



U. S. Department of Justice
Drug Enforcement Administration

Agreement Number 2014-04

This Letter of Agreement (LOA) is entered into between the **GILA COUNTY SHERIFF'S OFFICE**, hereinafter referred to as (**THE AGENCY**), and the DRUG ENFORCEMENT ADMINISTRATION (DEA) OF THE UNITED STATES DEPARTMENT OF JUSTICE (DOJ), hereinafter referred to as DEA, in reference to the following:

There is evidence that trafficking in marijuana (cannabis) has a substantial and detrimental effect on the health and general welfare of the people of the *State of Arizona*. The parties hereto agree that it is to their mutual benefit to cooperate in locating and eradicating cannabis plants and to investigate and prosecute those cases before the courts of the United States (U.S.) and the courts of the *State of Arizona*. DEA, pursuant to the authority of 21 U.S.C. § 873, proposes to provide certain necessary funds and **THE AGENCY** is desirous of securing funds.

NOW, therefore, in consideration of the mutual covenants hereinafter contained, the parties hereto have agreed as follows:

1. **THE AGENCY** will, with its own law enforcement personnel and employees, as hereinafter specified, perform the activities and duties described below:
 - a. Gather and report intelligence data relating to the cultivation, possession, and distribution of cannabis.
 - b. Investigate and report instances involving the trafficking in controlled substances.
 - c. Provide law enforcement personnel for the eradication of cannabis located within the *State of Arizona*.
 - d. Make arrests and refer to the appropriate prosecutorial authority cases for prosecution under controlled substances laws and other criminal laws.
 - e. Send required samples of eradicated cannabis to the National Institute on Drug Abuse (NIDA) Potency Monitoring Project.
 - f. **MANDATORY requirement for THE AGENCY to utilize the Web-based DEA internet Capability Endeavor(DICE) or if applicable the Firebird based DEA Analysis/Response Tracking System (DARTS) to report all statistics and seizures per incident, to include the submission of significant items for de-confliction and information sharing purposes.**
 - g. Submit to DEA quarterly expenditure reports.

2. It is understood and agreed by the parties to this Agreement that the activities described in Sub-paragraphs a, b, c, d, e, f, and g of paragraph one shall be accomplished with existing personnel, and that the scope of **THE AGENCY's** program with respect to those activities by such personnel shall be solely at **THE AGENCY's** discretion, subject to appropriate limitations contained in the budget adopted by **THE AGENCY**, except that **THE AGENCY** understands and agrees that DEA funds and

the result of expended funds (e.g. equipment, supplies and other resources) must be directly related to and must only be used for marijuana eradication program activities in a manner consistent with the Controlled Substances Act (CSA), 21 U.S.C. § 801 et seq.

3. DEA will pay to **THE AGENCY** Federal funds in the amount of **THIRTY FIVE THOUSAND DOLLARS (\$35,000.00)** for the period of JANUARY 1, 2014, to DECEMBER 31, 2014, to defray costs relating to the eradication and suppression of cannabis. These Federal funds shall only be used for the eradication of cannabis as provided in this agreement. **THE AGENCY** understands and agrees that Federal funds provided to **THE AGENCY** under this Agreement will not be used to defray costs relating to herbicidal eradication of cannabis without the advance written consent of DEA. **THE AGENCY** understands and agrees that Federal funds will not be used to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA. The result of expended funds (e.g. equipment, supplies and other resources) must be directly related to and must only be used for marijuana eradication activities. While using the Federal funds provided to **THE AGENCY** under this Agreement for activities on Federal land, **THE AGENCY** agrees to notify the appropriate local office of the U.S. Department of Agriculture, (Forest Service) and the U.S. Department of the Interior (Bureau of Land Management, National Park Service, Fish and Wildlife Service, Bureau of Indian Affairs, and/or Bureau of Reclamation) of **THE AGENCY**'s presence on Federal land.

4. The Federal funds provided to **THE AGENCY** are primarily intended for payment of deputies'/officers' overtime while those deputies and officers are directly engaged in the cannabis eradication process, **(per DOJ policy, the annual maximum overtime reimbursement rate is based on the current year General Pay Scale / rest of the United States and cannot exceed 25% of a GS-12, Step 1; the funds shall only be used to pay the normal overtime rate, i.e. time and a half. The overtime reimbursement rate "shall not include any cost for benefits, such as retirement, FICA, or other expenses", which is specifically prohibited by DOJ)** and for per diem and other direct costs related to the actual conduct of cannabis eradication. Examples of such costs includes rental of aircraft, fuel for aircraft, and minor repairs and maintenance necessitated by use to support cannabis eradication. These Federal funds are not intended as a primary source of funding for the purchase of equipment, supplies, or other resources. When Domestic Cannabis Eradication Suppression Program (DCE/SP) funds are used to purchase supplies, equipment, or other resources, those items must be directly related to and must only be used for marijuana eradication activities and may not be used to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring

compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA. *[Agency Initial _____]*

All purchases of equipment, supplies and other resources must have approval from DEA. Procurement of these items is subject to the following approval authority: LOA expenditures up to \$2,500 will be approved at DEA Division level. When expenditures exceed \$2,500, prior to the purchase being made, the LOA must request authorization in writing, *through* the respective DEA Division, *to OMS*. Requests must include manufacturer specifications and pricing of the item (including tax, if applicable) to be purchased. OMS will notify the state/local agency whether or not the purchase has been approved. Unless specifically approved in advance, expenditures for equipment should not exceed 10% of the total Federal funds awarded. Although equipment, supplies, and other resources may be specifically itemized in the Operation Plan, **they are not automatically approved for purchase**. All requests for purchases must be received in HQ/OMS by October 15th. Exemptions to any of these requirements must have prior HQ/OMS approval.

Per the DOJ, none of the funds allocated to you may be used to purchase promotional items, gifts, mementos, tokens of appreciation, or other similar items. Prohibited purchases include items justified as training aids if they are embossed, engraved or printed with **THE AGENCY** or program logos. Additionally, the use of DCE/SP funds for Demand Reduction expenses is no longer authorized.

5. In compliance with Section 623 of Public Law 102-141, **THE AGENCY** agrees that no amount of these funds shall be used to finance the acquisition of goods or services unless **THE AGENCY**:
- (a) Specifies in any announcement of the awarding of the contract for the procurement of the goods and services involved the amount of Federal funds that will be used to finance the acquisition; and
 - (b) Expresses the amount announced pursuant to paragraph (a) as a percentage of the total cost of the planned acquisition.

The above requirements only apply to procurements for goods or services that have an aggregate value of \$500,000 or more. Any goods or services acquired under this provision of the agreement must be directly related to and must only be used for marijuana eradication activities and may not be used to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA.

6. If DEA approves the purchase of supplies (all tangible personal property other than "equipment" as defined by 28 C.F.R. § 66.32/66.33), and there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of this Agreement, and if the supplies are not needed for any other federally sponsored programs or

projects, **THE AGENCY** shall compensate DEA for DEA's share and in any case the supplies will not be used directly or indirectly to support any state, county or local entity that authorizes cultivating marijuana or has direct oversight or regulatory responsibilities for a state authorized marijuana program. **THE AGENCY** agrees that any unused supplies not exceeding \$5,000 in total aggregate fair market value upon termination or completion of this Agreement will either be used for the marijuana eradication activities, returned to DEA, or destroyed, but in any case will not be used to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA.

7. If DEA approves the purchase of equipment (tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit) for the use of **THE AGENCY**'s personnel engaged in cannabis eradication under this Agreement, **THE AGENCY** will use, manage, and dispose of the equipment in accordance with 28 C.F.R. § 66.32/66.33, except that in no case, regardless of useful life and acquisition cost, will the equipment be used directly or indirectly to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA.

8. Payment by DEA to **THE AGENCY** will be in accordance with a schedule determined by DEA and said payment will be made pursuant to the execution by **THE AGENCY** of a Request for Advance or Reimbursement (SF-270) and receipt of same by DEA. However, no funds will be paid by DEA to **THE AGENCY** under this Agreement until DEA has received to its satisfaction an accounting of the expenditures of all funds paid to **THE AGENCY** during the previous year Agreement. The final/closeout expenditure report will be documented on a Financial Status Report (SF-425) and an October thru December (FINAL) Accounting Form.

9. It is understood and agreed by **THE AGENCY** that, in return for DEA's payment to **THE AGENCY** of Federal funds, **THE AGENCY** will comply with all applicable Federal statutes, regulations, guidance, and orders, including OMB Circular A-102 (administrative requirements), OMB Circular A-87 (cost principles, codified at 2 C.F.R. Part 225), OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations", 28 C.F.R. Part 66 (grants management common rule), 2 C.F.R. § 2867 (non-procurement suspension & debarment), 28 C.F.R. Part 83 (Drug-Free Workplace Act common rule), 28 C.F.R. Part 69 (Byrd Anti-Lobbying Amendment common rule), and DOJ Order 2900.8A (June 20, 1990). The Financial Guide

published by the office of the Comptroller, Office of Justice Programs, U.S. Department of Justice contains helpful information regarding compliance requirements. OMB Circular A-133 is available at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. In conjunction with the beginning date of the award, the audit report period of **THE AGENCY** under the single audit requirement is **01/01/2014** through **12/31/2014**.

10. **THE AGENCY** acknowledges that arrangements have been made for any required financial and compliance audits and audits will be made within the prescribed audit reporting cycle. **THE AGENCY** understands that failure to furnish an acceptable audit as determined by the cognizant Federal agency may be a basis for denial of future Federal funds and/or refunding of Federal funds and may be a basis for limiting **THE AGENCY** to payment by reimbursement on a cash basis. **THE AGENCY** further understands that its use of DEA funds or the result of expended DEA funds (e.g. equipment, supplies and other resources) for any use other than the marijuana eradication program activities, including but not limited to its use directly or indirectly to perform any of the following functions: (i) issuing licenses, permits, or other forms of authorization permitting the holder to manufacture, distribute, sell, or use marijuana in contravention of the CSA; (ii) conducting ancillary activities related to the issuance of such licenses and permits, such as background checks on applicants; (iii) collecting state or local tax or licensing revenue related to the manufacture, distribution, or sale of marijuana in contravention of the CSA; (iv) preparing or issuing regulations governing the manufacture, distribution, sale, or possession of marijuana in contravention of the CSA; or (v) monitoring compliance with state or local laws or regulations that permit the manufacture, distribution, sale, or use marijuana in contravention of the CSA, will be a basis for denial of future Federal funds and/or refunding of Federal funds and may be a basis for limiting **THE AGENCY** to payment by reimbursement on a cash basis.

11. **THE AGENCY** shall maintain complete and accurate reports, records, and accounts of all obligations and expenditures of DEA funds under this Agreement in accordance with generally accepted government accounting principles and in accordance with state laws and procedures for expending and accounting for its own funds. **THE AGENCY** shall further maintain its records of all obligations and expenditures of DEA funds under this Agreement in accordance with all instructions provided by DEA to facilitate on-site inspection and auditing of such records and accounts.

12. **THE AGENCY** shall permit and have available for examination and auditing by DEA, the U.S. Department of Justice Office of Inspector General, the Government Accountability Office, and any of their duly authorized agents and representatives, any and all investigative reports, records, documents, accounts, invoices, receipts, and expenditures relating to this Agreement. In addition, **THE AGENCY** will maintain all such foregoing reports and records for three years after termination of this Agreement or until after all audits and examinations are completed and resolved, whichever is longer.

13. **THE AGENCY** agrees that an authorized officer or employee will execute and return to the DEA Regional Contractor, the LOA; Request for Advance or Reimbursement (SF-270); Electronic Funds Transfer Memorandum; Certifications Regarding Lobbying; Debarment, Suspension, & Other Responsibility Matters; Drug Free Workplace Requirements (OJP Form 406 1/6); and the Assurances (OJP Form 4000/3). **THE AGENCY** acknowledges that this Agreement will not take effect and that no Federal funds will be awarded by DEA until DEA receives the completed LOA package.

14. Employees of **THE AGENCY** shall at no time be considered employees of the U.S. Government or DEA for any purpose, nor will this Agreement establish an agency relationship between **THE AGENCY** and DEA.

15. **THE AGENCY** shall be responsible for the acts or omissions of **THE AGENCY's** personnel. **THE AGENCY** and **THE AGENCY's** employees shall not be considered as the agent of any other participating entity. Nothing herein is intended to waive or limit sovereign immunity under other federal or state statutory or constitutional authority. This Agreement creates no liability on the part of the DEA, its agents or employees, or the U.S. Government for any claims, demands, suits, liabilities, or causes of action of whatever kind and designation, and wherever located in the **State of Arizona** resulting from the DCE/SP funded by DEA.

16. **THE AGENCY** shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, as amended, and all requirements imposed by or pursuant to the regulations of the U.S. Department of Justice implementing those laws, 28 C.F.R. Part 42, Subparts C, F, G, H, and I.

17. Within thirty (30) days after termination of the Agreement, **THE AGENCY** will prepare an October thru December (FINAL) Accounting Form and a Financial Status Report SF-425, itemizing the breakdown of final expenditures. The October thru December (FINAL) Accounting Form and the SF-425, along with a refund check, payable to DEA funds not obligated or expended funds which were advanced by DEA pursuant to this Agreement, will be returned to the DEA Regional Contractor by January 31st.

18. Upon submission of the October – December (FINAL) Accounting Form and Financial Status Report SF- 425 to your regional contractor for the preceding year, a copy of the general ledger and the underlying supporting documentation reflecting the expenditures for equipment in excess of \$2,500, that was previously approved by OMS, and the expenses associated with the rental or leasing of vehicles or aircraft must be attached.

19. The duration of this Agreement shall be as specified in Paragraph 3, except that this Agreement may be terminated by either party after 30 day written notice to the other party. All obligations that are outstanding on the above prescribed termination date or on the date of any thirty (30) day notice of termination shall be liquidated by **THE AGENCY** within sixty (60) days thereof, in which event DEA will only be liable for obligations incurred by **THE AGENCY** during the terms of this Agreement. In no event shall **THE AGENCY** incur any new obligations during the period of notice of termination. **THE AGENCY** shall return to DEA all unexpended funds forthwith after the sixty (60) day liquidation period. In the event that the agreement is terminated, any DEA funds that have been obligated or expended and the result of expended funds (e.g. equipment, supplies and other resources) will be used and disposed of in accordance with the provisions of this agreement.

20. **THE AGENCY** must be registered in the System for Award Management (SAM) to receive payment of Federal funds. There are two steps to registering in SAM. **First, THE AGENCY** must have a Data Universal Numbering System (DUNS) number. [A "+4 extension" to a DUNS number (DUNS+4) is required when there is a need for more than one bank/electronic funds transfer account for a location.] A DUNS number may be obtained via the internet (<http://fedgov.dnb.com/webform>)

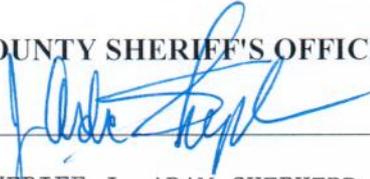
or by phone (U.S. and U.S. Virgin Islands: 1-866-705-5711; Alaska and Puerto Rico: 1-800-234-3867). **Second, THE AGENCY** must then register with SAM via the internet SAM www.sam.gov. Questions regarding the internet registration process may be directed to 1-866-606-8220 (follow the prompts for SAM). Both the DUNS number and registration in SAM are free of charge.

Note: It is THE AGENCY's responsibility to update their SAM registration annually or whenever a change occurs.

THE AGENCY's current DUNS No. is 142370761.

THE AGENCY's opportunity to enter into this Agreement with DEA and to receive the Federal funds expires sixty days from date of issuance. Agreement issued on 03/10/2014.

GILA COUNTY SHERIFF'S OFFICE

By: 

Title: SHERIFF J. ADAM SHEPHERD

Date: 4-16-14

Agency, please submit original signed LOA & associated paperwork to your DEA Regional Contractor.

DRUG ENFORCEMENT ADMINISTRATION

By: _____

Date: _____

Special Agent in Charge
Phoenix Field Division

SAC, please submit original signed LOA & associated paperwork to your Fiscal Office.

DEA DIVISIONAL FISCAL CLERK MUST INPUT INTO UFMS & COMPLETE THE BOTTOM OF THIS SECTION

ACCOUNTING CLASSIFICATION/OBLIGATION NUMBER:

2014/S1R/OM/7810000 /DOM-G2/01IB/DCE/OPS: _____

UFMS Input Date: _____ CT No. _____

IO No. _____ DP No. _____

Printed Name: _____ Signature: _____

Fiscal, please submit original signed LOA & associated paperwork to your DEA Regional Contractor.

Approved: _____ Date: _____

Michael A. Pastor, Chairman

Approved as to form: _____ Date: _____

Bryan Chambers, Deputy Attorney Principal

Memorandum



Subject Electronic Funds Transfer (DFN: 601-13)	Date 04-14-14 March 9, 2014
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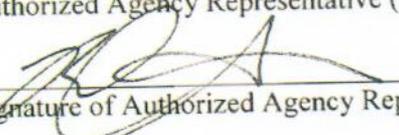
To: All Domestic Cannabis Eradication/Suppression Program (DCE/SP) Participating Agencies

From: Don A. Hibbert
Chief, Investigative Support Section
DEA Headquarters

Funding for the Domestic Cannabis Eradication/Suppression Program (DCE/SP) is only available by electronic transfer. Funds will be transferred directly into the Letter of Agreement (LOA) agency's bank account. In order to process electronic transfers, the following information must be provided below:

Agency Name on Bank Account:	Gila County Treasurer
Account Number:	11804047
Name of Bank/Financial Institution:	JP Morgan Chase
Address of Bank/Financial Institution:	201 N. Central Ave, 21st Floor, Phoenix , Az 85004
Telephone Number of Bank/Financial Institution:	1-602-221-2607
Contact Person of Bank/Financial Institution:	Phillip Schnieder
Bank/Financial Institution ABA Number:	122100024

Phillip J. Schneider - Client Service Professional
Authorized Agency Representative (Name & Title)


Signature of Authorized Agency Representative

4/14/14
Date