

MEMORANDUM OF UNDERSTANDING

BETWEEN THE DRUG ENFORCEMENT ADMINISTRATION AND THE OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS

This Memorandum of Understanding (hereinafter "MOU") constitutes an agreement voluntarily entered between the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (hereinafter "OCFI") and the United States Drug Enforcement Administration (hereinafter "DEA").

Purpose & Mission

The purpose of this MOU is to establish a working arrangement for the DEA and the OCFI regarding referral and investigation of criminal matters of mutual interest with regard to money laundering and financial crime investigations related to drug trafficking. This document will delineate the responsibilities of the participants, maximize inter-agency cooperation, and formalize relationships between the participating agencies for policy guidance, planning, training, public and media relations.

It is mutually agreed that an MOU be established to maximize the cooperation between the DEA and the OCFI to effectively combat money laundering and financial crimes related to drug trafficking. It is further agreed that, to the extent that is legally possible, the participating agencies will coordinate their respective investigations and audits to assist each agency in fulfilling its mission and responsibilities by combining expertise and investigative resources to combat money laundering and financial crimes related to drug trafficking in Puerto Rico. However, each agency will retain all rights and obligations under existing statutes and regulations and this agreement will not restrict the legal prerogatives of either agency.

Administration & Procedure

In accordance with the terms of this MOU, the DEA will establish and develop a case referral program with the OCFI for the benefit of each agency. The establishment and direction of the program will be the responsibility of the DEA Special Agent in Charge (hereinafter "SAC") and the Commissioner of Financial Institutions (hereinafter "CFI").

A. Supervision

DEA will designate the Group Supervisors of the Financial Investigative Team and the Intelligence Group I as the points of contact for pursuing, expanding, and coordinating financial investigative efforts and activities of their assigned personnel with the OCFI.

B. Referrals

It is agreed that, within a reasonable number of days after detection, the OCFI will refer to the DEA all cases where a reasonable suspicion of a violation of federal law arises involving money laundering and financial crimes related to drug trafficking. In addition, to the extent legally permitted, the OCFI will assist the DEA in any case referred.

C. Investigative Exclusivity

It is agreed that all matters of concurrent jurisdiction over which the DEA demands, by means of written notice to the OCFI, to be afforded priority or exclusivity in the handling of the investigation and enforcement proceedings will be subject to case by case negotiations with the Department of Justice of the Commonwealth of Puerto Rico (hereinafter "Justice Department").

It is incumbent on each agency to make proper internal notification regarding the existence of referred matters and areas of concern. It is further agreed that there is to be no unilateral action taken on the part of DEA or the OCFI relating to money laundering or financial crimes related to drug trafficking or other areas of concern without previous reasonable notice to the other agency. All law enforcement actions will be coordinated and collaboratively carried out.

D. Reports and Records

It is agreed that all investigative records related to matters of federal jurisdiction over which the DEA demanded and obtained from the Justice Department priority or exclusivity in the handling of the investigation and enforcement proceedings (hereinafter "DEA cases") will be maintained at an approved DEA location.

It is further agreed that in DEA cases, all joint interviews of subjects or witnesses will be reported in DEA format. Placement of all or part of said information into participating agency files rests with the discretion of supervisory personnel of the concerned agencies. In DEA cases, classified information and/or documents containing information that identifies or tends to identify DEA informant will not be placed in the files of participating agencies unless appropriate DEA policy has been satisfied.

E. Prosecutions

All investigative procedures relating to the DEA cases are to conform to the requirements for federal prosecution. A determination will be made on a case-by-case basis whether the prosecution of referred cases will be at the commonwealth or federal level. This determination will be based on the evidence obtained and in consideration of which level of prosecution would be of the greatest benefit to the overall objectives of this MOU.

It is agreed that in the event that an investigation is developed in a matter not within the jurisdiction of the DEA, the DEA will provide all relevant information in its possession to the OCFI in accordance and pursuant to the pertinent federal statutes, rules, regulations and procedures. It is likewise agreed that in the event that an investigation is developed in a matter

not within the jurisdiction of the OCFI, the OCFI will endeavor to cause the Justice Department to provide all relevant information to the DEA. Whether to continue and/or conduct additional investigation of any commonwealth or local crimes will be at the sole discretion and direction of the respective commonwealth and local authorities.

F. Investigative Methods/Evidence

For cases assigned to a DEA Special Agent or in which DEA informants or cooperating witnesses are utilized, the parties agree to conform to federal standards concerning interview reporting, evidence collection, processing, storage, and electronic surveillance. The parties agree to utilize the legal standards applicable to each agency and federal standards pertaining to evidence handling and electronic surveillance activities to the greatest extent possible.

All evidence acquired during any joint investigation pertaining to DEA cases will be secured by the DEA in the evidence room at the San Juan DEA Office and, while under such custody, will be subject to federal rules and policies governing the submission, retrieval, and chain of custody of evidence. OCFI personnel will have access to the evidence in joint cases at the DEA office in accordance and pursuant to the pertinent federal statutes, rules, regulations and procedures.

G. Dispute Resolution

In cases of overlapping jurisdiction, the participating agencies agree to work in concert to achieve the objectives herein. It is expected that operational disputes, controversies, or problems will be addressed and resolved through the cooperation of assigned personnel. The parties agree to attempt to resolve any disputes at the field level first, before referring the matter to the supervisory personnel of each agency for resolution.

H. Security of Investigations

It is recognized that investigations regarding money laundering and financial crimes related to drug trafficking are inherently sensitive, in as much as they potentially involve the reputation and credibility of public and/or financial institutions and officials. Further, the security of such investigations is often vital to the case's success. For these reasons, the participating agencies agree that discussion of its cases must be restricted to a need-to-know basis.

I. Equipment

To the extent that is legally permissible for either agency, property of the DEA and the OCFI may be provided on a case-by-case basis when needed to conduct joint investigations and operations under this MOU.

Liability

Each agency acknowledges that its liability, if any, for the negligent or wrongful acts or omissions committed by its employees is governed by their respective applicable law. The

parties agree that they will not be responsible or liable for acts performed by personnel of other member agencies during the duration of this MOU.

Each agency further acknowledges that the federal government does not contract or promise to consider indemnifying the individual member, or substitution of the United States as a party defendant in civil litigation, or providing representation to commonwealth and local officers who cooperate with the DEA on an informal or formal basis as part of their commonwealth or local duties.

Likewise, each agency acknowledges that in executing this MOU the government of the Commonwealth of Puerto Rico does not contract or promise to consider the indemnification of any individual working for the federal government or federal enforcement agent or officer, or the DEA or any other federal agency involved with cases or matters handled pursuant to this MOU. The government of the Commonwealth of Puerto Rico will not provide legal representation to any individual working for the federal government, federal enforcement agent, DEA officer or related federal agencies.

Moreover, each agency acknowledges that pursuant to this MOU, the employees of the Commonwealth of Puerto Rico may only act in their official capacity and always within the scope of their official duties or functions. Each agency further acknowledges the legal limitations imposed by Puerto Rico Act No. 104 of June 29, 1955, as amended, generally known as the act governing suits or litigation's against the Commonwealth of Puerto Rico.

Media

All media releases and statements will be mutually agreed upon and jointly handled according to the DEA and the OCFI's guidelines. The parties agree that information will only be disseminated to the media in accordance with the terms of this MOU.

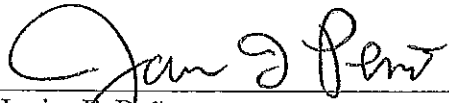
Duration & Term of Agreement

This MOU is executed for the sole purpose of documenting the understandings and agreements between and among the parties hereto in an effort to achieve a more effective and efficient cooperative inter-agency law enforcement body. Nothing in this MOU is intended to create, nor does it create, an enforceable legal right or private right of action.

This MOU constitutes the agreement between and among the participants hereto and will remain in effect for as long as the participants determine that the investigative needs exist. The duration of the Agreement begins on the signing date and is indefinite, depending on the continued desire of each agency to participate. This Agreement may be modified at any time by written consent of each participating agency; however, modifications will have no force and effect unless reduced to writing and signed by an authorized representative of each of the participating agencies. A participating agency may terminate its involvement at any time by providing a written notice to that effect to the other participating agency with at least thirty (30) days prior notice.

Signatories


The undersigned parties represent that they have authority to execute this Agreement on behalf of their respective agencies. By subscription of signatures below, the parties herewith acknowledge that they have read, understand, concur with, and will abide by the foregoing.



Javier F. Peña
Special Agent in Charge
Caribbean Division
Drug Enforcement Administration

8-21-09

Date



ALFREDO PADILLA

Alfredo Padilla
Commissioner
Office of the Commissioner
of Financial Institutions

21 Aug. 2009

Date