

The Direct Effect of Sequestration on Department of the Treasury Equitable Sharing

As you are likely aware, due to the failure of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal Government for the remainder of the Federal fiscal year. As partners with the Federal law enforcement community, we wanted to provide you with timely and clear information about how these unfortunate budget cuts impact us, and in turn what it means for funds provided to your agency through the Department of the Treasury equitable sharing program.

At this time, the Department of the Treasury, Executive Office for Asset Forfeiture (Department of the Treasury Forfeiture Fund) is taking every step to mitigate the effects of these cuts, but as long as sequestration is in effect for FY 2013, Treasury is required to implement a reduction to all equitable sharing payments in the amount of 8.7 percent. The sequestration reduction rate will be applied until the end of the fiscal year (September 30, 2013), at which time the sequestration rate is subject to change.

To the extent that the equitable sharing percentage disbursed to your agency is affected due to these budget cuts, your agency will be notified.

Thank you for your continued partnership with the Department of the Treasury Forfeiture Fund components (U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, Internal Revenue Service-Criminal Investigation and the United States Secret Service) and for your cooperation as we work together to manage these unfortunate circumstances.