U.S. Department of Justice

U.S. Department of the Treasury

Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies

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I. Asset Forfeiture and Equitable Sharing Overview

A. Asset Forfeiture Programs

The Department of Justice and the Department of the Treasury Asset Forfeiture Programs are, first and foremost, law enforcement programs. They remove the tools of crime from criminal organizations, deprive wrongdoers of the proceeds of their crimes, recover property that may be used to compensate victims, and deter crime. The Department of Justice and the Department of the Treasury emphasize these law enforcement purposes to their own law enforcement agencies and all federal, state, local, and tribal partner agencies.

B. Civil Rights Compliance

Agencies must comply with the applicable nondiscrimination requirements of the following laws and their implementing regulations: Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), which prohibit discrimination on the basis of race, color, national origin, disability, or age in any federally assisted program or activity, or on the basis of sex in any federally assisted education program or activity. Agencies must take reasonable steps to provide meaningful access to their programs and activities for persons with limited English proficiency, consistent with Department of Justice and Department of the Treasury requirements. Agencies also must agree to comply with all federal statutes and regulations permitting federal investigators access to records and any other sources of information as may be necessary to determine compliance with civil rights and other applicable statutes and regulations.

C. Equitable Sharing Program

One of the ancillary benefits of asset forfeiture is the potential to share federal forfeiture proceeds with cooperating state and local law enforcement agencies through equitable sharing. The Department of Justice and the Department of the Treasury Equitable Sharing Programs (Program)[1] enhance cooperation amongst federal, state, local, and tribal law enforcement by providing valuable additional resources to state and local law enforcement agencies. However, the Program is designed to supplement and enhance, not supplant, appropriated agency resources.

Not all law enforcement efforts will result in equitable sharing. Specifically, compensating victims remains a top priority of the Asset Forfeiture Program. Pursuant to the Crime Victims' Rights Act, the Mandatory Victims Restitution Act, and Department of Justice and Department of the Treasury policies, victim compensation always takes priority over equitable sharing. Government agencies are at times victims entitled to compensation prior to equitable sharing.

The Department of Justice and the Department of the Treasury are two separate federal agencies with two separate forfeiture funds. However, this *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* (*Guide*) applies to both Programs. The Department of Justice and the Department of the Treasury may make further decisions and issue guidance independent of this *Guide* to ensure the integrity of the Program.

[1] Hereafter, the Department of Justice and the Department of the Treasury Equitable Sharing Programs will be collectively referred to as "Program" unless otherwise noted.

1. Equitable Sharing Authority

Federal law authorizes the Attorney General and the Secretary of the Treasury to share federally forfeited property with participating state and local law enforcement agencies.[2] The exercise of this authority is discretionary and limited by statute. The Attorney General and the Secretary of the Treasury are not required to share property in any case. The Attorney General and the Secretary of the Treasury shall assure that any property transferred to a State or local law enforcement agency:

(A) has a value that bears a reasonable relationship to the degree of direct participation of the State or local agency in the law enforcement effort resulting in the forfeiture, taking into account the total value of all property forfeited and the total law enforcement effort as a whole; and with respect to the violation of law on which the forfeiture is based; and

(B) will serve to encourage further cooperation between the recipient State or local agency and Federal law enforcement agencies.[3]

2. Department of Justice Participants

Participation in an investigation with one of the following agencies may result in equitable sharing paid from the Department of Justice Assets Forfeiture Fund.

U.S. Department of Justice agencies and components:

Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

Drug Enforcement Administration (DEA)

Federal Bureau of Investigation (FBI)

Participating components outside the U.S. Department of Justice:

U.S. Department of Agriculture – Office of Inspector General (USDA-OIG)

U.S. Department of Defense – Defense Criminal Investigative Service (DCIS)

U.S. Department of State – Bureau of Diplomatic Security (DSS)

U.S. Food and Drug Administration – Office of Criminal Investigations (FDA-OCI)

U.S. Postal Inspection Service (USPIS)[4]

[2] 21 U.S.C. § 881(e)(1)(A), 18 U.S.C. § 981(e)(2), and 19 U.S.C. § 1616a; 31 U.S.C. § 9705(b)(4)(A) and (b)(4)(B).
[3] 21 U.S.C. § 881(e)(3).
[4] Participation on an investigation led by the U.S. Postal Inspection Service may result in equitable sharing that is paid from the U.S. Postal Inspection Service Forfeiture Fund. These payments are considered Department of Justice equitable sharing funds for the purpose of this *Guide*.

3. Department of the Treasury Participants

Participation in an investigation with one of the following agencies may result in equitable sharing that is paid from the Department of the Treasury Forfeiture Fund.

U.S. Immigration and Customs Enforcement – Homeland Security Investigations (HSI)

Internal Revenue Service – Criminal Investigation (IRS-CI)

U.S. Secret Service (USSS)

U.S. Customs and Border Protection (CBP)

II. Which Non-Federal Agencies Are Eligible to Participate in the Equitable Sharing Program?

A. State, Local, or Tribal Law Enforcement Agencies

Any state, local, or tribal law enforcement agency that is a participant in the Program and directly participates in an investigation or prosecution resulting in a federal forfeiture may request an equitable share of the net proceeds of the forfeiture. In order for a state, local, or tribal law enforcement agency to receive shared funds, the agency must be compliant with the Program guidelines and reporting requirements.

For purposes of equitable sharing, a *law enforcement agency* is defined as a state, local, or tribal government organization authorized to engage as its primary function in the investigation and apprehension, or the prosecution of individuals suspected or convicted of offenses against the criminal laws of the United States or of any state, county, municipality, or territory of the United States. Furthermore, a law enforcement agency is primarily composed of or employs individuals designated or qualified under state statutes as peace officers or those who are authorized to prosecute criminal violations or to exercise police powers such as making arrests, seizing property, executing warrants and court orders, and carrying firearms.

A *primary function* is one that: (1) occupies a clear majority of the agency's working time over a typical work cycle; and (2) is performed on a regular and recurring basis by the agency and a majority of its officers, employees, and agents. Functions that are of an emergency, incidental, or temporary nature are not considered primary even if they amount to a majority of an agency's working time.

B. State National Guard Counterdrug Unit

A state National Guard generally does not meet the criteria for participation in the Program as a law enforcement agency because its primary mission serves a military or other non-law enforcement purpose. An individual National Guard Counterdrug Unit, however, may be eligible to participate in the Program if it is a distinct unit of a state National Guard that has counterdrug activities as its primary mission and receives funding solely for this purpose.

The Department of Justice and the Department of the Treasury determine whether individual National Guard units are eligible to participate in the Program on a case-by-case basis. Once a state National Guard unit has been determined to be eligible, it participates in the Program in the same manner as any other state, local, or tribal law enforcement agency, including adherence to reporting and compliance requirements, procedures to apply for shares of forfeited property, and all equitable sharing policies.

C. State and Local Prosecutorial Agencies

State and local prosecutorial agencies are eligible to receive equitable sharing for assistance they provide in federal forfeiture cases based on the level of contribution to the law enforcement effort. In addition, an agency may be eligible for sharing if it cross-designated a state or local attorney as a Special Assistant U.S. Attorney (SAUSA) to handle the federal forfeiture or related criminal cases in federal court. In all instances, the agency must submit a sharing request. The percentage awarded will be based on work hours and qualitative contributions to either the prosecution or efforts leading to the forfeiture. Prosecutorial agencies must adhere to reporting and compliance requirements, procedures to apply for shares of forfeited property, and all equitable sharing policies.

D. Task Forces

Equitable sharing for task forces may be paid either to a fiduciary agency or to individual member agencies. Compliant state, local, and tribal law enforcement agencies participating in task forces may request and receive equitable sharing payments under their individual NCIC codes. These payments will be paid directly either to the fiduciary agency or to individual member agencies based on participation.

Agencies participating in task forces may designate one task force member agency to serve as the fiduciary agency for the task force. The fiduciary agency must be a Program participant and must be compliant with the Program guidelines and reporting requirements. The fiduciary agency may submit one Equitable Sharing Request form (DAG-71) or Treasury TD F 92-22.46 form (TD F) under its NCIC code on behalf of the task force. The DAG-71 or TD F form must include the total workhour and qualitative contributions of all task force member agencies in the investigation. Shared funds based on all task force member agencies' contributions pursuant to the task force agreement or memorandum of understanding (MOU) will be awarded to the fiduciary agency. The other task force member agencies will neither submit individual sharing requests nor receive funds from the fiduciary agency. Funds awarded to the fiduciary agency will be the fiduciary agency's funds and must be maintained by the fiduciary agency's jurisdiction. The fiduciary agency may earmark funds for use in support of the task force's operations. A waiver to transfer funds to other member agencies in extraordinary circumstances may be granted upon concurrence from both the transferring and recipient agency heads, governing body heads, and jurisdiction chief financial officers to ensure applicable sub-recipient monitoring requirements pursuant to OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are met.

Alternatively, each agency participating in a task force may file an individual DAG-71 or TD F form requesting sharing under its own agency NCIC code. Agencies participating in task forces with written task force agreements or MOUs with pre-arranged percentages may submit the agreement with the DAG-71 or TD F form. The decision maker will generally honor the pre-determined sharing percentages provided the agency is a Program participant and the percentages accurately reflect the degree of participation by the task force members, including work hours by federal agencies. The decision maker may allocate percentages to the individual member agencies based on the agencies' participation in the task force rather than any specific officer's participation in the law enforcement effort leading to forfeiture. A member agency paying task force operating expenses may be awarded a higher percentage as a qualitative factor. If multiple member agencies submit requests, shared funds will be awarded individually to the member agencies. Funds awarded to each individual agency will be the individual agency's funds and must be maintained by the individual agency's jurisdictions.

DAG-71 and T DF forms filed under a task force's NCIC code will be rejected. In addition, payments will not be directed to an account held by a task force or associated with a task force NCIC code.

The fiduciary agency or participating member agencies must file the Equitable Sharing Agreement and Certification (ESAC) form. ESAC filings will not be accepted under task force NCIC codes. Approval from the Agency Head and Governing Body Head and submission of the ESAC obligates the fiduciary agency or participating member agencies to the terms and conditions of participation in the Program.

Participating agencies may support task force operations through permissible expenditures as detailed in Section V of this *Guide*. Task force member agencies may purchase equipment and other tangible items as well as pay direct operational expenses such as leases for the benefit of the task force. However,

agencies may not transfer shared funds to task forces or pay for unspecified or impermissible operational expenses. The agency expending funds must report the expenditure and maintain ownership and control of any tangible items. Should the task force dissolve or the fiduciary withdraw, all equipment must be returned to the purchasing agency. This ensures that audit and regulatory requirements are met under the Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

E. Federal Agencies

Federal agencies are not eligible to receive equitable sharing funds. Federal agency participants in the Department of Justice or the Department of the Treasury Forfeiture Programs must follow their agency policy regarding submission of a Federal Contribution Form detailing participation in a forfeiture. The percentage awarded will be based on work hours and qualitative contributions for efforts leading to the forfeiture. Any award will be made to the participating agency's forfeiture fund and not the agency directly.

In no instance will any persons from a federal agency maintain control of shared funds, direct the use of shared funds, sign as the Agency Head or the Governing Body Head on an Equitable Sharing Agreement and Certification (ESAC) form, or certify a DAG-71 or TD F.

III. How Do Agencies Participate in the Equitable Sharing Program?

A. Joining the Equitable Sharing Program

Traditional law enforcement agencies generally include city, district, local, county, state, or tribal police, sheriff, or highway patrol departments, and state or local prosecutors' offices. To become a Program participant, these traditional agencies must first submit an ESAC form and affidavit to the Money Laundering and Asset Recovery Section (MLARS). Once the form is reviewed and accepted, the agency is placed into compliance. Yearly filing of the ESAC is required to maintain compliance.

All participating agencies must submit an Automated Clearing House (ACH) Vendor form to the United States Marshals Service (USMS) and to the Department of the Treasury. Separate accounts or account codes must be established for Department of Justice and Department of the Treasury funds; therefore a separate ACH form must be sent to each federal agency. ACH forms for each respective agency are available on each federal agency's website. If an agency's banking information changes, an updated ACH Vendor form must be submitted to the USMS and to the Department of the Treasury. Agencies may only include account and routing information for accounts assigned to their agency.

Agencies with law enforcement functions, but not included above as a traditional law enforcement agency, are subject to a separate review to determine the agency's eligibility to participate in the Program. The agency must demonstrate that it meets the requirements of a law enforcement agency as defined in Section II above.

Non-governmental entities, including non-profit organizations and public or private corporations or institutions, are not eligible to participate in the Program.

Determinations of agency eligibility are solely within the discretion of the Department of Justice and the Department of the Treasury.

B. Participating in a Federal Forfeiture

In order to receive an equitable share, an agency must assist in the law enforcement effort resulting in federal forfeiture. As a general rule, the forfeiture should follow the criminal case. If the property is seized as part of an ongoing federal investigation and the defendants are being prosecuted in federal court, the property should be federally forfeited. If the property is seized as part of an ongoing state investigation and the defendants are being prosecuted in state court, the property should be forfeited in state court, assuming that state law allows for forfeiture. A state or local law enforcement agency transferring property to the federal government must comply with all applicable state laws and regulations pertaining to such transfers.

Consult the federal seizing agency for minimum monetary or equity thresholds and pre-seizure planning requirements on seized property.

IV. What Is the Process to Apply for and Receive a Share?

A. Requesting an Equitable Share

1. Department of Justice-led Investigations

If state law permits, a participating state or local law enforcement agency may request a share of the forfeited assets by electronically submitting a DAG-71 to the federal seizing agency through the Department of Justice's eShare Portal. A separate DAG-71 must be completed by the requesting agency for each asset to be shared. An agency may not file a DAG-71 on behalf of another agency.

Sharing requests may be submitted at any time following the seizure, but no later than 45 days after forfeiture. A waiver request must be included with any sharing requests submitted after 45 days following the forfeiture. The lead seizing agency determines whether such a waiver will be granted.

The DAG-71 must include both work hours contributed and a detailed narrative of the agency's contribution to the law enforcement effort resulting in federal forfeiture of the asset. The agency is responsible for ensuring the deciding authority is provided with enough information to adequately evaluate the qualitative and quantitative contributions. Without this information, the deciding authority may not award a share that fully captures the agency's law enforcement contributions resulting in federal forfeiture of the requested asset. Agencies must certify that the information provided on the DAG-71 is a true and accurate statement of the agency's activities. Falsified information on the DAG-71 could, among other things, result in the agency's suspension or expulsion from the Program.

No sharing decisions will be made until after the forfeiture is complete. No sharing request will be accepted and processed after a sharing decision has been made by the deciding authority.

2. Department of the Treasury-led Investigations

If state law permits, a participating state or local law enforcement agency may request a share of the forfeited assets by submitting a TD F form to the federal agency processing the forfeiture. An agency may not file a TD F on behalf of another agency.

When multiple assets are seized in a single investigation, one TD F may be filed with an attached listing of all the assets for which a share is being requested.

Sharing requests may be submitted at any time following the seizure, but no later than 45 days after forfeiture. A waiver request must be included with any sharing requests submitted after 45 days following the forfeiture. The lead seizing agency determines whether such a waiver will be granted.

The TD F must include both work hours contributed and a detailed narrative of the agency's contribution to the law enforcement effort resulting in federal forfeiture of the asset. The agency is responsible for ensuring the deciding authority is provided with enough information to adequately evaluate the qualitative and quantitative contributions. Without this information, the deciding authority may not award a share that fully captures the agency's law enforcement contributions resulting in federal forfeiture of the requested asset. Agencies must certify that the information provided on the TD F is a true and accurate statement of the agency's activities. Falsified information on the TD F could, among other things, result in the agency's suspension or expulsion from the Program.

No sharing decisions will be made until after the forfeiture is complete. No sharing request will be accepted and processed after a sharing decision has been made by the deciding authority.

B. Calculating Shares

Percentages allocated to a law enforcement agency must bear a reasonable relationship to the agency's direct participation in the law enforcement effort resulting in the federal forfeiture. The deciding authority ordinarily determines percentages by comparing the number of work hours expended by each agency participating in the federal forfeiture, including all federal, state, local, and tribal agency contributions.

Where the work hours alone do not reflect the contribution of a law enforcement agency, the deciding authority considers qualitative factors in making adjustments to the sharing percentage. The deciding authority will consider such qualitative factors as:

- the inherent importance of the contributing activity;
- whether the agency otherwise entitled to an adjustment would already receive a comparatively large share based on reported work hours;
- whether the agency originated the information leading to the seizure;
- whether the agency provided and articulated specific unique or indispensable assistance; or
- whether the agency seized one or more assets that were forfeited in non-federal proceedings during the same investigation.

Any of these qualitative factors may warrant an increase or decrease in the percentage awarded to an agency. The deciding authority has discretion to determine on a case-by-case basis whether and how much to adjust the sharing allocation.

No sharing request or recommendation, including shares negotiated in a task force or other agreement, is final until approved by the federal deciding authority.

1. Federal Contribution

All cases resulting in equitable sharing have some level of federal involvement. The deciding authority must obtain and review the work hours and qualitative contributions of all federal agency participants when determining the appropriate share to retain in the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund. Federal participation will be evaluated in the same manner as state and local participation. Work hours and qualitative contributions must be evaluated to determine the appropriate share. In addition, the deciding authority may consider federal prosecutorial contributions when evaluating the federal share.

The ***minimum*** federal share is 20 percent.

2. State and Local Contribution

The deciding authority must review the reported work hours and qualitative contributions of all participating state and local agencies and determine the appropriate share to award to each agency after considering all federal, state, local, and tribal agency contributions to the law enforcement effort resulting in federal forfeiture.

3. Task Force Contribution

Many task forces involving federal, state, local, and tribal law enforcement agencies have pre-arranged, written equitable sharing agreements based upon relative numbers of personnel and other contributions to the task force operation.

The Department of Justice and the Department of the Treasury will generally honor written sharing agreements that were in place *prior* to the onset of the law enforcement effort resulting in federal forfeiture. The sharing agreement must be current, in writing, and signed by the head of each agency that participates in the task force, and must contain the pre-arranged sharing percentages which reflect overall agency investigative, financial, or administrative contributions to the task force. If an agency requests sharing pursuant to a task force agreement or MOU, the agreement must be submitted to the deciding authority along with the DAG-71 or TD F. If a federal law enforcement agency is a member of a task force, and the task force chooses to enter into an MOU containing pre-arranged sharing percentages, the MOU must reflect the manpower and contributions of the federal agency and the federal share must be no less than 20 percent. Approved sharing will be disbursed directly to the member agencies. The deciding authority will not honor any verbal sharing agreements agreed upon before, during, or after the onset of the law enforcement effort resulting in federal forfeiture.

4. Spin-off Investigations

Agencies may share intelligence information that leads to spin-off investigations and additional federal forfeitures. In limited instances, the deciding authority may approve sharing to an agency that provided critical intelligence information essential to that forfeiture, but did not actively participate in the subsequent law enforcement effort resulting in federal forfeiture. The deciding authority will determine an agency's eligibility to share in federal forfeitures in spin-off investigations on a case-by-case basis.

5. Excessive Distribution Cap

A single equitable sharing distribution may not exceed the lesser of $2 million plus twice the amount of the recipient agency's most recent budget or $30 million. The overage will remain in the federal forfeiture fund and will be used to support nationwide law enforcement efforts.

C. Department of Justice Equitable Sharing Deciding Authorities

All decision makers will exercise due diligence when reviewing and considering work hours and qualitative factors to ensure consistency and uniformity Program-wide when determining shares.

1. Federal Investigative Agency

If the total appraised value of all the assets forfeited in a single administrative declaration of forfeiture is less than $1 million, the investigative agency determines the appropriate equitable share for each asset and requesting agency.

2. United States Attorney

If the total appraised value of all the assets forfeited in a single judicial forfeiture order is less than $1 million, the United States Attorney determines the appropriate equitable share for each asset and requesting agency.

3. Department of Justice, Criminal Division

In multi-district cases, cases involving the equitable transfer of real property, or cases where the total appraised value of all the assets forfeited in a single administrative or judicial forfeiture is equal to or greater than $1 million, the Criminal Division determines the appropriate equitable share of each asset. Property forfeited under a single judicial order cannot be split up or separated so that only those individual assets with values equal to or greater than $1 million are sent to the Criminal Division for sharing decisions.

D. Department of the Treasury Equitable Sharing Deciding Authorities

1. Federal Investigative Agency

In all forfeiture cases, whether judicial or administrative, where the total appraised value of the assets in a single forfeiture order or declaration is less than $1 million, the authority to approve equitable sharing has been delegated to the federal investigative agency.

Forfeited assets valued at less than $1 million that involve foreign sharing require approval from the Director of the Treasury Executive Office for Asset Forfeiture (TEOAF).

2. Department of the Treasury, Treasury Executive Office for Asset Forfeiture

Where the total appraised value of all assets contained in a single forfeiture order or declaration is equal to or greater than $1 million, the Director of TEOAF must approve the amount of the equitable share.

In all judicial forfeitures, regardless of value, the United States Attorney's Office shall be given the opportunity to provide input on all recommendations for equitable sharing.

E. Common Causes of Delay

Equitable sharing occurs only after the federal forfeiture has been completed, the United States has taken clear title to the property, the property has been sold or otherwise disposed of as provided by law, third parties and victims have been fully compensated, and a final sharing decision has been made by the appropriate federal official. Factors that may delay sharing include:

1. If the forfeiture involves victims of crime who may be entitled to compensation, sharing cannot occur until the victims' claims are resolved and paid in full. All available funds must be used to compensate victims before any sharing payments are made.

2. If the forfeiture involves property that must be sold, the sale must be completed and the net proceeds determined before sharing may occur.

3. If the agency submits an incomplete DAG-71 or TD F, the missing information must be provided before sharing can occur. The applicable equitable sharing deciding authority cannot evaluate the sharing request without this information.

4. Distribution in equitable sharing cases involving forfeited assets with a total value of $1 million or more requires the approval of the Criminal Division for Department of Justice forfeitures or TEOAF for Department of the Treasury forfeitures. These additional levels of approval extend the review time.

5. If complete or correct banking information is not on file, payments will be delayed.
6. In cases involving both domestic and international sharing, international sharing must be approved before domestic sharing can occur. International sharing requires the involvement of the Department of Justice, the Department of State, and the Department of the Treasury, and often takes additional time to complete.

F. Sharing is Always Based on Net Proceeds

Equitable sharing is based on the net proceeds of the forfeiture, which is calculated as follows:

Gross receipts	From forfeiture or the sale of forfeited property
Less	Qualified third-party interests (e.g., valid liens or mortgages) Payments to victims Federal case-related expenses (e.g., advertising costs, out-of-pocket investigative or litigation expenses) Federal property management and disposition expenses (e.g., appraisal, storage, security, sale) Awards paid to federal informants Payments for the services of experts and consultants hired to assist in asset identification, seizure, management, forfeiture, or disposition International sharing Reimbursements relating to the seizure from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund to the requesting agency (e.g., overtime, leased space)
Equals	Net proceeds of the forfeiture

Federal law provides that sharing is discretionary. Therefore, any equitable sharing payments to be disbursed to state and local law enforcement agencies that amount to less than $500 after all expenses are paid will be extinguished and the funds will remain in the forfeiture fund. In addition, federal budgetary constraints such as sequestration and rescissions may affect equitable sharing disbursements.

V. What Are the Uses of Equitably Shared Funds?

Asset forfeiture is a powerful tool that provides valuable resources to state and local law enforcement that may not have otherwise been available. Equitably shared funds must be used in accordance with this *Guide* for law enforcement purposes that directly supplement the appropriated resources of the recipient law enforcement agency. Sharing will be withheld from any state or local law enforcement agency if the governing body or state or local law, regulation, or policy requires or directs (1) specific expenditures of shared funds; (2) the transfer of federal equitable sharing funds to non-participating law enforcement agencies; or (3) expenditures for non-law enforcement purposes.

Equitably shared funds are federal financial assistance and are subject to the provisions of the Code of Federal Regulations (CFR). Equitable sharing funds must be used in a reasonable and necessary manner and not create the appearance of waste or extravagance.

To avoid a conflict of interest or the appearance of a conflict of interest, any person or members of his or her immediate family who was involved in an investigation which led to the forfeiture of property to be sold is prohibited from purchasing, either directly or indirectly, that forfeited property.

A. General Guidance on Supplantation and Budgeting

1. Supplantation

Shared funds must be used to increase or supplement the resources of the receiving state or local law enforcement agency. Shared funds shall not be used to replace or supplant the appropriated resources of the recipient. The recipient agency must benefit directly from the sharing. In determining whether supplantation has occurred, the Department of Justice or the Department of the Treasury will examine the law enforcement agency's budget as a whole and allow agencies to use equitable sharing funds for any permissible purpose as long as shared funds **increase the entire law enforcement budget.** The Department of Justice or the Department of the Treasury may terminate sharing with law enforcement agencies that are not permitted by their governing body to benefit directly from equitable sharing.

Example of Improper Supplantation: A police department receives $100,000 in federal sharing money only to have its budget cut $100,000 by the city council. In this instance, the police department has received no direct benefit from equitable sharing whatsoever. Rather, the city as a whole has received the benefit of the sharing.

2. Anticipated shared funds or property should not be budgeted

Agencies should not "spend it before you get it" or budget anticipated receipts. Receiving agencies may not commit to spending shared funds in advance. For example, if a local law enforcement agency files a DAG-71 or TD F and anticipates a 50 percent share of $100,000, the anticipated $50,000 should not be obligated or budgeted for two reasons: (1) the completion of the forfeiture is uncertain; and (2) the amount of the sharing that will ultimately be approved is also uncertain. However, agencies may earmark or budget sharing funds already received.

B. Use of Shared Funds

Except as noted in this *Guide,* equitably shared funds shall be used by law enforcement agencies for law enforcement purposes only. The uses outlined below are examples of permissible and impermissible expenditures. If an agency is unsure whether a proposed expenditure is permissible, it should email mlars.ESProgram@usdoj.gov for Department of Justice fund expenditures or treas.aca@treasury.gov for Department of the Treasury fund expenditures.

Shared funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel. The fact that shared property was forfeited by a particular unit or as a result of a particular federal violation does not limit its use to purchases only for that unit or to further investigations only for that particular federal violation. If an agency wishes to support a multi-agency expenditure, such as a new payroll system or city municipal building, with a non-law enforcement agency, the law enforcement agency's costs based on its use may be calculated on a pro-rata basis.

1. Permissible Uses

a. Law enforcement operations and investigations—Support of investigations and operations that further the law enforcement goals or missions. Examples include reward money (annual dues paid to a crime tip organization or payment for a specific reward for information in a specific case), recruitment and advertisement costs, agency accreditation or agency membership dues (but individual dues are impermissible), equitable sharing account maintenance fees, reimbursement to the jurisdiction for payments to informants, purchase of evidence, buy-back programs, and "buy" money.

b. Law enforcement training and education—Training of investigators, prosecutors, and sworn and non-sworn law enforcement personnel in any area necessary to perform official law enforcement duties, such as canine handler, narcotics, defensive tactics, criminal justice, language, constitutional law, accounting/finance, or forensics—provided that the employees' regular duties require knowledge of these topics. Examples include training and conference registration fees, tuition, speaker fees, or costs to produce training curricula.

This provision does not permit donations or transfers of funds to associations or organizations providing training.

c. Law enforcement, public safety, and detention facilities—Costs associated with the purchase, lease, construction, expansion, improvement, or operation of law enforcement, public safety, or detention facilities used or managed by the recipient agency. Examples include the costs of leasing, operating, and furnishing an off-site undercover narcotics facility. Improvements should not be made on leased property or space since the law enforcement agency will not benefit from the improvements upon termination of the lease.

Agencies must contact MLARS prior to using Department of Justice equitable sharing funds for all improvement and expansion projects. For example, the construction of a new facility or minor renovations including drywall, electrical, HVAC replacements, and internal modifications to an existing facility. Expenditures such as lease payments or utilities do not require consultation.

d. **Law enforcement equipment**—Costs associated with the purchase, lease, maintenance (including repairs or service agreements), or operation of law enforcement equipment for use by law enforcement personnel that supports law enforcement activities. Examples include furniture, file cabinets, office supplies, telecommunications equipment, copiers, safes, fitness equipment, computers, computer accessories and software, body armor, uniforms, firearms, radios, cellular telephones, electronic surveillance equipment, vehicles (e.g., patrol and unmarked vehicles), and animals and animal-related expenses.

e. **Joint law enforcement/public safety operations**—Costs associated with the purchase of multi-use equipment and operations used by both law enforcement and non-law enforcement personnel. Examples include 911 call center equipment, defibrillators, search and rescue boats, aircraft, and diving equipment. These expenditures are exempt from the pro-rata calculation. This provision does not include equipment to be used solely by non-law enforcement personnel, such as fire and EMS vehicles.

f. **Contracts for services**—Costs associated with a contract for a specific service that supports or enhances law enforcement is permitted. Examples include translation and language assistance services, staffing and feasibility studies, auditor to perform an audit of equitable sharing funds, subject matter expert, grant writer, or software developer. Employment-related contracts or contracts involving inherently law enforcement functions are prohibited. Examples include hiring an attorney, investigator, or civilian personnel to perform tasks typically or previously performed by agency or jurisdiction personnel. Under no circumstances should a contract for service be entered into where the payment of that service is based on a percentage of the seizures and forfeitures of the law enforcement agency.

g. **Law enforcement travel and per diem**—Costs associated with travel and transportation to perform or in support of law enforcement duties and activities. All related costs must be in accordance with the jurisdiction's per diem policy and must not create the appearance of extravagance or impropriety.

h. **Law enforcement awards and memorials**—Costs associated with the purchase of plaques, certificates, and challenge coins for law enforcement personnel in recognition of a law enforcement achievement, activity, or training. Shared funds may not be used to pay awards in the form of cash or cash equivalents or stored value cards.

   Shared funds may be used to pay the costs for commemorative plaques, displays, or memorials on law enforcement property that serve to recognize or memorialize a law enforcement officer's contributions, such as a memorial plaque or stone in honor of an agency's officers killed in the line of duty. The plaque, display, or memorial must not create the appearance of extravagance.

i. **Drug, gang, and other prevention or awareness programs**—Costs associated with conducting law enforcement agency awareness programs. Examples include public service announcements, meeting costs, motivational speakers, and items used or distributed by the agency such as child identification kits and anti-crime items, literature, or software. *See* Section V.B.1.k for supporting non-law enforcement agency community-based programs.

j. Matching grants—Costs associated with paying a state or local law enforcement agency's matching contribution or share in a state or federal grant program for items other than salaries, provided that the grant funds are used for a permissible law enforcement purpose in accordance with this *Guide* and the grant provision permits matching with federal funds. *See* Section V.B.3 for information regarding the use of equitable sharing funds to match federal salary grants.

k. Support of community-based organizations—Transfers of shared funds from a state or local law enforcement agency to community based non-profit organizations (501(c)(3) or (4)) whose stated missions are supportive of and consistent with a law enforcement effort, policy, and/or initiative. An agency may expend up to a total of $25,000 annually to transfer to such organizations. Examples include a drug treatment facility, job skills program, or a youth program with drug and crime prevention education. The following requirements apply:

1. Law enforcement agency head must approve the transfer and must ensure the recipient is a qualified entity;

2. Agency must ensure that all transferred funds are spent permissibly in accordance with this *Guide*; and

3. Agency's jurisdiction must perform applicable sub-recipient monitoring requirements pursuant to the OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

This community-based organization provision **does not** apply to Department of the Treasury equitable sharing funds; therefore agencies may not use Department of the Treasury funds to support community-based organizations.

2. Impermissible Uses

a. Use of forfeited property by non-law enforcement personnel—Personnel from non-law enforcement agencies are not permitted to use shared vehicles, forfeited property, or items retained for official use or purchased with shared funds unless the property is purchased for joint law enforcement/public safety use. *See* Sections V.B.1.c and e for joint public safety facilities and equipment.

b. Creation of endowments or scholarships—Shared funds may not be used to create or establish endowments or scholarships.

c. Uses contrary to state or local laws—Shared funds and property may not be used for any purpose that would constitute an illegal or improper use of state or local law enforcement funds or property under the laws, rules, regulations, and orders of the state or local jurisdiction of which the agency is a part.

Compliance with state or local legislation addressing federal equitable sharing is the responsibility of the Program participant. The Department of Justice and the Department of the Treasury reserve the right to suspend agencies where compliance with both state and local laws and Program guidelines is not possible.

d. Personal or political use of shared assets—Shared funds may not be used for any purpose that creates the appearance that shared funds are being used for political gain or personal benefit. Examples include campaign paraphernalia, gym memberships, commercial driver's licenses, passports, non-uniform clothing, and bar, union, or other individual dues or membership fees.

e. Purchase of food and beverages—Shared funds may not be used to pay for food and beverages (alcoholic and non-alcoholic) except for meals for officers engaged in local emergency operations such as an earthquake or hurricane.

f. Extravagant or wasteful expenditures and entertainment—Agencies should use federal sharing funds prudently and in such a manner as to avoid any appearance of extravagance, waste, or impropriety. In addition, funds may not be used for entertainment expenditures. Examples include tickets to social events, hospitality suites at conferences, entertainers, or meals or travel in excess of the per diem.

g. Cash on hand, secondary accounts, and stored value cards—Shared funds may not be used to establish cash accounts, purchase prepaid credit cards, or used in any other type of transaction where expenditures are not managed or monitored by the jurisdiction and tracked to ensure permissibility in accordance with this *Guide*. *See* Section VI.A.1.

h. Transfers to other law enforcement agencies—Shared funds may not be transferred to another state or local law enforcement agency. In limited circumstances, MLARS and TEOAF may consider a waiver upon concurrence from both the transferring and recipient agency heads, governing body heads, and jurisdiction chief financial officers to ensure applicable sub-recipient monitoring requirements pursuant to the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are met.

i. Purchase of items for other law enforcement agencies—Shared funds may not be used to purchase equipment or other permissible items for other law enforcement agencies. Equipment purchased for use by officers assigned to a task force must remain titled to and inventoried with the purchasing agency. *See* Section II.D for task force operations.

j. Costs related to lawsuits—Shared funds may not be used to pay attorney fees, settlement payments, or any other related costs of lawsuits involving the agency or governing body or their employees.

k. Loans—Shared funds may not be used as advance payment for expenditures being reimbursed or paid by other funds or to reimburse the jurisdiction for expenses already purchased with general funds. Examples include task force overtime or equipment reimbursements or appropriated funds used for permissible expenditures in advance of receipt of sharing revenue.

l. Money laundering operations—Shared funds may not be used to support state and local undercover money laundering operations that are not part of an approved federal undercover money laundering investigation.

3. Salaries

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. The purpose of this rule is to protect the integrity of the Asset Forfeiture and Equitable Sharing Programs so that the prospect of receiving equitable sharing funds does not influence, or appear to influence, law enforcement decisions.

Exceptions: Equitable sharing funds may be used to pay the salaries and benefits of current law enforcement officers and personnel in the limited situations listed below.[5]

(1) **Matching federal grants**—Shared funds may be used to pay the match requirement for the salaries and benefits of current sworn and non-sworn law enforcement personnel funded by federal grant programs provided the grant provision permits matching with federal funds.

(2) **Overtime**—Shared funds may be used to pay the overtime and related benefits of current sworn and non-sworn law enforcement personnel involved in law enforcement operations.

(3) **Federal task force replacement salary**—Shared funds may be used to pay the salary and benefits of current, sworn and non-sworn law enforcement personnel hired to fill vacancies created when a law enforcement agency assigns personnel to a federal task force. If the vacated position was sworn, the backfill position must also be sworn. If the vacated position was non-sworn, the backfill position must also be non-sworn. The replacement personnel cannot engage in the seizure of assets or narcotics as a principal law enforcement duty. A principal duty is a duty that the personnel is expected to perform regularly.

When such personnel return from the federal task force, the law enforcement agency may continue to use forfeited funds to pay for the salary and benefits of the replacement personnel for a period not to exceed six months.

(4) **Specialized programs**—Shared funds may be used pay the salary and benefits of current, sworn law enforcement officers assigned to specialized programs which do not generally involve traditional law enforcement functions, such as school resource officers (SRO) or officers assigned to programs such as DARE. SROs and other officers assigned to specialized programs must be employed by the law enforcement agency. If the officer does not serve in this position on a full-time basis, only the pro-rata portion of the salary and benefits covering the time worked in the specialized position may be paid with shared funds.

C. Transfer of Forfeited Tangible and Real Property through Equitable Sharing

In certain instances, a participating state or local law enforcement agency may request the transfer of tangible or real property in lieu of proceeds for official law enforcement use. MLARS and TEOAF must approve all property transfers. If approved, the recipient agency is responsible for reimbursing the federal government for costs and expenses, the federal share, and for tracking the property in its inventory.

1. Tangible Property

Any tangible property transferred to a state or local law enforcement agency must be used for law enforcement purposes only. Transferred property is subject to the rules applicable to similar property purchased by a state or local agency with appropriated funds. Agencies must provide a justification and approval from the governing body to MLARS or TEOAF when requesting tangible property for official use. Agencies must include the asset identification number, intended use, funding source for the federal share and potential storage fees, and approval from the governing body. MLARS and TEOAF will review the request to ensure the agency has a demonstrated need for the item, is able to maintain the property for its intended use for the required two-year period, and is able to pay all liens and storage fees.

a. Two-Year Use Requirement

Transferred tangible property must be used for at least two years by the recipient agency. If, however, the property becomes unsuitable for law enforcement use before the end of the two-year period, it may be sold with approval from MLARS or TEOAF. To the extent practicable and if consistent with the agency's procurement and disposal polices, agencies must deposit proceeds from the sale of such property into the agency's sharing account or accounting code. If the item has minimal or no value, the agency may donate the item to a recipient of its choice if permitted under the agency's disposal policies.

b. Reimbursement of Federal Costs

Agencies that receive tangible property must pay for any liens, costs related to storage or maintenance, and the federal share. If the agency is unable to pay these expenses with appropriated or equitably shared funds, MLARS or TEOAF may permit an offset against approved sharing that has not yet been disbursed.

Payment must be made within 30 calendar days of notification of the total expenses. If the requesting agency has no pending sharing or is unable or unwilling to pay the balance within 30 calendar days, the property will be disposed and an equitable share of the proceeds, if any, may be equitably disbursed to the agency in lieu of transfer.

2. Real Property

Real property may be transferred to a state or local law enforcement agency that substantially participated in the investigation that led to the seizure of the property. The agency must demonstrate a compelling law enforcement need for the property and outline its intended use through correspondence to the federal seizing agency. In addition, the property must be used for the designated law enforcement purpose for at least five years. If sold after five years, the proceeds must be deposited in the agency's equitable sharing account.

The agency must also sign an MOU outlining the agency's responsibilities with regard to the use of the property. The agency must agree to pay any federal costs/expenses, including liens, environmental assessments, or taxes, as well as the federal share before the transfer will be approved. Real property transfers must be approved by the Criminal Division in Department of Justice forfeitures and by TEOAF in Department of the Treasury forfeitures before title is transferred or funds expended to improve the property.

D. Return of Equitably Shared Funds

On occasion, a criminal conviction or forfeiture order may be reversed, or victims and third parties may be identified after equitable sharing payments have been disbursed. Victim compensation remains one of the Department of Justice's and the Department of the Treasury's top priorities and must take place prior to equitable sharing. In those instances, agencies will be required to return previously disbursed equitable sharing. If the agency has approved sharing that has not yet been disbursed, MLARS or TEOAF may permit the agency to offset the amount due against future sharing.

E. Treasury Offset Program

The Treasury Offset Program (TOP) offsets federal payments, including equitable sharing payments, to collect delinquent nontax debts owed to the United States, as required by the Debt Collection Improvement Act of 1996. On occasion, an agency's equitable sharing disbursement may be offset to satisfy a debt from another entity sharing its Tax Identification Number (TIN). Agencies whose funds have been offset should first contact the USMS to determine the TIN listed on the ACH form. Next, agencies should contact the TOP call center at 800-304-3107 to determine the amount of and reason for the debt. Agencies should seek reimbursement for the offset funds from the delinquent entity to ensure that funds are used for law enforcement purposes in accordance with this *Guide*.

VI. What Are the Accounting Procedures and Requirements for Shared Cash, Proceeds, and Tangible Property?

All participating state and local law enforcement agencies must implement standard accounting procedures and internal controls that are consistent with the guidelines set forth below to track equitably shared funds and tangible property. At any time, the Department of Justice or the Department of the Treasury may request documents related to equitable sharing, conduct an audit or compliance review, or implement additional reporting requirements and spending plans. Department of Justice and Department of the Treasury equitable sharing funds must be tracked and maintained separately.

A. Bookkeeping Procedures and Internal Controls

The state or local participating law enforcement agency must:

1. Maintain equitable sharing funds with the same entity that maintains the agency's appropriated funds and administers procurement actions. Bank accounts, checkbooks, purchase cards, and other financial instruments or documents must be maintained in the same manner as appropriated funds.

2. Establish separate Department of Justice and Department of the Treasury accounts or accounting codes to track both revenues and expenditures for each respective Program. No other funds may be commingled in these accounts or with these accounting codes.

3. Process all expenditures and payments in the same manner as appropriated funds, including procurement and payment transactions.

4. Deposit all interest earned on equitable sharing funds into the respective account or accounting code. All interest is subject to the same use restrictions as equitable sharing funds. Losses to funds maintained in investment accounts in accordance with the jurisdiction's policies may not be allocated to or deducted from the equitable sharing account.

5. Maintain and follow written policies for accounting, bookkeeping, inventory control, and procurement that comply with the applicable provisions of the OMB *Uniform Administrative Requirements, Costs, Principles, and Audit Requirements for Federal Awards* or any subsequent updates and jurisdiction policies. Ensure distribution of relevant policies to all appropriate personnel.

6. Maintain records of all revenue and expenditures posted to the account or accounting code—to include bank/ledger statements, invoices, receipts, required jurisdiction approvals, or any other documents used or created during the procurement process.

7. Report all transactions using cash-based accounting methods.

8. Dispose of items purchased with shared funds in accordance with the agency's disposal policies. To the extent practicable and if consistent with the agency's procurement and disposal polices, deposit proceeds from the sale of such property into the agency's sharing account or accounting code. If an item has minimal or no value, an agency may donate the item to a recipient of its choice if permitted under the agency's disposal policies.
9. Ensure the law enforcement agency head, or designee, authorizes all expenditures from the sharing accounts.
10. Obtain approval for expenditures from the governing body, such as the town council or city manager's office, when required.

VII. What Are the Reporting and Audit Requirements?

To ensure effective management, promote public confidence in the integrity of the Program, and protect the Asset Forfeiture Program against potential waste, fraud, and abuse, the Department of Justice and the Department of the Treasury have established reporting requirements that include the annual submission of the ESAC form. The ESAC includes the agency's annual Affidavit and details an agency's receipts and expenditures of equitably shared funds for both the Department of Justice and the Department of the Treasury Equitable Sharing Programs. A state or local law enforcement agency must be compliant with the use and reporting requirements set forth in this *Guide* to receive any distribution of funds or property. An agency is considered compliant once the ESAC is received, reviewed, and approved by MLARS. Because the ESAC captures both Department of Justice and Department of the Treasury equitable sharing receipts and expenditures, submission of the ESAC to MLARS constitutes submission to the Department of the Treasury.

The eShare Portal is a Department of Justice online tool that allows agencies to obtain information regarding equitable sharing requests and distributions made by the Department of Justice. This information assists with reconciling deposits to the agency's Department of Justice equitable sharing account, as well as tracking and obtaining the status of pending Department of Justice sharing requests. At this time, the Department of the Treasury does not have a similar online tool; however, distribution reports are available by contacting TEOAF.

A. Federal Equitable Sharing Agreement and Certification Form

Agencies must annually submit an ESAC in the eShare portal, regardless of whether funds were received or maintained during the fiscal year, in order to maintain compliance. The ESAC must be reviewed and approved by the head of the law enforcement agency and a designated official of the governing body prior to submission. For the purposes of the Program, the governing body is the governmental entity that allocates appropriated funding to the law enforcement agency. In no instance can any individual from the law enforcement agency sign as the governing body head. By approving the ESAC, the signatories agree to be bound by the statutes and guidelines that regulate the Program and certify that the law enforcement agency will comply with these guidelines and statutes.

Agencies must submit the ESAC within two months after the end of their fiscal year. No extensions to this deadline will be granted. Agencies will remain non-compliant until all paperwork is received and approved. For example, if the agency's fiscal year ends September 30, the ESAC must be filed, reviewed, and accepted by November 30 for the agency to remain compliant.

B. Extinguishment of Funds

An agency that remains non-compliant for more than one year will have all approved sharing pending disbursement extinguished. Such extinguishments are final and the previously approved funds will remain in the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund.

C. Audit Requirements

State and local law enforcement agencies that receive equitable sharing must comply with the applicable Single Audit Act Amendments of 1996 and *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or any subsequent updates to this guidance. Per those guidelines, state or local governments that expend more than the applicable threshold in federal

funds (e.g., Department of Justice and/or Department of the Treasury equitable sharing funds, grants, cooperative agreements) per fiscal year are required to conduct an independent audit.

Department of Justice and Department of the Treasury equitable sharing funds are direct payments for specified use. Auditors should consult the Catalog of Federal Domestic Assistance (CFDA) number 16.922 for Department of Justice equitable sharing funds and CFDA number 21.016 for Department of the Treasury equitable sharing funds to determine applicable audit guidance. Expenditures of these funds must be included on the jurisdiction's Schedule of Expenditures of Federal Awards (SEFA) as federal financial assistance.

Approved transfers to other participating law enforcement agencies and transfers to qualifying community-based organizations are subject to various subparts of the Code of Federal Regulations (CFR). The CFR requires sub-recipient monitoring to be performed by the transferring entity. The recipient entity must adhere to all sub-recipient monitoring requirements imposed on by the transferring agency. Sub-recipient monitoring includes, but is not limited to, issuing award letters to the recipient, monitoring the recipient's expenditures for permissibility, and ensuring the recipient agency reports the received and expended funds on its annual ESAC and its jurisdiction reports the agency's expended funds on its Single Audit. A comprehensive list of requirements are posted in the eShare Portal.

On occasion, agencies may be selected by the Department of Justice or the Department of the Treasury Office of Inspector General, MLARS, TEOAF, or other federal entities, to undergo an audit or other form of review. Agencies must comply with all requests for documents and information. Failure to comply with these requests or failure to implement corrective measures may result in temporary or permanent exclusion from the Program.

D. Record Retention

State and local law enforcement agencies must retain all documents and records pertaining to their participation in the Program for a period of at least five years. Such documentation includes, but is not limited to, receipts and procurement documentation for all expenditures of shared funds, bank statements, Forms DAG-71 and TD F, ESACs, accounting and bookkeeping documents, logs and records, bank records and statements, and audit reports.

All records may be subject to release under applicable federal, state, and local Freedom of Information Act laws and regulations.

VIII. How Does an Agency Terminate Program Participation?

When an agency ends participation in the Program, it must notify MLARS and TEOAF of its decision. MLARS and TEOAF will coordinate with the agency on the disbursement of the agency's remaining funds. The agency will be required to file a final ESAC form showing a zero balance. Any pending sharing requests will be extinguished and retained by the Department of Justice or the Department of the Treasury.

IX. What If Agencies Do Not Comply with Program Requirements?

The policies contained in this *Guide* are binding upon all state and local agencies participating in the Program. No equitable sharing funds or property will be distributed to any state or local law enforcement agency that is not a compliant Program participant.

Failure to comply with the policies in this *Guide* may subject recipient agencies to sanctions such as:

1. Denial or extinguishment of sharing requests;
2. Temporary or permanent exclusion from the Program;
3. Freeze on receipt and/or expenditure of shared funds;
4. Return of funds or offsets from future sharing;
5. Civil enforcement actions in U.S. District Court; or
6. Federal criminal prosecution for false statements under 18 U.S.C. § 1001, fraud involving theft of federal program funds under 18 U.S.C. § 666, or other sections of the criminal code, as applicable.

An agency or governing body head, or designee, is required to immediately notify MLARS and TEOAF of any allegations or theft, fraud, waste, or abuse involving federal equitable sharing funds.

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