

SYNOPSIS
OF
SUNDRY DECISIONS
OF THE
TREASURY DEPARTMENT
ON THE
CONSTRUCTION OF THE TARIFF, NAVIGATION, AND OTHER LAWS,
FOR THE
YEAR ENDED DECEMBER 31, 1877.

JOHN SHERMAN, Secretary of the Treasury.

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Circular relating to Special Agents.

TREASURY DEPARTMENT, June 30, 1877.

1. The Special-Agency Districts established by Department order No. 101, of July 30, 1875, are hereby rearranged as follows:

The *First District* shall embrace the customs collection districts in the States of Maine, New Hampshire, Massachusetts, Rhode Island, and the districts of Stonington and New London, Connecticut, with station at Boston, Massachusetts.

The *Second District* shall embrace the customs collection districts of Fairfield, Middletown, and New Haven, Connecticut, the district of Sag Harbor, New York, the district of the city of New York, and the districts of Perth Amboy and Newark, New Jersey, with station at New York city.

The *Third District* shall embrace the customs collection district of Vermont, and the districts of Champlain, Oswegatchie, Cape Vincent, and Oswego, New York, with station at Ogdensburg, New York.

The *Fourth District* shall embrace the customs collection districts of Great Egg Harbor, Little Egg Harbor, Bridgeton, Burlington, New Jersey, the district of Philadelphia, and the district of Delaware, with station at Philadelphia, Pennsylvania.

The *Fifth District* shall embrace the customs collection districts in the States of Maryland and Virginia, and the District of Columbia, with station at Baltimore, Maryland.

The *Sixth District* shall embrace the customs collection districts in the States of North Carolina, South Carolina, Georgia, and Florida, except the districts of Pensacola and Apalachicola, with station at Charleston, South Carolina.

The *Seventh District* shall embrace the customs collection districts in the States of Alabama, Mississippi, Louisiana, and the districts of Pensacola and Apalachicola, Florida, with station at New Orleans, Louisiana.

The *Eighth District* shall embrace the customs collection districts in the State of Texas, and the Territory of New Mexico, with station at Brownsville, Texas.

The *Ninth District* shall embrace the customs collection districts of Detroit, Port Huron, and Grand Haven, Michigan; Miami, Sandusky, and Cuyahoga, Ohio; Erie, Pennsylvania; Dunkirk, Buffalo Creek, and Genesee, New York, with station at Detroit, Michigan.

The *Tenth District* shall embrace the customs collection districts of

Superior, Michigan; Chicago, Illinois; Milwaukee, Wisconsin; and the two districts in the State of Minnesota, with station at Chicago, Illinois.

The *Eleventh District* shall embrace the several ports of delivery upon the Mississippi, Missouri, and Ohio rivers, with station at Cincinnati, Ohio.

The *Twelfth District* shall embrace the customs collection districts in the States of California and Oregon, and the Territory of Washington and Alaska, with station at San Francisco, California.

2. The specific duties of special agents, as defined by section 2649 of the Revised Statutes of the United States are, examinations of the books, papers, and accounts of collectors and other officers of the customs, and the prevention and detection of frauds on the customs revenue. These duties, according to the requirement of section 2651 of the Revised Statutes, are to be performed under such regulations, not inconsistent with law, as the Secretary of the Treasury may from time to time prescribe.

Under section 183 of the Revised Statutes, special agents engaged in the investigation of frauds or attempted frauds upon the Government, or misconduct on the part of a customs officer, are empowered to administer oaths to witnesses; and, under section 3059, they are authorized, within defined limits, to make searches and seizures of persons and property in the prevention and detection of frauds upon the revenue.

3. For the purpose of ascertaining whether the customs business is properly transacted, and the public moneys are duly collected and accounted for, the books, papers, and accounts of collectors and other customs officers within each agency district will be carefully and thoroughly examined by the special agent in charge, in conjunction with agents to be specially detailed for that purpose, at least once a year, and as soon as possible after the close of each fiscal year. Special, detailed, and partial examinations will be made as often as circumstances may require.

4. In order to detect and prevent frauds upon the revenue, special agents should give careful attention to undervaluation in entries of dutiable goods, to the smuggling of valuable merchandise, to the warehousing of goods, to withdrawals in bond from public stores and bonded warehouses, to transportation and exportation of goods in bond, and to exportation with benefit of drawback.

To detect undervaluations, they should frequently examine the entries and invoices filed in the custom-house, compare them with the

price lists, trade circulars, consular reports, and other documentary information in possession of the appraisers, and consult appraisers and reputable importers with respect to actual grades and values. Damage allowances should also be carefully inquired into, to ascertain whether the same are improper or excessive.

In the detection of smuggling, they should frequently visit importing vessels, and note the precautions taken against the fraudulent landing of goods, take frequent notice of the manner in which the duties of boarding inbound vessels by revenue cutters and patrolling districts by inspectors of customs are performed; make occasional comparisons between vessels' manifests and entries of goods, to see that cargoes are accounted for either by entry or sale as unclaimed; and, in connection with the postal authorities, examine into the subject of smuggling through the mails.

With regard to possible fraud in warehousing of goods, they should inspect the warehouses to see if they are secure against secret removal of goods; verify the alleged contents of each warehouse as often as once a year; inform themselves as to habitual or gross cases of excessive sampling of goods; examine the method of removing goods to and from the warehouses, and inquire into all cases of alleged destruction of goods in warehouse by fire or other casualty.

With reference to withdrawals of goods in bond, they should frequently compare the entries and landing certificates, and examine any other documents, or make other proper inquiries that may enable them to determine whether goods withdrawn from bond have or have not gone into consumption without payment of duties.

In investigating the subject of transporting goods in bond, they should personally see what precautions are actually taken to keep goods from leaving the route at any point between the places of departure and destination, and detect any shortage or change of goods, or tampering of any kind with the packages. Particular attention should be given to the transportation of unappraised merchandise.

In the inspection of the practical operation of the drawback system, they should compare the entries and landing certificates, and in the case of exporters, in habitual or large receipt of drawback, inquire into the sufficiency of their export bonds, and the degree of vigilance exercised over their shipments by the debenture officers.

5. Special agents will not interfere with the regular transaction of the customs business by the local officers, but are expected to co-operate with and supplement the labors and vigilance of such officers.

Such frauds, abuses, irregularities, or other defects discovered by

special agents as are capable of being dealt with by the local customs officers, or other agents, should be immediately brought to their notice, and their action upon them should be stated in the reports of special agents to this Department; and all matters requiring the action or advice of the United States Attorney, should be reported in writing through the collector of the port, to that officer.

6. Each special agent will render to the Secretary of the Treasury on the last day of each month a report in detail of his operations, and of the manner he has been employed from day to day during the month. He will likewise make special reports of all cases and investigations which require action by the Department.

7. An official station will be assigned to each agent, at which he will be employed in the line of his duty when not travelling. Agents will confine their labors within the limits of the district to which they are assigned, and will not go beyond such limits without permission from the Department, unless in case of emergency, when it would be impracticable to obtain permission. All the facts in such cases will be duly reported.

8. The whole time of special agents during business hours will be devoted to the public service, and private employment interfering with the constant and faithful performance of official duties will not be allowed.

9. The accounts of special agents must conform to the circular of the Secretary of the Treasury dated August 1, 1874, relative to travelling expenses, and should be rendered monthly, under oath, embracing per-diem compensation and such expenses as are actually and necessarily incurred in the discharge of official duties, stating places visited, dates and items of expenditures, with vouchers when practicable.

The unnecessary use of the telegraph should be avoided, and no charge for telegrams will be allowed, unless the necessity for such expenditure is shown.

Stationery and official postage-stamps will be furnished by the Department upon requisition.

10. Each special agent will hold a certificate of his appointment for his official use, to be surrendered to the Department at the close of his term of office, for cancellation, prior to the settlement and payment of his final account.

These regulations will take effect at once, and all regulations inconsistent herewith are hereby rescinded.

JOHN SHERMAN,
Secretary.