)(5)

- a) Pre-seizure— [REDACTED]
- b) Organization— [REDACTED]
- c) Appraisals— [REDACTED]

[REDACTED]

[REDACTED]

> [REDACTED]

> [REDACTED]

[REDACTED]

> [REDACTED]

[REDACTED]

> [REDACTED]

[REDACTED]

(b)(2),
(b)(5),
(b)(7)(E)

d) Abandonment— [REDACTED]

e) Arrest— [REDACTED]

> [REDACTED]

> [REDACTED]

> [REDACTED]

> [REDACTED]

> [REDACTED]

[REDACTED]

2) SEACATS Input—The SAS in SEACATS is the official Customs system of record for tracking seized property and processing seizure cases, as well as recording any abandonment.

(b)(2),
(b)(5)

[REDACTED]

a) Time Frames—In ALL cases, the case initiator will acquire an incident number within [REDACTED] of the incident (includes creation of shell record and

(b)(2)

(b)(2) input of property lines). The case initiator will complete the SAS report in SEACATS within [redacted] of the issuance of an incident number. The case initiator's supervisor will approve the SEACATS SAS report within [redacted] of the initiator completing the report.

(b)(2), (b)(7)(E) Note: [redacted]

(b)(2) b) Case Types— [redacted]

The following are examples of case types:

FP&F Seizure Case Number Structure:	Used for:
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

(b)(2), (b)(7)(E) c) [redacted]

Table 2.1

(b)(2),
(b)(7)(E)

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED] SAS [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

d) **Legal/Evidentiary Status**—The legal/evidentiary status of the property must be documented with the appropriate SEACATS code. Refer to Part 9 of this chapter, "Evidence."

(b)(2),
(b)(5),
(b)(7)(E)

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]

However, the FP&FO will make every effort to effect the administrative forfeiture in a manner to ensure due process.

3) Supporting Documentation

- a) Time Frames— [REDACTED]
- b) Search, Arrest, Seizure Report (SAS)—A copy of this report is required for the FP&F seizure case. The SAS must contain the proper statutory authority for seizure and forfeiture.
- c) CF 6051 Chain of Custody—A CF 6051 (including an accurate count of all property line items seized) will be completed at the time of seizure. [REDACTED]

(b)(2)

(b)(2),
(b)(5),
(b)(7)(E),
(b)(7)(F)

[REDACTED] The seizing officer will attempt to obtain the signature of the person from whom property is seized. [REDACTED]

- d) Constructive Seizure Agreement—If constructive seizure is contemplated, the seizing officer must consult the FP&FO. The FP&FO will decide if constructive seizure is appropriate. Refer to Section 2.2.4 (5), "FP&F Processing—Pre-Decision Disposition of Property—Constructive Seizure" for more information.

(b)(2)

- e) [REDACTED]

Procedures are in place for the storage of Customs seized property [REDACTED] which is the subject of a [REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

* AU
(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

- f) **Appraisals**—Refer to Section 2.1.4 (1)(c), “Seizing Officer Responsibilities—Case Development—Appraisals.”
- g) **Other Documentation**—The seizing officer will also provide any other documentation pertinent to the case, such as [REDACTED]
- h) **Lien Information**—The seizing officer is responsible for obtaining and providing information to FP&F on any liens recorded against the seized property.

(b)(2)

i) **OI Documentation**—A copy of any applicable [REDACTED] and copies of [REDACTED] should be included as supporting documentation for the FP&F seizure case file unless sealed by the court or prohibited by sensitivity issues.

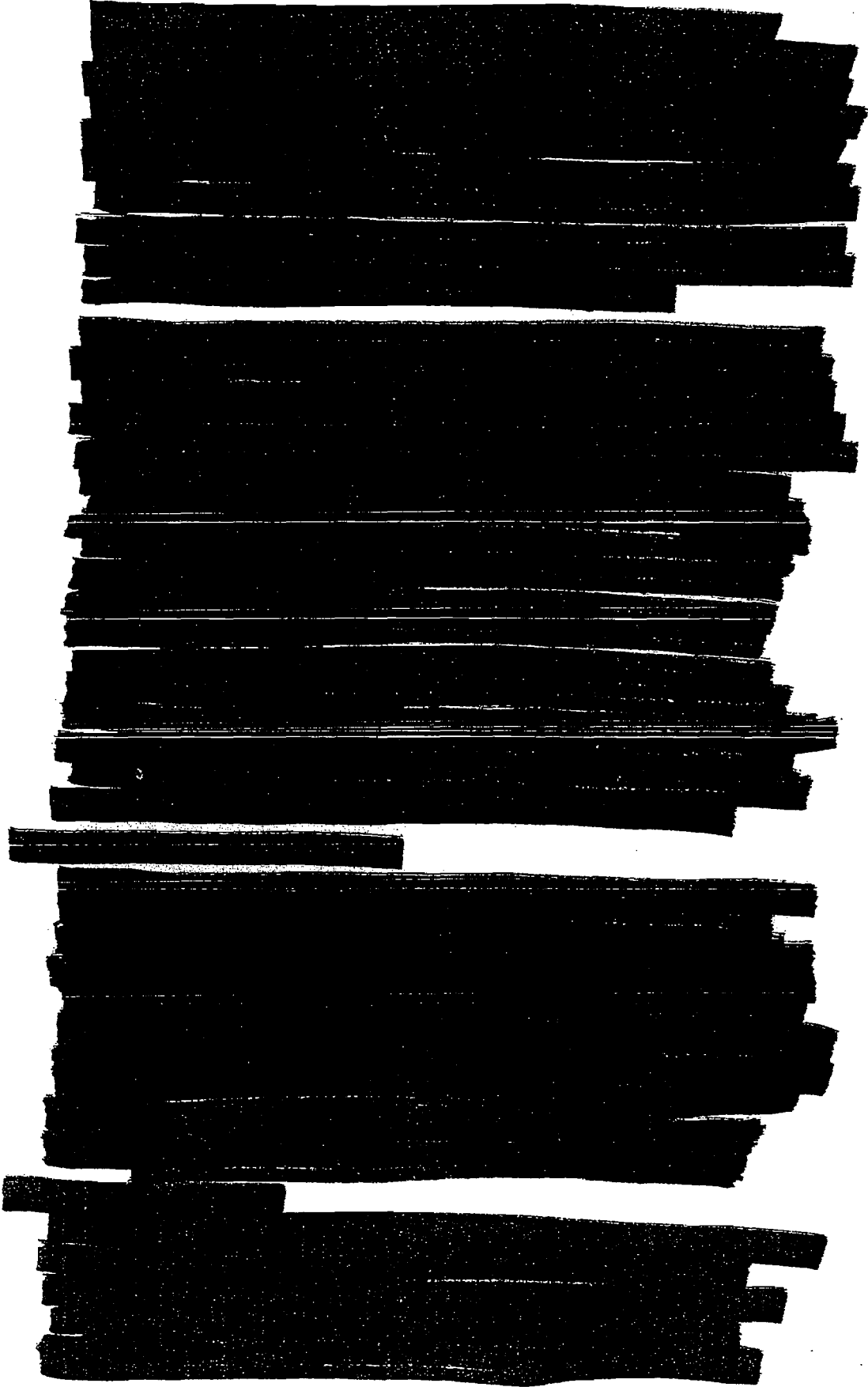
j) **Cancelled Cases**—Since FP&F is required to track every SEACATS-generated case number, [REDACTED] when a seizure case is cancelled.

4) **Property Verification and Handling**

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

(b)(2),
(b)(7)(E),
(b)(7)(F)



(b)(2),
(b)(7)(E)

[REDACTED]

2.1.5 Seizing Supervisor Responsibilities

The supervisor of the seizing officer is responsible for timely, accurate case initiation and property handling.

- 1) **Case Development**—Ensures that the seizing officer complies with all the requirements of case development detailed in Section 2.1.4 (1), “Seizing Officer Responsibilities—Case Development.” This includes

[REDACTED]

- 2) **SEACATS Processing**—Ensures that the seizing officer complies with all the requirements of SEACATS processing detailed in Section 2.1.4 (2), “Seizing Officer Responsibilities—SEACATS Input.” This includes timely and accurate

(b)(2)

SEACATS case initiation and completion by the seizing officer. The supervisor is responsible for ensuring timely review and approval of the SAS [redacted] of completion by the seizing officer.

3) **Supporting Documentation**—Ensures that the seizing officer complies with all the requirements of supporting documentation detailed in Section 2.1.4 (3), “Seizing Officer Responsibilities—Supporting Documentation.” This includes complete and accurate preparation of support documentation and forwarding this documentation to FP&F within [redacted] of seizure.

(b)(2)

4) **Property Verification and Handling**—Ensures that the seizing officer complies with all the requirements of property verification and handling [redacted]

(b)(2)

The supervisor is responsible for ensuring the integrity of seized property by [redacted]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[redacted]

5) **On-site Mitigation**— [redacted]

(b)(2),
(b)(7)(F)

If appropriate, the standard documentation should include a CF 4609 Petition for Remission or Mitigation of Forfeitures and Penalties Incurred; Hold Harmless Agreement; CF 6051; and a copy of a CF 368, Collection Receipt or Informal Entry or other collection document.

(b)(2), (b)(7)(E) 6)

6) **On-site Destruction**— [redacted]

7) **Post-initiation**

a) **Deficient Case Correction**—If FP&F identifies a deficiency, the case will be returned to the seizing officer supervisor for timely, accurate corrective action.

b) **Petition Review**—All petitions relative to OI seizures [redacted] Petitions for OFO seizures [redacted]

(b)(2),
(b)(7)(E)

[redacted]

Part 2 FP&F Processing

2.2.1 General

This part is designed to provide guidance for FP&F in tracking, analyzing, adjudicating, monitoring compliance, case management, and closure of seizure cases forwarded by case initiators and their supervisors. Port Directors and SAICs are responsible for timely and accurate seizure case initiation, and FP&F is responsible for timely and appropriate case adjudication. FP&F monitors case referrals and provides constructive feedback to initiating offices. FP&F determines case sufficiency and

adequacy of support documentation to allow further processing. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(5)

2.2.2 Case Sufficiency Review

Once the seizing officer supervisor approves a seizure case, it is the responsibility of FP&F to review the case for sufficiency. The circumstances of seizure and the statutes and/or regulations cited must be reviewed for applicability. It is also the responsibility of FP&F to ensure that all parties involved in a violation receive due process by way of timely notification as to the options available to them for the recovery of the seized property.

1) Case Review

Upon receipt of the seizure case, a preliminary review will be conducted to ensure that there is sufficient documentation to support the violation.

- a) **Time Frames**—The review will include an analysis of the timeliness requirements of the seizing officer and supervisor as they relate to input, completion, and approval of the SAS, [REDACTED] (b)(2), (b)(7) and delivery of support documentation to FP&F. If FP&F has not received appropriate seizure case file documentation within [REDACTED] (b)(2) of seizure, the FP&FO will contact the seizing officer supervisor.

b) Supporting Documentation

[REDACTED] (b)(2) Depending on the nature of the seizure, the following documents may apply:

- Original CF 6059B, Passenger Declaration

(b)(2)

- Appraisal, except for [redacted] and [redacted] — (b)(7)(E)
- [redacted]
- Copies of any other documents that may have a bearing on remission of forfeiture (e.g., [redacted])
- Conveyance registration documentation that identifies vehicle identification numbers, license plate numbers, or aircraft tail or vessel hull numbers
- [redacted]

Additional supporting documentation required for specific violations is contained in Part 4, "Special Classes of Property."

c) Criminal Prosecution

(b)(2),
(b)(7)(E)

Each case should be reviewed to determine if criminal prosecution of the violator has been accepted or declined. If criminal prosecution has been declined, [redacted] If criminal prosecution has been accepted and is pending against the violator, [redacted] Any forfeiture should be coordinated with the local ACC.

d) Statute of Limitations

Under the provisions of 19 U.S.C. 1621, the statute of limitations in seizure cases is 5 years from the date of discovery of the violation or 2 years from the date that the involvement of the property in the alleged offense was discovered, whichever is later. Any time during which the property subject to forfeiture is absent from the country is not counted in the statutory period of limitation. (Example: A conveyance is used in a controlled substance smuggling operation on January 1, 1996. Customs has knowledge of such use but does not immediately seize the conveyance. The owner removes the conveyance to Mexico for 6 months. The time the conveyance is in Mexico is not counted toward the running of the statute of limitations. The statute, rather than expiring on January 1, 2001, would expire on June 30, 2001.)

Under other government agency laws, the statute of limitations is five years from the date of the violation (see 28 U.S.C. 2462).

2) Defective or Deficient Cases

FP&F analysis of the seizure case includes identification of any defects or deficiencies. [redacted]

(b)(2)

[REDACTED]

3) **On-site Mitigation**

(b)(2),
(b)(7)(E)

[REDACTED]

4) **Cancelled Cases**

[REDACTED]

2.2.3 Notice of Seizure

1) **Due Process**

When the government seizes property, due process requires that the person from whom the property is seized be notified timely of the probable cause for the seizure and the options available to seek the return of the property. An accurate, timely notice of seizure is issued to guarantee due process. The failure to provide due process may jeopardize the government's ability to forfeit the seized property, as well as expose the seizing officer and/or FP&FO to a liability.

2) **Parties-in-Interest**

Federal law requires that “written notice of seizure together with information on the applicable procedures . . . be sent to each party who appears to have an interest in the seized article” (19 U.S.C. 1607(a)). The property may not be forfeited if the government fails to provide such notice, as the forfeiture would deprive a party of property without due process of law. 19 U.S.C. 1607 requires written notice to all interested parties at all known addresses, including the jail/prison address if the party was arrested and incarcerated. Parties-in-interest include, but are not limited to: owner or co-owners; lienholders; bailees; lessors; lessees; rental agencies; driver/master of conveyance; person in possession of items seized; and financial institutions.

3) **Notice Content**

Refer to 19 CFR 162.31(a) and (b). At a minimum, the notice of seizure must contain date and location of seizure, law(s) violated, brief description of acts or omissions forming the basis for the seizure, description of the seized property, domestic value of the seized property, petitioning rights, a statement that petition must be submitted in 30 days, and information on where to send the petition.

(b)(2)



4) **Notice Attachments**

Attachments to the notice of seizure will include a Notice of Information for Claimants and Election of Proceedings form. Listed below are the three forms used in non-CAFRA cases. Samples are provided in the attachments section of this handbook.

a) **Form AF Publish**—This is used when administrative forfeiture proceedings are provided under 19 U.S.C. 1607 and when any of the following property is seized:

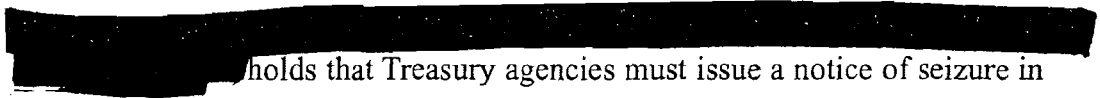
- Property valued between \$2,500 and \$500,000
- Prohibited merchandise regardless of value
- Any seized currency/monetary instrument regardless of value
- Conveyances used to import, export, transport, or store controlled substances, regardless of value

b) **Form AF Post**—This is used when administrative forfeiture proceedings are provided under 19 U.S.C. 1607 and property is valued up to \$2,500.

c) **Form JF**—This is used when judicial forfeiture proceedings will be initiated and the property is valued at more than \$500,000 (except for currency/monetary instruments or prohibited merchandise).

5) **Time Allowed for Notice Issuance**

(b)(2)



holds that Treasury agencies must issue a notice of seizure in

(b)(2)

administrative forfeiture cases within 60 days of the date of seizure. [REDACTED]

The exception to this rule involves statutes covered by the Civil Asset Forfeiture Reform Act (CAFRA). Refer to Part 10 of this chapter, "CAFRA."

6) **Notice Delays**

(b)(2),
(b)(5)

[REDACTED]

7) **Mailing Notice of Seizure**

Due process requires that written notice be "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." Neither 19 U.S.C. 1607 nor due process requires proof that the interested party actually received notice, provided the government employed means reasonably calculated to inform the affected person.

(b)(2)

[REDACTED]

8) **Undeliverable/Amended Notices**

If a notice of seizure is returned as "undeliverable," FP&F should make every effort to identify an accurate address in order to reissue the notice. It is the responsibility of the FP&FO to send an amended notice of seizure when information is received that changes the facts of the violation or affects the interested parties' rights.

9) **Civil Asset Forfeiture Reform Act of 2000**

Enactment of the Civil Asset Forfeiture Reform Act of 2000 affects notice procedures for seizures to be forfeited under Title 18, Title 31, Title 49, and some Title 21. TD 00-88 published interim regulations for CAFRA forfeitures. Refer to Part 10 of this chapter, "CAFRA," for detailed instructions.

10) **Adoption of State and Local Seizures**

Under CAFRA, in adoptive seizures, the federal government must send notice no more than 90 days after the date of seizure by a state or local law enforcement agency. Refer to TEOAF Directive #34, 1/17/00, "Adoptive Seizure Policies and Procedures" and the July 2001 "Department of Treasury—Guidelines for Seized and Forfeited Property."

2.2.4 Pre-decision Disposition of Property

1) Early Release

(b)(2) Refer to [REDACTED] and TEOAF Directive #33, 6/7/99, Seizure of Motor Vehicles, Payment of Liens and Official Use Requirements.

In cases where FP&F considers remission of the property to be likely, a request for early release may be considered. Early release may be requested at any time during the administrative process. Case processing should not be delayed merely because early release of the property has been effected.

Jurisdiction to authorize early release of seized property is dependent on the value of the seized property. The FP&FO may authorize the release of seized property valued at \$100,000 or less. If the property value exceeds \$100,000, requests for early release must be directed to the Chief, Penalties Branch, OR&R.

Only parties with a petitionable interest may request early release. Early release is not applicable to seized property needed as evidence in a criminal case unless express written authorization is received from AUSA.

The FP&FO will confirm any early release decision (a copy of this form is included in the attachment section of this handbook) to all pertinent parties in writing with an Acknowledgement of Early Release. This form must be executed by the party receiving the property and is an election of remedy form and explains the ramifications of acceptance of early release. It contains the following:

- Advice that the early release decision is not the final disposition of the case.
- All conditions of release
- Advice that if a party-in-interest does not accept the terms of early release, it will not jeopardize their rights to the property in any final administrative decision

For processing of an early release deposit, refer to Chapter 5, Part 9, "Deposit for Early Release of Seized Property and Substitute in Res." Early release deposits must be in the form of cash, cashier's check, or an irrevocable letter of credit. No personal checks are to be accepted. The final decision in any case may impose an amount that is less than the amount deposited for early release, but it may not be more than the early release amount.

2) Substitution of Collateral

Payment of the domestic value of seized property to obtain release of seized property may be allowed. In accordance with 19 U.S.C. 1614 and 19 CFR 162.44, payment of the domestic value may be accepted in lieu of forfeiture of the seized property. The payment is called the "substitute res" and replaces the seized property as the item to be forfeited.

Jurisdiction to accept substitute res is dependent on the value of the seized property. The FP&FO may authorize the release of seized property valued at

\$100,000 or less. If the property value exceeds \$100,000, requests for substitution must be directed to the Chief, Penalties Branch, OR&R.

There are certain conditions associated with a substitute res. The claimant must show to the satisfaction of the FP&FO that he/she has a substantial interest in the seized property. Substitution is not available if the property is prohibited from entry into the United States. If the property is restricted, the problem must be remedied (e.g., marking) as a condition of release. Substitution in res is not applicable to seized property needed as evidence in a criminal case unless express written authorization is received from an AUSA.

For deposit of a substitute res, refer to Chapter 5, Part 9, "Deposit for Early Release of Seized Property and Substitute Res." Substitution of collateral must be in the form of cash, cashier's check, or an irrevocable letter of credit. No personal checks are to be accepted.

3) Letter of Credit

A letter of credit may be accepted as a substitute for seized property or as an early release deposit as described above. It must be drawn/insured by a U.S. financial institution in U.S. funds and must be insured by a federal deposit insurance agency (Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation). It is strongly recommended the assistance and guidance of the local ACC be sought when accepting a letter of credit.

A letter of credit must contain:

- Language stating that it is irrevocable
- Language stating that it may be automatically renewed or that Customs can unilaterally renew
- Customs clearly named as beneficiary
- Language indicating that it is payable on demand
- The account against which the letter is drawn clearly designated (generally by account number)
- The FP&F seizure case number from which liability arises
- A sum certain in which the letter is drawn
- The signature of the drawee

4) Offer in Compromise (OIC)

The statutory authority to accept OICs is provided for in 19 U.S.C. 1617 and 19 CFR 161.5. The OIC must be in writing. It should state that it is being submitted in accordance with 19 U.S.C. 1617 and include the tender of the OIC amount. The OIC must be in the form of cash, cashier's check, or money order.

There has been no delegation of authority to the FP&FO to accept or reject OICs in seizure cases. The FP&FO will refer all offers to the Penalties Branch, OR&R, with a recommendation for acceptance or rejection. The FP&F recommendation should take into consideration the following:

(b)(2),
(b)(5)

[REDACTED]

For instructions on processing the OIC, refer to Chapter 5, Part 4, "Offers in Compromise." If the OIC is rejected, all monies tendered with the OIC must be refunded and processing of the seizure case continued. If the OIC is accepted, the monies are accepted and the seized property is released.

5) Constructive Seizure

Constructive seizure is a seizure action with the full force of any other seizure. It is a formal method of placing property under Customs seizure (i.e., "constructive" custody) while allowing the violator to physically store (i.e., "actual" custody) the item. Constructive seizure is appropriate when it is in the best interests of the government to allow storage at a place other than Customs direct custody. The use of constructive seizure as a storage option requires approval by the FP&FO.

If the seizure does not involve prohibited merchandise or any danger to the public welfare, and there is no reason to fear that the violator would breach the constructive seizure agreement, constructive seizure may be offered. Restricted merchandise may be constructively seized provided that it is in the government's best interest to allow the importer to hold the merchandise (e.g., CPSC seizure involving fireworks, FDA seizure involving foodstuffs, etc.).

Customs interests in a constructive seizure are protected by a Constructive Seizure Agreement (copy provided in the attachment section of this handbook) that identifies the property in detail, all the parties, the intended duration, the location where the property will be stored, and the consequences for any breach of the agreement. The violator shall not store or use the seized property contrary to the terms and conditions specified in the agreement. Consult the local ACC for advice in the event there is a breach of the terms of the agreement.

The agreement will be signed by the violator (or party in possession) and the FP&FO or designee seizing officer. A broker may not sign unless he/she has a power of attorney specific to the seizure in question.

a) Discontinuance in Favor of State or Local Law Enforcement Agency

Any state or local law enforcement agency may file a request for Customs to discontinue federal administrative forfeiture proceedings in favor of state or local forfeiture. Refer to the July 2001 "Department of Treasury—Guidelines for Seized and Forfeited Property." Also refer to 19 U.S.C. 1616.

b) **Junker Provision, 19 U.S.C. 1612**

19 U.S.C. 1612 provides for the immediate destruction or sale of seized property that is likely to “perish” or “devalue” while in the government’s custody. If the expense of keeping any vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to its value, the FP&FO may order immediate destruction or other disposition. Perishable items may be immediately destroyed or sold at auction as soon as the government determines the disposition is in its best interests. The FP&FO may determine that it is in the government’s interest to immediately dispose of seized property [REDACTED] if it is “perishable” or the cost of storage is disproportionate to its value.

(b)(2)

When the pre-forfeiture destruction or sale of property occurs, the value of the destroyed property or the proceeds of sale become the subject of the forfeiture action. Petitions filed subsequent to the disposition of property will be considered requests for reimbursement from the Treasury Forfeiture Fund as proceeds of sale or payment of the value of the property at the time of seizure.

2.2.5 Consideration of Petitions for Relief

Any party-in-interest may file a petition for the remission of forfeiture of seized property in accordance with 19 U.S.C. 1618 and 19 CFR 171.1. Refer to 19 CFR 171.1, and 171.2 for further information as to the form and contents required in a petition. Refer to the OR&R Mitigation Handbook.

Petitions must be in writing and addressed to the FP&FO designated in the seizure notice. Electronic signatures are acceptable. Customs may require that petitions and supporting documents be in English.

1) **Initial Petition**

[REDACTED]

(b)(2)

The Paralegal Specialist is responsible for:

- Determining if the decision authority rests with the FP&FO or OR&R
- Analyzing the facts presented in the petition against those presented by the seizing officer
- Reviewing the statutory and regulatory requirements specific to the violation
- Determining if FP&F has all the information needed to render a decision and, if not, making the necessary referral to obtain that information

The authority of the FP&FO to act on petitions involving seized property is set forth in 19 CFR 171.21. Consult Table 2.2.

Table 2.2 Seizure Petition Decision Authority

Deciding Official	Authority Level (Value of Property)
FP&FO	Up to \$100,000 (exception: 19 U.S.C. 1436 and 19 U.S.C. 1453 up to \$200,000)
All other cases above the amounts identified above should be forwarded to OR&R for mitigation by Customs Headquarters or the Treasury Department as delegated.	

2) Petition Referral

(b)(2) [Redacted]

a) Seizing Officer

- All petitions in 31 U.S.C. 5316/5317-currency/monetary instrument (CMI) cases will be referred to OI. See Section 2.4.3 of this chapter, "Special Classes of Property—Currency/Monetary Instruments."
- If OI has indicated an interest in investigating the petition, refer it to OI.

(b)(2) → [Redacted]

b) Other Agencies—

(b)(2) [Redacted]

c) Other Technical and Legal Experts—

(b)(2) [Redacted]

3) Decision

Use the OR&R Mitigation Handbook to arrive at a decision or decision recommendation. [Redacted]

(b)(2) If the FP&FO has authority to decide the case, the Paralegal Specialist will prepare a decision letter that includes a brief explanation of the decision rationale and any other information detailed below. [Redacted]

If OR&R is the decision authority, the Paralegal Specialist will prepare a referral memorandum for the FP&FO's signature (unless otherwise delegated to the Paralegal Specialist in writing by the FP&FO). [Redacted]

(b)(2), (b)(5) [Redacted]

(b)(2),
(b)(5)

[Redacted]

(b)(2)

a) **Grant Relief**—Relief may be granted when the violation is not intentional, the seized property is not prohibited, relief is specifically provided for in the mitigation guidelines, and the deciding official determines that granting relief is in the best interests of the government. The decision letter must articulate the basis for granting relief, state the conditions for release, and indicate the time limit for compliance [Redacted]

[Redacted] Examples of conditions are:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

b) **Deny Relief**—When no relief is warranted, the decision letter will articulate the basis for denying relief, state that the petition is denied, and notify the petitioner that administrative forfeiture will be initiated [Redacted]

[REDACTED] Refer Section 2.2.6 of this chapter, "FP&F Processing—
Forfeiture."

4) **Failure to Comply with Decision or Petition Not Filed**

Reference: 19 CFR 162.32. Also refer to Section 2.2.6 of this chapter, "FP&F Processing—Forfeiture."

5) **Supplemental Petition**

Reference: 19 CFR 171.61

Supplemental petitions should, but are not required to, contain new information or evidence not previously considered or presented in the initial petition. Supplemental petitions must be filed within 60 days of the date of notice to the petitioner of the decision from which further relief is requested or within 60 days following an administrative or judicial decision with respect to issues serving as the basis for the seizure (whichever is later).

(b)(2)

The same processing standards apply as noted in this chapter, including case file documentation standards, petition referrals, decision issuance, and [REDACTED]

If the FP&FO decided the initial petition, he/she may grant further relief. If the FP&FO decides further relief is not warranted, the supplement petition must be referred to the NSPO. The referral of the supplemental petition to the NSPO will take the same basic format the petition referral to OR&R.

If the decision authority on the initial petition was with OR&R, then the supplemental petition must be referred there.

2.2.6 Forfeiture

1) **CAFRA**

Enactment of the Civil Asset Forfeiture Reform Act 2000 will affect procedures processing seizures subject to civil forfeiture under Title 18, Title 31, Title 49, and some Title 21. Interim regulations for CAFRA seizures were published by TD 00-88. See 19 CFR Part 162, Subpart H. Refer to Part 10, "CAFRA," for more details.

2) **Civil Administrative Forfeiture**

References: 19 U.S.C. 1607; 19 CFR 162.45; [REDACTED]

[REDACTED] and TEOAF Directive #27, 10/1/95, Processing Interlocutory Sales.

a) **Notice of Intent to Forfeit**—Forfeiture proceedings will be initiated against seized property by publication of a Notice of Intent to Forfeit.

b) **Exception**—Schedule I and Schedule II controlled substances (as defined in 21 U.S.C. 802(6) and 812) shall be seized and summarily forfeited to the United States pursuant to 21 U.S.C. 881(f); therefore, no Notice of Intent to Forfeit is required. (See 19 CFR 162.45a.) No notice is required for drug paraphernalia with residue of the same substances.

c) **Contents of Notice**

- Describe the property seized (in the case of conveyances, specify the conveyance serial and identification numbers, vessel hull, or aircraft tail numbers).
- State the date, cause, and place of seizure.
- State name of the newspaper and expected date of publication or date and place of posting of the forfeiture.
- State that any person desiring to claim property must appear at the specific Customs port or service port and file with the FP&FO a claim and cost bond in the sum of \$5,000 or 10 percent of the value of the property, whichever is lower, but not less than \$250, in default of which the property will be declared forfeited and disposed of in accordance with law.

d) **Publication vs. Posting of Notice**

If the appraised value of any property in one seizure from one person exceeds \$2,500, the notice shall be published in a newspaper circulated at the Customs port and in the judicial district in which the property was seized for at least three successive weeks.

In all other cases (except for Schedule I and Schedule II controlled substances), the notice shall be posted in a conspicuous place accessible to the public in the customhouse nearest the place of seizure and shall be kept posted for at least three successive weeks.

e) **Claim and Cost Bond**—Notices of Intent to Forfeit must include information regarding the filing of the claim and cost bond to halt administrative forfeiture. Refer to Part 10 of this Chapter for CAFRA claims. Also refer to

(b)(2)

- The notice must be filed within 20 days of the date of first publication or posting of the forfeiture notice.
- The claimant must state its interest in the property (owner, lienholder, etc.).
- A cost bond may be in the form of a CF 301, Customs Bond; cash; cashier's check; or money order in the amount of \$5,000 or 10 percent of the value of the claimed property, whichever is lower, but not less than \$250.

(b)(2)

- f) **Waiver of Bond Requirements (requests to proceed in forma pauperis)**—If an interested party files a claim but states that it is financially unable to post the required cost bond, the FP&FO has the authority to waive the bond requirement pursuant to 19 CFR 162.47(e). Upon submission of satisfactory written proof of the financial inability to post the bond, the FP&FO shall waive the bond requirement. Relevant documentation may include, but is not limited to, IRS tax returns for the previous three years, salary/wage check stubs, bank account statements, etc. If the cost bond requirement is not waived, the requesting claimant must be given a reasonable time period within which to post a bond.
- g) **Referral to the U.S. Attorney**—If a claim and cost bond is properly filed, the FP&FO shall proceed to refer the seizure to the U.S. Attorney through the local ACC for the institution of judicial forfeiture proceedings. A copy of the format for judicial forfeiture referrals is attached. (See 19 U.S.C. 1608 and 19 CFR 162.47(d).)
- h) **Declaration of Administrative Forfeiture**—If no claim and cost bond is filed, FP&F will declare the seized property forfeited to the United States. (See 19 U.S.C. 1609.)

(b)(2)

Schedule I and Schedule II controlled substances are deemed summarily forfeited by operation of law at the time of seizure and do not need to be forfeited by notice. TD 00-37 amended 19 CFR 162.45a to eliminate the requirement for declaration of forfeiture of Schedule II controlled substances.

See

- i) **Abandoned Property**—Abandoned property must be forfeited prior to disposition under the provisions of 19 U.S.C. 1612.
- 3) **Judicial Forfeiture—Civil**

References: 19 U.S.C. 1610, 19 U.S.C. 1608, 19 CFR 162.47;

- a) **FP&FO Referral**—Judicial forfeiture proceedings are initiated when a claim and cost bond has been properly filed and the FP&FO transmits the seizure case to the U.S. Attorney through the local ACC.

(b)(2),
(b)(5)

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

b) **Court-Ordered Settlement**—In lieu of forfeiture, the assigned AUSA may agree to a settlement. The FP&FO will be provided with a copy of this settlement and is responsible for complying with the terms of the settlement and related disposition instructions. Refer to [REDACTED] nt.

c) **Order of Forfeiture**—At the conclusion of the civil forfeiture action, the federal district court will issue an order of forfeiture. The FP&FO will be provided with a copy of the order and is responsible for complying with the disposition instructions. [REDACTED]

d) **Disposition of Cost Bond**—The AUSA will provide instructions to the FP&FO regarding disposition of the cost bond. [REDACTED]

4) **Judicial Forfeiture—Criminal**

In a criminal forfeiture case, the property is seized by Customs pursuant to a warrant and is indicted as part of the criminal prosecution of the violator. At the conclusion of the criminal case, the court will issue an order of forfeiture.

(b)(2)

[REDACTED] in the event the criminal AUSA elects not to pursue criminal forfeiture, the FP&FO will proceed with the administrative forfeiture process.

(b)(2),
(b)(5)

[REDACTED]

The court may direct FP&F to “arrest” the seized property or to publish a legal advertisement of forfeiture. FP&F will comply with the disposition instructions contained in the order of forfeiture.

2.2.7 Decisions on Dispositions of Property

1) Release/Remission

When a decision is made to grant relief and the petitioner has complied with all the terms and conditions of release, the FP&FO will coordinate with the SPS and authorize release by issuing a disposition order that identifies any conditions for release. Refer to section 2.3.5 “Property Disposition.”

2) Forfeited Property Held as Evidence

[REDACTED]

(b)(2)

3) Destruction/Sale

[REDACTED]

4) Disposition of Forfeited Property—FP&FO Authority

[REDACTED]

[REDACTED]

5) **Disposition of Forfeited Property—SPD Authority**

[REDACTED]

(b)(2)

6) **Retention of Forfeited Property for Official Use—**

[REDACTED]

7) **Retention of Forfeited Property as** [REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

9) **Disposition of Nonforfeitable Purchase of Evidence (POE)**

(b)(2)

[REDACTED]

2.2.8 FP&F Case Closure

Once all seized forfeitable property has been properly disposed of, the Paralegal Specialist will ensure there are no pending actions (such as moiety) and will review the file for closure

(b)(2),
(b)(7)(E)

[REDACTED]

Part 3 SPS Processing

2.3.1 General

The purpose of this section is to identify the duties and responsibilities of persons charged with the custody, handling, and management of Customs seized property.

(b)(2)

[REDACTED]

The FP&FO manages the seized property program at the port or service port level. The SPS receives direction from the FP&FO in fulfilling program responsibilities.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

2.3.2 Transfer and Acceptance—Customs-held Property

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[Redacted]

2.3.3 Transfer and Acceptance—Contractor-held Property

[Redacted]

[Redacted]

[Redacted]

(b)(2)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

2.3.4 Cases with No Property Transfer

[REDACTED]

* (b) (2),
(b) (7) (E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.3.5 Property Disposition

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

2.3.6 Property File Closure

[REDACTED]

(b) (2),
(b) (7) (E)

Part 4 Special Classes of Property

2.4.1 Controlled Substances—Non-personal Use

[REDACTED]

[REDACTED]

(b) (2),
(b) (7) (E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Al.
(b) (2),
(b) (7) (E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

9) Notice of Seizure

A seizure notice is not required for Schedule I and Schedule II controlled substances. (See 19 CFR 162.45a.)

10) Petitions—Non-Schedule I and Non-Schedule II Controlled Substances

In order to obtain any relief, a petitioner must provide documentation to support legitimate possession of non-Schedule I and non-Schedule II controlled substances.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) (2),
(b) (7) (E)

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15) Super Carrier Violations, 19 U.S.C. 1584

Violations involving the seizure of controlled substances from a Super Carrier signatory's conveyance will be processed [REDACTED]

[REDACTED] Seizing officers are responsible for processing the controlled substance seizure as described in Section 2.4.1, "Controlled Substances Non-personal Use." [REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

FP&F will process the controlled substance seizure as

(b)(2)

usual.

Note:

2.4.2 Controlled Substances—Personal Use

(b)(2),
(b)(7)(E)

[Redacted content]

[REDACTED]

Marijuana	1 ounce	Heroin	1 gram
Hashish	1 ounce	PCP	1/10 gram
Cocaine	1 gram	LSD	500 micrograms
Methamphetamine	1 gram	Anabolic steroids	300 units (see Table 2.4)
Khat	1 pound	Ecstasy	26 grams

[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Boldenone	Mesterolone	Norethandrolone
Chlorotestosterone	Methandienone	Oxandrolone
Clostebol	Methandranone	Oxymesterone
Dihydrochlormethyltestosterone	Methandriol	Oxymetholone
Dihydrotestosterone	Methandrostenolone	Stanolone
Drostanolone	Methenolone	Stanozolol
Ethylestrenol	Methyltestosterone	Testolactone
Fluoxymesterone	Mibolerone	Testosterone
Formebolone (formebolone)	Nandrolone	Trenbolone

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

10) Conveyances

(b)(2),
(b)(5)

[REDACTED]

Seizure of the conveyance under 19 U.S.C. 1594(a)(2) is applicable [REDACTED]
[REDACTED] for an unpaid penalty from a previous offense to
secure payment of the penalty owed. [Note: The conveyance may be seized only if
it is the same one used in the previous offense, and the owner, operator, master,
pilot, conductor, driver, or other person in charge of the conveyance is subject to
the penalty. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E)

a) **Limitations on Conveyance Seizure Authority**

[REDACTED]

[REDACTED]

b) **Summons to Appear**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

18) **Notice of Seizure**—Personal-use quantities of Schedule I and Schedule II controlled substances which do not qualify for an exemption for importation under 21 U.S.C. 956 are summarily forfeited, and no notice of seizure or forfeiture is required. However, there may be circumstances under which a conveyance is also seized. When this happens, a Notice of Seizure must be issued for the seized conveyance.

[REDACTED]

2.4.3 Currency/Monetary Instruments (CMI)

References: 31 U.S.C. 5316, 5317 and 5332; 18 U.S.C. 981 and 1956; [REDACTED]

[REDACTED] TEOAF

Directive #4, 10/1/93 (revised 6/17/96). Seized Cash Management Policies; and

[REDACTED]

31 U.S.C. 5316 sets the requirement to report the import or export of monetary instruments over \$10,000. 31 U.S.C. 5317 provides for the seizure and forfeiture of monetary instruments not reported as required.

31 U.S.C. 5332 makes it an offense for a person to "knowingly" conceal more than \$10,000 in currency or other monetary instruments, "with the intent to evade" the currency reporting requirement under 31 U.S.C. 5316. Section 5332 provides for civil and criminal forfeiture.

(b)(2)

18 U.S.C. 981 provides for forfeiture of proceeds of illegal activity and 18 U.S.C. 1956 for conducting transactions involving proceeds of illegal activity (money laundering).

1) **Initial Processing**

- a) **Referral to OI**—The seizing officer will notify the OI duty agent when there is a failure to report CMI valued over \$10,000. If OI determines that an investigation is not warranted, and the amount initially reported before verification began differs by five percent or less from the amount actually possessed by the violator, the supervisory inspector shall allow the violator to amend a CF 4790, Report of International Transportation of Currency or Monetary Instruments.
- b) **On-site Mitigation**—On-site mitigation may be offered only when all of the following apply:
 - AUSA has declined prosecution
 - FP&FO has delegated and the Port Director has accepted on-site mitigation authority
 - The amount is \$25,000 or less
 - No evidence establishes a nexus to illegal activity
 - The violator establishes legitimate source and intended use and executes a Hold Harmless Agreement

(b)(2),
(b)(7)(E)

(b)(2)



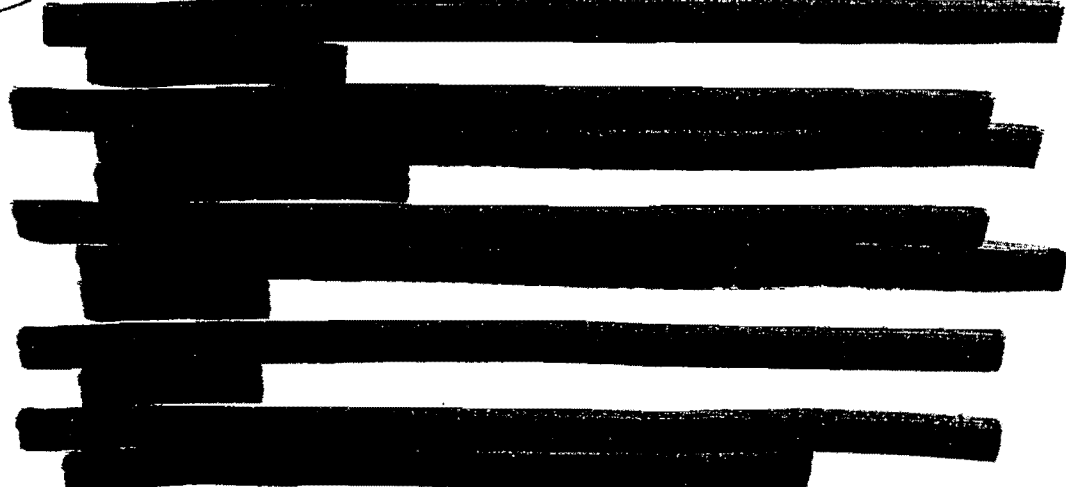
Table 2.5 Major Companies Issuing Travelers Checks, with 24-Hour Phone Numbers (as of 8/01/01)

American Express	800-525-7641
Bank of America	877-412-1940
Citicorp	800-645-6556
MasterCard	800-223-9920
Thomas Cook Bankers LTD	800-223-7373 or 212-921-3677
VISA International	800-227-6811

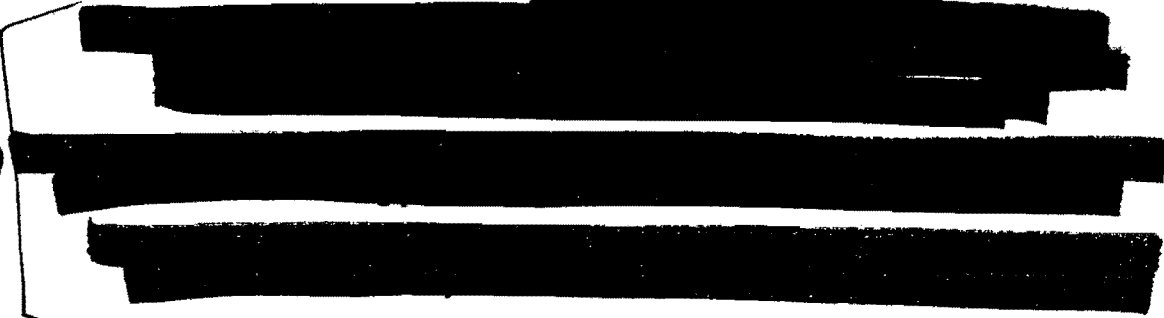
(b)(2)



(b)(2),
(b)(5)



(b)(2),
(b)(7)(E)



[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

- 8) **Deposit**—TEOAF Directive #4, 10/1/93 (revised 6/17/96), Seized Cash Management Policy, outlines Treasury's policies for handling seized CMIs.

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

(b)(2),
(b)(7)(E)

10) **Notice of Seizure**—All CMI seizures are subject to CAFRA. Refer to Part 10 of this chapter, “CAFRA.”

11) **Petitions**

CMI petitions will be referred to OI when there is criminal prosecution or an express interest to review the petition. OI has [REDACTED] to provide comments on the petition or request an extension through the appropriate FP&FO.

Petitions for mitigation will be considered after OI has commented or declined to comment. Mitigation guidelines are established in the OR&R Penalties Branch Mitigation Handbook.

(b)(2)

[REDACTED]

2.4.4 Firearms and Ammunition

The procedures listed below must be strictly adhered to when handling seized firearms and/or ammunition, regardless of the quantity seized.

1) Seizing Officer Responsibilities

The seizing officer should take extreme precautions when handling firearms and ammunition at the time of seizure. If in doubt, consult a Certified Firearms Instructor (CFI) before handling the firearm.

Prior to transfer or storage, the seizing officer will render the firearm safe/inoperable by the following procedures:

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3) Determination of Forfeiture

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),

[REDACTED]

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

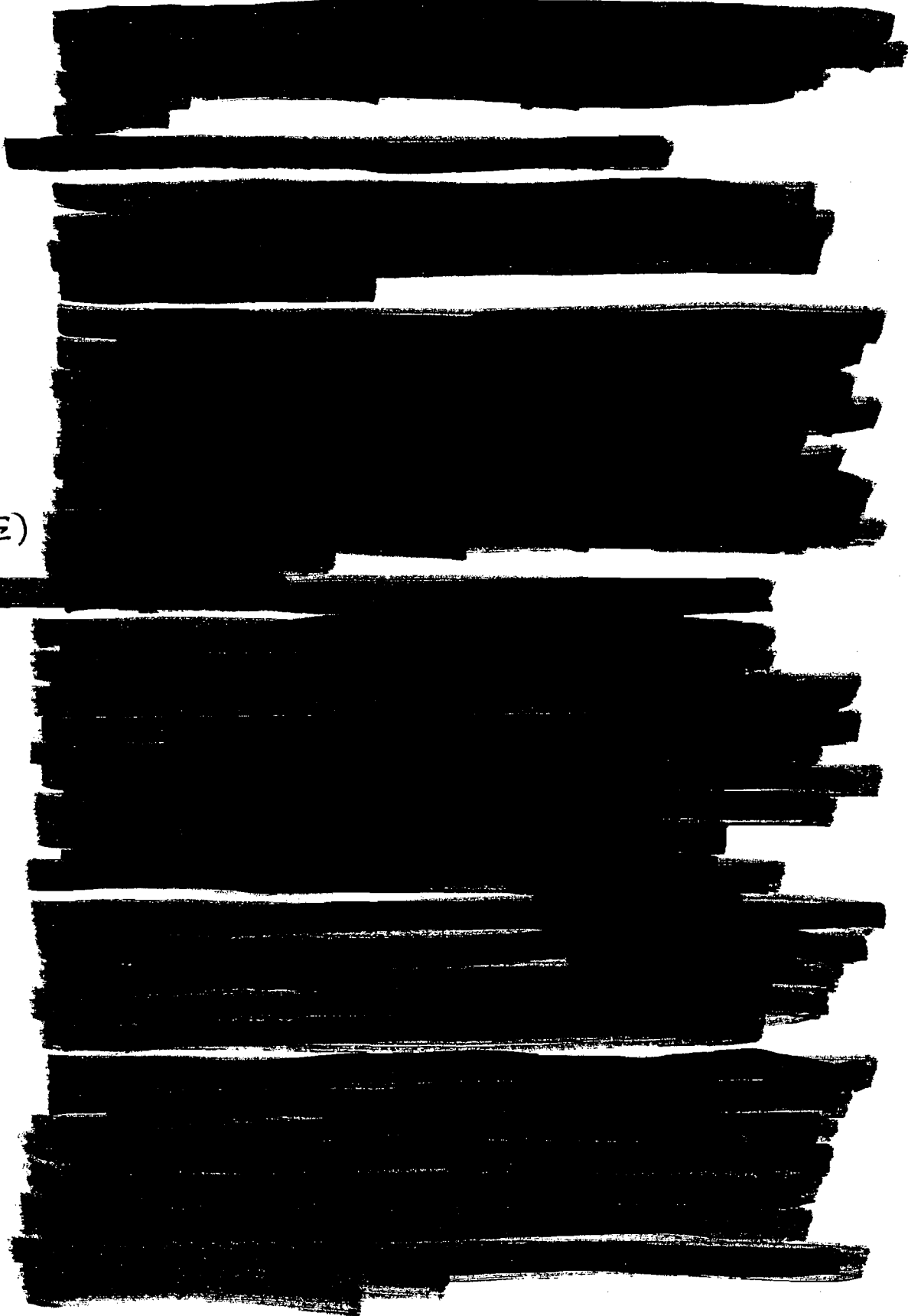
[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]



(b)(2),
(b)(7)(E)

[REDACTED]

(b)(2),
(b)(7)(E)

2.4.5 Conveyances

Refer to

[REDACTED]

1) Pre-seizure Analysis—Vessels

If the vessel is intercepted at sea and Customs has probable cause to seize it (46 U.S.C. 1904, 19 U.S.C. 1595a(b), 21 U.S.C. 881, 18 U.S.C. 545, 21 U.S.C. 952),

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

(b)(2),
(b)(7)(E)

[REDACTED]

6) SPS Acceptance

a) **Document Verification**—The SPS will follow the procedures detailed in Sections 2.3.2(1).

[REDACTED]

7) Notice of Seizure

Notice of seizure shall be sent to all parties-in-interest. The notice of seizure will include the VIN, aircraft tail number, or vessel hull and registration number. Conveyance seizures not eligible for administrative forfeiture pursuant to 19 U.S.C. 1607 will be referred to the AUSA through the local ACC for the institution of civil judicial forfeiture proceedings.

8) Petitions

[REDACTED]

Refer to the OR&R Mitigation Guidelines Handbook for guidelines in processing petitions from owners/violator, "innocent owners," lienholders, net equity computations, etc.

9) Liens

References:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

2.4.6 Computers and Software

The seizure of computer hardware and software can serve two roles in a criminal case. Computer hardware can be a storage device for evidence of a crime and can itself be contraband, evidence, an instrumentality, or a fruit of a crime. Federal Rule of Criminal Procedure 41 authorizes the seizure of computer hardware that is evidence, an instrumentality, contraband, or fruits of a crime.

[REDACTED]

In cases where hardware is a storage device for evidence of a crime, Rule 41(b) authorizes the issuance of a seizure warrant to search for and seize the digital evidence contained within the computer.

[REDACTED]

(b)(2),
(b)(7)(E)

The following procedures must be strictly adhered to when handling seized computer hardware and/or software.

1) Seizing Officer Responsibilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

2.4.7 Pornography

Refer to [REDACTED]

(b)(7)(E)

1) Detention

2) Seizure

Imported child pornography will be seized under 18 U.S.C. 2254. Imported obscenity will be seized under 19 U.S.C. 1305. In passenger or traveler situations, the seizing officer should request that the violator execute a CF 4607 to abandon the property.

4) Notice of Seizure

Seizures under 19 U.S.C. 1305 require a referral to the U.S. Attorney within 14 days of Customs seizure for the institution of judicial forfeiture proceedings.

18 U.S.C. 2254 is used as the basis for seizure and civil forfeiture of child pornography.

5) Petitions

6) Disposition

(b)(2),

(b)(7)(E)

[REDACTED]

2.4.8 Artwork and Cultural Property

References: [REDACTED] 19 CFR
12.104 and 12.105; [REDACTED]

(b)(2),
(b)(7)(E)

1) **Detention**

[REDACTED]

After expiration of the detention period, the provisions of 19 U.S.C. 1499(c)(5) become operable. [REDACTED]

2) **Documentation Requirements**

[REDACTED]

3) [REDACTED]

4) **Storage and Transfer to SPS**

[REDACTED]

(b)(2),
(b)(7)(F)

5) **Notice of Seizure**

There are four statutory bases for seizure of cultural property:

- 19 U.S.C. 1595a(c)(1)(A) for violation of 18 U.S.C. 2314: (items valued over \$5,000 and known to be stolen, exported from the country of origin after that country has passed legislation vesting ownership of such items in itself) (Cite both statutes);
- 19 U.S.C. 2607, 2609(a) (stolen property documented as part of the inventory of a museum or religious or secular public monument or similar institution of a State Party and was stolen after April 12, 1983, or after the date the country became a State Party, whichever date is later; property must be designated and listed at 19 CFR 104b. (Must also cite 19 CFR 12.104b);
- 19 U.S.C. 2093(a) (pre-Columbian monumental or architectural sculpture or murals as defined by 19 USC 2095);
- 19 U.S.C. 2609(a)/19 CFR 12.104e(a) for violation of 19 U.S.C. 2606 (designated archaeological or ethnological material).

Property which is on loan from any foreign country for exhibition in American not-for-profit cultural institutions is protected by statute from civil and criminal procedures if certain requirements are satisfied prior to importation (See 22 U.S.C. 2459 and 12 CFR 12.104h(a).

Imported items of cultural property that have been in the United States for the minimum number of years prescribed by 19 CFR 12.104h(b) and that also satisfy the other requirements of the regulation or also exempt from import restrictions.

6) Petitions

(b)(2)

[REDACTED]

[REDACTED] Before relief may be granted to an importer of cultural property, the petitioner must provide specific documentation that verifies that the property was lawfully exported from the country of origin.

[REDACTED]

[REDACTED]

[REDACTED]

No relief will be granted if the artwork or cultural property is determined to be stolen, regardless of whether criminal prosecution occurs.

7) Disposition

Forfeited cultural property will be returned to the country of origin in accordance with the advice received from [REDACTED] Forfeited artwork will be remitted to the rightful owner if stolen, or sold at auction if not stolen.

2.4.9 Real Property

Refer to [REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED] TEOAF Directive #9, 10/1/93, Weed and Seed Initiative, Transfers of Real Property [REDACTED]

[REDACTED] TEOAF Directive #14, 10/1/95, Expeditious Payment of Liens, Mortgages and Taxes by the Department of the Treasury; [REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

2.4.10 Hazardous Materials

Refer to [REDACTED]

1) General

[REDACTED]

2) Documentation Requirements

[REDACTED]

[REDACTED]

3) [REDACTED]

[REDACTED]

4) **Storage and Transfer to SPS**

[REDACTED]

5) **SPS Acceptance**

[REDACTED]

(b)(2),

(b)(7)(E)

6) **Disposition**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

2.4.12 Live Animals

Refer to [REDACTED]
and [REDACTED]

1) Pre-Seizure

[REDACTED]

[REDACTED]

2) Documentation Requirements

[REDACTED]

(b)(2),
(b)(7)(E)

3) [REDACTED]

[REDACTED]

4) [REDACTED]

[REDACTED]

5) SPS Acceptance

[REDACTED]

6) Notice of Seizure

Notices of seizure for prohibited wildlife will include the contact name, address, and phone number of the local F&WS office to contact to obtain information regarding possible import permits. The notice shall cite 19 U.S.C. 1595a(c) as the seizure authority and the applicable F&WS statute or regulation as the underlying violation.

Nonborder seizures of live animals will normally occur pursuant to the issuance of a seizure warrant, and the seizure authority and the underlying violations of law cited on the approved warrant shall appear in the notice of seizure.

7) Petitions

[REDACTED]

(b)(2)

8) Disposition

[REDACTED]

Part 5 Storage and Security

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

Part 6 Destruction

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),

(b)(7)(E),

(b)(7)(F)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E),
(b)(7)(F)

[REDACTED]

(b)(2),

(b)(7)(E),

(b)(7)(F)

[REDACTED]

2.6.2

[REDACTED]

2.6.3

[REDACTED]

2.6.4

1)

The FP&FO will review seizure files and identify seizures ready for destruction. The FP&FO will issue a CF 4613, which identifies the items to be destroyed by description, FP&F case number, line item number, number and type of packages, weight, and method of destruction. The description shall be sufficient to prevent any doubt as to the items to be destroyed.

2)

[REDACTED]

(b)(2),
(b)(7)(E)

(b)(2),
(b)(7)(E)

Part 7 Violations

2.7.1 Importations Contrary to Law

1) Applicable Statutes and Regulations

- a) Merchandise introduced contrary to law—19 U.S.C. 1595a(c), 19 CFR 162.23

The statute provides for mandatory seizure (“shall be seized”) and discretionary seizure (“may be seized”), as well as when to detain merchandise. An underlying section of law or regulation generally must be cited in a seizure report and notices of seizure issued by FP&F when the seizure is discretionary.

- b) Mandatory seizures
- Stolen merchandise
 - Smuggled merchandise
 - Clandestinely introduced merchandise
 - Controlled substances
 - Contraband as defined in 49 U.S.C. 80302, which includes counterfeit money, controlled substances and trademark violative merchandise
 - Plastic explosives which does not contain a detection agent
- c) Discretionary seizures (include but are not limited to):

- Health, Safety, and Conservation—19 U.S.C. 1595a(c)(2)(A) Suspected violations involving health, safety, and conservation issues relate to Customs enforcement of other federal agency laws and regulations. Agencies involved in enforcement of laws and regulations related to health, safety, and conservation include, but are not limited to:
 - Consumer Products Safety Commission (CPSC)—15 U.S.C. 1261, 1269, 1273 and 19 CFR 12.1 et seq.—The CPSC is responsible for enforcing the Federal Hazardous Substances Act. Examples of merchandise subject to CPSC’s jurisdiction include but are not limited to fireworks, children’s sleepwear, toys, and electrical appliances.
 - Food & Drug Administration (FDA)—21 U.S.C. 321, 371(b), 381, and 19 CFR 12.1 et seq.—The FDA is responsible for enforcing the Federal Food, Drug and Cosmetic Act and regulating the importation of food, drugs, devices, and cosmetics as defined in section 201 (f), (g), (h), and (i) of the Act.
 - Environmental Protection Agency (EPA)—7 U.S.C. 136o, 42 U.S.C. 7401 et seq., 19 CFR 12.73 et seq. and 12.110 et seq., and 40 CFR Parts 85 and 86—The EPA is responsible for enforcing the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 1360 et seq.) and the Clean Air Act (42 U.S.C. 7401 et seq.). Generally, any imported pesticides and devices and vehicles that do not conform to Federal emissions requirements fall under EPA’s jurisdiction.
 - Department of Transportation (DOT)—49 U.S.C. 30111 and 49 U.S.C. 30101.
 - U.S. Department of Agriculture (USDA)—19 CFR 12.8-12.24, 12.31-.32—The USDA regulates the importation of animals, plants, and animal and plant products.
 - U.S. Fish & Wildlife Service (F&WS)—19 U.S.C. 1595a(c)(2)(B), 16 U.S.C. 1538, 50 CFR Parts 13 and 17, 19 CFR 12.26-29—The F&WS regulates the importation of wild animals, fish, amphibians, reptiles, mollusks and crustaceans, and is responsible for enforcing the Endangered Species Act of 1973 (16 U.S.C. 1531-43).
- Other Importations Requiring Authorization, License, or Permit from Federal Agencies 19 U.S.C. 1595 a(C)(2)(b) including but not limited to:
 - Office of Foreign Assets Control (OFAC)—31 CFR Part 515 (Cuba), Part 535 (Iran), Part 550 (Libya), Part 560 (Iran), Part 575 (Iraq), Part 585 (Yugoslavia), and Part 590 (Unita or Angola)—OFAC is a Department of the Treasury agency responsible for enforcing sanctions that restrict import or export transactions with designated foreign countries. The sanctions are authorized by various sections of the U.S. Code and Executive Orders issued by the President.
 - Bureau of Alcohol, Tobacco, and Firearms (BATF)—The permanent importation of arms, ammunition, and implements of war is controlled by BATF under the authority of the Gun Control Act of 1968 as

amended (18 U.S.C. 921 et seq.), the National Firearms Act (26 U.S.C. 5801, et seq.) and implementing regulations found in 27 CFR Parts 47, 178, and 179. Authorized importations require the issuance of an ATF Form 6 import permit.

- Department of State (DOS)—The in-transit movement, temporary import and export, and permanent export of munitions is controlled by the DOS under the authority of the Arms Export Control Act (22 U.S.C. 2778) and implementing regulations (International Traffic in Arms Regulations, 22 CFR Parts 120-130). Authorized temporary imports require the issuance of a DSP-61 temporary import license by the DOS, Office of Munitions Control.
- Copyright or Trademark or Trade Name Protection Violations (15 U.S.C. 1124, 1125, or 1127) (17 U.S.C. 506 or 509) (18 U.S.C. 2318 or 2320)
- Trade Dress Merchandise Violations (15 U.S.C. 1125)
- Country of Origin Marking—19 U.S.C. 1304 and 19 CFR 134 and 162.23(b)
 - Merchandise marked intentionally in violation of 19 U.S.C. 1304
 - Merchandise for which the importer has received notices that previous importations from the same supplier were found to have been marked in violation of 19 U.S.C. 1304
- Quota/Visa—19 U.S.C. 1595a(c)(3), 7 U.S.C. 1854, 19 CFR 12.130 et seq., Part 132 and 162.23(b)(7)—



(b)(2)
(b)(7)(E)

2) Documentation Requirements

In addition to the [redacted] and CF 6051, the documents listed below may be required to support the seizure case:

- a) Customs Entry (CF 3461) and Entry Summary (CF 7501)

If the seizure results from a commercial importation pursuant to the filing of a formal entry, a copy of the entry package shall be included as supporting documentation.

- b) Notice of Detention

Any "permissive" seizure made under the authority of 19 U.S.C. 1595a(c)(2) or (3) might be predicated by a notice of detention issued by Customs in accordance with 19 U.S.C. 1499 or by another federal agency with jurisdiction over the importation. A copy of the Customs or other agency notice of detention shall be included as supporting documentation.

- c) Notice to Mark and/or Notice to Redeliver (CF 4647)

- Health, Safety, and Conservation—19 U.S.C. 1595a(c)(2)(A) Suspected violations involving health, safety, and conservation issues relate to Customs enforcement of other federal agency laws and regulations. Agencies involved in enforcement of laws and regulations related to health, safety, and conservation include, but are not limited to:
 - Consumer Products Safety Commission (CPSC)—15 U.S.C. 1261, 1269, 1273 and 19 CFR 12.1 et seq.—The CPSC is responsible for enforcing the Federal Hazardous Substances Act. Examples of merchandise subject to CPSC’s jurisdiction include but are not limited to fireworks, children’s sleepwear, toys, and electrical appliances.
 - Food & Drug Administration (FDA)—21 U.S.C. 321, 371(b), 381, and 19 CFR 12.1 et seq.—The FDA is responsible for enforcing the Federal Food, Drug and Cosmetic Act and regulating the importation of food, drugs, devices, and cosmetics as defined in section 201 (f), (g), (h), and (i) of the Act.
 - Environmental Protection Agency (EPA)—7 U.S.C. 136o, 42 U.S.C. 7401 et seq., 19 CFR 12.73 et seq. and 12.110 et seq., and 40 CFR Parts 85 and 86—The EPA is responsible for enforcing the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 1360 et seq.) and the Clean Air Act (42 U.S.C. 7401 et seq.). Generally, any imported pesticides and devices and vehicles that do not conform to Federal emissions requirements fall under EPA’s jurisdiction.
 - Department of Transportation (DOT)—49 U.S.C. 30111 and 49 U.S.C. 30101.
 - U.S. Department of Agriculture (USDA)—19 CFR 12.8-12.24, 12.31-.32—The USDA regulates the importation of animals, plants, and animal and plant products.
 - U.S. Fish & Wildlife Service (F&WS)—19 U.S.C. 1595a(c)(2)(B), 16 U.S.C. 1538, 50 CFR Parts 13 and 17, 19 CFR 12.26-29—The F&WS regulates the importation of wild animals, fish, amphibians, reptiles, mollusks and crustaceans, and is responsible for enforcing the Endangered Species Act of 1973 (16 U.S.C. 1531-43).
- Other Importations Requiring Authorization, License, or Permit from Federal Agencies 19 U.S.C. 1595 a(C)(2)(b) including but not limited to:
 - Office of Foreign Assets Control (OFAC)—31 CFR Part 515 (Cuba), Part 535 (Iran), Part 550 (Libya), Part 560 (Iran), Part 575 (Iraq), Part 585 (Yugoslavia), and Part 590 (Unita or Angola)—OFAC is a Department of the Treasury agency responsible for enforcing sanctions that restrict import or export transactions with designated foreign countries. The sanctions are authorized by various sections of the U.S. Code and Executive Orders issued by the President.
 - Bureau of Alcohol, Tobacco, and Firearms (BATF)—The permanent importation of arms, ammunition, and implements of war is controlled by BATF under the authority of the Gun Control Act of 1968 as

The CF 4647 shall be included as supporting documentation for any seizure resulting from an importer's failure to comply with the terms of the notice. An example of a violation involving a CF 4647 would be a false country of origin certification of compliance or a false claim of compliance with FDA refusal of admission.

d) **Other Agency Permit or License**

Copies of any false or fraudulent permit or license. If a valid permit or license is obtained subsequent to seizure a copy of that document should be included.

e) **Other Agency Advice or Recommendation**

If a seizure is predicated on the advice or recommendation of another federal agency with jurisdiction over the importation, the advice or recommendation shall be in writing and a copy of the document shall be included as supporting documentation.

2.7.2 Intellectual Property Rights (IPR)

References: CIS HB 2300-01, September 2000, "Intellectual Property Rights Border Enforcement Handbook"

1) Applicable Statutes and Regulations

A matrix containing the appropriate citations for each variety of IPR violation is contained in the Intellectual Property Rights Border Enforcement Handbook. Refer to the matrix for additional information.

a) Trademarks—Counterfeit

- 19 U.S.C. 1526(e)—Counterfeit trademark recorded with Customs (Penalties under 19 U.S.C. 1526(f) apply)
- 19 U.S.C. 1595a(c)(2)(C) for violation of 18 U.S.C. 2320—Counterfeit trademark registered with the Patent and Trademark Office but not registered with U.S. Customs, intent to traffic (or attempt), use of mark and no consent of trademark owner can be shown. (Penalties under 19 U.S.C. 1526(f) do not apply)
- 19 U.S.C. 1526(e), 19 U.S.C. 1595a(c)(2)(C)—Counterfeit trademark registered with Customs, U.S. trademark owner consents to import or export

b) Trademarks—Confusingly Similar

- 19 U.S.C. 1595a(c)(2)(C) for violation of 15 U.S.C. 1124 & 19 CFR 133.22(f) (must cite all)—Confusingly similar trademark registered with the Patent and Trademark Office and recorded with Customs—Detain first and seize only if no authorization to import is obtained from the trademark owner within 30 days of the date of detention.

c) Trademarks—Gray Market

- 19 U.S.C. 1526(b) and 19 CFR 133.23(f)—Trademark registered with the Patent and Trademark Office and recorded with Customs. Gray market merchandise is legitimate and manufactured by an authorized manufacturer, but is not authorized for distribution in the United States. Gray market merchandise should initially be detained prior to seizure (19 CFR 133.25).

d) Copyrights—Clearly Piratical

- 19 U.S.C. 1595a(c)(2)(C) for violation of 17 U.S.C. 602, 603(c) and 19 CFR 133.42—Clearly piratical copy of a copyright registered with the U.S. Copyright Office and recorded with Customs.
- 19 U.S.C. 1595a(c)(2)(C) for violation of 17 U.S.C. 501, 506 (requires intent), and 509 (requires 506(a))—Clearly piratical copy of a registered copyright that is not recorded with Customs.
- 19 U.S.C. 1595a(c)(2)(C) for violation of 17 U.S.C. 602, 603(c) and 19 CFR 133.42—Clearly piratical copy of a registered copyright that is recorded with Customs and the consent of the copyright owner is not given prior to seizure.
- 19 U.S.C. 1595a(c)(2)(C) for violation of 17 U.S.C. 501, 506, & 509 (intentional)—Clearly piratical copy of a registered copyright that is not recorded with Customs and the consent of the copyright owner is not given prior to seizure.

e) Copyrights—Possibly Piratical

- 19 U.S.C. 1595a(c)(2)(C) for violation of 17 U.S.C. 602 and 19 CFR 133.42—Possibly piratical copy of a registered and recorded copyright. Seize only after an exchange of briefs and an IPR Branch decision pursuant to 19 CFR 133.43.
- Possibly piratical copy of a registered copyright that is not recorded with Customs. Do not seize as a matter of policy.

f) Patents

Merchandise that infringes on a patent may only be seized when there is an exclusion order issued by the International Trade Commission (ITC). A copy of the exclusion order must be included in the supporting documentation forwarded to FP&F for case processing.

2) Notice of Seizure

a) Trademark—19 CFR 133, Subpart C

The Paralegal Specialist will thoroughly review the supporting documentation to verify the specific violation before issuing a notice of seizure to the importer. The notice of seizure for any trademark seizure shall include the trademark recordation number of the infringed trademark.

Counterfeit Trademark—Customs must send a notice of the seizure of counterfeit merchandise to the trademark owner within 30 days of the date notice is issued to the violator (19 CFR 133.21(c)).

b) Copyright—19 CFR 133, Subpart E

The Paralegal Specialist will thoroughly review the supporting documentation to verify the specific violation before issuing a notice of seizure to the importer. The notice of seizure shall include the copyright recordation number of the infringed copyright.

Piratical Copy—Customs shall disclose to the owner of the copyright the information identified in 19 CFR 133.42(d) within 30 days of the date of the notice of seizure.

c) Patent

The notice of seizure sent to the importer must include the ITC exclusion order number.

3) Documentation Requirements

- a) Copies of Trademark recordation notices
- b) Copies of Copyright recordation notices
- c) Copies of Patent Seizure Order notices
- d) Copies of any applicable detention notices
- e) Documentation supporting counterfeit trademark determination

2.7.3 Conveyances

1) Applicable Statutes and Regulations

- a) 19 U.S.C. 1595a(a)—Aiding in importation contrary to law

This statute authorizes Customs to seize “every vessel, animal, aircraft, or other thing used in, to aid in, or to facilitate, by obtaining information or in any other way, the importation, bringing in, unloading, landing, removal, concealing, harboring or subsequent transportation of any article which is being or has been introduced, or attempted to be introduced, into the United States contrary to law... .” Other articles, in addition to the actual transporting conveyance, may be seized under this provision. When a commercial importation includes prohibited merchandise “commingled” with non-prohibited merchandise, and the non-prohibited merchandise is packed so as to conceal the existence of the prohibited merchandise in the shipment, or it is impossible to separate the prohibited from the non-prohibited merchandise, the non-prohibited merchandise may be seized under 19 U.S.C. 1595a(a).

- b) 19 U.S.C. 1627a—Import or Export of Stolen Used Self-Propelled Vehicles and Parts

This statute provides for seizure when the violator knowingly imports, exports, or attempts to import or export a stolen self-propelled vehicle, vessel or aircraft, or parts thereof, or a self-propelled vehicle with the identification number removed, obliterated, tampered with, or altered.

c) 49 U.S.C. 80303—Transportation of Contraband

This statute provides for the seizure and forfeiture of an aircraft, vehicle or vessel used to transport contraband as defined and prohibited in 49 U.S.C. 80302. "Contraband" can include controlled substances, counterfeit currency, material or equipment used for making counterfeit currency, and IPR-violative merchandise.

Under MOU between Customs and U.S. Secret Service, Customs accepts custody and processes conveyance seizures made by USSS under this statute.

NOTE: A conveyance seized under this statute shall not be forfeited if the owner establishes that a person other than the owner committed the violation after obtaining possession by violating a criminal law of the United States or a State (ex., by theft). Also a conveyance belonging to a common carrier may be forfeited only when (1) the owner, conductor, driver, pilot, or other individual in charge of the aircraft or vehicle (except a rail car or engine) consents to, or knows of, the alleged violation when the violation occurs; (2) the owner of the rail car or engine consents to, or knows of, the alleged violation when the violation occurs; or (3) the master or owner of the vessel consents to, or knows of, the alleged violation when the violation occurs.

d) 19 U.S.C. 1590—Aviation Smuggling

It is unlawful for the pilot of any aircraft to transport, or for any individual on board any aircraft to possess, merchandise knowing, or intending, that the merchandise will be introduced into the United States contrary to law. It is further unlawful of any person to transfer merchandise between an aircraft and a vessel on the high seas or in the customs waters of the US if such person has not received authorization from the Secretary and either 1) the aircraft is owned by a US citizen or is registered in the US; or 2) the vessel is a US vessel (per 19 USC 1703(b)); or 3) (regardless of the nationality of the vessel or aircraft) such transfer is made to facilitate the unlawful introduction of such merchandise into the United States. Any vessel or aircraft used in connection with such activity is subject to seizure and forfeiture under this statute. The term "merchandise" for this section means only merchandise the importation of which into the United States is prohibited or restricted.

e) 19 U.S.C. 1703—Outfitting a Vessel or Aircraft for Smuggling

Whenever any vessel which shall have been built, purchased, fitted out in whole or in part, or held, in the U.S. or elsewhere, for the purpose of being employed to defraud the revenue or to smuggle any merchandise into the US, or whenever any vessel shall be found, or discovered to have been employed or attempted to be employed within the US for any such purpose, or in anywise in assistance thereof, the vessel and its cargo shall be seized and

forfeited. [Note: This section also provides for seizure and forfeiture for smuggling into a foreign country in violation of that country's laws, provided certain conditions are satisfied (see 19 USC 1703 for further explanation)]. The laws relating to the entry of vessels are applicable to aircraft, so aircraft so outfitted can be seized and forfeited under this statute. You can also use 19 U.S.C. 1590 in such cases. Vehicles outfitted for smuggling cannot be seized under this statute.

f) 49 U.S.C. 46306—Registration Violations Involving Aircraft (Non-Commercial Carriers)

Customs may seize and forfeit any aircraft (Non-Commercial Carriers) which has a certificate of registration that has been forged or altered, displays false or misleading registration numbers, is registered to a false or fictitious person, or if it has fuel tanks or a fuel system that was installed or altered in violation of a regulation or requirement of the FAA.

g) 19 U.S.C. 1586(a)—Unlawful Unlading or Transshipment

Customs may seize and forfeit any vessel from a foreign port or place or a hovering vessel that has received or delivered merchandise while outside the territorial sea or any vessel that unloads merchandise after its arrival in the customs waters but before it has come to a proper place for discharge of that merchandise.

2) **Documentation Requirements**

(b)(2) [Redacted text block]

2.7.4 Cultural Property

Reference: [Redacted text block]

1) **Applicable Statutes and Regulations**

There are four statutory bases for seizure of cultural property:

- a) 19 U.S.C. 1595a(c)(1)(A) for violation of 18 U.S.C. 2314 (items valued over \$5,000 and known to be stolen, exported from the country of origin after that country has passed legislation vesting ownership of such items in itself) (Cite both statutes);
- b) 19 U.S.C. 2607, 2609(a) (stolen property documented as part of the inventory of a museum or religious or secular public monument or similar institution of a State Party and was stolen after April 12, 1983, or after the date the country

became a State Party, whichever date is later; property must be designated and listed at 19 CFR 104b.) (Must also cite 19 CFR 12.104b);

- c) 19 U.S.C. 2093(a) (pre-Columbian monumental or architectural sculpture or murals as defined by 19 USC 2095);
- d) 19 U.S.C. 2609(a)/19 CFR 12.104e(a) for violation of 19 U.S.C. 2606 (designated archaeological or ethnological material).

Property which is on loan from any foreign country for exhibition in American not-for-profit cultural institutions are protected by statute from civil and criminal procedures if certain requirements are satisfied prior to importation (See 22 U.S.C. 2459 and 12 CFR 12.104h(a).

Imported items of cultural property that have been in the United States for the minimum number of years prescribed by 19 CFR 12.104h(b) and that also satisfy the other requirements of the regulation or also exempt from import restrictions.

2) Detention

If a Customs officer has a basis for suspecting that an imported item qualifies for import protection as "cultural property" (categories broadly defined above), the item shall be detained [REDACTED]

Detention periods vary with the category of cultural property at issue. After expiration of the applicable detention period, the provisions of 19 U.S.C. 1499(c)(5) become operable. [REDACTED]

(b)(2)

3) Notice of Seizure

Notices of seizure for cultural property shall be sent to the violator and any other interested parties [REDACTED]

4) Disposition

Forfeited cultural property shall be returned to a representative of the country of origin. [REDACTED]

[REDACTED] The property shall not be returned to the country of origin until the country of origin executes a Hold Harmless Agreement.

2.7.5 Export

1) Applicable Statutes and Regulations

- a) 22 U.S.C. 401

This statute provides for the seizure and forfeiture of any arms or munitions of war or other articles exported or attempted to be exported in violation of law.

b) 22 U.S.C. 2778—Arms Export Control Act

This statute sets out the requirements for the registration and licensing of manufacturers, importers, and exporters of designated defense articles and defense services by the Department of State (Office of Defense Trade Control).

c) 15 CFR Part 758

These regulations identify the requirements for the filing of SEDs.

d) 15 CFR Part 30

These regulations set out the information required on the SEDs.

e) 22 CFR 123.1

This section sets forth the requirements for temporary import and export licenses.

2) **Constructive Seizure**

Constructive seizure of export merchandise is permissible if the merchandise is within the control of the exporting carrier or is to be held at a location that is mutually agreeable to the exporter and Customs.

[REDACTED]

(b)(2)

3) **Documentation Requirements**

[REDACTED]

4) **Notice of Seizure**

Export violations involving licensable merchandise are the responsibility of the licensee. Therefore, the licensee should be cited as the violator in the seizure report and notices of seizure should be sent to the licensee and any other identified interested party.

2.7.6 Currency/Monetary Instruments (CMI)

1) **Applicable Statutes and Regulations**

a) 31 U.S.C. 5316

This statute sets forth the reporting requirements for the international transportation (imports and exports) of negotiable monetary instruments. The statute specifically requires that any person who is transporting more than \$10,000 in negotiable monetary instruments into or out of the U.S. must file a report of the transportation. The report is filed on a CF 4790 and must be presented to a Customs officer at the time of arrival or departure. For monetary instruments arriving by mail, Fed Ex, UPS, see 31 CFR 103.27.

b) 31 U.S.C. 5317

This statute authorizes the seizure and forfeiture of negotiable monetary instruments traceable to a violation of 31 U.S.C. 5316.

c) 31 U.S.C. 5332

Makes it an offense for a person to "knowingly" conceal more than \$10,000 in currency or other monetary instruments, "with the intent to evade" the currency reporting requirement under 31 U.S.C. 5316. Section 5332 provides for civil and criminal forfeiture. [Note: Section 5332 was signed into law on October 26, 2001]

(b)(2) —

d) 18 U.S.C. 981

This is a civil forfeiture statute that authorizes the seizure and forfeiture of any property including cash that is the proceeds of or traceable to a specified unlawful activity (SUA).

(b)(2),

(b)(7)(E) —

e) 18 U.S.C. 1956

This statute describes the unlawful activities that constitute money laundering offenses and prescribes the punishment available to prosecute persons who commit money laundering offenses. It is often cited in conjunction with 18 U.S.C. 981 as the basis for the forfeiture of proceeds of unlawful activity. A seizure under 18 U.S.C. 1956 will usually be pursuant to a seizure warrant.

NOTE: 18 U.S.C. 981 and 1956 may be used as authority to seize property other than monetary instruments if that other property can be shown as traceable to a specified unlawful activity.

2) **Notice of Seizure**

Notices of seizure alleging a violation of 31 U.S.C. 5316 must include 31 U.S.C. 5317 as the basis of the seizure and forfeiture. Notices of seizure alleging a violation of 18 U.S.C. 1956 must have a separate seizure and forfeiture authority cited, which is usually 18 U.S.C. 981 for civil seizures. Notices of seizure alleging violation of 31 U.S.C. 5332 should also cite 31 U.S.C. 5316 and 5317 as additional authority for seizure and forfeiture.

2.7.7 Passenger/Traveler Declarations

1) 19 U.S.C. 1497—Passenger Failure to Declare

This statute applies to passengers and travelers (both residents and non-residents) entering the United States who fail to declare merchandise acquired during travel outside the United States on the CF 6059B, "Customs Declaration." The statute provides for the seizure and forfeiture of undeclared merchandise and a personal penalty equal to the value of the undeclared merchandise. See 3.5.5, "Penalties—Failure to Declare."

2) 19 U.S.C. 1592—Passenger False Declarations

[REDACTED]

3) On-Site Mitigation

[REDACTED] Any on-site mitigation requires the execution of a CF 4609, Petition for Remission or Mitigation of Forfeitures and Penalties Incurred by the violator before mitigation can occur.

(b)(2)

Part 8 OI Seizure-related Activities

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

2.8.7 Moiety

Refer to Chapter 41 (41.12.00/Moiety Claims) of the OI Special Agent Handbook, [REDACTED]

[REDACTED]

Moiety claims are submitted on a CF 4623, Claim for and Award of Compensation for Original Information, to the FP&FO where the forfeiture will take place or where recoveries were made. [REDACTED]

(b)(2),

(b)(7)(E),

(b)(7)(D)

When information is provided to Customs, receiving officers will advise individuals of their right to submit a claim for an award. It is Customs policy to pay informants either POI or moiety, but not both.

[REDACTED]

Part 9 Evidence

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

Part 10 CAFRA

Refer to TD 00-88; 19 CFR 162;

(b)(2),
(b)(7)(E)

[REDACTED]

2.10.1 Applicability

The provisions of the Civil Asset Forfeiture Reform Act (CAFRA) went into effect on August 23, 2000. These provisions apply to certain forfeiture proceedings commenced on or after August 23, 2000.

Forfeitures under any provision of Title 19, United States Code, and all export forfeitures under 22 U.S.C. 401, are not covered by CAFRA procedural requirements (those codified at 18 U.S.C. 983). These Title 19 and Title 22 forfeitures will continue to be processed without change.

CAFRA provisions are applicable to all currency/monetary instrument seizures and forfeitures under 31 U.S.C. 5317 and 31 U.S.C. 5332. They are also applicable to all forfeitures made under Titles 18 or 49 and most provisions of Title 21 (all except those under the Food, Drug and Cosmetics Act). CAFRA does not apply to forfeitures made under Title 26, 21 U.S.C. 301, et seq. (The Food Drug and Cosmetics Act) and 50 U.S.C. 1, et seq. (The Trading with the Enemy Act).

[REDACTED]

(b)(2),
(b)(5)

[REDACTED]

2.10.2 Notice of Seizure

The language in a CAFRA notice of seizure is different as it combines the information provided in the current attachment entitled "Notice of Seizure and Information for Claimants" with the usual notice of seizure.

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

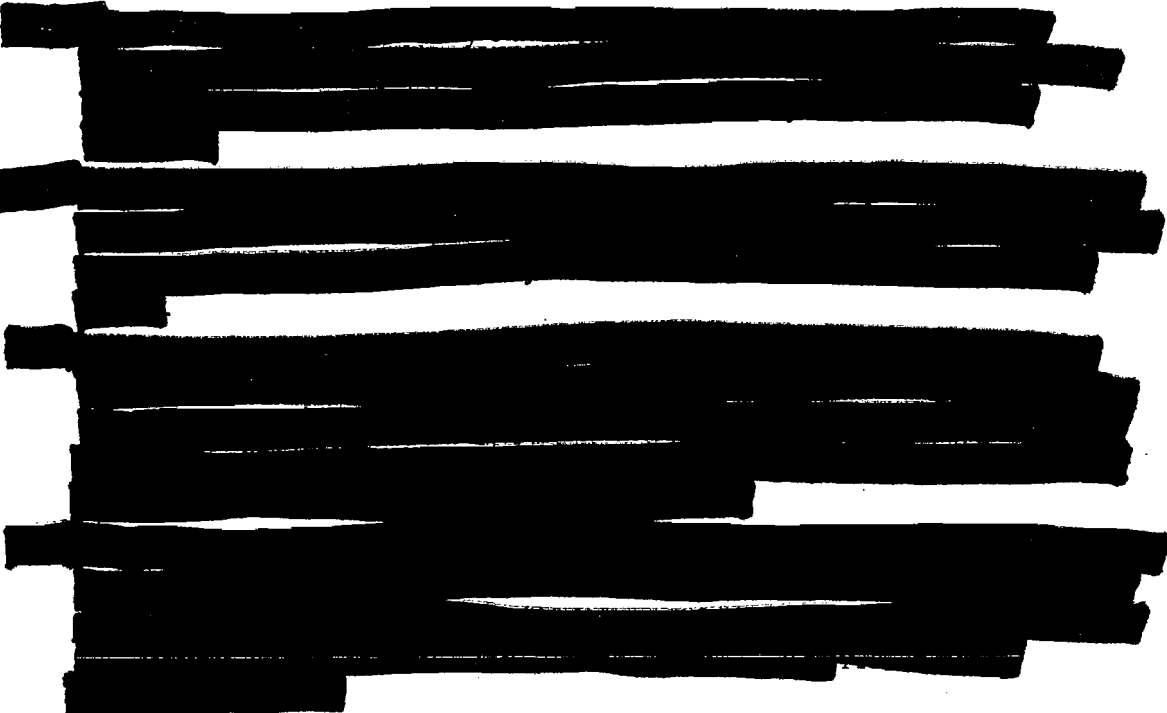
The Election of Proceedings CAFRA Form AF should be provided with the seizure notice to known interested parties in **any** administrative forfeiture case covered by CAFRA. The CAFRA Form AF can be distributed with both posting and publication administrative forfeiture seizure notices. Copies are provided in the attachment section of this handbook.

A claimant to seized property being processed under CAFRA can file a petition for relief under the Customs regulations. A violator can elect to file a petition rather than file a claim and makes the appropriate choice on the election of proceeding form. Just because a seizure and forfeiture are being processed under CAFRA does not mean that a petition cannot be filed. Rules with regard to petitions for relief still apply. Every seizure, CAFRA or not, can still be the subject of a petition (and a supplemental petition) for relief. The jurisdictional amounts for deciding a CAFRA petition are the same as for a non-CAFRA petition. Petitions filed in seizure cases must be forwarded to OR&R, Penalties Branch, for decision when the value of the property exceeds \$100,000, whether a CAFRA case or not.

The administrative forfeiture provisions set forth in 19 U.S.C. 1607 apply to CAFRA cases. Property that must be judicially forfeited (because of its value) will still have to be judicially forfeited, whether a CAFRA case or not. Property that is administratively forfeited will continue to be administratively forfeited (either by posting or publication in the newspaper) provided a claim is not filed.

[REDACTED]

(b)(2),
(b)(7)(E)



If the notice of seizure is not timely issued, Customs will return the property to the claimant unless the property is contraband (e.g., marijuana, cocaine, etc.) or the claimant is not legally entitled to possess the property (e.g., a convicted felon who may not legally possess a firearm). If property is returned because of delay in issuance of a notice of seizure, costs of storage and seizure will be waived. CAFRA prevents the government from filing another civil forfeiture against the property based upon the same underlying offense.

2.10.3 Judicial Referrals

The notice of claim in a CAFRA case is unlike the claim and cost bond in a regular Tariff Act or export seizure. A claim in a CAFRA seizure does not require the posting of any money or bond. The statute requires that the claimant be given at least 35 days after the date the notice of seizure is mailed to file a claim, except that if the notice is not received, then the claim may be filed not later than 30 days after the final publication of the **notice of forfeiture** of the property. Customs may give more than the minimum 35 days, but we may not give less.

A claim must be in writing, but need not be in any particular form. A sample Claim Form should be issued to any potential CAFRA claimant. Copies are provided in the attachment section of this handbook. A claim shall identify the property being claimed and state the claimant's interest in the property. If a claimant fails to meet these conditions, the submission will be treated as a petition for relief under 19 CFR Part 171.

If a claim in proper form is received, the claim and the case file will be promptly forwarded to local ACC for processing.

If there are multiple claimants to seized property being processed under CAFRA and one of those claimants files a CAFRA claim, then the case must be forwarded to local ACC for processing. If other claimants file petitions for relief, then those petitions should be forwarded to local ACC along with the filed CAFRA claim.

2.10.4 Hardship Petitions

If Customs has seized property and the continued seizure will result in a substantial hardship to the claimant, the claimant may seek immediate release of that seized property pending the conclusion of the forfeiture process.

This provision does not apply to contraband, CMI, or electronic funds unless they constitute the assets of a legitimate business that has been seized. Nor does it apply to property to be used as evidence of a violation, or to property that by reason of design or other characteristic is particularly suited for use in illegal activities (e.g., a vessel with false compartments), or that is likely to be used to commit criminal acts.

Note: Even if a request for immediate release of property due to a substantial hardship has not been made, early release of the property pending final administrative decision (per 19 CFR Part 171) may still be accomplished.

If a claim (as opposed to a petition) has been filed by a claimant to seized property and the property is of the kind and character that could be the subject of a hardship petition (i.e., it is not contraband, currency, or any of the types of property described above), a notice must be issued to the claimant advising of his or her right to file a hardship petition. A Request for Immediate Release of Seized Property notification form is provided.

The decision to grant or deny the request for immediate release lies with the FP&FO. A request for release that is not decided within 15 days of the date of the request will be deemed denied. The party requesting release can then go to court.

The FP&FO does not have authority to grant a hardship petition **and** require the posting of any deposit or other security as a condition of release. If a hardship petition is granted, the property will simply be returned to the petitioner for his or her use while the forfeiture is pending. If there are any concerns that any of the conditions will not be met, the hardship petition should be denied. In response to a denial, the petitioner can go to court. At that point, the court may release the property upon the posting of security.

2.10.5 Remission of Forfeiture

Remission of CAFRA forfeitures is no different from remission of any other sort of forfeiture. The claimant must pay costs of seizure and storage (absent extraordinary circumstances), as well as any remission amount, execute a Hold Harmless Agreement, and comply with any other terms and conditions that are deemed appropriate.

The statute allows for the granting of attorney's fees, interest, and costs in any case where a claimant "substantially prevails."

Only a court will do the granting of these fees, interest, and costs.

(b)(2),
(b)(5)

(b)(2)

[REDACTED]

"By accepting this remission decision, petitioner understands that he/she is waiving any claim to attorney's fees, interest or any other relief not specifically provided for in this decision."

Penalty Cases

(b)(2),
(b)(5)

This chapter is designed to provide guidance to Customs officers in penalty case initiation, analysis, monitoring, and management to maximize enforcement and compliance actions. Customs approaches case initiation and processing from a [REDACTED] Penalties occupy the [REDACTED] of FP&F cases. They can involve highly complex facts and issues. Also, statute of limitations constraints can make penalty case development and adjudication difficult.

Additional information on penalty case processing can be found in the OR&R Mitigation Handbook.

Part 1 Case Initiation

3.1.1 General

(b)(2)

Port Directors and SAICs are responsible for establishing the facts in support of a violation and for timely and accurate penalty case initiation. Timely case initiation requires SEACATS input within [REDACTED] of discovery of the violation, and the printing of the CF 5955A within [REDACTED] of completion of the SEACATS input. FP&F is responsible for verifying case sufficiency and processing the penalty to completion. The goal is for all involved to fulfill their complementary statutory and regulatory obligations in the most cooperative manner possible.

FP&F will act as a conduit for initiating officers to transmit information received from counsel, OR&R, and other agencies when regulatory or policy changes occur. FP&F will provide training and constructive feedback to initiating officers' supervisors when cases require additional support or documentation.

3.1.2 Penalty Definition

Customs authority to assess penalties is established by statute. The language of each statute dictates the amount to be assessed and the party or parties against whom the penalty is assessed. Where the statute does not specify a certain penalty amount, it describes how penalties are to be calculated.

3.1.3 Bonds

A bond, with the exception of the international carrier bond, does not generally secure penalties. The international carrier bond secures the payment of penalties assessed against an arriving or departing international carrier (19 CFR 113.64). In these cases,

the principal and surety are jointly and severally liable under the terms of the bond. The amount of the penalty claim in these cases is not limited to the amount of the bond, but rather determined by the statute. The surety's liability, however, is limited to the amount of the bond. For more information on bonds, refer to Section 4.1.3, "Case Initiation—Customs Bonds," and Section 4.1.4, "Case Initiation—Responsible Parties."

3.1.4 Bankruptcy

Bankruptcy of a principal should be processed in accordance with the procedures set forth in Chapter 5, Part 13, "Bankruptcy."

3.1.5 Statute of Limitations

The statute of limitations for all penalties administered by Customs is five years from the date of the discovery (except 1592 and 1593a), provided the violator is within the jurisdiction of the United States. Refer to 19 U.S.C. 1621.

There are three penalties for which the statute of limitations varies based on levels of culpability. In penalties assessed under 19 U.S.C. 1592 or 19 U.S.C. 1593a, the statute is five years from the date of the violation when the level of culpability is negligence or gross negligence and five years from the date of discovery when the level of culpability is fraud. In penalties assessed under 19 U.S.C. 1641(d)(4), the statute is five years from the date of the violation when the level of culpability is not fraud and five years from the date of discovery when the level of culpability is fraud. For case processing purposes, Customs offices should treat all 1592 and 1592a cases as if the statute of limitations is running 5 years from the date of the violation as opposed to discovery of the violation.

All Customs officers involved with the initiation and processing of a penalty case are responsible for monitoring the statute of limitations and soliciting waivers when less than two years remain on the statute. If the case has not been referred to FP&F and less than two years remain on the statute, the case initiator is responsible for obtaining a waiver from all parties-in-interest who can claim the statute as a defense. Waivers should also be requested from the surety, if applicable. Counsel or the FP&FO are available to assist.

The FP&FO has the authority to acknowledge waivers of the statute of limitations. When the FP&FO has referred a case to the Chief, Penalties Branch, OR&R, that office has authority to acknowledge the waiver.

3.1.6 Pre-penalty Coordination

(b)(2) [REDACTED] There are five statutes and one policy that require the issuance of a pre-penalty notice prior to penalty issuance. [REDACTED]

[REDACTED] FP&F will prepare and issue the required pre-penalty notice. The five statutes requiring a pre-penalty are 19 U.S.C. 1466 (vessel

repair penalty), 19 U.S.C. 1584 (non-narcotic manifest penalty over \$1,000), 19 U.S.C. 1592 (commercial fraud penalty), 19 U.S.C. 1593a (false drawback penalty), and 19 U.S.C. 1641 (broker penalty). One pre-penalty 19 U.S.C. 1509 (record-keeping penalty), requires issuance of a pre-penalty notice by policy.

(b)(2),
(b)(7)(E)

[REDACTED]

3.1.7 Discovering Officer Responsibilities

The discovering officer, with approval of his or her supervisor, is responsible for the timely, accurate issuance of penalties on a CF 5955A generated through SEACATS except for the six statutes that require pre-penalty notices.

[REDACTED]

3.1.8 SEACATS Input

SEACATS is the official Customs system of record used to capture and track penalty cases.

[REDACTED]

For cases not requiring a pre-penalty notice, the case initiator must ensure that the CF 5955A contains the appropriate violation information and/or citations and any necessary narratives describing the violation.

(b)(2)

[REDACTED]

3.1.9 Supporting Documentation

[REDACTED]

entries, invoices, or manifests; narrative from case initiator setting forth the facts surrounding the violation; Reports of Investigation (ROI); Regulatory Audit reports; Memorandums of Information Received (MOIR); warning letters; Compliance

Assessment Reviews; bills of lading; appraisal worksheets; Significant Importer Reviews (SIRs); and statute of limitations waiver requests and approvals.

3.1.10 Initiating Officer Supervisor Responsibilities

Initiating officer supervisors are responsible for issuing quality penalty cases. Their review for quality should ensure that the CF 5955A includes the correct law or laws applicable to the violation, the correct demand amount, and that the narrative accurately describes the violation. It should also ensure that the file is timely forwarded to FP&F with complete documentation to establish the violation. The initiating office should maintain a copy of the CF 5955A and supporting documentation in the event FP&F needs an issue clarified, a correction made, or technical advice in adjudicating the case.

[REDACTED]

(b)(2)

Part 2 Case Sufficiency Review

3.2.1 General

FP&F processing of penalty cases involves a sufficiency review. Each penalty has its own unique statutory and regulatory language, along with corresponding directives, policy, and interpretive documents (e.g., legal decisions). See Part 4 “Violations Requiring Pre-Penalty Notices” and Part 5 “Violations Not Requiring Pre-Penalty Notices” of this chapter for violation specific information.

3.2.2 Case Sufficiency Analysis

When the case and supporting documentation are received from the initiator, FP&F will ensure that the case is sufficient and complete. The case initiator must forward the documentation to FP&F within [REDACTED] of the printing of the CF 5955A in SEACATS.

[REDACTED]

3.2.3 Statute of Limitations

FP&F will monitor the statute of limitations in each case through use of the SEACATS Statute of Limitations Report.

[REDACTED]

If less than **one year** remains and no waiver has been received, the FP&FO should [REDACTED] proceed with the expedited processing of the case. If less than **180 days** remain, the FP&FO may specify in the penalty notice a reasonable period of time, but not less than seven working days, for filing a petition for relief. If a petition is not filed within the time specified, the matter will be transmitted promptly to local ACC for referral to the Department of Justice. (See 19 CFR 171.2(e).)

3.2.4 Defective or Deficient Cases

FP&F analysis of the penalty case includes identification of any defects or deficiencies.

[REDACTED]

(b)(2)

The initiating supervisor may be required to issue any amended CF 5955A.

3.2.5 Cancellation

[REDACTED]

Part 3 Case Processing

3.3.1 General

There are six penalties that by statute or policy require the issuance of a pre-penalty notice prior to the issuance of a penalty. FP&F is responsible for issuing pre-penalty

notices and deciding whether to proceed with the penalty based on the violator's response. For all other penalties, the initiating supervisor is responsible for ensuring timely, accurate SEACATS input and processing of the CF 5955A, [REDACTED]

3.3.2 Pre-penalty

The six statutes requiring the issuance of a pre-penalty are listed below with the accompanying regulation(s):

- 19 U.S.C. 1466 Vessel Repair (19 CFR 162.72, 162.76)
- 19 U.S.C. 1509(g) Recordkeeping (19 CFR Part 163)
- 19 U.S.C. 1584 Manifest (19 CFR 162.76)
- 19 U.S.C. 1592 Commercial Fraud (19 CFR Part 171, Appendix B; 19 CFR 162.73,162.77)
- 19 U.S.C. 1593a Drawback (19 CFR 191.62)
- 19 U.S.C. 1641 Broker (19 CFR Part 171, Appendix C)

Upon receipt of the proposed penalty case from the case initiator, the Paralegal Specialist will complete a sufficiency review and, if warranted, prepare a pre-penalty notice for the FP&FO's signature. FP&F will issue a pre-penalty notice within [REDACTED] of receipt of the proposed penalty case. The pre-penalty notice is in letter format and includes violation specific data elements established either by statute or regulation, [REDACTED]

(b)(2),

(b)(7)(E)

The pre-penalty notice should contain the following:

- Description of the circumstances of the alleged violation
- Statute and regulations violated
- Disclosure of all material facts establishing the alleged violation
- Statement of the estimated loss of duties (if applicable)
- Amount of the proposed penalty
- Level of culpability (if applicable)
- Indication that the alleged violator shall have reasonable opportunity to make representation as to why such penalty claim should not be issued

In 19 U.S.C. 1466, 1592, and 1593a cases, the violator may request an oral presentation [REDACTED]

[REDACTED] Oral presentations **must** be granted in these cases. In all other penalty cases, the FP&FO **may** grant a request for an oral presentation.

FP&F is responsible for the review of pre-penalty responses. [REDACTED]

[REDACTED] This review includes analyzing the facts presented in the pre-penalty response and obtaining any

additional information or technical advice from the case initiator. FP&F will determine whether there is sufficient reason to:

- Discontinue the penalty process. If so, advise the violator in writing that the penalty will not be pursued and close the FP&F case [REDACTED]
- Issue the penalty as described in the pre-penalty notice.
- Issue the penalty in a lower amount.
- Re-issue the pre-penalty notice at a higher proposed penalty amount.

3.3.3 Penalty

The case initiator's supervisor is responsible for printing and mailing the CF 5955A (except when a pre-penalty notice is required) and [REDACTED]

[REDACTED] The supervisor will also ensure that the penalty case with all supporting documentation is timely provided to FP&F.

For cases involving a pre-penalty, FP&F will issue the CF 5955A after consideration of any pre-penalty response.

A 60-day period is provided for response to a penalty. During this period, the violator may petition, pay the penalty, or request an extension. An attorney or Customs broker may petition on behalf of the violator. Follow the procedures below depending on the response received:

(b)(2)

- Full payment within 60 days of the date of the penalty notice— [REDACTED]
- Request for extension within 60 days of the date of the penalty notice—The extension request must be in writing and may be approved at the discretion of the FP&FO (19 CFR 171.2(c)). [REDACTED]
- Petition received within 60 days of the date of the penalty notice—Refer to Section 3.3.4, "Case Processing—Consideration of Petitions for Relief."
- OIC received—Refer to Chapter 5, Part 4, "Offers in Compromise," for processing information.
- No response—If the violator fails to respond in a penalty case, the Paralegal Specialist is responsible for continuing the collection process by one of the following options:

- [REDACTED]

- If the penalty was assessed for violation of 19 U.S.C. 1592, 1593a, 1509, or 1641, refer the case to local ACC for initiation of collection action in the Court of International Trade (CIT).
- For all other penalties, refer to Chapter 5, Part 6, "Billing," for instructions on billing procedures.

3.3.4 Consideration of Petitions for Relief

19 U.S.C. 1618 is the statutory authority to mitigate or cancel a penalty. 19 CFR Part 171 contains detailed procedures for processing petitions in penalty cases. Refer also to the OR&R Mitigation Handbook.

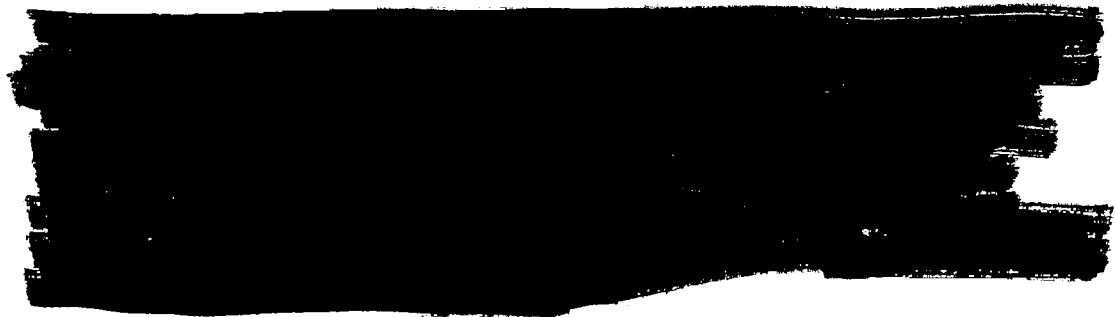
To be considered timely, petitions must be filed within 60 days of the date of the mailing of the penalty notice, although extensions for cause may be granted at the discretion of the FP&FO.

The FP&FO may mitigate certain claims upon payment of a lesser amount if deemed appropriate. The FP&FO has authority to mitigate any penalties incurred under 19 U.S.C. 1592 and 19 U.S.C. 1593a when the amount of the penalty does not exceed \$50,000. The FP&FO has authority to mitigate any penalties incurred under 19 U.S.C. 1436, 19 U.S.C. 1641, 19 U.S.C. 1453 or 19 U.S.C. 1595a(b) for violation of 19 U.S.C. 1448 or 1499 when the amount of the penalty does not exceed \$200,000. The FP&FO has authority in all other penalty cases when the amount of the penalty does not exceed \$100,000. See T.D. 00-58, dated September 5, 2000.

(b)(2) In penalties assessed for violation of 19 U.S.C. 1466, 1592, and 1593a, petitioners have the right to make oral presentations, in addition to filing a petition (see 19 CFR 171.3). Oral presentations for other violations may be allowed at the discretion of the FP&FO.

Petitions must be in writing and addressed to the FP&FO designated in the penalty notice. Electronic signatures are acceptable. Customs may require that petitions and supporting documents be in English.

1) Initial Petition



The Paralegal Specialist is responsible for:

- Identifying the statute of limitations date
- Determining if the decision authority rests with the FP&FO or OR&R
- Analyzing the facts presented in the petition against those presented by the case initiator

- Reviewing the statutory and regulatory requirements specific to the violation
- Determining whether FP&F has all the information needed to render a decision, and if not, making the necessary referral to obtain that information

2) Petition Referral

[REDACTED]

(b)(2),

(b)(5)

[REDACTED]

If legal advice is required, refer petition to local ACC. Per 19 CFR 171.14, without regard to delegated authority to act on a petition or offer, when a novel or complex issue concerning a ruling, policy, or procedure is presented concerning a Customs action or potential action relating to penalties or mitigating a claim, the advice of the Director, International Trade Compliance Division, OR&R, may be sought by the alleged violator or any Customs officer.

19 CFR 171.14 does not apply to actual duty loss tenders pursuant to 19 CFR 162.74(e) relating to prior disclosure or to actual duty loss demands made under 19 CFR 162.79b.

Any request for Headquarters review made pursuant to 19 CFR 171.14 must be submitted to the FP&FO, who retains the authority to refuse to forward any request that fails to raise a qualifying issue and to seek legal advice from the appropriate ACC. A qualifying issue would have to be something new and unprecedented or something complicated, confusing, or complex.

3) Decision

Use the OR&R Mitigation Handbook to arrive at a decision or decision recommendation. The decision is

[REDACTED]

(b)(2)

If the FP&FO has authority to decide the case, the Paralegal Specialist will prepare a decision letter that includes a brief explanation of the decision rationale, information on how and where to make payment, and the FP&FO's signature (unless otherwise delegated to the Paralegal Specialist in writing by the FP&FO).

If OR&R is the decision authority, the Paralegal Specialist will prepare a referral memorandum for the FP&FO's signature (unless otherwise delegated to the Paralegal Specialist in writing by the FP&FO). The referral memorandum must include the following:

- Statute of limitations
- Synopsis of the case
- Analysis of the claims in the petition
- FP&F recommendation citing applicable OR&R Mitigation Guidelines
- Exhibits, including a copy of the petition, CF 5955A, and any supporting documentation

[REDACTED] OR&R Penalties Branch will forward the decision letter to the FP&FO. A copy of this letter will be forwarded to the petitioner under an FP&F cover letter [REDACTED]

(b)(2)

4) Supplemental Petitions

Supplemental petitions should, but are not required to, contain new information or evidence not previously considered or presented in the initial petition.

Supplemental petitions must be filed within 60 days of the date of notice to the petitioner of the decision from which further relief is requested or within 60 days following an administrative or judicial decision with respect to issues serving as the basis for the penalty (whichever is later).

The same processing standards as above apply, including case file documentation standards, petition referrals, decision issuance, and SEACATS updates.

If the FP&FO decided the initial petition, he/she may grant further relief. If the FP&FO decides further relief is not warranted, the supplemental petition must be referred to the NSPO. The referral of the supplemental petition to the NSPO will take the same basic format as the petition referral to OR&R.

If the decision authority on the initial petition was with OR&R, then the supplemental petition must be referred there.

Exception: In 19 U.S.C. 1641 supplemental petitions for penalties over \$10,000 are referred to OR&R.

(b)(2)

3.3.5 Offers in Compromise (OIC)

The statutory authority to accept OICs is provided for in 19 U.S.C. 1617 and 19 CFR 161.5. The OIC must be in writing. It should state that it is being submitted in

accordance with 19 U.S.C. 1617 and include the tender of the OIC amount. The OIC must be in the form of cash, cashier's check, or money order.

Cases can be resolved at any point during the petition and collection process if a violator offers a payment amount that the designated authorities consider acceptable to "compromise" (settle) the claim. A penalty may be compromised [REDACTED]

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[REDACTED] or the violator can substantiate an inability to pay.

1) Authority

OR&R has the authority to accept offers in compromise in penalty cases not secured by an International Carrier Bond. The FP&FO has the authority to accept OICs, subject to the recommendation of the ACC, in penalty cases secured by a bond consistent with his/her petition mitigation authority. See 19 CFR 172.32.

The FP&FO will refer offers in penalty cases not secured by a bond to OR&R through the local ACC. The referral memorandum will include an analysis of the case along with all pertinent supporting documentation. Refer to Chapter 5, Part 4, "Offers in Compromise," for more information.

2) Acceptance

No offer may be accepted without the recommendation of Counsel. If the decision to accept an offer is made in OR&R, OR&R will advise the FP&FO. When the OIC is accepted by OR&R or FP&FO, the FP&FO will notify the offeror of acceptance by letter.

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3) Rejection

If an offer is rejected, the FP&FO will notify the offeror in writing the OIC is rejected, will state the basis for this decision, and any additional amount required for acceptance. All monies tendered with the OIC that are subsequently rejected will be refunded. Refer to section 5.5.7 "Rejection of OIC" and Chapter 5, Part 5 "Refund."

3.3.6 Bankruptcy

FP&F will compare the date of the penalty claim with the date of bankruptcy to determine how the case will be processed.

If the violation took place prior to the date of bankruptcy filing, FP&F should suspend all collection action against the violator. If the violation took place after the date of bankruptcy filing, process the case as normal against the violator.

Refer any information received on bankruptcy to the NFC, Collections Section immediately, but not later than [REDACTED] See Chapter 5, Part 13, "Bankruptcy."

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3.3.7 Case Closure

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Part 4 Violations Requiring Pre-penalty Notices

3.4.1 General

This part describes the six statutes that require the issuance of a pre-penalty notice with violation-specific information.

3.4.2 Vessel Repair (19 U.S.C. 1466)

19 U.S.C. 1466 provides for penalties against the owner or master of a vessel for failure to report certain foreign vessel repairs. The failure to timely declare vessel repairs, the filing of a false vessel repair entry, or the failure to pay vessel repair duty constitutes a violation of this statute. The liability for declaration, entry, and payment of duties accrues at the time of first arrival in the United States. In lieu of payment of duty at time of entry, a bond may be provided to secure payment of duty.

Items such as repair expenses (including labor), cost of repair parts, vessel materials, or equipment (including boats) purchased or provided in a foreign country to a vessel documented under the laws of the United States to engage in foreign or coastwise trade must be declared, entered, and duties paid thereon at the port of first arrival in the United States.

The case initiator (boarding inspector, vessel entrance and clearance officer, Entry Control, or Vessel Repair Liquidation Unit) will refer the facts and documentation through the Vessel Repair Liquidation Unit to FP&F.

1) Violator

The culpable party is the owner or master of the vessel.

2) Culpability

The culpable party must:

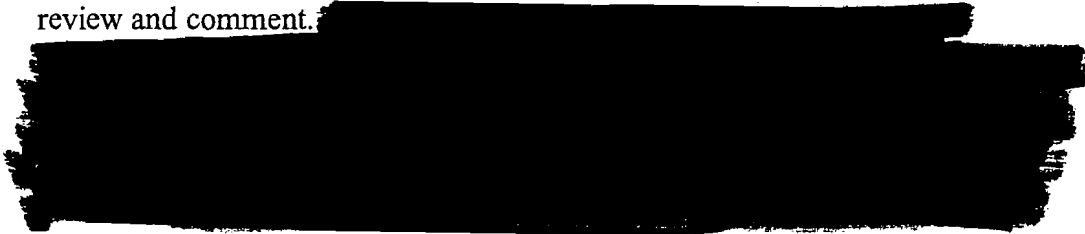
- Willfully and knowingly neglect or fail to report (declare), make entry, pay duties, or
- Make any false statement without reasonable cause to believe the truth of such statement, or
- Aid in or procure the making of any false statement as to a material matter without reasonable cause to believe the truth of such statement.

3) **Penalty Amount**

See TD 01-24 for newest regulations regarding vessel repair entries. All pre-penalty notices shall be issued for an amount equal to four times the loss of revenue or the value of the vessel, whichever is lower, except in instances where the violation is for the late filing of the entry or documents only. In the latter instances, the notice shall be issued for an amount equal to two times the loss of revenue.

4) **Petition Referrals**

Penalty petitions shall be forwarded to the Vessel Repair Liquidation Unit for review and comment.



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All mitigation presupposes that the loss of revenue calculated from the 1466 violation shall be deposited with Customs, in addition to the above penalties.

3.4.3 Recordkeeping (19 U.S.C. 1509)

19 U.S.C. 1509(a)(1)(A) requires the production, upon demand by Customs, of records required by law or regulation for the entry of merchandise. The list of records and entry information required to be maintained and produced is known as the "(a)(1)(A) list." Refer to 19 CFR Part 163 Appendix.

The demand for the required record or information shall be documented in writing and state that the record or information must be produced within 30 calendar days (or shorter period if admissibility of merchandise is involved) from the date of receipt of the demand. A party may request an extension in writing within that 30-day period. Approval or denial of that request shall be in writing. The penalty referral to FP&F must include a copy of the demand and any approval/denial of requests for extension.

Note: Certified recordkeepers may be eligible for alternatives to penalties if they participate in the recordkeeping compliance program. See 19 CFR 163.12.



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Issuance of the recordkeeping penalty does not necessarily preclude additional actions or penalties.

1) **Violator**

The violator is any person required by law to maintain records who fails to produce same.

2) **Culpability**

There are two levels of culpability. Therefore, the referral to FP&F must contain sufficient information and/or documentation to support that failure to comply was

the result of willful failure or negligence. A willful violation is committed (or omitted) knowingly, done voluntarily and intentionally. Negligent acts (commission or omission) are done through failure to exercise the degree of reasonable care and competence expected from a person in the same circumstances in ascertaining the facts, etc.

3) Pre-Penalty Notice

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[REDACTED] When referred, FP&F will draft a pre-penalty notice, provided all information necessary to establish the violation is present. [REDACTED] OR&R may require additional information or documentation to support the alleged violation prior to issuance of the pre-penalty notice.

4) Penalty Amount

The willful failure to maintain, store, or retrieve the demanded records or information carries a penalty not to exceed \$100,000 or 75 percent of the appraised value, whichever is less. Negligence carries a penalty not to exceed \$10,000 or 40 percent of the appraised value, whichever is less.

3.4.4 Failure to Manifest (Non-narcotic) (19 U.S.C. 1584)

19 U.S.C. 1584 provides for penalties associated with failing to have a manifest or having a false manifest (shortage, overage, etc.) on arrival. Different penalty procedures apply for controlled substances found on a commercial conveyance. Refer to Section 2.4.1(15), "Seizure Cases—Special Classes of Property—Controlled Substances Non-personal Use—Super Carrier Violations, 19 U.S.C. 1584."

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[REDACTED]

1584 penalties over \$1,000 require the issuance of a pre-penalty notice. In these cases, the initiating officer's supervisor will ensure that FP&F is provided with complete and accurate documentation necessary for the pre-penalty notice.

If no pre-penalty notice is required, the case initiator's supervisor will ensure the timely, accurate issuance of a CF 5955A. The CF 5955A should clearly and accurately describe the manifest violation, identify when and where the violation occurred, and describe the conveyance (e.g., vessel name and voyage number, aircraft flight number).

1) Violator

Penalties are assessed against the master of the vessel or person in charge of the vehicle or aircraft, or any other party directly or indirectly responsible for the violation. Penalties may be issued against multiple parties (arriving carrier, Non-Vessel Operating Common Carrier (NVOCC), etc.) but may be collected only once.

2) Penalty Amount

For failure to present the manifest, the penalty is \$1,000. For merchandise that is manifested but not found (shortage), the penalty is \$1,000. For unmanifested merchandise (overage), the penalty is the value of the merchandise (not to exceed \$10,000). Pre-penalty notices will only be required for penalties resulting from overages.

3.4.5 Commercial Fraud (19 U.S.C. 1592)

19 U.S.C. 1592 provides for penalties against anyone who enters, attempts to enter, introduces, or attempts to introduce merchandise into the United States by means of a material, false statement, act, practice, or omission (includes aiding or abetting in such acts). Clerical errors or mistakes of fact are not violations unless they form a pattern of negligent conduct.

Possible 19 U.S.C. 1592 violations should be referred to the [REDACTED] and [REDACTED] prior to forwarding to FP&F. Cases declined by the [REDACTED] or [REDACTED] should be referred to FP&F for possible 1592d demand, if loss of revenue exceeds \$500.00. The discovering officer prepares the necessary referral to the [REDACTED] and subsequent forwarding to FP&F for issuance of the pre-penalty notice.

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1) Definitions

Definitions associated with 1592 cases are:

- a) **Fraud**—The act is committed or omitted knowingly, done voluntarily and intentionally, as established by clear and convincing evidence.
- b) **Gross Negligence**—The act is committed or omitted with actual knowledge of or wanton disregard for the relevant facts and with indifference to or disregard for the offender's obligations under the statute.
- c) **Negligence**—The act is committed or omitted through the failure to exercise the degree of reasonable care and competence expected from a person in the same circumstances to ensure that it is correct.
- d) **Material**—The document, statement, act, or omission either has the potential to alter the classification, appraisal, or admissibility of merchandise or the liability for duty (including marking, antidumping, and/or countervailing duty) or tends to conceal an unfair trade practice under antidumping, countervailing duty, or similar statute, or is an unfair act involving a patent or copyright infringement.
- e) **Reasonable Care**—Such degree of care, precaution, or diligence as may fairly and properly be expected having regard to the nature of the action or of the subject matter and circumstances.
- f) **Clerical Error**—An error in preparation, assembly, or submission of documents/information such as typing/keystroking or transposition of

numbers, provided such error is not part of a pattern that would be considered at a minimum to be negligence.

- g) **Mistake of Fact**—An act or omission based on an erroneous belief as to the facts, as long as the belief did not result from negligence.
- h) **Actual Loss of Revenue (ALOR)**—Duties (including marking, antidumping, or countervailing), fees, and taxes due on liquidated entries.
- i) **Potential Loss of Revenue (PLOR)**—Duties, fees, and taxes due on unliquidated entries.
- j) **Total Loss of Revenue**—The sum of ALOR and PLOR, used to arrive at the appropriate assessment and disposition amounts of cases.

2) Statute of Limitations

The statute of limitations is based on the level of culpability. For violations determined to be the result of fraud, the statute is calculated five years from the date of discovery of the violation. For violations determined to be the result of gross negligence and negligence, the statute is calculated five years from the date of the violation (date of the first entry).

[REDACTED] the procedures outlined in Section 3.2.3 "Statute of Limitations" of this Chapter should be followed. If the statute of limitations has run, do not open the case, [REDACTED]

3) Consolidation

The FP&FO will coordinate any consolidation of multi-port penalties or prior disclosures. [REDACTED]

[REDACTED] If the concerned FP&FOs cannot agree on consolidation, OR&R will be consulted.

4) Culpability and Penalty Amount

Three levels of culpability are provided—fraud, gross negligence, and negligence. See the definitions above. The FP&FO determines the level of culpability based on documentation provided by the discovering officer. The amount of penalty is dependent upon the determined level of culpability.

The following penalty amounts apply (presuming no prior disclosure has been made):

- Fraud: value or eight times the loss of revenue
- Gross negligence: 40 percent of the value or eight times the loss of revenue
- Negligence: 20 percent of the value or two times the loss of revenue

For penalties with the benefit of prior disclosure, see the next section.

5) Prior Disclosure

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19 U.S.C. 1592(c)(4) allows a party to voluntarily disclose the particulars of any violation to Customs before Customs has discovered the violation or initiated an investigation and to tender any loss of revenue. This is called a prior disclosure. The FP&FO determines whether or not the disclosure is valid and entitles the party to reduced penalties. The FP&FO will also coordinate any consolidation of multi-port disclosures. Refer to 19 CFR 162.74 for details on processing prior disclosures.

Prior disclosures involving unliquidated entries are not subject to a 1592 penalty.

If prior disclosure is allowed, the penalty for negligence and gross negligence is limited to the interest on the calculated actual loss of revenue from the date of liquidation to the date of payment. The penalty for fraud with the benefit of prior disclosure is then one times the actual loss of revenue.

6) **Foreign 19 U.S.C. 1592**

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This program was created in conjunction with the passage of 19 U.S.C. 1592a. Foreign entities involved in the transshipment of textile products to the United States (that is, shipments accompanied by false statements or counterfeit documents as to country of origin) are penalized under 19 U.S.C. 1592. At the conclusion of the administrative process (presuming there is a violation), the foreign entity's name is published in the *Federal Register* twice a year for a period of three years.

7) **Pre-Penalty Notice**


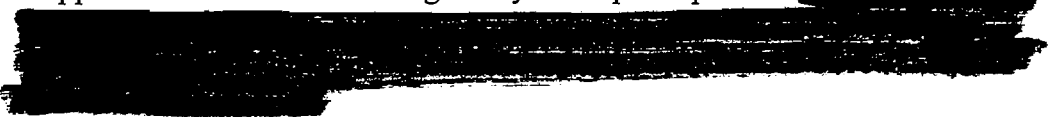
The statute requires the issuance of a pre-penalty notice for penalties in excess of \$1,000. FP&F will issue a pre-penalty notice containing the following:

- Description of the merchandise
 - The details of the entry or introduction, the attempted entry or introduction, or the aiding or procuring of the entry or introduction
 - Statute and regulations violated
 - Disclosure of all material facts establishing the alleged violation
 - Tentative determination of culpability.
- The estimated loss of duties—actual, potential, and total
- Demand for payment of any actual loss of revenue under 19 U.S.C. 1592d

- Amount of the proposed penalty
- Indication that the alleged violator shall have reasonable opportunity to make representation, both oral and written, as to why such penalty claim should not be issued

8) Documentation

Standard backup documentation should include:

- ROI
- Original entries
- Appraisal Worksheet that is signed by an Import Specialist 

- Any Regulatory Audit reports

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9) 19 U.S.C. 1592(d) Demands

Reference: CD 4410-008, dated 2/6/89, Recovery of Lost Revenue Pursuant to 19 U.S.C. 1592(d)

19 U.S.C. 1592(d) provides for the collection of duties, fees, and taxes due the government as a result of a violation of 19 U.S.C. 1592(a). Each pre-penalty and penalty notice involving an actual loss of revenue should contain a statement demanding payment of those duties, fees, and taxes pursuant to the provisions of 19 U.S.C. 1592(d). Timely payment of a 19 U.S.C. 1592(d) demand is considered a mitigating factor.

A 19 U.S.C. 1592(d) demand is issued to the person who violated 19 U.S.C. 1592(a), the importer of record on the entry, and the surety on the Customs bond covering the entries. The surety has an additional 30-day period to respond to the demand.

Duties, fees, and taxes may be demanded under 19 U.S.C. 1592(d) without issuance of a penalty notice in instances where it is determined that a violation of 19 U.S.C. 1592 has occurred, but that issuance of a penalty is not warranted.

The statute of limitations determination for a 19 U.S.C. 1592(d) demand parallels that for the 19 U.S.C. 1592(a) penalty.

10) Small Business Regulatory Enforcement Act (SBREFA)

A petitioner may claim the benefit of special consideration under the provisions of SBREFA. Refer to T.D. 97-46 for more information.

11) Reasonable Care

If petitioner's reasonable care argument is accepted by the FP&FO, no 1592 penalty is warranted. Refer to T.D. 97-96 and 19 CFR Part 171 Appendix B (D)(6) for more information.

3.4.6 Drawback (19 U.S.C. 1593a)

References: 19 CFR 162, 19 CFR 171, 191; TD 00-5

19 U.S.C. 1593a provides for a penalty when a false drawback claim is filed. It also provides for issuance of a warning letter in lieu of a monetary penalty in cases where the violator is a Drawback Compliance Program participant who commits a first negligent violation.

The falsity may be any document, written or oral statement, or electronically transmitted data or information which is material. Clerical errors or mistakes of fact are not violations unless they form a pattern of negligent conduct.

1) Drawback Compliance Program

If the violator is a Drawback Compliance Program participant, in the absence of fraud or repetitive violations, the Customs officer discovering the violation shall issue a written warning letter to the party containing the following:

- Citation of 19 U.S.C. 1593a
- Explanation of the nature of the violation
- Warning that future violations may result in monetary penalty and that repetitive violations may also result in removal of certification under the Drawback Compliance Program
- Advising that a response is due within 30 days of date of mailing outlining steps taken to prevent recurrence, or establishing that no violation took place

The Customs officer will retain a copy of the letter on file. If the party fails to respond timely, or if there is a repeat violation, this copy must be forwarded to FP&F, as any penalty assessed will not be subject to mitigation.

2) Culpability and Penalty Amount

The levels of culpability are fraud and negligence. The penalty amount is based on the level of culpability and whether or not the violator is a participant in the Drawback Compliance Program. See 19 CFR Part 171 Appendix D.

For fraud, the penalty is an amount not to exceed three times the loss of revenue.

For negligence, the penalty is an amount not to exceed 20 percent of the loss of revenue of the first violation. For the first negligent violation that is repetitive (same issue and same violator), the penalty will not exceed 50 percent of the loss of revenue. The penalty for a second and each subsequent and repetitive negligent violation will be in an amount not to exceed the loss of revenue.

3) Prior Disclosure

This statute contains a prior disclosure provision. Follow the procedures in Section 3.4.5(5), "Commercial Fraud (19 U.S.C. 1592)—Prior Disclosure."

4) Pre-Penalty Notice

When the penalty exceeds \$1,000, FP&F will issue a pre-penalty notice. If the culpability level is fraud, a draft of the pre-penalty notice must be forwarded to

OR&R for review and approval. If the culpability level is negligence, the draft may be forwarded for OR&R at the discretion of FP&FO.

5) Documentation

The case initiator must provide a copy of the warning letter issued as part of the ROI or other report that details the facts establishing the violation.

3.4.7 Broker Penalties (19 U.S.C. 1641)

References: 19 CFR Part 171 Appendix C, CD 099 3530-007, dated 8/11/92, Broker/Entry Compliance

19 U.S.C. 1641 provides for penalties against brokers in lieu of revocation or suspension of licenses for enumerated violations.

If the penalty is \$10,000 or more.

No OR&R approval is required prior to issuance of any pre-penalty or penalty notice.

Broker penalties fall into two categories: non-egregious and egregious

An activity that forms the basis of a penalty cannot be used as the basis for a revocation or suspension action. Revocation or suspension of the broker's license is not within the purview of the FP&FO.

1) Penalty Amount

See Customs Regulations Part 171 Appendix C for broker penalty assessment and mitigation.

2) Documentation

Any warning letters or documented counseling should be provided to FP&F.

Part 5 Violations Not Requiring Pre-penalty Notices

3.5.1 General

This part describes some of the more common violations that do not require a pre-penalty notice. Violation-specific information is provided for these violations.

3.5.2 Conveyance Arrival/Departure (19 U.S.C. 1433 and 1436)

19 U.S.C. 1436 provides for penalties involving the arrival, reporting, entry, and clearance of vessels or aircraft and the arrival, reporting and entry of vehicles

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established in 19 U.S.C. 1433, 1434, and 46 U.S.C. App. 91. Penalties are also applicable for the filing of any false manifest, data, or information with Customs.

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1) **Violator**

The penalty is issued to the pilot of the aircraft, master of the vessel, or operator of the vehicle for failure to report arrival and/or present documentation required by regulation. If the pilot, master, or operator is an employee of a bonded international carrier, the penalty should be issued against the individual in care of the carrier.

2) **Penalty Amount**

A first-time violator is subject to a \$5,000 penalty. A second or subsequent violation subjects the violator to a \$10,000 penalty. Note: The case-initiating officer must clearly document prior violations by the master, pilot, or person in charge if assessing a penalty for a second or subsequent violation.

An additional penalty equal to the value of cargo on an unreported or improperly entered conveyance may be assessed if the facts and circumstances so warrant.

3.5.3 General Order (GO) Penalty (19 U.S.C. 1448)

19 U.S.C. 1448 provides for penalties against arriving foreign carriers who fail to notify Customs of unentered merchandise eligible for General Order. The arriving foreign carrier can have two cases assessed on the same bill of lading: a penalty under 1448 for failure to notify Customs and a liquidated damages claim under 19 CFR 113.64(b) for failure to notify the GO warehouse. Refer to Section 4.4.14, "Liquidated Damages Cases—Violations Commonly Resulting in Liquidated Damages—General Order: Failure to Notify Customs" for more information.

1) **Violator**

The penalty is assessed against the arriving foreign carrier.

2) **Penalty Amount**

The penalty is assessed at \$1,000 per bill of lading or the value of the merchandise if less than \$1,000.

3.5.4 Lading or Unlading of Merchandise or Baggage Without a Permit (19 U.S.C. 1453)

19 U.S.C. 1453 provides for a penalty against any party responsible for, or any other person knowingly concerned in, the removal of merchandise or baggage from a vessel or vehicle without special license or permit from Customs.

The penalty is assessed in an amount equal to the value of the merchandise removed.

3.5.5 Failure to Declare (19 U.S.C. 1497)

19 U.S.C. 1497 provides for both a penalty and a seizure when an arriving passenger fails to declare merchandise (including controlled substances). For all undeclared articles other than personal-use quantities of controlled substances, the penalty is equal to the value of the undeclared article(s). For failure to declare personal-use quantities of controlled substances, refer to Section 2.4.2, "Seizure Cases—Special Classes of Property—Controlled Substances Personal Use."

In circumstances other than failure to declare personal-use quantities of controlled substances, both the penalty and the seizure are disposed of simultaneously. Refer to Section 2.7.7, "Seizure Cases—Violations—Passenger/Traveler Declarations."

3.5.6 Failure to Manifest Controlled Substances— Super Carrier Initiative (19 U.S.C. 1584)

19 U.S.C. 1584 provides for penalties associated with the failure to manifest controlled substances. Refer to Section 2.4.1(15), "Seizure Cases—Special Classes of Property—Controlled Substances Non-personal Use—Super Carrier Violations, 19 U.S.C. 1584."

[REDACTED]

3.5.7 Failure to Manifest Controlled Substances— Non-super Carrier (19 U.S.C. 1584)

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19 U.S.C. 1584 provides for penalties against any person directly or indirectly responsible for the presence of unmanifested controlled substances on an arriving conveyance. The penalties are \$500 per ounce for marijuana, \$1,000 per ounce for cocaine, and \$200 per ounce for opiates (including heroin).

3.5.8 Intellectual Property Rights (IPR)— Counterfeit Trademarks (19 U.S.C. 1526(f))

References: CIS HB 2300-01, September, 2000, "Intellectual Property Rights Border Enforcement Handbook"; TD 99-76 Guidelines for the Assessment and Mitigation of Civil Fines under 19 U.S.C. 1526(f), dated October 27, 1999.

[REDACTED]

A sample should be retained from the 1526(e) seizure for litigation purposes.

The penalty is based on the manufacturer's suggested retail price (MSRP) of the genuine good (and not be based on the potential economic loss, or PEL). For tags, logos, etc.

[REDACTED]

3.5.9 Importation Contrary to Law (19 U.S.C. 1595a(b))

19 U.S.C. 1595a(b) provides for a penalty for anyone who aids or assists an importation contrary to law. An underlying statute will generally be cited when using 1595a(b). The penalty is equal to the domestic value of the merchandise.

The most common underlying statutes are:

- Release without examination: 19 U.S.C. 1499 provides that imported merchandise that is required to be inspected, examined, or appraised shall not be delivered from Customs custody (except under bond) until the merchandise has been inspected, examined, or appraised.
- Removal from the place of unloading without a permit: 19 U.S.C. 1448 prohibits the removal of merchandise from the place of unloading before a Customs permit is issued to do so (via electronic data transmission or otherwise).

3.5.10 Stolen Self-propelled Vehicles, Vessels, and Aircraft (19 U.S.C. 1627a)

A penalty not to exceed \$10,000 for each violation is assessed against any importer or exporter who knowingly imports, exports, or attempts to import or export any stolen vehicle, vessel, or any aircraft or vehicle, vessel, or aircraft with a removed, obliterated, tampered-with, or altered VIN.

19 U.S.C. 1627a provides for a \$500 penalty to be assessed against an exporter for attempting to export, or exporting, a vehicle without presenting the vehicle and its documentation at least three days before exportation. Refer to 19 CFR Part 192.

3.5.11 Coastwise—Passenger (46 U.S.C. App 289)

46 U.S.C. Appendix 289 provides for a penalty assessed against any foreign vessel (although the penalty notice may charge the master, owner, or any party responsible) for the transportation of passengers on a non-coastwise-qualified vessel between U.S. ports (including via foreign ports). The penalty is equal to \$200 per passenger.

3.5.12 Coastwise—Cargo (46 U.S.C. App 883)

46 U.S.C. Appendix 883 provides for a penalty assessed against the master, owner, or any party responsible for the transportation of cargo between U.S. ports on a non-coastwise-qualified vessel. The penalty may be assessed in an amount up to the value of the cargo.

The statute also provides for the seizure of cargo (in lieu of assessing a monetary penalty) but seizure may only be effected with the approval of Customs Headquarters.

3.5.13 Failure to Stop at Command of Customs Officer (19 U.S.C. 1581(d))

The provisions of 19 U.S.C. 1581(d) provide for a penalty of not more than \$5,000 nor less than \$1,000 against the master, owner, operator or person in charge of any vessel

or vehicle which, at any authorized place, fails to come to a stop at the command made by any officer of the Customs Service.

3.5.14 Unlawful Unloading or Transshipment (19 U.S.C. 1586)

The master of any vessel from a foreign port or place, or of a hovering vessel which has received or delivered merchandise outside the territorial sea, who allows any merchandise to be unladen from such vessel after arrival in the customs waters but before such vessel has come to the proper place for discharge of such merchandise (and before having received a permit to unlade) shall be liable to a penalty equal to twice the value of the cargo but not less than \$10,000 and such vessel and its cargo shall be seized and forfeited (19 U.S.C. 1586(a)).

The master of any vessel from a foreign port or place, or of a hovering vessel which has received or delivered merchandise outside the territorial sea, who allows any merchandise, the importation of which into the United States is prohibited (or is alcoholic beverages), to be unladen from his vessel upon the high seas adjacent to the customs waters to be transhipped so that such merchandise may be introduced into the United States contrary to law, shall be liable to a penalty equal to twice the value of the cargo but not less than \$10,000 and such vessel and its cargo shall be seized and forfeited (19 U.S.C. 1586(b)).

3.5.15 Penalties for Violation of Aircraft Regulations (19 U.S.C. 1644a)

Any person who violates any of the regulations that apply to aircraft per 19 CFR 122.2 (and are found in 19 CFR Part 122) may be subject to a monetary penalty of \$5,000 for violation of that regulation per 19 U.S.C. 1644a.

This penalty will not be assessed if the Part 122 regulation violated already specifically provides for a monetary penalty under 19 U.S.C. 1436, 1584 or other enumerated statute (see 19 CFR 122.161).

3.5.16 Point to Point Penalties (19 U.S.C. 1592 and 19 CFR 123.14(d))

19 CFR 123.14(d) provides for a penalty under 19 U.S.C. 1592 for any foreign based truck, bus or taxicab that engages in the carriage of merchandise or Passengers between points in the United States with certain exceptions. See 19 CFR 123.14(d). The violator is the owner or person in charge of the truck, bus or taxicab. The penalty is \$1000 for a first time violation.

3.5.17 Penalties for Failure to Report Arrival—Individuals (19 U.S.C. 1459)

19 U.S.C. 1459 provides for a penalty of \$5,000 for a first violation and \$10,000 for each subsequent violation against any individuals who fail to report arrival and present themselves and all articles accompanying themselves for inspection, who present any forged altered or false paper or document to a customs officer, or who depart from the

customs facility without the authorization of a customs officer. Individuals arriving by a reported conveyance shall remain aboard the conveyance until authorized to depart by the appropriate customs officer. Individuals arriving by an unreported conveyance must immediately notify a customs officer and report their arrival. Inasmuch as 1459 penalties are assessed against individuals, no international carrier bond will be charged.

Liquidated Damages Cases

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This chapter is designed to provide guidance for Customs officers in liquidated damages case initiation, analysis, monitoring and management. Customs approaches case initiation and processing from a [REDACTED]. Liquidated damages occupy the [REDACTED] of FP&F cases.

Additional information on liquidated damage case processing can be found in the OR&R Mitigation Handbook.

Part 1 Case Initiation

4.1.1 General

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Port Directors are responsible for timely and accurate liquidated damages case preparation and initiation. Timely case initiation requires that the case be input in SEACATS within [REDACTED] of the discovery of the violation, and that the CF 5955A be printed and mailed within [REDACTED] of the completion of the SEACATS input. The FP&FO is responsible for case adjudication and verification of the sufficiency of cases that have been initiated by inspectors, entry officers, and other Customs officers under the supervision of the Port Director. Cases must be fully supported and documented at initiation to allow further processing by FP&F.

FP&F will act as a conduit to initiating officers to transmit information received from Counsel, OR&R, and other agencies when regulatory or policy changes occur. FP&F will provide training and constructive feedback to the initiating supervisor when cases require additional support or documentation.

4.1.2 Liquidated Damages—Definition

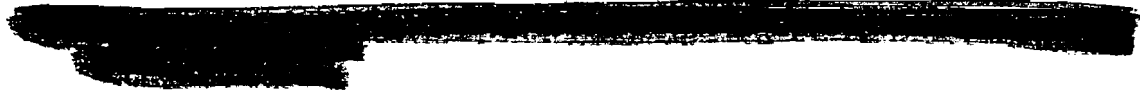
A claim for liquidated damages arises as a result of a breach of the terms and conditions of a bond. Refer to 19 CFR 113 for the terms and conditions of the various Customs bonds. All claims for liquidated damages must be supported by an approved Customs bond.

4.1.3 Customs Bonds

A Customs bond is a contractual agreement between Customs (beneficiary) and the bond obligors, which include the principal (e.g. importer of record, bonded warehouseman, bonded international carrier) and the surety (underwriter of debt). Customs' authority to require bonds is found in 19 U.S.C. 1623(a).

The FP&FO has the authority under 19 U.S.C. 1623 and 19 CFR 172.11(b) to cancel a claim for liquidated damages when the facts and circumstances surrounding the violation did not occur or when there is no viable bond (bond is exhausted). Claims for liquidated damages involving bond periods in which the bond is exhausted should be handled as follows:

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4.1.4 Responsible Parties

The principal and surety are equally responsible for satisfying the conditions of the bond. When the principal defaults on or breaches the terms and conditions of the bond, liquidated damages are incurred. The principal and surety are jointly and severally liable for liquidated damages. The specific amount of the liquidated damages for each type of breach is detailed below.

4.1.5 Claim Amount

Unless different amounts are provided for by law or regulation (see 4.1.6 “Exception” below), claims are generally issued for the entered value (not domestic value) of the merchandise—or three times the entered value if prohibited or restricted merchandise or alcoholic beverages are involved in the breach. In some limited circumstances involving merchandise that is violative of FDA admission requirements, claims may be assessed in amounts equal to the domestic value of the merchandise not redelivered (see 19 CFR 12.3). The term “restricted merchandise” includes, but is not necessarily limited to, merchandise or articles subject to quota (whether administered by Customs or another agency), visa restrictions, restrictions of the Food and Drug Administration, vehicle restrictions of the Environmental Protection Agency or Department of Transportation, restrictions of the Department of Agriculture, restrictions imposed by other government agencies related to health, safety, or conservation. The term does not include merchandise covered by permits or documentation required as a condition of a reduced rate of duty or duty-free treatment, merchandise covered by another agency restrictions which apply only after delivery authorization or merchandise for which the permit required for Customs delivery authorization is conditional upon meeting Customs administrative requirements (i.e., payment of duties).

In some instances (under 18.8), the actual value of inbond merchandise may not be known. In those cases, a dollar-to-weight factor may be used. Minimum values of \$10 per pound or \$20 per kilo should be employed. Whenever estimated values are used this must be so indicated on the inbond entry.

4.1.6 Exceptions

Certain liquidated damages types differ from the general demand amount formula. The most common exceptions appear below:

- Temporary Importation Bonds (two times the duties or 110 percent of the duties depending on the HTSUS number, with the term “duties” including the merchandise processing fee)

- ATA Carnets Admission Temporaire—Temporary Admission (110 percent of the duty)
- Late payment of estimated duties (double the unpaid duties or \$1,000, whichever is greater)
- Late payment of duties paid with a reconciliation entry (double the unpaid duties or \$1,000, whichever is higher)
- Late SED violations or late filing of outbound bills of lading (\$50/day for the first three days late, \$100/day for each succeeding day late, up to a maximum of \$1,000 per default)
- Non-merchandise custodial bond or FTZ bond violations (\$1,000 per default)
- Airport security violations (\$1,000 per default)
- Failure to notify Customs and/or bonded warehouse of GO eligible merchandise (\$1,000 per bill of lading)
- Failure to provide softwood lumber permits (\$100.00 per one thousand board feet)

4.1.7 Maximum/Minimum Claim Amounts

The maximum liquidated damages assessment allowable is the amount of the bond. No single claim should be issued for an amount in excess of the bond amount. The minimum assessment will generally be no lower than \$100, except for cases involving a carnet or the late filing of a SED or outbound bills.

4.1.8 Bankruptcy

Bankruptcy of a principal does not affect the liability of the surety. In this situation, any claims for liquidated damages should be made against the surety. Contact the Office of the ACC, Indianapolis or your local FP&FO. Refer to Chapter 5, Part 13, “Bankruptcy,” for more information.

4.1.9 Statute of Limitations

The statute of limitations is six years from the date the right of action accrues (i.e., date of the breach of bond condition—*not* the date of issuance of the CF 5955A). No liquidated damages can be initiated more than six years after the date of the breach of the bond. Refer to 28 U.S.C. 2415.

4.1.10 Discovering Officer Responsibilities

The discovering officer, with approval of his or her supervisor, is responsible for the timely, accurate issuance of claims for liquidated damages on a CF 5955A generated through SEACATS. A courtesy copy of the CF 5955A must be sent to the surety at the time of mailing the notice to the principal. A courtesy copy should also be sent to any involved broker.

The CF 5955A notice to the principal and courtesy copy to the surety (and involved broker) must be printed and mailed by the discovering and or initiating officer and

copies with all supporting documentation sent to FP&F within [REDACTED] of SEACATS printing.

4.1.11 SEACATS Input

SEACATS is the official Customs system of records used to capture and track liquidated damages cases. [REDACTED]

[REDACTED]

(b)(2)

4.1.12 Supporting Documentation

Supporting documentation will be forwarded to FP&F within [REDACTED]. The required supporting documentation depends on the violation. Consult FP&F if in doubt. [REDACTED]

[REDACTED] Other examples of supporting documentation are:

- Copy of the entry (consumption, in-bond, warehouse, FTZ, Temporary Importation Bond (TIB), carnet, etc., if applicable)
- Copy of manifest/bill of lading (if applicable)
- [REDACTED]
- Copy of CF 4647, Redelivery Notice, (including any other agency sampling and refusal notice), if applicable
- Copy of any entry rejects
- Copy of Automated Broker Interface (ABI) statement
- Copy of TIB extension requests
- If paperless entry, prints of the Automated Commercial System (ACS) screens [REDACTED]
- [REDACTED]

4.1.13 Initiating Officer Supervisor Responsibilities

Initiating officer supervisors are responsible for issuing quality liquidated damages cases. Their review for quality should ensure that the CF 5955A includes the correct regulatory citation applicable to the violation, the correct demand amount, the correct bond, and a narrative that accurately describes the violation. It should also ensure the file is timely forwarded to FP&F with complete documentation to establish the violation.

[REDACTED]

Initiating officer supervisors will be called on when petitions for relief are received with regard to cases they have initiated when the facts in the case are disputed in the petition. When petitions are referred for review and comment, the initiating supervisor must respond to FP&F within [REDACTED]

Part 2 Case Sufficiency Review

(b)(2)

4.2.1 General

The procedures in this section are standard for most violations. See Part 4 of this chapter, "Violations Commonly Resulting in Liquidated Damages," for violation specific information.

4.2.2 Case Sufficiency Analysis

When the case and supporting documentation are received from the initiator, FP&F will ensure that the case is sufficient and complete. The case initiator must forward the documentation to FP&F within [REDACTED] of printing the CF 5955A in SEACATS.

[REDACTED]

4.2.3 Defective or Deficient Cases

FP&F analysis of the liquidated damages case includes identification of any defects or deficiencies.

[REDACTED]

4.2.4 Cancellation

[REDACTED]
[REDACTED] If the CF 5955A was distributed to parties-in-interest, FP&F must notify these parties that the case is cancelled. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Part 3 Case Processing

4.3.1 Principal Phase

The first stage in the life of a liquidated damages case is the principal's phase. After issuance of CF 5955A, the principal has 60 days to file a petition, pay the claim, or request an extension. An attorney or a broker may petition on behalf of a bond principal (see 19 CFR 172.2(b)). Follow the procedures below depending on the response received:

- Full payment or Option 1 payment within 60 days of the date of the liquidated damages claims— [REDACTED]
[REDACTED]
- Request for an extension within 60 days of the date of the liquidated damages claim—The extension request must be in writing and may be approved at the discretion of the FP&FO (see 19 CFR 172.3(c)). [REDACTED]
[REDACTED]
- Petition received within 60 days of the date of the liquidated damages claim—Refer to Section 4.3.4, "Consideration of Petitions for Relief."
- OIC received—If received before the case is [REDACTED] (eligible for surety sanction) and the facts and circumstances so warrant, you may treat this as a late petition and not an offer in compromise. If received after [REDACTED] refer to Chapter 5, Part 4, "Offers in Compromise," for processing information.
- Petition received after the initial 60 days—A "late" petition may be considered in a liquidated damages case up until the time it moves to [REDACTED] (eligible for surety sanction). Refer to the OR&R Mitigation Handbook for details in calculating the late fee.

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- No response—If the principal fails to respond in a liquidated damages case,

[REDACTED]
[REDACTED] Refer to Section 4.3.2, "Surety Phase."

4.3.2 Surety Phase

The surety cycle begins when the principal has not responded to the initial CF 5955A claim or has not complied with a decision (refer to 19 CFR 172.12). It is initiated by the printing and mailing of the demand on surety by FP&F.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(b)(2)

The surety has all the same rights as the principal and may choose to pay, petition, request an extension, or make an offer in compromise. The surety has 60 days from the date of the demand to respond to the demand (see 19 CFR 172.4). Processing standards are the same as described above.

Customs is not required to routinely attach a copy of the bond and entries to its demand for payment. However, if a principal or surety requests copies of bonds and entries under the Freedom of Information Act (5 U.S.C. 552), Customs *must* provide the documents, but should collect appropriate search and copying charges. Refer to Chapter 8, Part 4 FOIA requests and subpoenas.

4.3.3 Billing Phase

When the surety's phase ends without resolution (i.e., no payment or other response), the case automatically moves into a billing cycle [REDACTED]

[REDACTED] The billing cycle consists of three consecutive bills to both the principal and surety at 14-day intervals. Copies are provided to FP&F.

Should there be no resolution of the case by the end of the billing phase, the case automatically moves to [REDACTED] "third bill issued—eligible for sanction." The FP&FO will review cases in [REDACTED] for sufficiency and completeness prior to updating the case to [REDACTED] "proposed surety sanction."

The FP&FO's sufficiency review at this time is similar to the initial sufficiency review, but also ensures that the file contains:

- CF 5955As issued to both principal and surety
- Valid bond information (copy of the bond, screen print of bond) showing that the bond was in effect when the violation occurred
- Copies of bills sent to principal and surety
- No outstanding issues or pending actions

4.3.4 Consideration of Petitions for Relief

19 U.S.C. 1623(c) is the statutory authority to cancel liquidated damages upon payment of a lesser amount. 19 CFR Part 172 is the associated part of the regulations containing detailed procedures for the filing and deciding of petitions for relief in liquidated damages cases. Refer also to the OR&R Mitigation Handbook.

To be considered timely, petitions must be filed within 60 days of the date of mailing of the notice of liquidated damages (whether notice to the principal or notice to the surety), although extensions for cause may be granted at the discretion of the FP&FO.

The FP&FO may cancel any liquidated damages claim upon payment of a lesser amount if deemed appropriate when the claim is \$200,000 or less. An exception is that the FP&FO has full authority without regard to claim amount to cancel the late filing of entry claims, including any late or non-filing of entry summaries and any late or non-filing of reconciliation entries. See TD 00-58 for delegated authority. The FP&FO may cancel any claim in full if it is determined that the act or omission forming the basis of the violation did not occur.

Petitions must be in writing and addressed to the FP&FO designated in the claim for liquidated damages. Electronic signatures are acceptable. Customs may require petitions and supporting documents to be in English.

1) Initial Petition

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The Paralegal Specialist is responsible for:

- Ensuring that the party petitioning is a valid party-in-interest (i.e., principal, surety, or broker or attorney representing principal or surety)
- Determining if the petition is timely, and if not, determining if late fees are applicable. Refer to OR&R Mitigation Handbook and TD 94-38.

- Determining if the decision authority rests with the FP&FO or OR&R. (See TD 00-58)
- Analyzing the facts presented in the petition against those presented by the case initiator
- Reviewing the regulatory requirements specific to the violation
- Determining whether FP&F has all the information needed to render a decision, and if not, making the necessary referral to obtain that information

2) Petition Referral

[REDACTED] Referrals will be made when specific information or clarification of a technical issue is needed on a given case.

[REDACTED]

(b)(2)

Petition referrals to other agencies may be made in cases in which Customs is administering other agency requirements. Petitions involving FDA or CSPC violations must be referred and FP&F must comply with their recommendations unless the decision merely involves Customs supervision of exportation. In that instance, there is no regulatory requirement for Customs to follow the recommendation of the other agency.

[REDACTED]

3) Decision

Use the OR&R Mitigation Handbook to arrive at a decision or decision recommendation.

[REDACTED]

If the FP&FO has authority to decide the case, the Paralegal Specialist will prepare a decision letter that includes a brief explanation of the decision rationale, information on how and where to make payment, and the FP&FO's signature (unless otherwise delegated to the Paralegal Specialist in writing by the FP&FO).

If OR&R is the decision authority, the Paralegal Specialist will prepare a referral memorandum for the FP&FO's signature (unless otherwise delegated to the

Paralegal Specialist in writing by the FP&FO). The referral memorandum should include the following:

- Statute of limitations
- Synopsis of the case
- Analysis of the claims in the petition
- FP&F recommendation citing applicable OR&R Mitigation Handbook
- Exhibits, including a copy of the petition, CF 5955A, and any supporting documentation

[REDACTED]
[REDACTED] OR&R Penalties Branch will forward the decision letter to the FP&FO. A copy of this letter will be forwarded to the petitioner under an FP&F cover letter [REDACTED]
[REDACTED]

When the petition is decided, either by FP&F or OR&R, a copy will be provided to the surety and the Paralegal Specialist [REDACTED]
[REDACTED]

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4) Supplemental Petitions

Supplemental petitions should, but are not required to, contain new information or evidence not previously considered or presented in the initial petition.

Supplemental petitions must be filed within 60 days of the date of notice to the petitioner of the decision from which further relief is requested or within 60 days following an administrative or judicial decision with respect to issues serving as the basis for the claim for liquidated damages (whichever is later).

The same processing standards as above apply, including case file documentation standards, petition referrals, decision issuance, and SEACATS updates.

If the FP&FO decided the initial petition, he/she may grant further relief. If the FP&FO decides further relief is not warranted, the supplemental petition must be referred to the NSPO. The referral of the supplemental petition to the NSPO will use the same basic format as the petition referral to OR&R.

If the decision authority on the initial petition was with OR&R, then the supplemental petition must be referred to that office. Follow the format and documentation requirements identified in Part 4.3.5(e).
[REDACTED]

4.3.5 Protests

Claims for liquidated damages are **not** properly the subject of a protest by the principal. Upon receipt of a protest from a bond principal the FP&FO can do one of two things: (1) return the protest as being an inappropriate administrative response to the claim and inform the would-be protestant that a petition for relief pursuant to Part 172 should be filed; or (2) inform the submitting party that the filing of a protest is inappropriate and treat the protest as a petition for relief. Sureties may file protests against liquidated damages claims made against their bonds. If a protest is received from surety with regard to a liquidated damages claim, contact OR&R Penalties Branch for guidance.

4.3.6 Offers in Compromise

The statutory authority to accept OICs is provided for in 19 U.S.C. 1617 and 19 CFR 161.5. The OIC must be in writing. It should state that it is being submitted in accordance with 19 U.S.C. 1617 and include the tender of the OIC amount. The OIC must be in the form of cash, cashier's check, or money order.

Liquidated damages cases can be resolved at any point during the petition and collection process if a principal or surety offers a payment amount that the designated authorities consider acceptable to "compromise" (settle) the claim. These claims may be compromised

or the inability to pay.

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(b)(5)

1) Authority

The FP&FO is delegated the authority to accept offers in compromise in liquidated damages cases consistent with their mitigation authority. All offer acceptances are subject to the recommendation of the ACC. Refer to Chapter 5, Part 4, "Offers in Compromise."

2) Acceptance

No offer may be accepted without the recommendation of counsel. Any decision to accept an offer must be recommended by the ACC. The FP&FO will refer the offer via a memorandum that provides an analysis of the case.

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Refer to Part 5.4.6. Acceptance of OIC.

3) Rejection

If an offer is rejected, the FP&FO will notify the offeror in writing that the OIC is rejected and will state the basis for this decision and any additional amount required for acceptance. All monies tendered with the OIC that is subsequently rejected will be refunded. Refer to Part 5.4.7, "Rejection of OIC." Refer to Chapter 5, Part 5, "Refund," for refund processing.

4.3.7 Principal Sanctions

FP&F refers delinquent principals to the Port Director for action and has no further role in this process.

4.3.8 Surety Sanctioning—Non-acceptance of Surety Bonds by Customs

1) Authority and Responsibility

Customs is empowered by 19 CFR 113.38(c) to refuse to accept bonds of sureties when the sureties are, without just cause, significantly delinquent in the number of outstanding bills or dollar amounts thereof. Customs goal in these processes is protection of the revenue without resort to the judicial process.

Customs will not issue a Notice of Non-Acceptance of Bonds without the approval of the Commissioner of Customs. The action will only be taken on a national scale.

Surety sanctions are handled by the NSPO. The following procedures are to be followed only for sureties who are delinquent in the payment of claims for liquidated damages or penalties secured by bonds. These procedures do not address:

- Surety delinquencies in the payment of estimated duties, increased duties, or any obligations other than claims for liquidated damages or penalties secured by bonds
- Port-level treatment of surety delinquencies
- Principal delinquencies

2) Establishing Delinquency

Delinquency is established when the normal surety assessment cycle as described in this chapter ends without Customs collection of the claim or agreement that the claim should not have been made. Procedures establishing the delinquency are as follows:

- a) The surety receives a courtesy notice of each claim sent to a principal.
- b) If the bond principal either does not respond timely or fails to comply with Customs mitigation decision, a formal demand on surety is made (see 19 CFR 172.4). The demand on surety should reference any mitigated (Option 1) amount offered to the bond principal. The surety may either pay the mitigated amount or petition.
- c) If the surety does not respond or does not make arrangements to pay within 60 days of the demand, Customs commences billing the surety, issuing three bills at 14-day intervals.
- d) During the billing cycle, the surety may still:
 - File a petition
 - Make arrangements to pay

- Offer an amount to compromise or settle (OIC) the demand
- Deny liability, providing justification not to pay or demonstrating the existence of a significant legal issue justifying further delay in payment

At this point, Customs will have sent to the surety at least five notices of the existence of the claim—a courtesy copy of the initial demand made on the bond principal, a formal demand on surety (with notification of any mitigation), and three bills. If the surety has taken none of the actions listed above to settle, the claim becomes eligible for sanction action.

A surety is permitted to submit late petitions for relief at any time prior to issuance of a notice to show cause. An OIC pursuant to the provisions of 19 U.S.C. 1617 may be presented at any time during the administrative process and at any time prior to issuance of a notice to show cause.

3) **FP&FO Action**

[REDACTED]

The FP&FO will review the identified cases to confirm that all necessary documents are included in the case record, the underlying violation occurred, the appropriate surety is charged, and the notices have been sent. Refer to Part 4.3.3 “Billing Phase.”

Any case in which surety has demonstrated the existence of a significant legal issue justifying further delay in payment will not be included in any sanction-eligible list. The FP&FO shall seek the advice of the Chief Counsel or designated ACC to determine if a significant legal issue justifying further delay in payment has been demonstrated by the surety.

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[REDACTED]

When a case is resolved, the FP&FO shall remove it from sanction-eligible status [REDACTED]

4) **NSPO Action**

The NSPO will determine *significant* delinquency and perform sanctioning processes. [REDACTED]

[REDACTED] A surety is significantly delinquent when it has incurred *either*:

[REDACTED]

[REDACTED]

[REDACTED]

5) **Pre-Show Cause Letter**

The NSPO will review the identified cases [REDACTED] in the same manner as the FP&FO. If satisfied that the claims are sufficient and the surety's aggregate current delinquency has reached the significant level, the NSPO will issue the surety a warning letter (also called a pre-show cause letter).

This pre-show cause letter must indicate the case numbers and the dollar amounts owed to Customs.

The pre-show cause letter (Customs sixth notification to surety) will indicate that a show cause letter will be issued if the cases are not resolved within 15 business days of the date of the letter. [REDACTED]

[REDACTED] As a courtesy, in addition to mailing, the NSPO will fax a copy of the pre-show cause letter to surety on the date that it is signed.

Notification of the pre-show cause letter shall be provided to affected FP&FOs.

6) **Show Cause Letter**

If the surety fails to respond to the pre-show cause letter or responds in a manner that Customs determines does not raise a significant legal issue justifying further delay in payment, the NSPO is charged with preparing the show cause letter for issuance to surety.

The show cause letter shall demand that the surety make full payment of the delinquent claims within 15 business days of the date of the letter, or show just cause why it should not.

[REDACTED]

A copy of the show cause letter shall be provided to affected FP&FOs.

7) **Notice of Non-Acceptance of Bonds**

If the surety fails to respond to the show cause letter by paying the listed claims, the NSPO shall prepare a Notice of Non-Acceptance of Bonds for the signature of the Commissioner of Customs. Counsel shall review the notice prior to presentation to the Commissioner for signature.

(b)(2)

The written notice signed by the Commissioner shall include the date on which Customs intends to cease accepting new bonds issued by surety, the length of time that the bonds will not be accepted, and any other information determined to be necessary or required by regulations.

The signed notice will be mailed by overnight mail, return receipt requested, at least five business days before the date that Customs will no longer accept the bonds of the surety. At the same time, the notice will also be faxed to surety.

Once the Notice of Non-Acceptance of Bonds has been mailed and faxed, payment of delinquent amounts will not cause the lifting of the sanction prior to the designated ending date. If the debt is paid during the designated period of the notice, the refusal of bonds will not continue past the designated period.

8) Notice to OR&R and Ports for Publication/Posting

Written notification of the pending non-acceptance of bonds will be provided to the Director, International Trade Compliance Division, OR&R, who will cause the notice to be published in the *Customs Bulletin* and placed on the Customs Electronic Bulletin Board.

The sanction notice shall also be posted at all port customhouses.

9) Duration of Sanction

Refusal of bonds issued by the surety beginning on the date specified in the sanction notice shall continue for [REDACTED] but may continue for a longer period if so designated.

Payment of delinquent amounts within the time period designated in the sanction notice will not cause the lifting of the sanction prior to the designated ending date. If the debt is paid prior to the expiration of the designated period, the refusal of bonds will not continue past the designated period.

4.3.9 Bankruptcy

FP&F will compare the date of the liquidated damages claim with the date of bankruptcy to determine how to process the case.

If the violation date occurred prior to the date of bankruptcy filing, FP&F should suspend all collection action against the principal, but pursue collection action against the surety. Bankruptcy of a principal does not affect the liability of the surety. Any claims for liquidated damages should be pursued against the surety.

If the violation date occurred after the date of bankruptcy filing, process the case as normal against the principal.

Refer any information received on bankruptcy to the NFC Collections Section, immediately, but no later than [REDACTED] See Chapter 5, Part 13, "Bankruptcy."

4.3.10 Case Closure

Make sure that all pending actions have been resolved.

(b)(2)

Part 4 Violations Commonly Resulting in Liquidated Damages

4.4.1 General

This part describes some of the more common liquidated damage violations and identifies issues specific to those violations. Certain claims (e.g., late filing of entry summaries) are issued for the amount prescribed by the bond, but give the violator several options for resolving the claim. In these, the CF 5955A offers three options: the first option (Option 1) is to pay a predetermined mitigated amount that the violator to settle the claim, thereby saving the violator and the government the costs of petitioning. Option 1 may be described as a "parking ticket" approach, insofar as it involves the payment of a pre-set amount to eliminate petitioning and, therefore, settle cases quickly. Note: Customs still assesses the liquidated damages claim at the amount prescribed by regulation (not to exceed the amount of the bond) even when the Option 1 procedure is available. It applies only to those cases where all facts are known to Customs at the time of initial review, and the harm to the government is readily quantifiable and understood. The second option is to file a petition showing why the claim should be cancelled upon payment of a lesser amount. The third is to pay the full amount of the demand.

4.4.2 Late Filing; Non-Filing; Entry Summaries/Estimated Duties

All late and non-filing violations must be issued against a Basic Importation (Type 01) Bond. Entry summary must be filed within 10 working days after release of merchandise unless the category of merchandise requires filing at time of entry (quota) or the importer is on live entry.

The party whose bond is noted on the CF 3461 (or CF 3461 ALT) is responsible for presentation of documents and payment of estimated duties. The filing of a superseding bond at the time of presentation of the entry summary documents will not serve to shift liability to that superseding bond for obligations that have already accrued. The bond effecting release remains liable for timely filing of documents and payment of estimated duties. The superseding bond will cover any additional duties due or any obligations arising subsequent to the posting of that bond.

The amount of the claim is generally the value of the merchandise.

Note: None of the following entry violations may be issued if no release has occurred. For Option 1 amounts, refer to the OR&R Mitigation Handbook.

1) **Late-File**

When both the entry summary documents and the money are late, the violation is a "late-file" (code [REDACTED]). Proper citations are 19 CFR 142.15 and 19 CFR 113.62(b). Claim is assessed for value of the goods.

2) **No-File**

When neither the entry summary nor money was received, the violation is a no-file (code [REDACTED]). Proper citations are 19 CFR 142.12 and 19 CFR 113.62(b). Claim is assessed for value of the goods. CF 5955A will note that principal and surety owe a specific duty/fee amount. No Option 1 is afforded or relief allowed until the entry summary is filed.

3) **Money No-File**

Cases where the entry documents were received timely but no money was paid (includes bounced duty checks or refused ACH payments) are "money no-files" (code [REDACTED]). Proper citations are 19 CFR 113.62(l)(4) and 19 CFR 113.62(a)(1). No Option 1 is afforded or relief allowed until the duties/fees are paid. Liquidated damages amounts are assessed at double the unpaid duties or \$1,000, whichever is greater.

(b)(2)

4) **Documents Received But Money Late**

In violations where the money was received late but the documents were on time, use code [REDACTED]. Proper citations are 19 CFR 113.62(l)(4) and 19 CFR 113.62(a)(1). Liquidated damages amounts are assessed at double the unpaid duties or \$1,000, whichever is greater.

5) **Documents Late, No Money Received**

In situations where the documents are late and no money has been received, use code [REDACTED]. As a matter of policy, in this situation cite 19 CFR 113.62(l)(4) and 19 CFR 113.62(a)(1). No Option 1 is afforded or relief allowed until the duties/fees are paid.

Liquidated damages amounts are assessed at double the unpaid duties or \$1,000, whichever is greater.

6) **To Convert No-File to Late-File**

In situations where money was later received in a case that was originally opened as [REDACTED] the case initiator should update SEACATS to status code [REDACTED] using the [REDACTED] code, and reprint the CF 5955A using the [REDACTED] report. This converts the [REDACTED] to [REDACTED]. Proper citations are 19 CFR 142.15 and 19 CFR 113.62(b).

7) **To Convert Money No-File to Money Late-File**

In situations where money was finally received in a case that was originally opened as [REDACTED] using the [REDACTED] code converts the [REDACTED] to [REDACTED]. Proper citations are 19 CFR 113.62(l)(4) and 19 CFR 113.62(a)(1).

8) **Multiple Late Statement Payments Through Broker Error**

The [redacted] code is used where multiple late files (usually on a statement) are attributable to broker error. A one-time Option 1 amount will be afforded.

(b)(2)

4.4.3 Temporary Importation Bond (19 CFR 10.39(d)(1))

All TIB cases must be issued against the Basic Importation (Type 01) Bond. 19 CFR 10.39(d)(1) is the citation for breach of a TIB.

TIB merchandise may enter free of duty for one year under HTSUS provisions in Chapter 98. Up to two additional one year extensions may be granted. If the bond period expires, the importer has 30 days to submit proof of export or destruction. Therefore, do not assess a liquidated damages claim until 30 days after the bond period expires, unless merchandise has been sold other than for export. Sale of merchandise for other than export is a breach, and liquidated damages can be issued immediately.

Claim amounts are two times the duty plus merchandise processing fee (MPF), or 110 percent of the duty plus MPF, depending on the HTSUS number used at time of entry. In certain limited situations in order to protect the revenue, a Port Director may seek at time of entry bond amounts in excess of two times the duty or 110 percent of the duty. If such bonding has been required, then claims for liquidated damages may be issued for those higher amounts. (See 19 CFR 10.31(f).) As a general rule no bond should be accepted for less than \$100.00. If only part of a TIB shipment is exported or destroyed timely, the claim is still for the full amount of the TIB, not just for that portion of the merchandise that was not properly exported or destroyed. Relief from the claim with regard to the part in compliance will be taken into account during the petitioning process.

1) **Anticipatory Breach**

An importer may inform Customs in writing prior to the expiration of the bond period that it intends to keep the merchandise here in violation of the bond conditions. This situation is known as an anticipatory breach.

In these situations, the importer may pay either double the duties or 110 percent of the duties on the entry (or such higher amount, whichever applies) and avoid assessment of liquidated damages. However, a liquidated damages case must still be opened to administratively process the collection of this payment. Such cases are immediately closed upon completion of the collection process (reference TD 95-22). The written notification from the importer must be part of the case file to be forwarded to FP&F.

2) **Untimely TIB Extension Requests**

If a petition on a liquidated damages case is received requesting an extension of the TIB period, it is an untimely request and should be denied. The advice of the Director, Commercial Rulings Division, ORR, (Duty Refund and Determination

Branch) shall be sought. Requests for extension of the TIB period must be made prior to the expiration of the original period and are handled by the Entry Branch. See 19 CFR 10.37.

4.4.4 CARNET (19 CFR 10.39(d)(2))

Refer to [REDACTED]

(b)(2)

19 CFR 10.39(d)(2) is the citation for breach of a carnet. The carnet is the entry document and bond combined. Customs claim is issued against the U.S. Council for International Business (U.S.C.IB), the "guarantor." Do not issue against the individual to whom the carnet was issued (the "holder"). Claim is for 110 percent of the duties only.

4.4.5 Failure to Redeliver Merchandise into Customs Custody (19 CFR 141.113, 19 CFR 113.62(d))

This violation may only be assessed against the Basic Importation (Type 01) Bond. The importer of record will redeliver merchandise to Customs custody if a timely demand for redelivery is made.

Customs may demand redelivery after release of merchandise if the merchandise fails to comply with laws or regulations governing the admission of that merchandise (which would include admissibility determinations by other government agencies, quota or visa issues, intellectual property right issues, etc.). Customs may also seek redelivery for purposes of country of origin marking or for purposes of examination or inspection (which would include the failure to provide a sample).

Redelivery must be demanded from the importer of record. A courtesy copy may be issued to the broker (if applicable) but is not required. Copies of the redelivery notice must be submitted with the case file. Copies of other agency notices must be submitted with the case file. Evidence/information of the conditional release period must be submitted with the case file, if applicable. If another agency is involved, Customs must have issued a redelivery notice (unless a combined Customs/other agency notice has been approved) before liquidated damages can be assessed.

1) Notice of Marking or Redelivery

A CF 4647, Notice to Mark and/or Notice to Redeliver, or other equivalent written notice must be issued to the bond principal to effect a redelivery or require marking. The principal must be afforded the opportunity to mark or redeliver before liquidated damages are assessed.

The CF 4647 must be issued within 30 days after release or 30 days after the end of the conditional release period, whichever is later. The CF 4647 must be issued prior to liquidation of the entry.

The period to redeliver generally is 30 days, but may be reduced or extended. The period to redeliver is not governed by statute or regulation.

2) FDA and CPSC Notice of Refusal

FDA and CPSC issue Notices of Refusal of Admission. In these situations, liquidated damages are based on noncompliance with the Customs demand for redelivery, *not* the other agency notice of refusal. For FDA or CPSC redelivery cases, Customs must issue the CF 4647 within 30 days of the Notice of Refusal, and the request for redelivery may be issued simultaneously on a combination other agency/Customs notice.

3) Conditional Release Period

A conditional release period is a period during which admissibility of merchandise is determined. It may be established by statute or regulation or by specific notification to the importer. (See CSD 86-21.) For example, 19 CFR 141.113(b) establishes a conditional release period of 180 days for certain textile shipments. Customs also can establish a conditional release period by asking for a sample within 30 days of release of merchandise. The conditional release period will end when a sample is provided. (See CSD 90-99.)

Action by another agency may also establish a conditional release period—for example, a sampling notice from FDA advising the importer that the merchandise must be held intact until further notification from FDA.

The conditional release period may be extended through issuance of written notice to the bond principal within 30 days after release.

4) No Redelivery or Untimely Redelivery

If the merchandise is not redelivered, or if the redelivery is untimely, the liquidated damages claim is set at the entered value of the merchandise. If the merchandise is prohibited, restricted, or alcoholic beverages, the demand amount is three times the entered value. In very limited instances involving FDA refused merchandise, claims may be issued for the domestic value of the merchandise. See TD 01-26 and OR&R Mitigation handbook.

If partial redelivery occurs, the claim for liquidated damages shall be issued in an amount equal to the entered value (or three times the entered value) of merchandise not redelivered. The CF 5955A must cite 19 CFR 141.113 and/or 19 CFR 113.62(d) and may require citation of further underlying statutes or regulations.

5) Petition Referral

Petitions involving FDA and CPSC requirements must be referred to those agencies for review and recommendation. Customs must follow the recommendations of those agencies (unless the only requirement was exportation under Customs supervision).

Petitions involving violations of any agency requirements other than FDA and CPSC should be referred to the other agency for review and recommendation, but the recommendation of the other agency is advisory only.

4.4.6 In-Bond Violations—Shortages, Irregular Delivery, Nondelivery, Delivery Direct to Consignee (19 CFR 18.8)

Liquidated damages for in-bond violations can only be issued against a Type 02 Basic Custodial Bond. In-bond merchandise must arrive at the port of destination (in the case of Immediate Transportation entries) or the port of exportation (in the case of Transportation and Exportation entries) within a specific time frame: air—15 days; land—30 days; sea—60 days. Failure to deliver in the time frame prescribed is an irregular delivery. Upon arrival at the port of destination or exportation, the in-bond manifest must be delivered to Customs within two working days. Failure to relinquish these documents is also an irregular delivery.

If merchandise or document delivery fails to meet the above time frames or does not arrive at destination, arrives short, or is delivered directly to the consignee, a liquidated damages claim should be assessed.

For transportation and exportation entries, the initial bonded carrier is responsible for delivery to the port of exportation and for exportation of the merchandise from the port of exportation. Failure to export the merchandise will be considered a failure to deliver for liquidated damages assessment purposes.

Liquidated damages are assessed at the entered value of the merchandise irregularly delivered, delivered short, or delivered directly to the consignee (unless the merchandise is prohibited, restricted, or alcoholic beverages, in which case the claim will be for three times the entered value). If the value on the CF 7512, "Transportation Entry and Manifest of Good Subject to Customs Inspection and Permit" is estimated, for liquidated damages purposes, the value is calculated at \$10/pound or \$20/kilo.

4.4.7 Late Filing of Shipper's Export Declaration (15 CFR 30.24) and Late Filing of Export Documents (19 CFR 113.64(c))

This violation can be assessed only against a party that has a Type 03 International Carrier Bond. The violator is the carrier whose bond is posted for clearance or the carrier identified on the bill of lading.

Demand amount is \$50/day for the first three days late, \$100/day for each subsequent day late, up to a maximum assessment of \$1,000.

4.4.8 Bonded Warehouse and Duty-Free Stores (19 CFR Part 19 and 19 CFR 113.63) and Foreign Trade Zone Bond Violations (19 CFR Part 146 and 19 CFR 113.73)

Claims for liquidated damages assessed against a bonded warehouse proprietor or duty-free store operator may be assessed only against a Type 02 Basic Custodial Bond. Claims for liquidated damages assessed against a Foreign Trade Zone Operator may be assessed only against a Type 04 Foreign Trade Zone Operator Bond.

Violations against either of these principals is treated as a violation "involving merchandise" or a violation "not involving" merchandise.

A violation involving merchandise includes any violation having to do with the deposit or withdrawal of merchandise from a bonded warehouse or duty-free store or zone without Customs authorization, or the manipulation of the merchandise therein without Customs authorization.

All other violations are considered to be violations not involving merchandise.

For a violation involving merchandise, the amount of the claim is equal to the entered value of the merchandise (three times the entered value for prohibited or restricted merchandise or alcoholic beverages).

For a violation not involving merchandise, the amount of the claim is equal to \$1,000 per default. Each day that a violation not involving merchandise continues is considered to be a separate default.

(b)(2)

Bonded warehouse proprietors are not responsible for payment of duties on merchandise withdrawn from the warehouse without authorization. The importer of record on the warehouse entry remains responsible for duties, taxes, and fees on the merchandise.

In contrast, Foreign Trade Zone Operators are responsible for payment of duties on merchandise removed from the zone without authorization.

4.4.9 Airport Security Violations (19 CFR 122.81 et seq.)

This violation can be assessed against a principal who has a Type 01 Basic Importation Bond, a Type 02 Basic Custodial Bond, or a Type 03 International Carrier Bond. In lieu of these three types of bonds, the principal could have executed an Airport Customs Security Area Bond, as provided in Customs Regulations Part 113 Appendix A.

The assessment is \$1,000 per violation. The violator is the bondholder company authorized to do business in the airport.

4.4.10 Failure to Hold Merchandise for Examination (19 CFR 113.62(f))

Claims for liquidated damages for this violation must be assessed against a Type 01 Basic Importation Bond. The importer of record (or his broker on his behalf) must voluntarily obligate his bond for the holding of merchandise at the place of examination or for transportation of merchandise to the place of examination. The place of examination could be a Centralized Examination Station (CES). If the merchandise is to be delivered to a CES and the operator receipts for the merchandise, the claim for failure to hold the merchandise would not be assessed under this provision, but would be assessed against the CES operator (see Section 4.4.11, "Failure to Deliver or Hold Merchandise at Centralized Examination Station").

The assessment is based on the entered value of the merchandise not delivered or held (three times the entered value if the merchandise is restricted, prohibited, or alcoholic beverages).

4.4.11 Failure to Deliver to or Hold Merchandise at Centralized Examination Station (19 CFR 151.15 and 19 CFR 113.63)

Claims for liquidated damages for failure to deliver merchandise to the CES may be assessed against a Type 02 Basic Custodial Bond, if against CES operator, in-bond carrier, or cartman, or a Type 03 International Carrier Bond, if against the arriving international carrier. Claims for liquidated damages for failure to hold merchandise at the CES or delivery from the CES without Customs authorization should be assessed against the CES operator, who must have a Type 02 bond.

The assessment is based on the entered value of the merchandise not delivered, not held, or delivered without authorization (three times the entered value if the merchandise is restricted, prohibited, or alcoholic beverages).

4.4.12 Failure to Hold Merchandise or Delivery from Container Freight Station Without Customs Authorization (19 CFR 19.40 et seq. and 19 CFR 113.63)

Claims for liquidated damages for failure to hold merchandise at or delivery from the Container Freight Station (CFS) without Customs authorization should be assessed against the CFS operator, who must have a Type 02 Basic Custodial Bond.

The assessment is based on the entered value of the merchandise (or three times the entered value of the merchandise if prohibited, restricted, or alcoholic beverages).

4.4.13 Softwood Lumber Imports (19 CFR 12.140 and 19 CFR 113.62(k))

TD 97-9, amended 19 CFR 113.62 and added the conditions of the basic importation bond to cover the production of and liability for liquidated damages for failure to produce export permit information pertaining to Canadian softwood lumber products.

The importer of record is obligated to obtain and provide to Customs information regarding the issuance of a Canadian export permit for all lumber classifiable as softwood lumber within 20 working days of release of the merchandise. Failure to present the required permit results in liquidated damages equal to \$100 per thousand board feet of the imported lumber.

Claims are assessed on a modified CF 5955A, and the principal must have a Type 01 Basic Importation Bond.

4.4.14 General Order: Failure to Notify Customs (19 CFR 113.63(c)(4) and 19 CFR 4.37(b) or 19 CFR 122.50(b) or 19 CFR 123.10(b))

This violation may be assessed only against a party with a Type 02 Basic Custodial Bond.

Any merchandise or baggage that is taken into custody from an arriving carrier by any party, under a Customs authorized permit to transfer or in-bond entry, may remain in the custody of that party for 15 calendar days after receipt under such permit to

transfer, or 15 calendar days after arrival at the port of destination. The party holding the merchandise then has five additional days to notify Customs of the presence of that unentered merchandise (20 days total).

If the party (in-bond carrier, CFS operator, cartman, etc.) fails to notify Customs of the unentered merchandise or baggage in the allotted time, that party may be liable for the payment of liquidated damages equal to \$1,000 per bill of lading. The secondary citation will be 19 CFR 4.37(b) if the original arrival was by vessel; 122.50(b) if the original arrival was by air; or 123.10(b) if the original arrival was by land.

If an arriving carrier fails to provide this notification, the carrier will be penalized under 19 U.S.C. 1448. See section 3.5.3 of this handbook regarding the assessment of this penalty.

**4.4.15 General Order: Failure to Notify Bonded Warehouse
(19 CFR 113.63(b), 19 CFR 113.63(c) or
19 CFR 113.64(b) and 19 CFR 4.37(c) or
19 CFR 122.50(c) or 19 CFR 123.10(c))**

This violation may be assessed against a party with a Type 02 Basic Custodial Bond or Type 03 International Carrier Bond.

If the arriving carrier fails to notify a bonded warehouse of the presence of unentered merchandise within 20 calendar days after landing of that merchandise, the carrier is liable for liquidated damages equal to \$1,000 per bill of lading not reported. A violation of this provision assessed against the arriving carrier must be assessed against a Type 03 bond. The secondary citation will be 19 CFR 4.37(c) if the original arrival was by vessel, 122.50(c) if the original arrival was by air, or 123.10(c) if the original arrival was by land.

If any party who takes custody of merchandise or baggage from an arriving carrier under a Customs authorized permit to transfer or inbond entry (in-bond carrier, CFS operator, cartman, etc.) fails to notify a General Order bonded warehouse (if one is available) of the presence of that unentered merchandise or baggage within 20 calendar days of receipt or arrival, that party is liable for the payment of liquidated damages equal to \$1,000 per bill of lading not reported to the General Order bonded warehouse. A violation of this provision assessed against a subsequent receipting party must be assessed against a Type 02 bond. The secondary citation will be 19 CFR 4.37(c) if the original arrival was by vessel; 122.50(c) if the original arrival was by air; or 123.10(c) if the original arrival was by land.

**4.4.16 Failure of General Order Warehouse to Take Possession
of Unentered Merchandise (19 CFR 113.63 and
19 CFR 4.37(d), 19 CFR 122.50(d) or 19 CFR 123.10(d))**

If the general order warehouse operator receives notification of the presence of unentered merchandise, the operator must take possession of the unentered and unreleased merchandise within five calendar days of receipt of notification of the presence of such merchandise, or the operator is liable for liquidated damages of \$1,000 per bill of lading.

A violation of this provision assessed against a General Order warehouse operator must be assessed against a Type 02 bond. The secondary citation will be 19 CFR 4.37(d) if the original arrival was by vessel; 122.50(d) if the original arrival was by air; or 123.10(d) if the original arrival was by land.

4.4.17 Unlawful Disposition of Seized or Detained Export Merchandise (19 CFR 113.64(f)(1))

This violation may be assessed only against a holder of a Type 03 International Carrier Bond. The exporting carrier agrees that it will not allow seized or detained merchandise marked with warning labels of the fact of seizure or detention to be placed on board a conveyance for exportation or be otherwise disposed of without written permission from Customs. Demand for redelivery must be made within 10 days of Customs discovery of the violation. Merchandise must be redelivered within 30 days of receipt of demand.

Liquidated damages are assessed in an amount equal to three times the entered value of the merchandise not redelivered.

4.4.18 Unlawful Disposition of Export Merchandise Believed to Have Been Exported in Violation of Law (19 CFR 113.64(f)(2))

This violation may be assessed only against a holder of a Type 03 International Carrier Bond. The exporting carrier agrees that it will act, with regard to merchandise in its possession at the time the redelivery notice is issued, in accordance with any Customs demand for redelivery made within ten days of Customs discovery that there is reasonable cause to believe that the merchandise was exported in violation of the export control laws.

Liquidated damages are assessed in an amount equal to three times the entered value of the merchandise not redelivered.

4.4.19 Instruments of International Traffic (IIT) (19 CFR 113.66)

This violation may be assessed only against the holder of a Type 03a Instrument of International Traffic Bond.

The bond principal agrees to make entry and pay any duty due on any instrument of international traffic that is diverted from international traffic to domestic use. He also agrees not to advance the instrument in value or improve its condition abroad or claim drawback thereon. He also agrees to mark the container as required by Customs and keep records to show the current status and disposition if taken out of IIT service.

A violation involving merchandise involves the failure to make entry and pay duty on a diverted IIT. Violations involving merchandise are assessed at the entered value of the merchandise. Violations not involving merchandise are assessed at \$1,000 for each default.

4.4.20 Commercial Gauger and Commercial Laboratory Bond Violations (19 CFR 113.67)

This violation may be assessed only against a holder of a Type 05 Commercial Gauger or Laboratory Bond. The gauger or laboratory agrees to comply with the Customs regulations relating to the gauging or laboratory analysis of merchandise.

Violations involving merchandise are assessed at the entered value of the merchandise (or three times the entered value of merchandise in the case of restricted or prohibited merchandise or alcoholic beverages). Violations not involving merchandise are assessed at \$1,000 for each default.

4.4.21 Trade Fairs (19 CFR 113.62 and 19 CFR Part 147)

Claims for liquidated damages assessed under these provisions may be assessed only against a holder of a Type 01 Basic Importation Bond.

The claim may be assessed in an amount equal to the entered value of the merchandise (or three times the entered value of the merchandise if the merchandise is restricted, prohibited, or alcoholic beverages) if the bond principal fails to comply with regulations governing the importation, display, and disposition of merchandise at trade fairs.

4.4.22 Permanent Exhibition of Merchandise (19 CFR 113.62(h) and 19 CFR 10.49)

Certain articles may be entered for exhibition for a period of five years. Claims under this provision may be assessed only against a holder of a Type 01 Basic Importation Bond.

If the merchandise is exported or destroyed under Customs supervision within the five year period, no claim under the bond shall be made.

If the merchandise is sold, offered for sale or transferred, or otherwise used in any manner contrary to the regulations governing permanent exhibition within the five year period, a claim for duties shall be made immediately.

The violator shall also be liable for liquidated damages for violation of the provisions of 19 CFR 113.62(h). The claim may be assessed in an amount equal to the entered value of the merchandise (or three times the entered value of the merchandise if the merchandise is restricted, prohibited, or alcoholic beverages).

4.4.23 Late Filing; Nonfiling; Reconciliation Entries

1) Reconciliation No File

Entry summaries flagged but no Reconciliation filed. Customs will issue a single consolidated liquidated damages claim for all entries fitting this description for a given importer, per month, per surety. The assessed liquidated damages amount for this violation is the total entered value of the underlying entry(ies).

2) Reconciliation Money No File

Reconciliation filed timely but without payment of additional duties, taxes, fees, and interest due. The assessed liquidated damages amount for this violation is \$1,000 or double the duties, taxes, fees, and interest due on the Reconciliation, whichever is greater.

3) Reconciliation Late File

Reconciliation filed and paid after the 15-month deadline. The assessed liquidated damages amount for this violation is \$1,000 or double the duties, taxes, fees, and interest due on the Reconciliation, whichever is greater.

4) Reconciliation Money Late File

Reconciliation filed timely but payment of additional duties, taxes, fees, and interest due submitted late. The assessed liquidated damages amount for this violation is \$1,000 or double the duties, taxes, fees, and interest due on the Reconciliation, whichever is greater.

5) Reconciliation Late File With Money No File

Reconciliation filed late, without payment of duties, taxes, fees, and interest due. The assessed liquidated damages amount for this violation is \$1,000 or double the duties, taxes, fees, and interest due on the Reconciliation, whichever is greater.

4.4.24 Late Filing; Nonfiling; NAFTA Duty Deferral Entries

Reserved.

Revenue Processes

Part 1 General

This chapter provides procedures for collections; promissory notes; offers in compromise; refunds related to seizures, penalties and liquidated damages; billing; write-off and IRS offset; safeguarding taxpayer information; deposit for early release of seized property and substitution in res; liens; cost bonds; bankruptcy; payments through DOJ; tort claims; debit vouchers; and [REDACTED]

Part 2 Collections

References: [REDACTED]

TD

00-62, dated 11/4/00, Endorsement of Checks Deposited by Customs.

5.2.1 General

5.2.2 Acceptable Forms of Payment

Acceptable forms of payment are as follows:

- U.S. currency and coins
- Bank drafts, cashier's checks, certified checks, personal checks drawn on U.S. financial institutions made payable to U.S. Customs
- Debit and credit cards (limited to on-site collections via PC cash register in seizure cases)
- Domestic travelers checks, money orders, and U.S. government checks endorsed by the payee to the Customs Service

5.2.3 Unacceptable Forms of Payment

Customs will not accept the forms of payment listed below:

- Foreign currency and coins

(b)(2)

- Checks drawn on foreign banks in U.S. or foreign funds, and foreign travelers checks
- Mutilated paper currency and damaged coins
- Checks bearing a date that is six months older than the current date, unless otherwise annotated
- Checks payable to a Customs employee
 - Third-party monetary instruments payable to a named person

5.2.4 Collection Methods

Accepted payment must be documented by one of the following:

- CF 368, Cash Receipt
- CF 5955A or decision letter annotated to show amount collected, date of collection, name of party making the payment [REDACTED]
- [REDACTED]
- Credit/debit card collections posted by NFC per receipt of documentation from the port office (credit card receipt)

(b)(2)

5.2.5 Collection Codes and Types

The collection information recorded on the cash receipt (CF 368) or [REDACTED] document and entered in ACS, or the electronic cash register receipt, must correspond to the [REDACTED]. Discrepancies will cause the collection to be posted to the [REDACTED] functions [REDACTED] and [REDACTED] are used by the field cashier to correct collections applied to the wrong case number.

Collection information processed through ACS must have the correct reference number, class code, and dollar amount. (See Table 5.1.)

Table 5.1 Class Codes, Use, Identifier Structures

Code to Use	Type of Collection	Identifying Number
-------------	--------------------	--------------------

Suspense

[REDACTED]	Miscellaneous Collections	[REDACTED] 6-digit FPF case #
[REDACTED]	Offer in Compromise	[REDACTED] 3-digit cash receipt
[REDACTED]	Secondary Offer in Compromise	[REDACTED] 16-digit FPF case #
[REDACTED]	Cash Substitution	[REDACTED] 16-digit FPF case #
[REDACTED]	Early Release	[REDACTED] 16-digit FPF case #
[REDACTED]	Seized Currency/Monetary Instruments	16-digit FPF case #
[REDACTED]	Cost Bond	16-digit FPF case #

Permanent:

[REDACTED]	Duties Collected via 19 U.S.C. 1592(d), 19 U.S.C. 1593(d)	Liquidated Entry Number
[REDACTED]	19 U.S.C. 1592 Penalty 19 U.S.C. 1593A Penalty	16-digit FPF case #
[REDACTED]	Liquidated Damages	16-digit FPF case #
[REDACTED]	Other Penalties	16-digit FPF case #
[REDACTED]	Reimbursement of Seizure Costs, Allocation of Forfeited Cost Bond	16-digit FPF case # [REDACTED]
[REDACTED]	Forfeited/Mitigated Currency	16-digit FPF case #
[REDACTED]	Mitigation for Other Seizures	16-digit FPF case #

(b)(2)

5.2.6 On-site Mitigation of Seizures

Payments made to settle seizures mitigated on-site are collected using the following codes:

- Class Code [REDACTED]—seizures with penalties—[REDACTED]
- Class Code [REDACTED]—seizures remitting property—[REDACTED]
- Class Code [REDACTED]—remitting currency/monetary instruments—[REDACTED]

5.2.7 Credit Card Transactions

Credit card transactions can be processed on site via [REDACTED]
 [REDACTED] Collections processed via [REDACTED]
 [REDACTED] For these collections, [REDACTED]
 [REDACTED]
 [REDACTED]

Part 3 Promissory Notes

Refer to [REDACTED]

5.3.1 General

Customs requires full payment of bills by their due date. If the debtor is unable to pay or refuses to make payment in response to a claim for liquidated damages or penalty secured by an international carrier bond, Customs will make demand on the surety.

For all other FP&F-related debts, if Customs determines that the debtor is financially unable to pay the remaining indebtedness in one lump sum, payment may be accepted in installments through execution of a promissory note. A promissory note is a promise to pay the indebtedness at a future date.

[REDACTED]

5.3.2 Promissory Note Authority

Promissory notes for amounts of more than \$2,000 will be authorized and maintained by the Chief, Revenue Branch, NFC. [REDACTED]

[REDACTED]

(b)(2)

[REDACTED] Payments on these notes will be made directly to the Revenue Branch.

The FP&FO reviews and accepts promissory notes related to FP&F cases that have principal amounts of \$2,000 or less. [REDACTED]

[REDACTED]

[REDACTED] Payments on these notes will be sent to the respective FP&F office.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

When payments are in default, the FP&FO will take timely action in accordance

with the terms of the agreement and will follow the appropriate procedures described in Part 6 "Billing" [REDACTED]

5.3.3 Procedures for Tracking Promissory Notes

Currently, there is no module in SEACATS for tracking promissory notes. [REDACTED]

Part 4 Offers in Compromise (OIC)

References: 19 U.S.C. 1617, 19 CFR 161.5, 19 CFR 172.32, 31 CFR Part 5 Subpart A; TD 00-57, TD 00-58

5.4.1 General

(b)(2)
An OIC is made by the violator to settle a claim at less than the amount demanded by the government. An OIC may be made at any point prior to initiation of a case or during any stage of case processing (except when a show cause letter has been issued). An OIC is not valid unless monies are tendered.

5.4.2 Offer in Compromise Authority

Customs Headquarters will retain all OIC acceptance authority, subject to the recommendation of the General Counsel of the Treasury or delegee, in cases administered under 19 CFR 171 (certain penalties and seizures).

In cases administered under 19 CFR 172 (liquidated damages and secured penalties) authority to accept an OIC, subject to the recommendation of the General Counsel of the Treasury or delegee, rests with the official having authority to decide a petition for relief with regard to claims for liquidated damages and penalties secured by a bond. However, if such claims are subject of a letter to show cause issued to a surety, authority to accept an OIC resides with the designated Headquarters office that issued the show cause letter. (Reminder: Payments received in these cases prior to completion of the billing cycle are treated as late petitions and not as an OIC.)

The ACC, Indianapolis, reviews an OIC submitted for all liquidated damages and penalty cases except for penalties involving 19 U.S.C. 1592, 1593a, 1641. Local ACC reviews OICs concerning all seizure cases, penalty cases involving 19 U.S.C. 1592, 1593a, and 1641, and any OIC submitted on penalty cases after the case has been referred to field counsel for collection. OICs in all seizure and penalty cases over \$200,000, as well as any OIC made on penalties assessed under 19 U.S.C. 1592, 19 U.S.C. 1641, or 19 U.S.C. 1593a, must be referred to the OR&R Penalties Branch. [REDACTED]

5.4.3 SEACATS Processing

Entry cashiers and FP&F must coordinate before deposit of an OIC because the CF 368 number is a required data element for processing the offer in the [REDACTED]

(b)(2)

Depositing an OIC through the SEACATS OIC Module results in the monies being posted to the [REDACTED] under class code [REDACTED]. The [REDACTED] cash receipt number, together with the prefix [REDACTED] becomes the OIC number. (Example: Cash receipt [REDACTED] becomes [REDACTED])

The [REDACTED] is used to process the OIC decision. Acceptance of the OIC will result in the subsequent [REDACTED] adjustment by moving the deposited funds to the FP&F case. Rejection results in a subsequent refund of the deposited funds. Refer to [REDACTED] for specific processing requirements and OIC queries.

5.4.4 Determining OIC Sufficiency

In liquidated damages cases, the offer will generally not be considered sufficient unless it is at least \$200 greater than the mitigated or Option 1 amount. If no mitigated or Option 1 amount was offered, the mitigation guidelines should be relied upon to determine the sufficiency of an OIC, taking into consideration factors such as history of prior violations, etc.

(b)(2),
(b)(5)

[REDACTED]

5.4.5 Referral of OIC

OIC referrals will be in memorandum form with pertinent copies of the case file attached. [REDACTED]

(b)(2),
(b)(5)

[REDACTED]

5.4.6 Acceptance of OIC

If an OIC is accepted, the FP&FO will notify the offeror in writing. [REDACTED] will be updated and the case will be reviewed for closure.

(b)(2)

5.4.7 Rejection of OIC

If an OIC is rejected, the FP&FO will notify the offeror in writing, state the basis for the decision, and any additional amount required for acceptance. [REDACTED] will be updated. All monies tendered with an offer that is subsequently rejected must be refunded.

Part 5 Refunds

5.5.1 General

The [redacted] module is used for full or partial refunds of liquidated damages (class code [redacted] and penalties (class codes [redacted] and [redacted]. Also, the [redacted] function (miscellaneous refunds) is used for cost bonds (class code [redacted] duplicate payments, full refunds, OIC refunds, previously deleted refunds, or currency refunds not completed after the [redacted] adjustment was accomplished. The [redacted] petition/settlement module is used to refund or adjust seized currency cases (class code [redacted]. Only one refund per collection code per case per week is permitted.

To process refunds from the Forfeiture Fund (collections processed using class codes [redacted] refer to TEOAF Directive #4, 10/1/93 (revised 6/17/96), Seized Cash Management Policies. [redacted]

To process refunds of credit/debit card payments, [redacted] the refund will be made as a credit to the payee's credit/debit card instead of by check.

(b)(2)

5.5.2 SEACATS Processing

[redacted]

Refund checks are scheduled for issuance two Fridays after the week in which the refund was approved.

[redacted]

Part 6 Billing

5.6.1 Liquidated Damages and Penalties Secured by a Bond

[redacted]

[REDACTED]

5.6.2 Penalties Not Secured by a Bond

[REDACTED]

5.6.3 Other Penalties

[REDACTED]

(b)(2)

Part 7 Write-Off

References: 31 CFR 5.23, 31 U.S.C. 3720A; [REDACTED]

5.7.1 Write-Off Authority

Write-off authority is determined by the original assessed amount, not the mitigated amount. If the original assessed amount was \$300 or less, the FP&FO has the authority to write-off unpaid claims.

[REDACTED]

If the original assessed amount is more than \$300, FP&F will refer the case to the ACC, Indianapolis, for write-off and inclusion in the Treasury offset as applicable.

5.7.2 Treasury Offset Program

[REDACTED]

(b)(2)

5.7.3 Referral for Offset or Write-Off

[REDACTED]

If Customs receives an OIC from an individual whose case has been referred to the Treasury Offset Program, the ACC, Indianapolis, will make a recommendation whether the offer should be accepted.

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)
(b)(5)


[REDACTED]

(b)(2)

[REDACTED]

Part 8 Safeguarding Taxpayer Information

The NFC is responsible for preparing the Safeguard Activity Report (SAR) that is sent to the IRS annually. The report identifies any changes by Customs to procedures and practices regarding the safeguarding and processing of Federal Tax Information (FTI). Customs must also report on any documents or media containing FTI that was destroyed during the calendar year.



Part 9 Deposit for Early Release of Seized Property and Substitution in Res

(b)(2)

There are specific circumstances in which seized property is released upon deposit of the proposed remission amount (deposit for early release) or deposit of the full value (substitution in res). The collection is deposited in class code [redacted] and [redacted] for Early Release of [redacted] and [redacted] for Cash Substitution, where it remains until there is a final decision in the case.

Seizures involving a deposit for early release require that the amount on deposit is applied to the decision/remission amount and any excess is refunded.

Seizures involving a substitution in res are processed as normal with the amount on deposit being substituted for the seized asset. If the FP&FO decides relief from forfeiture is warranted, the remission amount is applied to the substitute res (transferred to class code [redacted]-Forfeiture Fund) and any difference is refunded. If the FP&FO decides no relief is warranted, the substitute res is forfeited and subsequently moved to class code [redacted] (Forfeiture Fund).

Part 10 Liens

TEOAF Directive #14, 10/1/95, Expeditious Payment of Liens, Mortgages and Taxes by the Department of the Treasury and TEOAF Directive #33, 6/7/99, Seizure of Motor Vehicles, Payment of Liens and Official Use Requirements

5.10.1 General

A lien is a legal right or interest in another's property that lasts until some debt or duty that it secures is satisfied. Types of liens include the following:

- Bank lien on a conveyance
- Mortgage on real property

- Mechanics lien (a statutory lien that secures payment for labor or materials supplied in improving, repairing, or maintaining real or personal property, such as a building or automobile).
- Contribution in general average (the cargo owner's proportion of the liability for expenditures to preserve part or all of the cargo—arises only from actions impelled by necessity)
- Freight and charges (claims for the transportation of the merchandise from a foreign country to the final U.S. destination)

5.10.2 SEACATS Input

[REDACTED]

5.10.3 SEACATS Closure

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

Part 11 Cost Bonds

Reference: [REDACTED]

5.11.1 Deposit

Cost bonds are deposited under class code [REDACTED] and remain on the [REDACTED] until FP&F receives direction from the AUSA.

5.11.2 Disposition

[REDACTED]

[REDACTED] Complete or partial refund of a cost bond is made through the [REDACTED]

Part 12 IPR Bonds

5.12.1 Deposit

A bond is posted by an intellectual property rights (IPR) owner in order to obtain sample of seized or detained merchandise that infringes on a registered copyright, trademark or trade name. Monies should be deposited in CLASS CODE [REDACTED]. The reference number will be the letter [REDACTED] followed by the detention number, seizure number, or other identifying number.

5.12.2 Disposition

The funds will be 1) refunded to the IPR owner when the sample is returned to Customs upon demand; or 2) transferred to class code [REDACTED] (Salaries & Expenses) and user charge code [REDACTED] if the sample is lost, damaged, or destroyed by the IPR. Any adjustments needed to funds placed in class code [REDACTED] must be referred to the NFC, Collection Section.

Part 13 Bankruptcy

5.13.1 Reporting Bankruptcy Filings to NFC

(b)(2)
Any information regarding a bankruptcy should be referred to NFC, Collections Section, within [REDACTED] of its receipt so that the NFC, Collections Section, can prepare the "proof of claim" for the court. [REDACTED]

5.13.2 FP&F Case Processing

When processing pending cases that involve a bankruptcy, the FP&FO will compare the date of the violation with the date of bankruptcy. [REDACTED]

[REDACTED]

Part 14 Payments Through DOJ

When an FP&F case is resolved by DOJ settlement or court order and DOJ makes payment on the FP&F case, they transfer the monies directly to NFC. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

Part 15 Tort Claims

FP&F may become involved with a tort claim relating to seized property that is damaged or lost while in Customs custody.

[REDACTED]

Part 16 Debit Vouchers

5.16.1 General

A debit voucher arises from Customs acceptance and deposit of a defective monetary instrument, such as a check backed by insufficient funds or drawn on a closed account, counterfeit cash, or instrument not secured by real funds. [REDACTED]

[REDACTED]

The two situations in which FP&F may encounter debit vouchers are discussed below.

5.16.2 Checks Submitted in Payment of Liquidated Damages, Penalties, and Mitigated Forfeitures

[REDACTED]

[REDACTED]

If the case involves a surety (liquidated damages or penalty secured by an international carrier bond), NFC issues a demand on the surety.

[REDACTED]

5.16.3 Seized CMI Deposited by FP&F

The NFC Forfeiture Fund Section handles monetary instruments that are returned to Customs without having been paid by the issuer (bank). Debit vouchers will be created to cover the resulting seizure difference (shortage) in the deposit.

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5.16.4 Counterfeit Currency

Counterfeit currency is normally discovered after deposit when NFC receives a debit or credit voucher from the bank.

[REDACTED]

(b)(2)

Part 17

[REDACTED]

[REDACTED]

(b)(2)

Year-end Procedures

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

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[REDACTED]

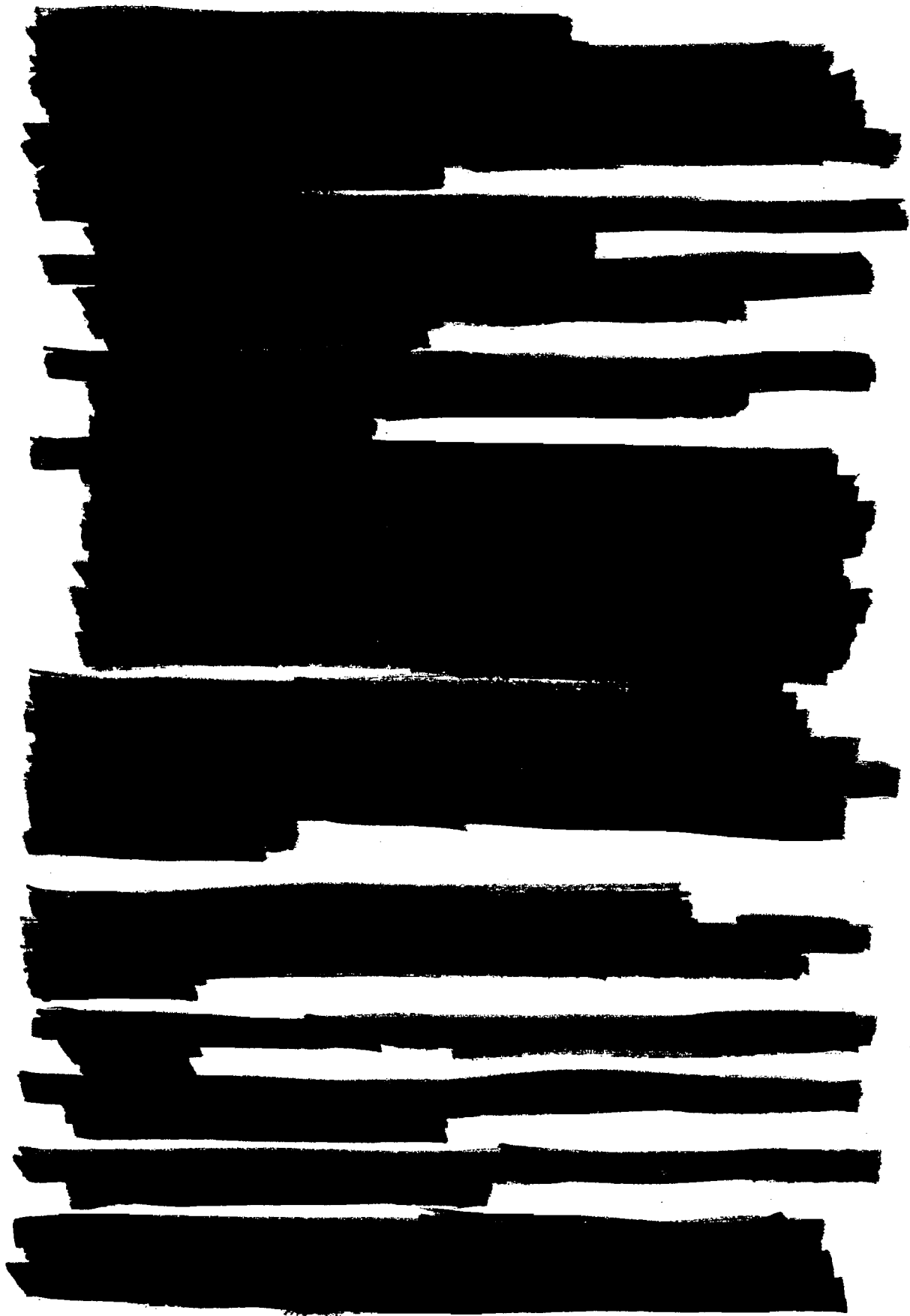
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[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

FP&F/SP Office Management Procedures

[REDACTED]

[REDACTED]

Part 2 Communication

8.2.1 Public

(b)(2)

Information regarding specific cases must be limited to parties with a legal interest in the case. Verify that the person to whom you are communicating is indeed such a party. Disclosure to an unauthorized party is in violation of the Freedom of Information (FOIA)/Privacy Acts. Disclosure of some information is governed by the FOIA/Privacy Act.

[REDACTED]

8.2.2 Media

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

Part 4 FOIA Requests and Subpoenas

Reference—The Freedom of Information Act, 5 U.S.C. 552; The Freedom of Information & Privacy Acts/A Guide to Processing Request for Information; CD 2120-009, 8/31/98, Procedures for Processing Freedom of Information Act/Privacy Act Requests.

FOIA provides access to federal agency records. Agencies are required to provide the fullest possible disclosure of information unless a valid FOIA exemption applies.

FP&F is responsible for responding to FOIA requests related to FP&F cases only. The processing of responses under FOIA must be done on a first-in, first-out basis. If a subpoena is issued to FP&F for records and/or testimony, immediately contact your local ACC for instructions/advice.

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

Treasury Issuances

- Treasury HB—10/1/96—(green book)—“Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies”—refer to Ch 2
- Treasury HB—7/2001—(red book)—“Department of the Treasury—Guidelines for Seized and Forfeited Property”—Ch 2

The Treasury Executive Office for Asset Forfeiture has issued 36 EOAF policy directives. This handbook references the following:

- TEOAF Directive #1—10/1/93—Purchase or Purchase Use of Forfeited Property by Treasury Employees—not referenced

[REDACTED]

- TEOAF Directive #4—10/1/93 (revised 6/17/96)—Seized Cash Management Policies—refer to 2.1.4(1)(e), 2.4.3, 2.4.3(8), and 5.5.1

[REDACTED]

(b)(2),

(b)(7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

- TEOAF Directive #9—10/1/93—Weed and Seed Initiative, Transfers of Real Property—refer to 2.4.9 and 2.8.6

[REDACTED]

[REDACTED]

[REDACTED]

- TEOAF Directive #14—10/1/95—Expedition Payments of Liens, Mortgages and Taxes by the Department of the Treasury—refer to 2.4.9, 5.10

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2),
(b)(7)(E)

- TEOAF Directive #27—10/1/95—Processing Interlocutory Sales—refer to 2.2.6(2)

[REDACTED]

- TEOAF Directive #33—6/7/99—Seizure of Motor Vehicles, Payment of Liens and Official Use Requirements—refer to 2.1.3, 2.2.4(1), 2.4.5(9), 5.10
- TEOAF Directive #34—1/17/00—Adoptive Seizure Policies and Procedures—refer to 2.2.3(9) and 2.8.2

[REDACTED]

Customs Issuances

Superseded Issuances

Handbooks

- HB 4400-01—4/86—Fines, Penalties & Forfeitures Handbook

Directives

Issuances Still in Effect

Handbooks

- HB 2300-01—9/00—Intellectual Property Rights Border Enforcement Handbook—Ch 2
- HB 2100-05A—1/01—Records Control Handbook

Directives

- CD 2120-009—8/31/98—Procedures for Processing Freedom of Information Act/Privacy Act Requests—refer to 8.4
- CD 2130-006—2/12/99—Customs Management Centers/Ports of Entry—refer to 7.5

- CD 099 2310-005A—4/7/00—Copyright Protection—refer to 2.1.2(1)(b)
- CD 099 2310-006A—12/16/99—Exclusion Orders—refer to 2.1.2(1)(b)
- CD 099 2310-008A—4/7/00—Trademark and Trade Name Protection—2.1.2(1)(b)
- CD 099 2310-010A—12/11/00—Detention and Seizure Authority for Copyright and Trademark Violations—2.1.2(1)(b)
- CD 099 2310-11A—1/24/00—Personal Use Exception: Unauthorized Trademarks—2.1.2(1)(b)

(b)(2),

(b)(7)(E)

- CD 099 3280-011A—2/3/00—ATA Carnets: Proof of Exportation, Liquidated Damages, and Regularization Fees

[REDACTED]

- CD 099 3530-007—8/11/92—Broker/Entry Compliance—refer to 3.4.7

[REDACTED]

(b)(2),
(b)(7)(E)

- CD 4410-008—2/6/89—Recovery of Lost Revenue Pursuant to 19 USC 1592(d)—refer to 3.4.5(9)
- CD 4410-013—12/5/89—Clarification of the revised definition of “fraud” under 19 USC 1592
- CD 4410-14—6/14/90—Referral of Section 1592 Penalty cases to the Department of Justice
- CD 4410-016—4/30/92—Issuance of Penalties for Manifest or Cargo Delivery Violations
- CD 4410-019—8/2/00—Procedures for Processing Manifest Penalty Violations for Vessels

[REDACTED]

(b)(2),
(b)(7)(E)



Customs Memoranda

Memoranda Still in Effect

[REDACTED]

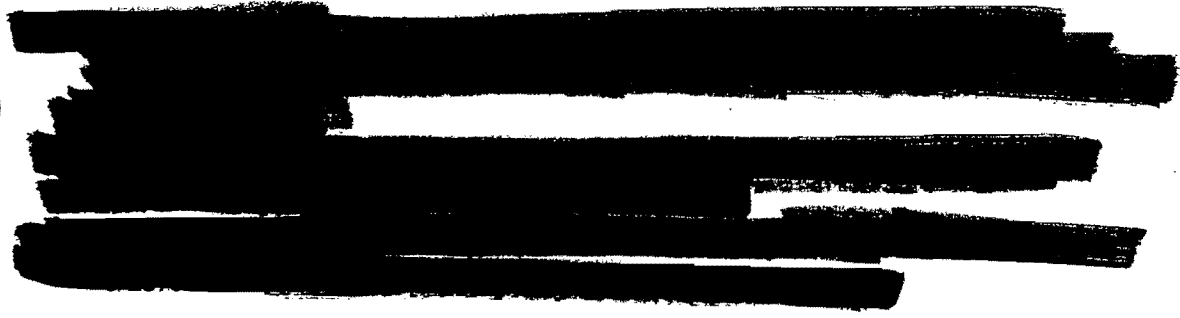
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(b)(7)(E)

[REDACTED]

(b)(2),
(b)(5),
(b)(7)(E).

(b)(2), (b)(5)

(b)(7)(E)



[REDACTED]

(b)(2), (b)(5)
(b)(7)(E)

[REDACTED]

(b)(2), (b)(5)

(b)(7)(E)

List of Abbreviations

A

- ABI Automated Broker Interface
- AC Assistant Commissioner
- ACC Assistant or Associate Chief Counsel
- ACS Automated Commercial System
- (b)(2), (b)(7)(E) [Redacted]
- ALOR Actual Loss of Revenue
- ATA Admission Temporaire—Temporary Admission
- AUSA Assistant United States Attorney
- AWB Airway Bill

B

- BATF Bureau of Alcohol, Tobacco, and Firearms
- (b)(2) [Redacted]

C

- CAFRA Civil Asset Forfeiture Reform Act
- CES Central Examination Station
- CF Customs Form
- CFI Certified Firearms Instructor
- CFO Chief Financial Officer
- CFS Container Freight Station
- (b)(2) [Redacted]
- CIT Court of International Trade
- CMC Customs Management Center
- CMI Currency/Monetary Instruments
- COF Contractor Operated Facility
- (b)(2) [Redacted]
- COTR Contracting Officer's Technical Representative
- CPSC Consumer Products Safety Commission
- CTR Contractor and/or Subcontractor

D

- DEA Drug Enforcement Administration
- [Redacted]
- DFO Director of Field Operations
- DLA Defense Logistics Agency
- DOI Department of Justice
- [Redacted]
- DOS Department of State
- DOT Department of Transportation
- [Redacted]

E

[REDACTED]
 ECS Electronic Collections Systems
 [REDACTED]
 e-Mail Electronic Mail (TECS and ACS)
 EPA Environmental Protection Agency
 [REDACTED]

(b)(2)

F

F&WS U.S. Fish and Wildlife Service
 FAA Federal Aviation Administration
 FCOTR Field Contracting Officer's Technical Representative
 FDA Food and Drug Administration
 [REDACTED]
 FOIA Freedom of Information Act
 FMS Financial Management Service
 FP&F Fines, Penalties, and Forfeitures Office
 FP&FO Fines, Penalties, and Forfeitures Officer
 FRC Federal Records Center
 FTC Federal Trade Commission
 FTI Federal Tax Information
 FTTD Firearms Technical Training Division (formerly NFPS)

G

GAO General Accounting Office
 GO General Order
 GS Group Supervisor
 GSA General Services Administration

H

HHA Hold Harmless Agreement
 HTSUS Harmonized Tariff System (US)

I

IA Office of Internal Affairs
 IIT Instruments of International Traffic
 INS U.S. Immigration and Naturalization Service
 IPR Intellectual Property Rights
 IRS Internal Revenue Service
 ISET Import Specialist Enforcement Team
 ITC International Trade Commission

L

LDS Liquidated Damages
LSS Laboratory and Scientific Services

M

[REDACTED]

MOA Memorandum of Agreement

[REDACTED]

MOU Memorandum of Understanding

MPF Merchandise Processing Fee

[REDACTED]

MSRP Manufacturer's Suggested Retail Price

N

NARA National Archives and Records Administration

[REDACTED]

NFC National Finance Center

[REDACTED]

NSPO National Seizures and Penalties Officer

NTEU National Treasury Employees Union

NVOCC Non Vessel Operating Common Carrier

(b)(2)

O

[REDACTED]

ODS Ozone Depleting Substance

OFAC Office of Foreign Assets Control

OFO Office of Field Operations

OI Office of Investigations

OIC Offer in Compromise

OIG Office of Inspector General

OISPM Office of Investigations (Seized Property Manager)

OISPS Office of Investigations (Seized Property Specialist)

OIT Office of Information and Technology

OR&R Office of Regulations and Rulings

OSHA Occupational Safety and Health Administration

P

P&W Post and Walk

[REDACTED]

PEL Potential Economic Loss

PLOR Potential Loss of Revenue

PN Penalty

[REDACTED]

PPN Pre-penalty Notice
PSA Post-Seizure Analysis
PTO U.S. Patent & Trademark Office
PUQ Personal Use Quantities of Controlled Substances

R

RA Resident Agent
RAIC Resident Agent in Charge
ROI Report of Investigation
RSAC Regional Special Agent in Charge (IA)

S

SA Special Agent
SAIC Special Agent in Charge
SAR Safeguard Activity Report

(b)(2)

[REDACTED]
SBREFA Small Business Regulatory Enforcement Act
SCI Supervisory Customs Inspector
SCIP Super Carrier Initiative Program
SDD Software Development Division
SEACATS Seized Asset and Case Tracking System
SED Shippers Export Declaration

[REDACTED]
SOP Standard Operating Procedure
SOW Statement of Work
SPD Seizures and Penalties Division
SPC Seized Property Custodian (OFO)
SPS Seized Property Specialist (OFO)

[REDACTED]
SSA Senior Special Agent
SUA Specified Unlawful Activity

T

TECS Treasury Enforcement Communication System
TFF Treasury Forfeiture Fund
TEOAF Treasury Executive Office for Asset Forfeiture
TIB Temporary Importation Bond
TOP Treasury Offset Program

[REDACTED]

U

UM	Unit of Measure
UPS	United Parcel Service
USDA	U.S. Department of Agriculture
USE	U.S. Dollar Equivalent
USPS	U.S. Postal Service
USSS	U.S. Secret Service

V

VAT	Value-Added Tax
VIN	Vehicle Identification Number

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CFO Act. *See* Chief Financial Officer Act

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CF 301 Customs Bond
 CF 364 Notice of Seizure of a Conveyance for Personal Use
 Quantities of Controlled Substances

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CF 368 Collection Receipt or Informal Entry
 CF 3171 Application—Permit—Special License—Unlading—Lading—
 Overtime Services
 CF 3461 Entry/Immediate Delivery
 CF 4607 Notice of Abandonment and Assent to Forfeiture of Prohibited or
 Seized Merchandise and Certificate of Destruction
 CF 4609 Petition for Remission or Mitigation of Forfeitures and Penalties
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CF 4647 Notice to Mark and/or Notice to Redeliver
 CF 4790 Report of International Transportation of Currency or Monetary
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CF 5955A Notice of Penalty or Liquidated Damages Incurred and Demand for
 Payment
 CF 6051 Custody Receipt for Retained or Seized Property
 CF 6051D Detention Notice and Custody Receipt for Detained Property
 CF 6051S Custody Receipt for Seized Property and Evidence
 CF 6051A Custody Receipt for Detained or Seized Property (continuation sheet)
 CF 6051R Receipt for Property
 CF 6059B Customs Declaration
 CF 7501 Entry Summary
 CF 7512 Transportation Entry and Manifest of Goods Subject to Customs
 Inspection and Permit

[REDACTED]

DEA Form 7 [REDACTED]
 DEA Form 7A [REDACTED]
 DEA Form 12 [REDACTED]
 DEA Form 48 [REDACTED]
 DEA Form 48A [REDACTED]

TDF 90-22.48 [REDACTED]

Sample Document Formats

- Notice of Seizure and Information for Claimants and Election of Proceedings—
Form AF-Publish
- Notice of Seizure and Information for Claimants and Election of Proceedings—
Form AF-Post
- Notice of Seizure and Information for Claimants and Election of Proceedings—
Form JF
- Hold Harmless Release Agreement
- Acknowledgement of Early Release of Seized Merchandise
- Constructive Seizure Agreement
- CAFRA—Notice of Seizure—AF-Post
- CAFRA—Notice of Seizure—AF-Publish
- CAFRA—Notice of Seizure—JF
- CAFRA—Seized Asset Claim Form
- CAFRA—Request for Immediate Release of Seized Property

- Declaration of Administrative Forfeiture
- Statute of Limitations Waiver Form

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SEARCHED
SERIALIZED
INDEXED
FILED

FORM CF 301 (front)
Customs Bond



DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

CUSTOMS BOND

19 CFR Part 113

See back of form for Paperwork Reduction Act Notice

CUSTOMS USE ONLY	BOND NUMBER ¹ (Assigned by Customs)
	FILE REFERENCE

In order to secure payment of any duty, tax or charge and compliance with law or regulation as a result of activity covered by any condition referenced below, we, the below named principal(s) and surety(ies), bind ourselves to the United States in the amount or amounts, as set forth below.

SECTION I—Select Single Transaction OR Continuous Bond (not both) and fill in the applicable blank spaces.

<input type="checkbox"/> SINGLE TRANSACTION BOND	Identification of transaction secured by this bond (e.g., entry no., seizure no., etc.)	Date of transaction	Port code
<input type="checkbox"/> CONTINUOUS BOND	Effective date	This bond remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each period in the amounts listed below for liabilities that accrue in each period. The intention to terminate this bond must be conveyed within the time period and manner prescribed in the Customs Regulations.	

SECTION II— This bond includes the following agreements.² (Check one box only, except that, 1a may be checked independently or with 1b. 2a may be checked independently or with 3. Line out all other parts of this section that are not used.)

Activity Code	Activity Name and Customs Regulations in which conditions codified	Limit of Liability	Activity Code	Activity Name and Customs Regulations in which conditions codified	Limit of Liability
<input type="checkbox"/> 1	Importer or broker113.62		<input type="checkbox"/> 5	Public Gauger.....113.67	
<input type="checkbox"/> 1a	Drawback Payment Refunds.....113.65		<input type="checkbox"/> 6	Wood & Fur Products Labeling Acts Importation (Single Entry Only).....3.68	
<input type="checkbox"/> 2	Custodian of bonded merchandise.....113.63 (Includes bonded carriers, freight forwarders, cartmen and lightermen, all classes of warehouses, container station operators)		<input type="checkbox"/> 7	Bill of Lading (Single Entry Only).....99	
<input type="checkbox"/> 3	International Carrier.....113.64		<input type="checkbox"/> 8	Copyright Material (Single Entry).....113.71	
<input type="checkbox"/> 3a	Instruments of International Traffic.....113.66		<input type="checkbox"/> 9	Neutrality (Single Entry Only).....113.71	
<input type="checkbox"/> 4	Foreign Trade Zone Operator.....113.73		<input type="checkbox"/> 10	Court Costs (Single Entry).....113.72	

SECTION III— List below all trademarks or unincorporated divisions that will be permitted to obligate the principal in the bond, including their Customs Identification Number(s).³ (If more space is needed, use Section III (Continuation) on back of form)

Importer Number	Importer Name	Importer Number	Importer Name

Total number of importer names listed in Section III: _____

Principal and surety agree that they are bound to each other as if they had executed a separate bond covering each set of conditions set forth in the Customs Regulations into which this bond falls. The principal and surety jointly shall appoint an agent under Title 6, United States Code, Section 3605, to serve on the principal and surety in the U.S. District Court or the U.S. Court of International Trade, where suit is brought on this bond. That agent shall be notified of the service to the surety at: _____

Mailing Address Requested by the Surety: _____

PRINCIPAL ⁴	Name and Address	Importer No. ³	SEAL	
		SIGNATURE ⁴		
PRINCIPAL ⁴	Name and Address	Importer No. ³	SEAL	
		SIGNATURE ⁴		
SURETY ⁵	Name and Address ⁶	Surety No. ⁷	SEAL	
		SIGNATURE ⁵		
SURETY ⁵	Name and Address ⁶	Surety No. ⁷	SEAL	
		SIGNATURE ⁵		
SURETY AGENTS	Name ⁸	Identification No. ⁹	Name ⁸	Identification No. ⁹

FORM CF 301 (back)
Customs Bond

Note: Turn carbons over before writing on back of form.

SECTION III (Continuation)

Importer Number	Importer Name	Importer Number	Importer Name

SAMPLE

<p>WITNESSES</p> <p>Two witnesses are required to authenticate the signature of the person who signs as an individual or partner, however a witness may authenticate the signatures of both such non-corporate principals and sureties. No witness is needed to authenticate the signature of a corporate official or agent who signs for the corporation.</p>	PREPARED, SEALED, and DELIVERED in the PRESENCE OF:	
	<p>Name and Address of Witness for the Principal</p> <p>SIGNATURE:</p>	<p>Name and Address of Witness for the Surety</p> <p>SIGNATURE:</p>
	<p>Name and Address of Witness for the Principal</p> <p>SIGNATURE:</p>	<p>Name and Address of Witness for the Surety</p> <p>SIGNATURE:</p>

EXPLANATIONS AND FOOTNOTES

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. The Customs Bond Number is a control number assigned by Customs to the bond contract when the bond is approved by an authorized Customs official. 2. For all bond coverage available and the language of the bond conditions refer to Part 113, subpart G, Customs Regulations. 3. The Importer Number is the Customs Identification number filed pursuant to section 24.5, Customs Regulations. When the Internal Revenue Service employer identification number is used the two-digit suffix code must be shown. 4. If the principal or surety is a corporation, the name of the State in which incorporated must be shown. 5. See witness requirement above. | <ol style="list-style-type: none"> 6. Surety Name, if a corporation, shall be the company's name as it is spelled in the Surety Companies Annual List published in the Federal Register by the Department of the Treasury (Treasury Department Circular 570). 7. Surety Number is the three digit identification code assigned by Customs to a surety company at the time the surety company initially gives notice to Customs that the company will be writing Customs bonds. 8. Surety Agent is the individual granted a Corporate Surety Power of Attorney, CF 5297, by the surety company executing the bond. 9. Agent Identification No. shall be the individual's Social Security number as shown on the Corporate Surety Power of Attorney, CF 5297, filed by the surety granting such power of attorney. |
|--|--|

Paperwork Reduction Act Notice. The Paperwork Reduction Act of 1995 says we must tell you why we are collecting this information, how we will use it and whether you have to give it to us. We ask for this information to carry out the U.S. Customs Service laws of the United States. We need it to ensure that persons transacting business with Customs have the proper bond coverage to secure their transactions as require by law and regulation. Your response is required to enter into any transaction in which a bond is a prerequisite under the Tariff Act of 1930, as amended.

Privacy Act Statement: The following notice is given pursuant to section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a). Furnishing the information on this form, including the Social Security Number, is mandatory. The primary use of the Social Security Number is to verify, in the Customs Automated System, at the time an agent submits a Customs bond for approval that the individual was granted a Corporate Surety Power of Attorney by the surety company. Section 7 of Act of July 30, 1947, chapter 390, 61 Stat. 648, authorizes the collection of this information.

Statement Required by 5 CFR 1320.21: The estimated average burden associated with this collection of information is 15 minutes per respondent or recordkeeper depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to U.S. Customs Service, Paperwork Management Branch, Washington DC 20228. **DO NOT send completed form(s) to this office.**

Notice of Seizure of a Conveyance for Personal Use Quantities of Controlled Substances

DEPARTMENT OF THE TREASURY
 United States Customs Service
 19 CFR 171.55; 21 CFR 1316.99

NOTICE OF SEIZURE OF A CONVEYANCE FOR PERSONAL USE QUANTITIES OF CONTROLLED SUBSTANCES

This written notice is provided under the provisions of section 6079 of the Anti-Drug Abuse Act of 1988 (P.L. 100-690) to you, as the person in charge of a vessel, vehicle or aircraft seized pursuant to 19 U.S.C. 1595a, 21 U.S.C. 881, and/or 49 U.S.C.App. 781/782, for a violation involving the possession of personal use quantities of a controlled substance.

A separate notice will, be mailed to the owner and other known parties in interest (including lien holders) explaining the legal and factual basis of the seizure as well as their rights.

Under the law and implementing regulations, the owner, or other parties with an interest in the seized property may petition the U.S. Customs Service for an expedited decision with respect to a conveyance seized for drug-related violations involving personal use quantities.

- If the conveyance is a vessel and a **summons was issued** in lieu of physical seizure, the petition must be filed with the Port Director of Customs to whom the vessel must report, as specified in the summons, and must be received by Customs within 20 days of the reporting date.
- If a summons **was not issued**, the petition must be addressed to the Port Director of Customs whose name and address are shown below and be received by the Customs Service within 20 days of the mailing of the notice of seizure.

In either case, the petition and envelope in which it is sent, must be clearly marked **"PETITION FOR EXPEDITED PROCEDURES"** and the petition must be under oath (sworn) and signed as follows:

- (1) the petitioner has a valid, good faith interest in the seized property as owner or otherwise;
- (2) the petitioner acted in a normal, customary manner to ascertain how the property would be used; and
- (3) the petitioner did not know of, or have reason to believe that the property would be illegally used, at the time of the seizure, or at the time the petitioner knew or should have known of the illegal use, the petitioner, at that time, had no knowledge of the violation, and what reasonable steps were expected to prevent the violation.

Upon receipt of the petition, the U.S. Customs Service will try to make a final administrative determination on the merits within 21 days of the date of seizure, and either return the property or notify interested parties that administrative forfeiture proceedings will be commenced. If a final determination can be made within 21 days of seizure, then Customs, within 20 days of receipt of the petition, will determine whether the petition has established the factors listed above and if it does, Customs will terminate the proceedings and return the property, except where it is evidence of a violation of law. If a petitioner fails to establish the factors listed above, Customs will, depending on the facts and circumstances, commence administrative forfeiture proceedings, or remit the forfeiture upon the payment of a mitigated penalty, according to its guidelines.

While Customs is considering the case, the owner may obtain release of the seized conveyance in accordance with 19 U.S.C. 1614 (a) (1) (after the seizure) by substituting the property's appraised value in cash, an irrevocable letter of credit, travelers checks, certified check, or a money order made payable to the U.S. Customs Service. Customs will proceed against the cash or other substituted property instead of the conveyance.

If Customs decides to administratively forfeit the seized conveyance or property substituted therefor, it will notify interested parties and begin publication, as required by 19 U.S.C. 1607. After publication for three consecutive weeks, the Government will have title to the conveyance (from the date of the violation). If you wish to contest the forfeiture and have judicial (court) proceedings, instead of an administrative forfeiture, you will have 20 days from the date of first publication to file a claim and cost bond in the amount of \$5,000, or 10 per cent of the value of the seized conveyance, whichever is lower, but not less than \$250, as provided in 19 U.S.C. 1608. The case will then be referred to the appropriate U.S. Attorney for disposition. The **NOTICE OF EXPEDITED JUDICIAL FORFEITURE PROCEDURES** on the reverse side of this form reviews the procedures that apply to your property if you choose that option.

If you have any questions concerning the reasons for, or the circumstances surrounding the seizure, or the procedures to be followed in connection with this matter, or if you require additional information, you may request an informal conference with the Port (or Area) Director or one of his employees.

Port (or Area) Director

Notice of Seizure of a Conveyance for Personal Use Quantities of Controlled Substances

NOTE: Although the following notice is required to be given in all cases involving the seizure of conveyances for drug related offenses, the procedures set forth below only apply to cases where the government decides to proceed to forfeiture and the owner or other interested party (including a lien holder) decides to contest the forfeiture in court.

NOTICE OF EXPEDITED JUDICIAL FORFEITURE PROCEDURES

This notice is being provided in accordance with section 6080 of Public Law 100-690 to the person in possession of a conveyance (vessel, vehicle or aircraft) which was seized for a drug related offense. A separate notice will be mailed to the owner and other known parties in interest (including lien holders) explaining the legal and factual basis of the seizure as well as their rights.

You were in possession of a vessel, vehicle or aircraft which was seized for a drug related offense. The government may seek forfeiture of the property.

If the government wishes to forfeit the property, it may do so in an administrative proceeding by publishing a notice for three consecutive weeks, after which title to the conveyance (from the date of the violation) will vest in the United States. This proceeding is not subject to court review. However, you may obtain court review, by filing a claim with the U.S. Customs Service and by posting a cost bond in the amount of \$5,000, or 10 per cent of the value of the seized conveyance, whichever is lower, but not less than \$250. The claim and cost bond must be filed with the U.S. Customs Service within 20 days of the date of first publication.

If you file a claim and post a cost bond, the matter will be referred to the appropriate U.S. Attorney to institute judicial (court) forfeiture proceedings. You may petition the Attorney General for an expedited decision on whether the forfeiture action will proceed and for a determination of any fines or damages you may have. If the Attorney General does not grant or deny your petition within 20 days after it is filed, the conveyance will be returned to you pending further forfeiture proceedings.

The Attorney General may:

- (A) deny the petition and retain possession of the conveyance;
- (B) grant the petition, to dismiss the forfeiture action if filed, and promptly release the conveyance to the owner;
- (C) advise the petitioner that there is not adequate information available to determine the petition and promptly release the conveyance to the owner.

The Attorney General must file a complaint for forfeiture within 60 days of your filing a claim and posting a cost bond, unless the period is extended by the court. If the Attorney General does not file the complaint within the time allowed, the court shall order the return of the conveyance and the forfeiture may not proceed.

An owner of a conveyance may obtain release of the conveyance by providing security in the form of a bond equal to the value of the conveyance unless the conveyance is contraband, needed as evidence of a violation of law or because it is particularly suited for use in illegal activities by reason of its design or characteristics.

Port (or Area) Director

(b)(2),
(b)(7)(E)

[REDACTED]

[REDACTED]

E

S



DEPARTMENT OF THE TREASURY
United States Customs Service

APPLICATION-PERMIT-SPECIAL LICENSE
UNLADING-LADING-OVERTIME SERVICES

19 CFR 4.10, 4.30, 4.37, 4.39, 4.91, 10.80, 24.16,
122.29, 122.38, 123.8, 146.32, 146.34

Form Approved OMB No. 1515-0013

CUSTOMS USE ONLY

APPROVED

No.

Date/Time

Signature of Customs Officer

1. Name of Vessel, Vehicle or Aircraft 2. Port

3. Flag 4. Name and Nationality of Owner/Operator 5. Name/Phone No. of Agent

6. Arriving from (Port Name and Country) 7. Date/Time of Arrival 8. Locations (Dock/Terminal)*

9. Application is made for a permit for the operations indicated:

- (1) To unlade merchandise (intended to be unladen at this port, as shown by the manifest, baggage or passengers. To "charge" cargo, and to land "in bond" merchandise. (Sec. 551, Tariff Act of 1930).
- (2) To land supplies, ship's stores, sea stores, or equipment not to be released subject, however, to the provisions of Sec. 446, Tariff Act of 1930.
- (3) To lade merchandise or baggage requiring Customs supervision.
- (4) To land and release for repair, adjustment, or refilling and to be under Customs supervision articles of a carrier's equipment. (Articles to be released under this term is to be landed only for the purpose mentioned and the items will be re-laden on this carrier.)
- (5) Other _____

10. Itinerary of Vessel/Aircraft (show port country and date of departure for each voyage including U.S. itinerary)*

11. TYPE OF CARRIER Container Bulk Bulk Other (Specify) _____

List all carriers including carriers shall be placed aboard the vessel and check the box that describes how the carrier presented the cargo manifest.

AMS	CF 1302	Paperless	SCAC	AMS	CF 1302	Paperless

13. Application is made for a special license for overtime services of Customs officers and employees for:

- Entrance, Clearance Unlading, lading, etc. Other: _____

on _____ at _____ or _____ Per supplemental oral request

(Date) (Time)

14. Bond No. 15. Application is made for a Term Permit and Special License From: To:

16. Principal on Bond 17. Surety Company Code 18. Amount of Bond 19. Date of Bond

20. Importer Number (Party to be billed; show hyphens) 21. Address of Agent

22. Signature 23. Date

This PERMIT is not valid until properly lodged with a Customs officer at the point of discharge and all operations indicated therein are performed under Customs supervision.

*use back for additional space; (Instructions and Paperwork Reduction Act Notice on reverse)

CONTINUED FROM ITEM #9 (4): RECORD OF ARTICLES RELEASED AND RELADEN

UNLADEN AND RELEASED						RELADEN		
Date	Time	Description of Articles	Released to		Insp. Badge #	Date	Time	Insp. Badge #
			Signature	Company				

Continued from # 8 – additional Locations:

Continued from # 9 (5) – Other:

Continued from # 10 – additional Itinerary of Vessel:

Continued from # 12 – additional SCAC Codes:

SCAC	AMS	CF 1302	Paperless	SCAC	AMS	CF 1302	Paperless

Customs Form 3171 shall be filed in accordance with the following instructions. (When a term permit is requested, additional copies may be required for local purposes). Items shall be completed as follows:

- Name and number of vessel, vehicle or aircraft (On term permit "Not Applicable.")
- Port at which application is filed.
- Flag of vessel.
- Name of shipping company, airlines etc., which owns or operates the vessel, vehicle or aircraft and their nationality.
- Name and day/night phone numbers of party filing application.
- Name of port or place and country from which a vessel, vehicle, or aircraft is arriving. (On Term Permit show "Not applicable.")
- Give the date of arrival or expected arrival when request covers a specific vessel, vehicle, or aircraft.
- List all places of lading, unlading, etc. If request is for overtime services only state where services are to be performed.
- Check appropriate items.
- Show port, country and sailing dates for the itinerary of the vessel/aircraft, including U.S. itinerary.
- Check the appropriate box/boxes.
- List all carriers, including carriers sharing or chartering space onboard the vessel and check the box that describes how the carrier presented the cargo manifest.
- Indicate purpose for which services are requested and date and time. (If date and time are not known, check "per supplemental oral request.")
- Self-Explanatory.
- When requesting a term permit, show dates or period to be covered.
- 16-21. Self-Explanatory.
- 22-23. Signature and date of party submitting request.

PAPERWORK REDUCTION ACT NOTICE: The Paperwork Reduction Act of 1995 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Customs Service laws of the United States. This form is used by carriers to request specific Customs services relating to the lading or unlading of merchandise and by Customs to authorize requested activities. It is also used to permit and control various statutes. Another major use of this form is to request Customs services during other than regular hours of service. It is mandatory.

Statement Required by 5 CFR 1320.21: The estimated average burden associated with this collection of information is 6 minutes per respondent or recordkeeper depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to U.S. Customs Service, Information Services Branch, Washington, DC 20229, and to the Office of Management and Budget, Paperwork Reduction Project (1515-0013), Washington, DC 20503.

DO NOT send completed form(s) to either of these offices.

Customs Form 3171

FORM CF 3461
Entry/Immediate Delivery

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

Form Approved
OMB No. 1515-0069

ENTRY/IMMEDIATE DELIVERY

19 CFR 142.3, 142.16, 142.22, 142.24

1. ARRIVAL DATE	2. ELECTED ENTRY DATE	3. ENTRY TYPE CODE/NAME	4. ENTRY NUMBER
5. PORT	6. SINGLE TRANS. BOND	7. BROKER/IMPORTER FILE NUMBER	
	8. CONSIGNEE NUMBER		9. BROKER NUMBER
10. ULTIMATE CONSIGNEE NAME		11. IMPORTER OF RECORD NAME	
12. CARRIER CODE	13. VOYAGE/FLIGHT/TRIP	14. L.D. NO.	15. CO. NAME(S)
16. VESSEL CODE/NAME			
18. U.S. PORT OF UNLADING	17. MANIFEST NUMBER	18. S. NO.	19. TOTAL VALUE
20. DESCRIPTION OF MERCHANDISE			
21. IT/BL/AMB CODE	22. IT/BL/AWB NO.	23. QUANT.	24. S. NUM.
			25. COUNTRY OF ORIGIN
			26. MANUFACTURER NO.

CERTIFICATION

I hereby make application for entry/immediate delivery. I certify that the information is accurate, the bond is sufficient, valid, and current, and that all requirements of 19 CFR Part 142 have been met.

SIGNATURE OF APPLICANT
X

PHONE NO. _____ DATE _____

28. CUSTOMS USE ONLY

OTHER AGENCY ACTION REQUIRED, NAMELY:

CUSTOMS EXAMINATION REQUIRED.

ENTRY REJECTED, BECAUSE:

29. BROKER OR OTHER GOVT. AGENCY USE

DELIVERY AUTHORIZED:	SIGNATURE _____	DATE _____
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Paperwork Reduction Act Notice: This information is needed to determine the admissibility of imports into the United States and to provide the necessary information for the examination of the cargo and to establish the liability for payment of duties and taxes. Your response is necessary.

Statement Required by 5 CFR 1320.21: The estimated average burden associated with this collection of information is 15 minutes per respondent or recordkeeper depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to U.S. Customs Service, Paperwork Management Branch, Washington, DC 20229, or the Paperwork Reduction Project (1515-0069), Office of Management and Budget, Washington, DC 20603.

FORM CF 4607

Notice of Abandonment and Assent to Forfeiture of Prohibited
or Seized Merchandise and Certificate of Destruction

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE



NOTICE OF ABANDONMENT AND ASSENT TO FORFEITURE OF PROHIBITED
OR SEIZED MERCHANDISE AND CERTIFICATE OF DESTRUCTION

19 CFR Part 162

1. PORT	2. DATE	3. SEIZURE NO.
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4. DESCRIPTION OF MERCHANDISE

SAMPLE

PLEASE PRINT:

5. NAME	6. ADDRESS
---------	------------

I hereby abandon all claim to the above-described articles, and waive any further rights or proceedings relative to these articles, other than my right to file a petition for administrative relief.

7. SIGNATURE OF IMPORTER	8. DATE	9. WITNESS (CUSTOMS OFFICER)	10. DATE
--------------------------	---------	------------------------------	----------

CUSTOMS USE ONLY — CERTIFICATE OF DESTRUCTION

11. LOCATION	12. DATE	13. METHOD OF DESTRUCTION
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14. SIGNATURE OF CUSTOMS OFFICER	15. WITNESS
----------------------------------	-------------

FORM CF 4609

Petition for Remission or Mitigation of Forfeitures and Penalties Incurred

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

OMB No. 1515-0052

PETITION FOR REMISSION OR MITIGATION OF FORFEITURES
AND PENALTIES INCURRED

19 U.S.C. 1818; 19 CFR 171.1

1. PORT

2. SEIZURE OR PENALTY NO.

3. DESCRIPTION OF MERCHANDISE

4. NAME

5. BUSINESS

I petition for the release of the seized above-described merchandise and for relief from liability because of the following mitigating circumstances.

SAMPLE

6. SIGNATURE

7. ADDRESS

8. DATE

Paperwork Reduction Act Notice: This request is in accordance with the Paperwork Reduction Act of 1995. We ask for the information in order to carry out the laws and regulations administered by the U.S. Customs Service. This form is used by persons who are requesting mitigation of a penalty or remission of a forfeiture which has been incurred under the Customs laws or a law administered by Customs. It is required to obtain this benefit. The estimated average burden associated with this collection of information is 15 minutes per respondent depending on individual circumstances. Comments concerning the accuracy of this burden estimates and suggestions for reducing this burden should be directed to the U.S. Customs Service, Reports Clearance Officer, Information Services Branch, Washington, DC 20229, and to the Office of Management and Budget, Paperwork Reduction Project (1515-0052), Washington, DC 20503.

(b)(2)
(b)(7)(E)

[REDACTED]

[REDACTED]

SAMPLE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DEPARTMENT OF THE TREASURY
 UNITED STATES CUSTOMS SERVICE

**NOTICE TO MARK
 AND/OR
 NOTICE TO REDELIVER**

19 CFR 134.51, 134.52, 141.113

SECTION I (To Be Completed By Customs)

1. FROM

2. NAME OF CONTACT PERSON

3. TELEPHONE NO.

ENTRY DATA

5. PORT OF ENTRY

6. ENTRY NO.

7. DATE OF ENTRY

BROKER OR IMPORTER NO.

4. TO (Importer of Record Name and Address):

The merchandise described below is in violation of statute(s)/regulation(s) as indicated, and cannot be entered into the commerce of the United States until brought into conformity with the time specified by another Government agency having jurisdiction over the importation, if any, and any other applicable laws and regulations. Failure to comply with this Notice or any other applicable laws and regulations may result in the imposition of civil or criminal penalties.

9. STATUTE(S)/REGULATION(S) VIOLATED

19 U.S.C. 1304 (Section 304, Tariff Act of 1930) (Country of Origin Marking Violation) Other, Name(s):

10. DESCRIPTION OF MERCHANDISE

11. QUANTITY

12. IDENTIFYING MARKS AND NUMBERS

13. SHIPPER/MANUFACTURER

SECTION II (To Be Completed By Customs)

14. ACTION REQUIRED OF IMPORTER

Merchandise to be brought into compliance as indicated below or returned to Customs custody within 30 days of this Notice or other time specified.

Marking or other corrective action to be done under Customs supervision.

Customs action of marking or other corrective action not required. After all merchandise has been brought into conformity with cited statute(s)/regulation(s), complete the certification below and return copy to Customs with without a sample.

WARNING: All merchandise must be retained until you are notified by Customs that corrective action is acceptable.

Merchandise must be redelivered to Customs within 30 days from date of this notice or other time specified.

15. REMARKS/INSTRUCTIONS/OTHER ACTION REQUIRED OF IMPORTER

16. SIGNATURE OF CUSTOMS OFFICER

17. DATE

SECTION III - IMPORTER CERTIFICATION (To Be Completed By Importer/Authorized Agent)

IMPORTER:-- APPROPRIATE ITEMS MUST BE COMPLETED, SIGNED, AND DATED BEFORE ACCEPTANCE BY CUSTOMS.

Merchandise to be exported, destroyed under Customs supervision in lieu of marking or other required corrective measures.

PLACE DATE TIME

I certify that all merchandise has been marked to indicate the country of origin as required by 19 U.S.C. 1304, or otherwise brought into compliance with cited statute(s) or regulation(s). Sample is is not submitted hereto. Merchandise and original containers being held intact and available for Customs inspection at: (Indicate Place and Phone No.)

I (We) guarantee the payment of all expenses incident to the above action.

SIGNATURE OF IMPORTER OR AUTHORIZED AGENT TITLE TELEPHONE DATE

SECTION IV (To Be Completed By Customs)

Merchandise excepted from marking under

Merchandise has been legally marked or otherwise brought into conformity with cited statute(s)/regulation(s): under Customs supervision certification accepted.

Merchandise was exported destroyed under Customs supervision, Other, name(s):

SIGNATURE OF CUSTOMS OFFICER DATE

CUSTOMS FORM 4647 INFORMATION AND INSTRUCTIONS

This form is notification that the imported merchandise is not in conformity with statutory or regulatory requirements and must be marked, labeled, or otherwise brought into conformity with the applicable requirements within 30 days of this notice. The form also serves as a redelivery notice and requires redelivery to Customs custody within the specified time.

The following instructions are provided to assist importers in fulfilling the statutory and regulatory obligations.

SECTIONS I AND II: COMPLETED BY THE CUSTOMS SERVICE.

SECTION III: COMPLETED BY THE IMPORTER OF RECORD OR AUTHORIZED AGENT.

1. Retain control of all merchandise described on the Customs Form 4647. The merchandise must be held intact; it cannot be moved or distributed until authorized by the Customs Service.
2. Marking and/or additional instructions are provided in SECTION II.
3. Upon completion of marking, complete the appropriate form(s). **SIGNATURE MUST BE THAT OF THE IMPORTER OR AUTHORIZED AGENT.**
4. Identify the location where the merchandise will be available for Customs verification and provide a contact telephone number.
5. Upon completion of SECTION III, submit the "return to Customs" copy of the form with a sample, if requested, to the office specified in SECTION I of the form. NOTE: Appropriate items must be completed, signed, and dated before acceptance by Customs.

SECTION I: COMPLETED BY THE CUSTOMS SERVICE.

Upon return of the Customs Form 4647, Customs will review the form to ensure that SECTION III has been completed, signed, and dated by the IMPORTER OF RECORD OR AUTHORIZED AGENT, and take one of the following actions:

1. A Customs officer will visit your premises to verify your certification of marking and to notify you whether or not it is acceptable.
2. Notify you (in writing) that (a) the marking or corrective action is acceptable and the merchandise is officially released by Customs; or (b) the marking or corrective action is not acceptable and that the merchandise must be redelivered to Customs custody within the prescribed time.

If you have any questions or find that the marking procedure or other corrective action requires more than 30 days, contact the office indicated in SECTION I.

Report of International Transportation of Currency or Monetary Instruments

(U.S. Customs Use Only)
Control No.



DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

OMB No. 1506-001

REPORT OF INTERNATIONAL
TRANSPORTATION OF CURRENCY
OR MONETARY INSTRUMENTS

This form is to be filed with the United States Customs Service
For Paperwork Reduction Act Notice and Privacy Act Notice see back of form.

31 U.S.C. 5316; 31 CFR 103.23 and 103.27

Please type or print.

Part I FOR A PERSON DEPARTING FROM OR ENTERING THE UNITED STATES, OR A PERSON SHIPPING, MAILING, OR RECEIVING CURRENCY OR MONETARY INSTRUMENTS. (IF ACTING FOR ANYONE ELSE, ALSO COMPLETE PART II BELOW.)

1. NAME (Last or family, first, and middle)		2. IDENTIFICATION NO. (See instructions)		3. DATE OF BIRTH (Mo./Day/Yr.)	
4. PERMANENT ADDRESS IN UNITED STATES OR ABROAD				5. YOUR COUNTRY OR COUNTRIES OF CITIZENSHIP	
6. ADDRESS WHILE IN THE UNITED STATES				7. PASSPORT NO. & COUNTRY	
8. U.S. VISA DATE		9. PLACE UNITED STATES VISA WAS ISSUED		10. IMMIGRATION LIEN NO. (If any)	
11. IF CURRENCY OR MONETARY INSTRUMENT IS ACCOMPANIED BY A PERSON, COMPLETE 11a OR 11b					
A. EXPORTED FROM THE UNITED STATES			B. IMPORTED INTO THE UNITED STATES		
Departed From: (U.S. Port /City in U.S.)		Arrived At: (Foreign City/Country)		Arrived At: (City in U.S.)	
12. IF CURRENCY OR MONETARY INSTRUMENT WAS MAILED, OTHERWISE SHIPPED, COMPLETED, OR RECEIVED, COMPLETE 12a THROUGH 12f					
12a. DATE SHIPPED (Mo./Day/Yr.)		12b. DATE RECEIVED (Mo./Day/Yr.)		12c. METHOD OF SHIPMENT (e.g., U.S. Public Carrier)	
12d. SHIPPED TO (Name and Address)				12e. NAME OF CARRIER	
12f. RECEIVED FROM (Name and Address)					

Part II INFORMATION ABOUT PERSON OR BUSINESS ON BEHALF IMPORTATION OR EXPORTATION WAS CONDUCTED

13. NAME (Last or family, first, and middle or Business Name)	
14. PERMANENT ADDRESS IN THE UNITED STATES OR ABROAD	
15. TYPE OF BUSINESS, INDUSTRY, OCCUPATION, OR PROFESSION	
15a. IS THE BUSINESS A BANK? <input type="checkbox"/> YES <input type="checkbox"/> NO	

Part III CURRENCY AND MONETARY INSTRUMENT INFORMATION (SEE INSTRUCTIONS ON REVERSE) (To be completed by everyone)

16. TYPE AND AMOUNT OF CURRENCY/MONETARY INSTRUMENTS	VALUE IN U.S. DOLLARS	17. IF OTHER THAN U.S. CURRENCY IS INVOLVED, PLEASE COMPLETE BLOCKS A AND B.
Currency and Coins <input type="checkbox"/>	\$	A. Currency Name
Other Monetary Instruments (Specify type, issuing entity and date, and serial or other identifying number.) <input type="checkbox"/>	\$	B. Country
(TOTAL) <input type="checkbox"/>	\$	

Part IV SIGNATURE OF PERSON COMPLETING THIS REPORT

Under penalties of perjury, I declare that I have examined this report, and to the best of my knowledge and belief it is true, correct and complete.

18. NAME AND TITLE (Print)	19. SIGNATURE	20. DATE OF REPORT
----------------------------	---------------	--------------------

U.S. CUSTOMS USE ONLY				COUNT VERIFIED	VOLUNTARY REPORT
DATE	AIRLINE/FLIGHT/VESSEL	LICENSE PLATE		Yes	No
		STATE/COUNTRY	NUMBER	Yes	No
				INSPECTOR (Name and Badge Number)	

Report of International Transportation of Currency or Monetary Instruments

GENERAL INSTRUCTIONS

This report is required by 31 U.S.C. 5316 and Treasury Department regulations (31 CFR 103).

Who Must File.— (1) Each person who physically transports, mails, or ships, or causes to be physically transported, mailed, or shipped currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time from the United States to any place outside the United States or into the United States from any place outside the United States, and (2) Each person who receives in the United States currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time which have been transported, mailed, or shipped to the person from any place outside the United States.

A TRANSFER OF FUNDS THROUGH NORMAL BANKING PROCEDURES WHICH DOES NOT INVOLVE THE PHYSICAL TRANSPORTATION OF CURRENCY OR MONETARY INSTRUMENTS IS NOT REQUIRED TO BE REPORTED.

Exceptions.—In addition, reports are not required to be filed by: (1) a Federal Reserve bank, (2) a bank, a foreign bank, or a broker or dealer in securities in respect to currency or other monetary instruments mailed or shipped through the postal service or by common carrier, (3) a commercial bank or trust company organized under the laws of any State or of the United States with respect to overland shipments of currency or monetary instruments shipped to or received from an established customer maintaining a deposit relationship with the bank, in amounts which the bank may reasonably conclude do not exceed amounts commensurate with the customary conduct of the business, industry, or profession of the customer concerned, (4) a person who is not a citizen or resident of the United States in respect to currency or other monetary instruments mailed or shipped from abroad to a bank or broker or dealer in securities through the postal service or by common carrier, (5) a common carrier of passengers in respect to currency or other monetary instruments in the possession of its passengers, (6) a common carrier of goods in respect to shipments of currency or monetary instruments not declared to be such by the shipper, (7) a traveler's check issuer or its agent in respect to the transportation of travelers' checks prior to their delivery to selling agents for eventual sale to the public, (8) a person with a restrictively endorsed traveler's check that is in the collection and reconciliation process after the traveler's check has been negotiated, nor by (9) a person engaged as a business in the transportation of currency, monetary instruments and other commercial papers with respect to the transportation of currency or other monetary instruments overland between established offices of banks or brokers or dealers in securities and foreign persons.

WHEN AND WHERE TO FILE:

A. Recipients.—Each person who receives currency or other monetary instruments in the United States shall file Form 4790, within 30 days after receipt of the currency or monetary instruments, with the Customs officer in charge at any port of entry or departure or by mail with the Commissioner of Customs, Attention: Currency Transportation Reports, Washington DC 20229.

B. Shippers or Mails.—If the currency or other monetary instrument does not accompany the person entering or departing the United States, Form 4790 must be filed by mail on or before the date of entry, departure, mailing, or shipping with the Commissioner of Customs, Attention: Currency Transportation Reports, Washington DC 20229.

C. Travelers.—Travelers carrying currency or other monetary instruments with them shall file Form 4790 at the time of entry into the United States or at the time of departure from the United States with the Customs officer in charge at any Customs port of entry or departure.

An additional report of a particular transportation, mailing, or shipping of currency or other monetary instruments, is not required if a complete and truthful report has already been filed. However, no person otherwise required to file a report shall be excused from liability for failure to file a complete and truthful report has not been filed. Forms may be obtained from any United States Customs Service office.

PENALTIES.— Civil and criminal penalties, including under certain circumstances a fine of more than \$500,000 and imprisonment of not more than ten years, are provided for failure to file a report, filing a report containing false or misleading information, or misstatement, or filing a false or fraudulent report. In addition, the currency or monetary instrument may be subject to seizure and forfeiture. See 31 U.S.C. 5321 and 31 CFR 103.47; 31 U.S.C. 5322 and 31 CFR 103.48; 31 U.S.C. 5317 and 31 CFR 103.48.

DEFINITIONS:

Bank.—Each agent, agency, branch or office within the United States or any possession of the United States, or one or more of the capacities listed: (1) a commercial bank or trust company organized under the laws of any State or of the United States, (2) a savings association, savings and loan association, and building and loan association organized under the laws of any State or of the United States, (3) a credit union organized under the laws of any State or of the United States, (4) a savings bank, industrial bank or other thrift institution organized under the laws of any State or of the United States; and (7) any other organization chartered under the banking laws of any State and subject to the supervision of the banking supervisory authorities of a State other than a money service business; (8) a bank organized under foreign law; and (9) any national bank or association of corporations acting under the provisions of section 25A of the Federal Reserve Act (12 U.S.C. Sections 611-632).

Foreign Bank.—A bank organized under foreign law, or any agent, agency, branch or office located outside the United States of a bank. The term does not include an agent, agency, branch or office within the United States of a bank organized under foreign law.

Broker or Dealer in Securities.—A broker or dealer in securities, registered or required to be registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Identification Number.—An individual must enter their social security number, if any. However, aliens who do not have a social security number should enter passport or alien registration number. All others should enter their employer identification number.

Monetary Instruments.—(1) Coin or currency of the United States or of any other country, (2) traveler's checks in any form, (3) negotiable instruments (including checks, promissory notes, and money orders) in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery, (4) incomplete negotiable instruments (including checks, promissory notes, and money orders) that are signed but on which the name of the payee has been omitted, and (5) securities or stock in any form or otherwise in such form that title thereto passes upon delivery. Monetary instruments do not include (i) checks or money orders made payable to the order of a named person which have not been endorsed or which bear restrictive endorsements, (ii) warehouse receipts, or (iii) bills of lading.

Person.—An individual, a corporation, a partnership, a trust or estate, a joint stock company, and association, a syndicate, joint venture or other unincorporated organization or group, an Indian Tribe (as that term is defined in the Indian Gaming Regulatory Act), and all entities cognizable as legal personalities.

SPECIAL INSTRUCTIONS:

You should complete each line which applies to you. Part I.—Blocks 12a and 12b, enter the exact date you shipped or received currency or monetary instrument(s). Part II.—Block 13, provide the complete name of the shipper or recipient on whose behalf the exportation or importation was conducted. Part III.—Block 16, specify type of instrument, issuing entity, and date, serial or other identifying number, and payee (if any). Block 17, if currency or monetary instruments of more than one country is involved, attach a list showing each type, country of origin and amount.

PRIVACY ACT AND PAPERWORK REDUCTION ACT NOTICE

Pursuant to the requirements of Public Law 93-579 (Privacy Act of 1974), notice is hereby given that the authority to collect information on Form 4790 in accordance with 5 U.S.C. 552a(e)(3) is Public Law 91-508; 31 U.S.C. 5316; 5 U.S.C. 301; Reorganization Plan No. 1 of 1950; Treasury Department No. 165, revised, as amended; 31 CFR 103; and 44 U.S.C. 3501.

The principal purpose for collecting the information is to assure maintenance of reports or records where such reports or records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The information collected may be provided to those officers and employees of the Customs Service and any other constituent unit of the Department of the Treasury who have a need for the records in the performance of their duties. The records may be referred to any other department or agency of the Federal Government upon the request of the head of such department or agency. The information collected may also be provided to appropriate state, local, and foreign criminal law enforcement and regulatory personnel in the performance of their official duties.

Disclosure of this information is mandatory pursuant to 31 U.S.C. 5316 and 31 CFR Part 103. Failure to provide all or any part of the requested information may subject the currency or monetary instruments to seizure and forfeiture, as well as subject the individual to civil and criminal liabilities.

Disclosure of the social security number is mandatory. The authority to collect this number is 31 U.S.C. 5316(b) and 31 CFR 103.27(d). The social security number will be used as a means to identify the individual who files the record.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The collection of this information is mandatory pursuant to 31 U.S.C. 5316, of Title II of the Bank Secrecy Act, which is administered by Treasury's Financial Crimes Enforcement Network (FINCEN).

Statement Required by 5 CFR 1320.8(b)(3)(ii): The estimated average burden associated with this collection of information is 11 minutes per respondent or recordkeeper depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to Financial Crimes Enforcement Center, 2070 Chain Bridge Road, Suite 200, Vienna, Virginia 22182.

DO NOT send completed form(s) to this office.

Customs Form 4790 (09/01) (Back)

(b)(2)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SAMPLE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b)(2)

SAMPLE

FORM CF 5955A (front)
Notice of Penalty or Liquidated Damages Incurred and Demand for Payment

DEPARTMENT OF THE TREASURY UNITED STATES CUSTOMS SERVICE NOTICE OF PENALTY OR LIQUIDATED DAMAGES INCURRED AND DEMAND FOR PAYMENT 19 USC 1618, 19 USC 1623		Case Number Port Name and Code Investigation File No.
TO: <input type="checkbox"/>		SAMPLE
DEMAND IS HEREBY MADE FOR PAYMENT OF \$ _____ <input type="checkbox"/> Penalties or <input type="checkbox"/> Liquidated Damages assessed against you for violation or law or regulation, or breach of bond, as set forth below:		
LAW OR REGULATION VIOLATED	BOND BREACHED	
DESCRIPTION OF BOND (if any)	Form Number	Amount \$
Name and Address of Principal on Bond		Date
Name and Address of Surety on Bond		Surety Identification No.
If you feel there are extenuating circumstances, you have the right to object to the above action. Your petition should explain why you should not be penalized for the cited violation. Write the petition as a letter or in legal form; submit in (duplicate) (triplicate), addressed to the Commissioner of Customs, and forward to the FP&F Officer at		
Unless the amount herein demanded is paid or a petition for relief is filed with the FP&F Officer within the indicated time limit, further action will be taken in connection with your bond or the matter will be referred to the United States Attorney.		TIME LIMIT FOR PAYMENT OR FILING PETITION FOR RELIEF (Days from the date of this Notice)
Signature	Title	Date
By _____		

Your Comments are Important

The Small Business and Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs, call 1-888-REG-FAIR (888-734-3247).

Please note: The National Ombudsman/RegFair Board process has no effect on your rights or obligations under the procedures of the agency on which you are commenting. You must still comply with all of that agency's processes and procedures.

SAMPLE

FORM CF 6051D (front)
 Detention Notice and Custody Receipt for Detained Property

No. 0000000

U.S. CUSTOMS SERVICE
Detention Notice and Custody Receipt for
Detained Property
 Handbook 5200-09

1. Held for other agency? Yes No
 Name of Agency: _____
 2. Certified Mail No. _____
 3. Investigative Case No. _____
 4. General Order No. _____
 5. Exodus Command Center Notified?
 Yes No
 Date: _____ Time: _____

6. Port Code _____ 7. Date of Detention (mm/dd/yyyy) _____ 8. Time (Use 24 Hours) _____ 9. Entry Number _____
 10. Detained from: _____ 11. Seal or Other ID No. _____
 Name: _____ 12. Misc. Nos. _____
 Address: _____ 13. Remarks: _____
 Telephone No. _____ 14. FPD No. (Port Director's Use Only) _____
 () _____
 15. Point of Contact Information - Send all correspondence to _____ 16. Additional Information/Action Request from Importer/Exporter/Subject _____
 Telephone No. () _____ Fax No. () _____
 17. Reason for Detention: _____
 18. Tests or Inquiries to be Conducted: _____

a. Line Item No.	b. Description	c. Packages Number	Type	d. Measurement Qty.	UM	e. Est. Dom. Value	f. Samples Sent to the Customs Lab		Date
							Yes	No	
						\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/>	No <input type="checkbox"/>	/ /

20. Detaining Officer Name _____
 Print _____ Signature _____ Date _____

21. ACCEPTANCE/CHAIN OF CUSTODY

a. Line Item No.	b. Description	c. Print Name/Title/Organization	d. Signature	e. Date

Shipments may be detained for up to 30 days, unless statutory authority or interagency agreement mandates that a longer period of time is required, or the importer/exporter/subject requests a longer detention period through the Port Director.

Detention Notice and Custody Receipt for Detained Property

BLOCK DESCRIPTIONS (Fill in all sections that apply)

1. Held for other agency Enter an "X" in the appropriate box to indicate yes or no. If yes, provide agency name.
2. Certified Mail No. Enter number from Post Office receipt.
3. Investigative Case No. Enter OI Investigative Case Number or IA File Number Only.
4. General Order No. Enter the 15 digit General Order Number.
5. Exodus Command Center Enter an "X" on the appropriate box to indicate yes or no. If yes, provide date and time. (Export detentions only)
6. Port Code Enter the Port Code.
7. Date of Detention Enter date of detention in month/day/year.
8. Time Enter time of incident in 24 hour format (e.g. 10:00).
9. Entry No. Enter the Entry Number.
10. Detained from Enter the name, address and telephone number of the person whose property has been detained.
11. Seal or Other ID No. Enter Baggage Claim Number, Evidence Bag Number, Customs seal, or any other identification attached to the property.
12. Misc. Nos. Enter other agency case number, for example.
13. Remarks Enter remarks which may be relevant to the property. Reference any previous CF6051D numbers.
14. FPF No. Enter the FPF Number (For Customs Lab Use Only)
15. Point of Contact Information Enter the local Customs office, SAIC, Port, or FPF address and telephone number, as appropriate.
16. Additional Information Enter additional information and/or action request from party-in-interest
17. Reason for Detention Enter explanation of why the item(s) is/are being detained.
18. Tests or Inquiries to be Conducted Enter the process being conducted to determine if item(s) is/are in violation.
19. Property Information Enter information in items 19a through 19f.
- 19a. Line Item No. Enter group items by tariff number or SEACATS category code. Line item number corresponds to the line item number in SEACATS.
- 19b. Description Enter brief description of detained item.
- 19c. Packages Enter the number and type of packaging containing the property. (e.g. BX=box, BA=bale, EN=envelope)
- 19d. Measurement The block contains the quantity of the detained item given in the units of measure entered in the Unit of Measurement block. For NARCOTICS, the net weight is entered.
- 19e. Estimated Domestic Value Enter the estimated domestic value of the item seized.
- 19f. Samples Sent to Lab Enter an "X" in the box to determine if a sample was sent to the Customs Lab and list the date sent.
20. Detaining Officer Name Enter printed name of detaining officer, sign and date (first officer taking custody of the property). This initiates the Chain of Custody for all items described in Block 19. Signature is for ALL line items, including any CF 6051A continuation sheet(s).
21. Acceptance/Chain of Custody
- 21a. Line Item No. Enter the line item number(s) from Block 19 being accepted. (e.g. 1,2,3 and 5; or 1-3, 5)
- 21b. Description Enter item(s) being accepted. The word "ALL" or equivalent is NOT acceptable.
- 21c. Print Name Enter the name/title/organization of the individual accepting custody of item(s)
- 21d. Signature Have individual accepting custody of item(s) sign in this block.
- 21e. Date Enter date custody is accepted.

CUSTODY RECEIPT FOR SEIZED PROPERTY AND EVIDENCE

Instructions

NOTE: Narcotics, currency, monetary instruments, DEA samples, and evidence to be used in court must be transferred on a separate CF 6051S. Initiate a separate CF 6051S or D when this form is used for property transfer to the contractor. When initiating a separate CF 6051S or D, ensure that the line item number corresponds to the line item number in SEACATS.

BLOCK DESCRIPTIONS (Fill in all sections that apply)

- Block 1. FPF No.** Enter the 16-digit system generated FPF Case Number
Block 4. Detention Enter an "X" in the block if property had been detained prior to seizure and attach Detention Notice (CF 6051D). List CF 6051D number, if applicable.
Block 5. Date Enter the date of seizure in month/day/year.
Block 6. Time Enter time of incident in 24 hour format (e.g. 1600).
Block 7. FDIN/Misc. Federal Drug Identification Number, etc. (Other agency identification number)
Block 8. Seized from Enter the name, address and telephone number of the person whose property has been seized.
Block 9. Entry No. Enter the entry number.
Block 10. Seal and Other I.D. No. Enter the Evidence Tag Number, Evidence Bag Number, Customs seal, or any other identification attached to the property.
Block 11. Remarks Enter all remarks which may be relevant or which may be of assistance in storing or maintaining the property. Reference any previous CF 6051S report number.
Block 12. Send Correspondence to Enter the local Customs office, SAIC, Port, or FPF address, as appropriate.
Block 13. Property For non-NARCOTICS evidence, complete sections as appropriate (O/MIA use). Information entered in items 13a through 13d should be the same as entered in SEACATS. See examples below:

Line Item No.	Description	Packages / Type	Measurement Qty / UM	Line Item No.	Description	Packages No. / Type	Measurement Qty / UM
1	Cocaine 50 bricks in 5 boxes	5 / boxes	100 / Kg	2	Shirts	10 / Cartons	1000 / Ea.

- Block 13a. Line** Group items by tariff number or SEACATS category code. Line item number corresponds to the line item number in SEACATS.
Block 13b. Description Enter a brief description of the seized item.
Block 13c. Number & Type of Packages Enter the number and type of packaging containing the property. (e.g. BX=box, BA=bale, EN=envelope)
Block 13d. Quantity and Unit of Measurement The block contains the quantity of the seized item given in the units of measure entered in the Unit of Measurement block. For NARCOTICS, the net weight is entered.
Block 13e. Estimated Domestic Value Enter the estimated domestic value of the item seized.
Block 14. Seizing Officer Printed name and signature of Seizing Officer and date (the first officer taking custody of the property). This initiates the Chain of Custody for all items described in block 13. Signature is for ALL line items, including any CF 6051A continuation sheet(s).
Block 15. Acceptance Chain of Custody
Block 15a. Line Item No. Enter the line item numbers from block 13 being accepted. (e.g. 1,2,3 and 5; or 1-3, 5)
Block 15b. Description Specify item(s) being accepted. The word "ALL" or equivalent is NOT acceptable.
Block 15c. Print Name Print the name, title and organization of the individual accepting custody of item(s).
Block 15d. Signature Have the individual accepting custody of item(s) sign in this block.
Block 15e. Date Enter date custody is accepted.

**CUSTODY RECEIPT
FOR
DETAINED OR SEIZED
PROPERTY**
Handbook 5200-09

Continuation Sheet

1. Page _____ of _____
2. CF 6051S or D No. _____

3. FPF No.			4. Investigative Case No. or IA File No.					
5. PROPERTY (By Line Item) Attach CF 58 if conveyance						FOR DETENTIONS ONLY		
a. Line Item No.	b. Description	c. Packages		d. Measurements		e. Est. Dom. Value	f. Samples sent to the	
		Number	Type	Qty.	UM		Customs Lab	Date
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
						\$	Yes <input type="checkbox"/> No <input type="checkbox"/>	/ /
6. ACCEPTANCE/CHAIN OF CUSTODY								
a. Line Item No.	Description	c. Print Name/Title/Organization			d. Signature	e. Date		

CUSTODY RECEIPT FOR DETAINED OR SEIZED PROPERTY

Continuation Sheet Instructions

NOTE: Narcotics, currency, monetary instruments, DEA samples, and evidence to be used in court must be transferred on a separate CF 6051S. Initiate a separate CF 6051S or D when this form is used for property transfer to the contractor. When initiating a separate CF 6051S or D, ensure that the line item number corresponds to the line item number in SEACATS.

BLOCK DESCRIPTIONS (Fill in all sections that apply)

Block 1. Page ___ of ___

Enter page number and total number of pages, including the CF 6051S or CF 6051D.

Block 2. CF 6051S No.

Enter the serial number of the CF 6051S, if applicable.

(b)(2)

Block 5. Property

For non-S&P evidence, complete sections as appropriate (OIA use). Format entered in blocks 5a through 5d should mirror information on SEACATS. See examples below.

Line Item No.	Description	Packages No. / Type	Measurement Qty / UM	Description	Packages No. / Type	Measurement Qty / UM
1	Cocaine 50 bricks in 5 boxes		Kg	2	Shirts	10 / Cartons 1000 / Ea.

Block 5a. Tariff Number No.

Group items by tariff number or SEACATS category code. Line item number corresponds to the Line Item number in SEACATS.

Block 5b. Description

Enter a brief description of the seized item.

Block 5c. Number & Type of Packages

Enter the number and type of packaging containing the property. (e.g. BX=box, BA=bale, EN=envelope)

Block 5d. Quantity and Unit of Measurement

The block contains the quantity of the seized item given in the units of measure entered in the Unit of Measurement Block; for Narcotics, the net weight is entered.

Block 5e. Estimated Domestic Value

Enter the estimated domestic value of the item seized.

Block 5f. Samples Sent to Lab (For Detention Only)

Enter an "X" in the box to determine if a sample was sent to the Customs Lab and list the date sent.

Block 6. Acceptance Chain of Custody

Block 6a. Line Item No.

Enter the line item numbers from block 13 being accepted. (e.g. 1,2,3 and 5; or 1-3, 5)

Block 6b. Description

Enter item(s) being accepted. The word "ALL" or equivalent is NOT acceptable.

Block 6c. Print Name

Enter the name, title and organization of the individual accepting custody of items.

Block 6d. Signature

Have individual accepting custody of item(s) sign in this block.

Block 6e. Date

Enter date custody is accepted.

**Receipt for Property
 Instructions**

BLOCK DESCRIPTIONS (Fill in all sections that apply)

1. Reference No.	Enter the Investigative Case number.
2. Received By	Enter name, address, telephone number, agency and title of the person accepting custody of the property.
3. Received From	Enter name, address, telephone number, agency and title of the person from whom the property is being accepted.
4. FPF No.	Enter the 16 digit FPF Control Number (Use the CF 6051R page FPF No.).

5. PROPERTY	
a. Line Item No.	Enter S/A/S line number or other reference number.
b. CF 6051S No.	Enter CF 6051S Serial number if seized property or evidence is being turned over to another custodian.
c. Description	Enter a brief description of the item.
d. Amount or Quantity	This block contains the quantity of the item described in 4c. If weight, use "net". (e.g. drugs with original packaging)

ACCEPTANCE/CHAIN OF CUSTODY	
6a. Received By	Signature of person accepting property.
6b. Date	Enter date person in 5a accepted custody of property.
6c. Received By	Print name, title and organization.
7a. Received From	Signature of person from whom property is received.
7b. Date	Enter date property is received.
7c. Received From	Print name, title and organization.
8a. Witness	Signature of person witnessing transaction.
8b. Date	Enter date person in 7a witnessed transaction.
8c. Witness	Print name, title and organization.

FORM 6059B (front)
Customs Declaration

APHIS/FWS USE ONLY

**WELCOME
TO THE
UNITED STATES**

CUSTOMS USE ONLY



DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

FORM APPROVED
OMB NO. 1515-0041

CUSTOMS DECLARATION

19 CFR 122.27, 148.12, 148.13, 148.110, 148.111

Each arriving traveler or responsible family member must provide the following information (only ONE written declaration per family is required):

1. Family Name

2. First (Given) Name 3. Middle Initial(s) 4. Birth Date (day/mo/yr)

5. Airline/Flight No. or Vessel Name or Vehicle License No. 6. Number of Family Members Traveling With You

7. (a) Country of Citizenship 7. (b) Country of Residence

8. (a) U.S. Address (Street Number/Hotel/Mailing Address in U.S.)

8. (b) U.S. Address (City) (c) U.S. State (State)

9. Countries visited on previous trip prior to U.S. arrival

a. b.

c. d.

10. The purpose of your trip was: Business Personal
(Check one box, if applicable)

11. I (we) are bringing guns, plants, meats, food, birds, snails, other live animals, wildlife products, farm products; or, have been on a farm or ranch outside the U.S.: Yes No

I (we) are carrying currency or monetary instruments over \$10,000 U.S., or foreign equivalent: Yes No

13. I have (We have) commercial merchandise, U.S. or foreign: (Check one box only) Yes No

14. The total value of all goods, including commercial merchandise, I/we purchased or acquired abroad and am/are bringing to the U.S. is: \$ _____ (U.S. Dollars)

(See the instructions on the back of this form under "MERCHANDISE" and use the space provided there to list all the items you must declare. If you have nothing to declare, write "0" in the space provided above.)

SIGN BELOW AFTER YOU READ NOTICE ON REVERSE

I have read the notice on the reverse and have made a truthful declaration.

X

Signature Date (day/month/year)

U.S. Customs use only -- Do not write below this line -- U.S. Customs use only

INSPECTOR'S BADGE NUMBER STAMP AREA

TIME COMPLETED

DEPARTMENT OF THE TREASURY
United States Customs Service

ENTRY SUMMARY

① Entry No.		② Entry Type Code		3. Entry Summary Date	
4. Entry Date		⑤ Port Code			
6. Bond No.		7. Bond Type Code		8. Broker/Importer File No.	
9. Ultimate Consignee Name and Address		10. Consignee No.		⑪ Importer of Record Name and Address	
				⑫ Importer No.	
		⑬ Exporting Country		14. State	
		⑮ Country of Origin		⑯ Missing Documents	
		State		⑰ I.T. No.	
⑲ B/L or AWB No.		20. Mode of Transportation		21. Manufacturer I.D.	
⑳ Importing Carrier		24. Foreign Port of Lading		22. Reference No.	
26. U.S. Port of Unlading		⑳ Import Date		25. Import Goods No.	

⑳ Line No.	⑳ Description of Merchandise		㉑ Net Quantity in HTSUS Units	㉒ Estimated Value	㉓ Duty and I.R. Tax			
	㉒ HTSUS No.	㉒ Gross Weight Manifest Qty.			㉓ A. HTSUS Rate	㉓ B. ADA/CVD Rate	㉓ C. I.R.C. Rate	Dollars

㉔ Declaration of Importer of Record (Owner or Purchaser) or Authorized Agent I declare that I am the <input type="checkbox"/> importer of record and that the actual owner, purchaser, or consignee for customs purposes is as shown above. OR <input type="checkbox"/> owner or purchaser or agent thereof. I further declare that the merchandise <input type="checkbox"/> was obtained pursuant to a purchase or agreement to purchase and that the prices set forth in the invoices are true. OR <input type="checkbox"/> was not obtained pursuant to a purchase or agreement to purchase and the statements in the invoices as to value or price are true to the best of my knowledge and belief. I also declare that the statements in the documents herein filed fully disclose to the best of my knowledge and belief the true prices, values, quantities, rebates, drawbacks, fees, commissions, and royalties and are true and correct, and that all goods or services provided to the seller of the merchandise either free or at reduced cost are fully disclosed. I will immediately furnish to the appropriate customs officer any information showing a different state of facts.		▼ U.S. CUSTOMS USE ▼ A. Liq. Code B. Ascertained Duty C. Ascertained Tax D. Ascertained Other E. Ascertained Total		TOTALS ㉕ Duty ㉖ Tax ㉗ Other ㉘ Total	
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Notice required by Paperwork Reduction Act of 1995: This information is needed to ensure that importers/exporters are complying with U.S. Customs laws, to allow us to compute and collect the right amount of money, to enforce other agency requirements, and to collect accurate statistical information on imports. Your response is mandatory. (Continued on back of form.)

㉙ Signature of Declarant, Title, and Date

FORM 7501 (back)
Entry Summary

PAPERWORK REDUCTION ACT NOTICE CONTINUED FROM OTHER SIDE

Statement Required by 5 CFR 1320.21: When this form is used for a formal entry, the estimated average burden associated with this collection of information is 20 minutes per respondent or recordkeeper depending on individual circumstances. (When this form is used for an informal entry, the estimated burden is 5 minutes.) Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to U.S. Customs Service, Information Services Branch, Washington DC 20229. *DO NOT send completed form(s) to this office.*

SAMPLE

19 CFR 10.60, 10.61, 123.41, 123.42

Entry No.
 Port
 Date

TRANSPORTATION ENTRY AND MANIFEST OF
 GOODS SUBJECT TO CUSTOMS INSPECTION

AND PERMIT
 U.S. CUSTOMS SERVICE

PORT CODE NO. FIRST U.S. PORT OF UNLADING

Entry No.
 Class of Entry
 (I.T.) (T.E.) (WD.1E) (Drawback, etc.)

PORT OF DATE

Entered or imported by Importer/IRS # to be shipped

in bond via (C.H.L. number) (Vessel or carrier) (Car number and initial) (Pier or station) consigned to

Customs Port Director Final foreign destination (For stations only)

Consignee (At customs port of exit or destination)

Foreign port of lading B/L No. Date of sail / /

Imported on the (Name of vessel or carrier and motive power) Flag on (Date imported) (Last foreign port)

Exported from (Country) on (Date) Goods now at (Name of warehouse, station, pier)

Marks and Numbers of Packages	Description and Quantity of Merchandise Number and Kind of Packages (Describe fully as per shipping papers)	Weight in Pounds	Value (Dollars only)	Rate	Duty
SAMPLE					

G.O. No. Check if withdrawn for Vessel supplies (19 U.S.C. 1309)

CERTIFICATE OF LADING FOR TRANSPORTATION IN BOND AND/OR LADING FOR EXPORTATION FOR

WITH THE EXCEPTIONS NOTED (Port) ABOVE, THE WITHIN-DESCRIBED GOODS WERE:

Delivered to the Carrier named above, for delivery to the Customs Port Director at destination sealed with Customs seals Nos.

or the packages (were) (were not) labeled, or corded and sealed.

(Inspector) (Date)
 (Inspector) (Date)

Laden on the— (Vessel, vehicle, or aircraft)

which cleared for—

on (Date) as verified by export records.

(Inspector) (Date)

I truly declare that the statements contained herein are true and correct to the best of my knowledge and belief.

Entered or withdrawn by

To the Inspector: The above-described goods shall be disposed of as specified herein.

For the Port Director

Received from the Port Director of the above Customs location the merchandise described in this manifest for transportation and delivery into the custody of the customs officers at the port named above, all packages in apparent good order except as noted hereon.

Attorney or Agent of Carrier

INSTRUCTIONS

Consult customs officer or Part 18, Customs Regulations, for the appropriate number of copies required for entry, withdrawal, or manifest purposes.

For the purpose of transfer under the cartage or lighterage provisions of a proper bond to the place of shipment from the port of entry, extra copies bearing a stamp or notation as to their intended use may be required for local administration.

As the form is the same whether used as an entry or withdrawal or manifest, all copies may be prepared at the same time by carbon process, unless more than one vessel or vehicle is used, in which case a separate manifest must be prepared for each such vessel or vehicle.

Whenever this form is used as an entry or withdrawal, care should be taken that the kind of entry is plainly shown in the block in the upper right-hand corner of the face of the entry.

This form may be printed by private parties provided that the supply printed conforms to the official form in size, wording, arrangement, and quality and color of paper and ink. For sale by Customs Port Directors.

RECORD OF CARTAGE OR LIGHTERAGE
Delivered to Cartman or Lighterman in apparent good condition except as noted on this form

Conveyance	Quantity	Date	Delivered	Received	Received
			(Inspector)	(Cartman or Lighterman)	(Date) (Inspector)
			(Inspector)	(Cartman or Lighterman)	(Date) (Inspector)
			(Inspector)	(Cartman or Lighterman)	(Date) (Inspector)
Total			(Inspector)	(Cartman or Lighterman)	(Date) (Inspector)

SAMPLE

CERTIFICATES OF TRANSFER (Required)

I certify that within-described goods were transferred by reason of _____
 to _____
 on _____, at _____, and sealed _____
 Nos. _____, and that goods were in same apparent condition as noted on original lading except _____
 Inspector, Conductor, or Master

INSPECTED

at _____
 on _____ (Date)
 and seals found _____
 Inspector.

If transfer occurs within city limits of a customs port or station, customs officers must be notified to supervise transfer.

INSPECTOR'S REPORT OF DISCHARGE AT DESTINATION

Port _____, Station _____ (Date) _____
 TO THE PORT DIRECTOR: Delivering line _____ Car No. _____ Initial _____
 Arrived _____ (Date) Condition of car _____, of seals _____, of packages _____

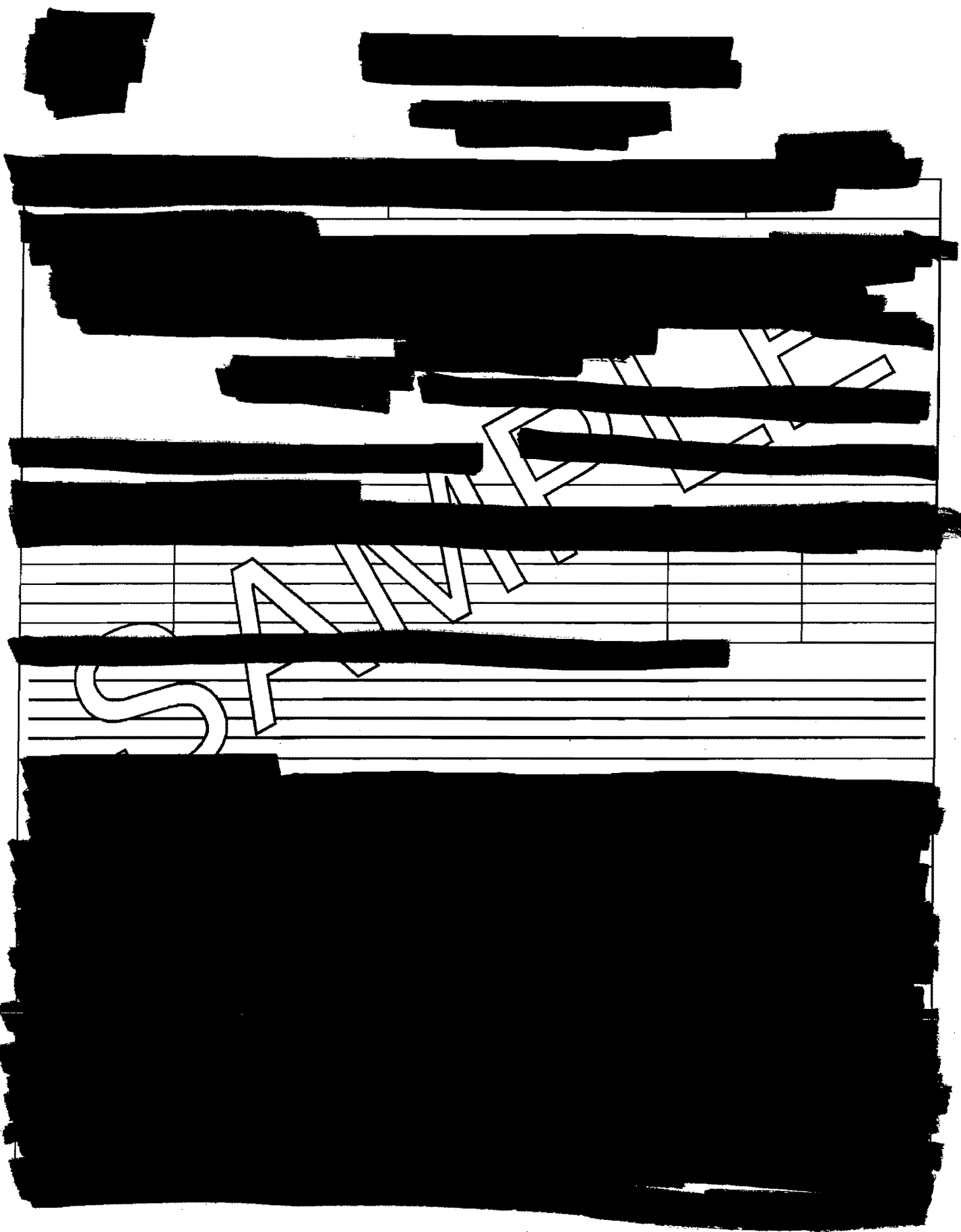
Date of Delivery to Importer, or Gen. Order	Packages	No. and Kind of Entry or General Order	Bonded Truck or Lighter No.	Conditions, Etc.

I certify above report is correct.

Inspector.

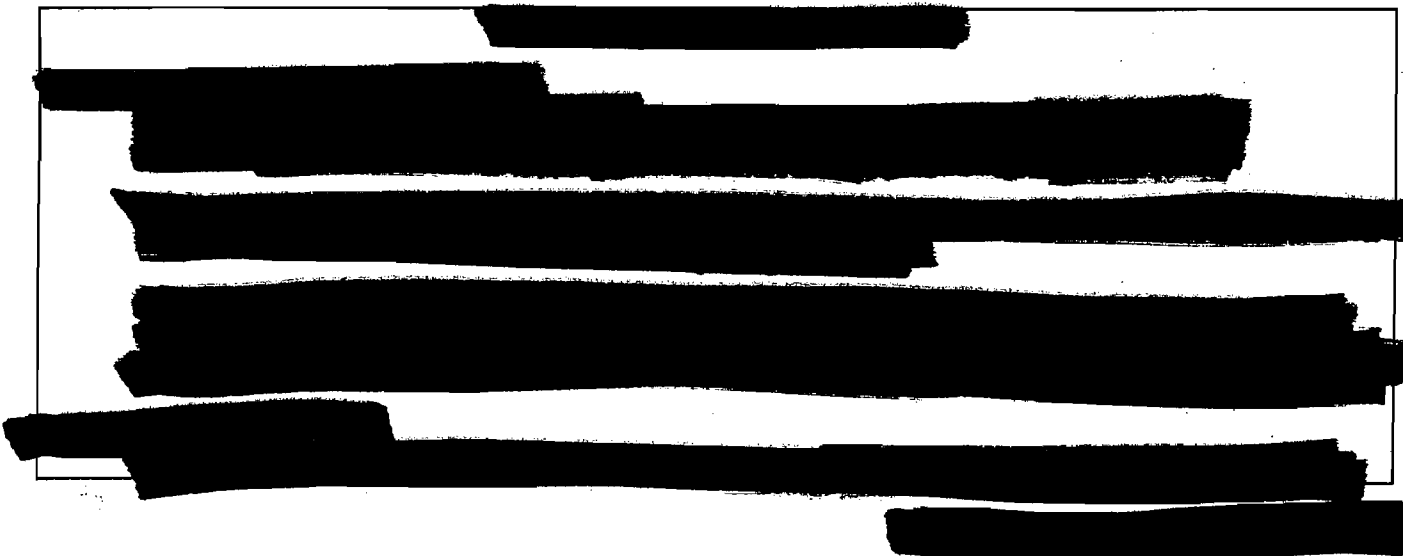
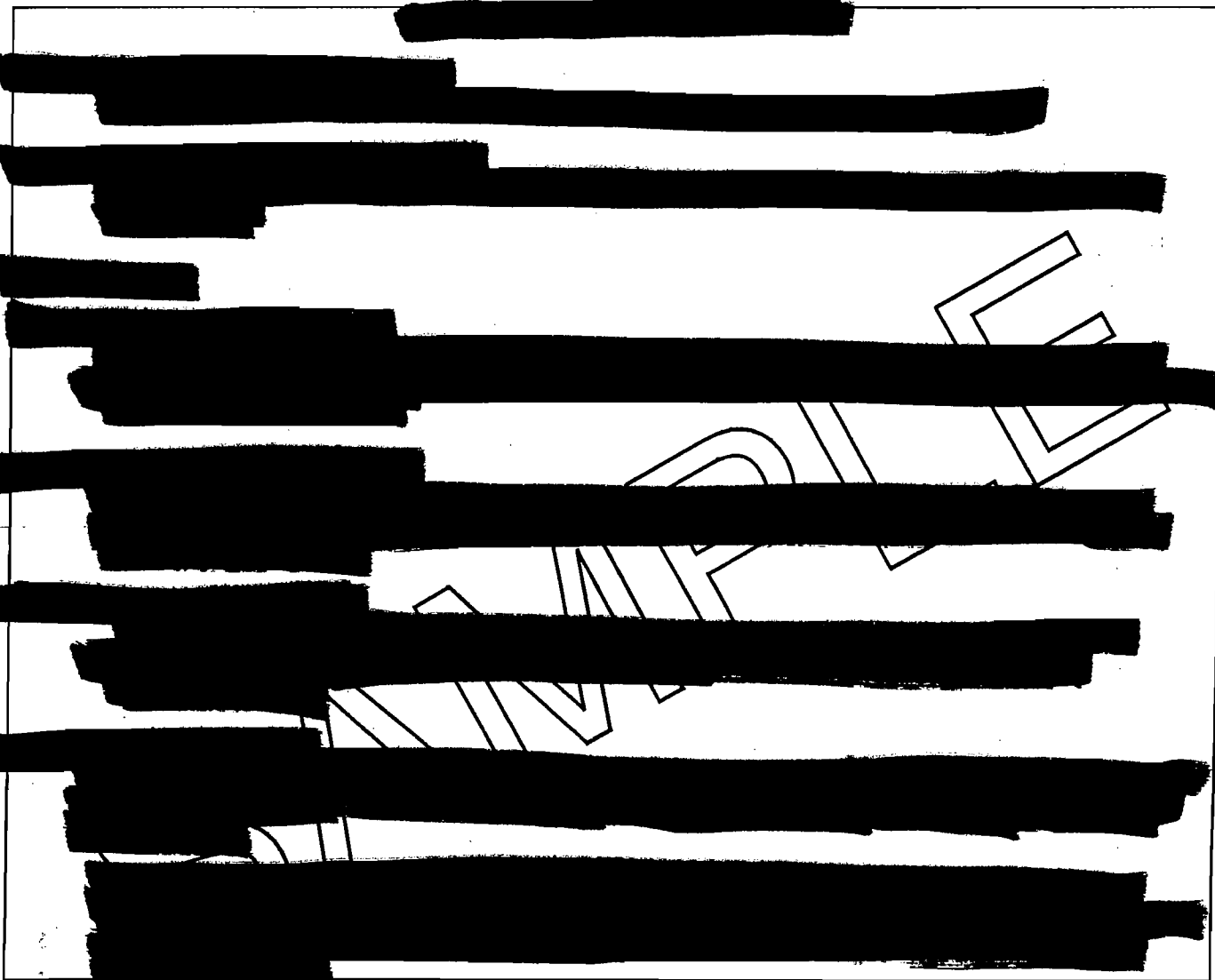
Paperwork Reduction Act Notice: The Paperwork Reduction Act of 1995 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information in order to carry out the laws and regulations administered by the U.S. Customs Service. These regulations and forms apply to carriers and brokers who are transporting merchandise in-bond from a port of importation to another Customs port prior to final release of the merchandise from Customs custody. This is governed by regulation and to your benefit.

(b)(7)(E)



(b)(7)(E)

(b)(2)



(b)(2)

[REDACTED]

[REDACTED]

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(b)(2)

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(b)(2)

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