

DEPARTMENT OF THE TREASURY
EXECUTIVE OFFICE FOR ASSET FORFEITURE

DIRECTIVE NO. 29

DATE: November 28, 2014

SUBJECT: Seizure and Disposition of Assets Subject to Title Restrictions

1. **PURPOSE.** This Department of the Treasury Executive Office for Asset Forfeiture (TEOAF) Directive No. 29 contains procedures that are intended to prevent the complications that arise when property is sold, transferred, or placed into official use without clear title. It is the policy of the Department of the Treasury to sell all titled properties with a "clean" title, or if that is not possible, to fully disclose at the time of auction any encumbrances or "clouds" to potential purchasers. Failure to adequately identify title encumbrances may result in considerable difficulties for the purchaser/transferee and a financial liability for the Treasury Forfeiture Fund (TFF). It will also open the Department's forfeited property program to criticism and negative publicity.

2. **SCOPE.** This Directive applies to all seizing agencies participating in the TFF and TEOAF.

3. **POLICY.** This policy pertains to all titled property (e.g., real property, vehicles, vessels, aircraft and conveyances). Whenever such property is seized (e.g., vehicles, vessels, aircraft and conveyances) or restricted (e.g., real property), all issues that may impede the transfer of clear title must be identified, communicated, and appropriately resolved prior to final disposition.

4. **SEIZING AGENCY RESPONSIBILITIES.** The seizing agency is responsible for ensuring that the requirements of this Directive are met.

5. **PROCEDURES.**

A. At the time of seizure, or earlier if practicable, the seizing agency shall:

(1) **Ensure that action is taken to determine all potential interested parties.**

(a) In the case of real property, aircraft and vessels, the seizing agency shall task the National Seized Property Contractor to conduct a pre-seizure analysis as soon as the item has been identified for seizure.

(b) In the case of vehicles, the seizing agency shall contact the department of motor vehicles in the state that issued the license plate to obtain copies of the current title and to review any other available documentation that may indicate that there is a claimant with a potential interest in the vehicle.

(2) **Determine whether the property has been reported as "stolen."**

(a) Any property with an identifiable serial or identification number should be checked through the National Crime Information Center (NCIC) or National Law Enforcement Tracking System (NLETS).

(b) With regard to vehicles, the seizing agency shall contact the department of motor vehicles in the state that issued the license plate attached to the vehicle at time of seizure to determine if the vehicle is "stolen" and not yet recorded in NCIC or NLETS.

(c) If there is any indication that the property is registered or titled in a foreign country, the seizing agency shall contact the appropriate law enforcement office within the foreign country to identify any issues that may impede transfer of clear title.

(d) The status of property reported as "stolen" shall be verified. If the report proves true, arrangements shall be made timely to return the stolen property to its rightful owner or claimant.

(3) Determine whether the property is registered or titled as "salvaged."

(a) To determine if a vehicle has a "salvage" title, the department of motor vehicles in the state that issued the license plate and the National Insurance Crime Bureau (NICB) shall be contacted.

(b) To determine if a vessel has a "salvage" title, the appropriate state vessel registration office shall be contacted. In addition, vessels larger than 5 net tons and holding an official number documented with the U.S. Coast Guard shall be queried through the National Vessel Documentation Center, Falling Waters, WV at 1-800-799-8362.

(c) To determine if an aircraft has a salvage title, the Federal Aviation Administration shall be queried through the Department of Transportation, Federal Aviation Administration Aircraft Registration Branch at 866-762-9434.

(d) Any property identified as having a "salvage" title shall be carefully examined to determine whether it should be held until forfeiture, and to determine what type(s) of disposition would be acceptable upon forfeiture. If dispositioned for sale, the property must be fully identified as "salvage" at time of auction.

B. Any property identified as "stolen" or "salvage" shall not be dispositioned for sale, retained for official use, transferred to another federal agency, or asset shared, without written authorization of the Director, TEOAF.

C. The seizing agency shall again check the status of any titled property at the time of forfeiture to ensure that no reports identifying the property as "stolen" or "salvage" were reported to law enforcement, licensing or titling agencies since the time of seizure.

D. All seizing agencies shall establish internal policies to ensure the removal of license plates and/or registrations from forfeited vehicles prior to disposition. Upon removal, the seizing agency should contact the state agency or foreign country that issued the plates and/or registration to notify them of the forfeiture of the vehicle by the U.S. Government and to obtain disposition instructions regarding the license plates and/or registration. In addition, no vehicles may be offered for sale at a Department of the Treasury auction with license plates attached. The sale of vehicles with license plates and/or registration attached is a violation of state law and may be a potential violation of a violator's right to privacy.

6. AUTHORITY. 31 U.S.C. § 9703; Treasury Directive 27-03, "Organizations and Function of the Office of the Assistant Secretary (Enforcement)"; Delegation Memorandum dated May 19, 1995, "Technical Correction to EOAF Delegation of Authority"; and Treasury Order 102-14, March 24, 2007, "Delegation of Authority with Respect to the Department of the Treasury Forfeiture Fund."

7. **INFORMATION CONTACT.** Any inquiries pertaining to this Directive should be directed to the TEOAF Seized Property Team at (202) 622-9600.

8. **CANCELLATION.** TEOAF Directive No. 29, "Seizure and Disposition of Properties Subject to Title Restrictions," October 1, 1995 (revised March 10, 2000), is hereby superseded.

9. **EFFECTIVE DATE.** November 28, 2014.

/S/

John M. Farley
Acting Director
TEOAF