

company's internal controls that pose the maximum risk to the company and Customs. Under the previous test, the ICMP involved a continuing general overview of all of a company's import operations. In this test, only the identified group of higher risk import operations will be reviewed and subsequently monitored.

If Customs finds the internal controls to be in place and working effectively, then a recommendation can be made for acceptance into the program. If there are indications of weak internal controls or non-compliance, Customs will work with the company to develop a Compliance Improvement Plan to correct the situation.

Any company seeking to participate in the ICMP should be aware that any issues concerning non-compliance that come to light during the application/evaluation process must be corrected and can result in enforcement actions depending upon the circumstances. In fact, the ICMP entails an effective commitment by the company to resolve any issues of non-compliance that arise during either the application process or the subsequent program process of the test.

#### **Misconduct and Removal From Test Participation**

If a test participant makes late or inadequate submissions to Customs of its annual report or other information, fails to exercise reasonable care in the execution of its test obligations, or otherwise fails to follow the procedures, as outlined in this document, or applicable laws and regulations, the participant may be suspended or removed from the test program and/or subject to penalties or liquidated damages. Customs has the discretion to suspend or remove a test participant based on a determination that an unacceptable compliance risk exists. This action may be invoked at any time after acceptance in the test.

At any time during the test, the appropriate Field Director of Regulatory Audit may propose in writing to remove a company from participation in the program. The notice of proposed removal will inform the company of the facts or conduct warranting removal. Removal from participation in the program test, and elimination of all benefits that were received as a result of test participation including the Low Risk designation, may result from activities including, but not limited to, the following:

(1) Failure of the company to comply with ICMP requirements (such as failing to successfully implement a Compliance

Improvement Plan after two attempts); or

(2) The presence of documented or alleged fraud, other investigative activity, or failing to follow applicable Customs laws and regulations.

Any decision proposing to remove a company from participation in the test may be appealed in writing to the Director, Regulatory Audit Division, Office of Strategic Trade, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., Washington D.C. 20229, within 30 days of the date of the written notice of proposed removal. This decision will notify the company of the facts or conduct warranting removal. In appealing this notice of proposed removal, the company should address the facts or conduct referenced in the notice and state how it complies or will achieve compliance with the requirements for program participation.

In the case of willfulness or where the public health, interest or safety is involved, program removal and elimination of the Low Risk benefit may be effective immediately at Customs discretion. In all other cases, the removal of participation will be effective after 30 days from the date of the notice of removal unless the notice is timely appealed.

#### **Program Consultation**

One of the cornerstones of the ICMP is the consultation and review process that Customs affords the importer. Prior to approval for participation in the test, the importer's Customs transactions will be reviewed by Customs during the application/evaluation process and the results of this information will be shared with the importer. The test participant will have continuing access to the Customs Account Manager, if one is assigned, as well as Customs Regulatory Audit sources to provide guidance and information regarding the test and the importer's progress throughout the test. Additionally, Regulatory Audit will consult annually with the company regarding its progress over the prior year and its plans for the upcoming year and will provide guidance toward the accomplishment of the company's scheduled testing.

#### **Comments and Evaluation of Test**

Customs will review all public comments that are received concerning any aspect of the planned program test. The test is planned to run for three years, at which time it will be evaluated as to whether it should continue as a test, be adopted for implementation as a permanent program, or be terminated. If Customs determines to end the program test, reasonable notice of the

expiration date will be published in the **Federal Register**. In addition, approximately 90 days after conclusion of the test, evaluations of the test will be conducted and final results will be made available to the public upon request. Participation in the test is not confidential and may be disclosed.

Dated: July 17, 2001.

**Cynthia A. Covell,**

*Director, Regulatory Audit Division.*

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## **DEPARTMENT OF THE TREASURY**

### **Fiscal Service**

#### **Surety Companies Acceptable on Federal Bonds-Termination: Developers Insurance Company**

**AGENCY:** Financial Management Service, Fiscal Service, Department of the Treasury.

**ACTION:** Notice.

**SUMMARY:** This is Supplement No. 19 to the Treasury Department Circular 570; 2000 Revision, published June 30, 2000 at 65 FR 40868.

**FOR FURTHER INFORMATION CONTACT:** Surety Bond Branch at (202) 874-6765.

#### **SUPPLEMENTARY INFORMATION:**

Developers Insurance Company, a California corporation, has formally merged with and into Developers Surety and Indemnity Company, an Iowa corporation, effective December 29, 2000. Developers Insurance Company was last listed as an acceptable surety on Federal bonds at 65 FR 40878, June 30, 2000, and Developers Surety and Indemnity Company was last listed as an acceptable surety on Federal bonds at 65 FR 40878, June 30, 2000.

Notice is hereby given that the Certificate of Authority issued by the Treasury to Developers Insurance Company, under the United States Code, Title 31, sections 9304-9308, to qualify as an acceptable surety on Federal bonds is hereby terminated. With respect to any bonds currently in force with Developers Insurance Company, bond-approving officers may let such bonds run to expiration and need not secure new bonds.

A new Certificate of authority as an acceptable surety on Federal bonds, dated today, is hereby issued under sections 9304 to 9308 of Title 31 of the United States Code, to Developers Surety and Indemnity Company, Des Moines, Iowa. This new certificate replaces the Certificate of Authority issued to the company prior to the merger. A revised underwriting

limitation of \$1,506,000 is now established for Developers Surety and Indemnity Company.

Certificates of Authority expire on June 30 each year, unless revoked prior to that date. The Certificates are subject to subsequent annual renewal as long as the companies remain qualified (31 CFR part 223). A list of qualified companies is published annually as of July 1 in Treasury Department Circular 570, with details as to underwriting limitations, areas in which licensed to transact surety business and other information.

The Circular may be viewed and downloaded through the Internet at <http://www.fms.treas.gov/c570/index.html>. A hard copy may be purchased from the Government Printing Office (GPO) Subscription Service, Washington, DC, Telephone (202) 512-1800. When ordering the Circular from GPO, use the following stock number: 048-000-0536-5.

Questions concerning this Notice may be directed to the U.S. Department of the Treasury, Financial Management Service, Financial Accounting and

Services Division, Surety Bond Branch, 3700 East-West Highway, Room 6A04, Hyattsville, MD 20782.

Dated: June 22, 2001.

**Jennifer Fitzmaurice,**

*Acting Director, Financial Accounting and Service Division, Financial Management Service.*

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