

Supporting Statement for Paperwork Reduction Act Submission
Report of Suspicious Orders or Theft/Loss of Listed Chemicals/Machines

OMB Approval Number 1117-0024

Part A. Justification

1. Necessity of Information:

The Chemical Diversion and Trafficking Act of 1988 (Public Law 100-690) levies reporting requirements on those who transact business with List I and List II chemicals, tableting machines and encapsulating machines. These persons include manufacturers, distributors, importers, and exporters of listed chemicals, tableting machines, or encapsulating machines, or persons who serve as brokers or traders for international transactions involving a listed chemical, tableting machine, or encapsulating machine (21 CFR 1300.02(b)(25)). The items subject to control are used in the clandestine manufacture of controlled substances. Part 1310 of Title 21, Code of Federal Regulations sets these controls. These regulations require that suspicious orders and thefts or losses be reported to the Drug Enforcement Administration (DEA).

2. Needs and Uses:

The information provided on suspicious orders and thefts provides DEA with important, timely intelligence designed to identify suspected traffickers of the listed chemicals and machines. Reports are provided to the Special Agent in Charge of the Divisional Field office for the area in which the regulated person making the report is located (21 CFR 1310.05(a)). Oral contact should be made "at the earliest practicable opportunity after the regulated person becomes aware of the circumstances involved" (21 CFR 1310.05(b)). This allows DEA to respond based on local circumstances, trends and information.

3. Use of Technology:

Notification of suspicious orders and thefts does not occur using a form. The reporting requirements contained in 21 CFR 1310.05(a)-(b) and 1310.06(c) require that only a minimal amount of information be provided sufficient to inform the DEA of the existence of a suspicious transaction: for example, names, date, quantity, registration number and a brief description. The DEA's regulations specifically state that normal business records are sufficient provided they include the relevant information and are readily retrievable. 21 CFR 1310.06(b). The DEA is in the process of creating an online portal with a Suspicious Incident Form to report suspicious orders and chemical incidents simultaneously to the Field Office and DEA HQS. The DEA hopes to have this operation by the end of 2014.

4. Efforts to Identify Duplication:

The reports on suspicious orders and thefts or losses are unique to DEA. There is no other system of its kind in the Federal Government.

5. Methods to Minimize Burden on Small Businesses:

This collection does not have a significant economic impact upon small entities within the meaning and intent of the Regulatory Flexibility Act, 5 U.S.C. 601-612.

6. Consequences of Less Frequent Collection:

The information required is kept to the minimum necessary to fulfill the requirements of the law. Reports occur as needed. Not collecting this information would impede DEA's investigative ability and its ability to ensure that chemicals and machines are not diverted for the illicit manufacture of controlled substances.

7. Special Circumstances Influencing Collection:

Reports are collected whenever the particular regulated transaction occurs. There are no other special circumstances in Item 7 of the supporting statement applicable to this information collection.

8. Reasons for Inconsistencies with 5 CFR 1320.6:

There are no inconsistencies with the Paperwork Reduction Act. DEA meets regularly with the affected industry to discuss policies, programs and regulations.

9. Payment or Gift to Claimants:

There are no such gifts or payments to respondents.

10. Assurance of Confidentiality:

Information requested in this collection may be considered confidential business information if marked as such in accordance with 28 CFR 16.8(c) and Exemption 4 of the Freedom of Information Act (FOIA). Submitters who are required to furnish commercial or financial information to the government are protected from the competitive disadvantages that could result from disclosure of such information. The information is protected by DEA through secure storage, limited access, and federal regulatory and DEA procedures. In the event a FOIA request is made to obtain information that has been designated business information per 28 CFR 16.8(c) and Exemption 4 of FOIA, DEA will give written notice to the submitter to allow an opportunity to object within a reasonable time prior to disclosure by DEA.

11. Justification for Sensitive Questions:

Questions of a sensitive nature are not included in reporting requirements.

12. Estimate of Hour Burden:

Number of Respondents: 1,006
Frequency of Response: As Needed
Average time per response: 15 minutes
Total annual responses: 100

Total annual burden: 15 hours

DEA assumes that a transportation, storage, and distribution manager (SOC 11-3071) will file the report on behalf of the registrant. According to the Bureau of Labor Statistics' 2009 Occupational Employment Statistics, the median hourly wage for a transportation, storage, and distribution manager is \$38.22 (http://www.bls.gov/oes/current/oes_nat.htm). Therefore, the labor cost of burden hours is \$2,866.50.

13. Estimate of Cost Burden:

Mailing costs: 100 responses * \$0.44 per response = \$44.00

14. Estimated Annualized Costs to Federal Government:

Estimated annual cost to the Federal government

2 full-time GS 12 positions: \$217,228.80

Total Cost to Federal Government: \$217,228.80

All costs to the government for operation of the Diversion Control Program, including the above costs, are recovered by DEA from registrants through registration fees, as required by the Department of Justice and Related Agencies Appropriations Act of 1993.

15. Reasons for Change in Burden:

There are no program changes. Changes are due to population adjustments as fewer entities have registered as chemical handlers.

16. Plans for Publication:

There are no plans to publish the information collected.

17. Expiration Date Approval:

Registrants report information using their own documents. No form is used for this information collection.

18. Exceptions to the Certification Statement:

There are no exceptions to the certification statement.

Part B. Statistical Methods

The Drug Enforcement Administration does not employ statistical methods in this information collection.