

[Directives Home Page](#) >> [Topics](#) >> [Asset Forfeiture](#)



ASSET FORFEITURE

13.3 Real Property

APPENDICES

G. ATTACHMENTS TO REAL PROPERTY MANUAL

1. **Model contracts**
 - a. Real property management and disposal services
 - b. Real property appraisals
 - c. Title consulting services (reserved)

 - d. Contamination notice (for sales contract)
 - e. Sealed bid package
 - a. Instructions to Prospective Purchasers
 - b. Bid Offer to Purchase Form

 - f. Occupancy agreement
 - g. Hold harmless agreements
 - h. Consent for inspection (reserved)
2. **Model deeds**
 - a. U.S. Marshals Service quitclaim deed
 - b. Special warranty deed

b2

3. **Checklists and forms**

- a. PAR Form

- b. Real property pre-seizure questionnaire
- c. Notification of local taxing authority of forfeiture
- d. Notification of local taxing authority of sale of forfeited property
- e. Sample procedures for sealing and protection of vacant and unguarded buildings
- e. Sample procedures for winterization of vacant buildings
- f. Monthly property inventory report
- g. Property inventory report
- h. HUD-I

- i. Sale of Real Property - Unsolicited Offer

Appendix A, Definitions

Appendix B, Acronyms

Appendix C, Forfeiture Statutes

Appendix D, Policy Authorization Review Decisions

Appendix E, Legal Background

Appendix F, Interest Schedule

Appendix G, Attachments to Real Property Manual

b2

C-1. **GENERAL INTENTION:**

It is the intention of the of the United States Marshal Service (USMS) to provide efficient management and disposal of seized/forfeited real property for the _____ District of _____.

C-2. **GENERAL REQUIREMENTS:**

The USMS supports the Department of Justice Asset Forfeiture program by monitoring, managing and disposing of properties that have been seized for forfeiture under laws enforced or administered by the U.S. Department of Justice, and other Federal agencies, as authorized/directed. Therefore, the objective of the contract is to ensure that the seized/forfeited real properties within the _____ District of _____ are managed, maintained and timely disposed of. When forfeited assets are not immediately marketable (title imperfections, contamination, etc.), the USMS will require "Management Services".

In addition to the seized/forfeited assets the USMS has oversight responsibility for assets under the "Post and Walk" program. The USMS will require "Monitoring Services" prior to the forfeiture of the assets.

The contractor may be required to disposed of many types of real property, except for hotels/motels, industrial facilities, marinas, revenue producing farms/ranches. The contractor shall provide all necessary reports, equipment, labor, supervision, and facilities for the performance of the contract in accordance with the specifications and terms contained herein.

Invoices shall be submitted on or before the 15th of the month following the month in which the services were rendered.

C-3. **REAL PROPERTY MANAGEMENT**

1. Real property management services shall be ordered by the issuance of sub-task orders. The Ordering Officer may orally order the services.
 - a. A task order previously must have been issued by the Contracting Officer obligating sufficient funding for the services required.
 - b. The Ordering Officer is the only person authorized to place oral orders. If the contractor performs work ordered by other Government employees, no payment will be made for the services rendered.
2. Real property management services include but are not limited to the following:
 - a. performing basic maintenance services;
 - b. monitoring compliance with owner Occupancy Agreements;

- c. inventorying property/listing fixtures;
 - d. entering into maintenance and utility-type agreements including, but not limited to, electricity, cleaning, water, gas/fuel for heating, trash pickup, vermin extermination, lawn mowing, snow removal, pool maintenance and other like services, unless the services are obtained by the tenant under the terms of the lease; and
 - e. submitting monthly property reports;
 - f. monitoring subcontractors.
3. The contractor shall maintain a complete set of keys for each property for which a sub-task order has been issued, and shall provide one (1) complete set to the COTR.
4. The following maintenance service shall be included in the contractor's fixed prices for real property management in Section B, Supplies or Services and Price/Cost:
- a. changing utility bills or cutting off utilities;
 - b. turning off lights, appliances, and running water;
 - c. inspecting and setting temperature and humidity controls;
 - d. eliminating fire hazards;
 - e. preserving or disposing of perishables as directed by the COTR;
 - f. disposing of garbage;
 - g. arranging for mail and deliveries;
 - h. inspection of the property twice a month (every 15 days). If the USMS requires additional inspections a reimbursable fee will be paid by the USMS.
5. The contractor shall inspect the inside and outside of all properties a minimum of twice a month (every 15 days). The contractor shall provide tenants or occupants, if any, at least twenty-four (24) hours advance notice of such inspection. The contractor shall complete a Property Inspection Report each time the property is inspected. These reports shall be submitted to the COTR as part of the Monthly Property Report.
-
6. The contractor shall monitor compliance with the Occupancy Agreement upon receipt of a sub-task order, which will include the Occupancy Agreement and the specific monitoring services required. The contractor shall immediately notify the COTR in writing if there is non-compliance with the Occupancy Agreement.

C-4. **RENTAL SERVICES**

1. The contractor shall provide rental service within the period of performance specified in the sub-task order. Compensation for the management of rental properties is in accordance with the line items in Schedule B and as designated in the sub-task order. The services that may be order include, but are not limited to the following:
 - a. employ best efforts to obtain tenants at rental rates agreed to in writing by the COTR;
 - b. prepare property for rental by providing general cleaning and making recommendations for other necessary maintenance actions;
 - c. execute leases on forms provided by the contractor which have received the COTR's prior written approval;
 - d. collect security deposit as are customary for rentals;
 - e. collect rents and provide written receipts to tenants;
 - f. ensure that tenant is in compliance with all terms and conditions of the lease or Occupancy Agreement;
 - g. ensure that the lessee sign an agreement requiring them to make the house available for showing, and to maintain the property in acceptable level of cleanliness; and
 - h. advise the COTR when sufficient cause occurs to terminate the lease, and to provide notice of termination to the tenant when directed to do so by the COTR.
2. Generally, leases shall be month-to-month. Leases shall provide for termination upon thirty (30) days written notice by the COTR.
 - a. The contractor shall perform a standard credit check of all applicants. The cost of the credit check shall be paid by the applicant and is nonrefundable whether or not the applicant is accepted.
 - b. The contractor shall provide the COTR with the full name, current address, date of birth, and social security number of all prospective tenants.
 - c. ~~The COTR shall provide written approval of prospective tenants prior to their signing a lease.~~
3. The contractor shall submit all types of gross income received under this contract including, but not limited to, all rental income and submit the income as a check (s) payable to "U.S. Marshal". These checks shall be submitted along with the Summary Report of Income as part of the Monthly Property Report (See Summary Report of Income under Monthly Property Report).

C-5. MONITORING SERVICES

1. The contractor shall provide Monitoring Service with the period of performance specified in the sub-task order. The sub-task order will specify the frequency of monitoring services which will be a minimum of once a month and a maximum of once a week.
2. The contractor shall:
 - a. monitor posted (not in USMS custody) properties for any apparent vandalism and or obvious deterioration;
 - b. ascertain if the property is occupied and /or becomes vacant; and
 - c. complete a property monitoring report, to be submitted as part of the monthly property report, each time a posted property is visited.

C-6. DISPOSAL OF SEIZED/FORFEITED REAL PROPERTY

1. The contractor shall dispose of real property as directed by the USMS through the issuance of sub-task orders.
 - a. The contractor shall provide all the services to the seller that are customary in the industry, including, but not limited to the following:
 - providing licensed real estate agents to market the property;
 - entering properties into the Multiple Listing Service (MLS), and update the MLS when necessary;
 - submitting offers to purchase real property to the USMS as they are received;
 - performing liaison between the USMS and buyers and coordinate offers, counter-offers, etc., including those offers which are from co-brokers; and
 - retaining earnest money deposits in the manner required by state law, and, if permitted by state law submitting the deposits to the USMS with the Monthly Property Report.
 - b. As specified in Section B, the commission is a flat fee for properties sold under \$10,000 unless otherwise specified.

- c. Disposal services consist of one or more of the following and are included in the commission as specified in Section B:
- pre-sale services;
 - sale services;
 - post-sale services;
 - advertising;
 - auction;
 - drive-by inspections;
 - monthly property reports; and
 - monthly inspections of property.
- d. If the Ordering Officer/COTR provides to the contractor the name of a ready, willing, and able prospective purchaser to whom the property is ultimately sold, the USMS will pay fifty (50) percent of the disposal commission contract rate.
- e. The contractor guarantees the selling agent will be paid 50% of the commission, unless otherwise specified.
- f. The USMS has the right to approve or deny contractor activities impacting the sale.
2. The contractor shall coordinate activities and submit written Sales Activity Reports to the COTR with the Monthly Property Reports and shall maintain records or inquiries about purchase and showing of the property and provide them to the COTR upon request.
3. The Ordering Officer shall forward sub-task orders, directing preparation of a Sale Plan.
4. The contractor, upon receipt of a Sub-task order for disposal, shall designate a sales manager and submit a Sales Plan within ten (10) work days.
- a. The Sales Plan shall include, but is not limited to:
- an advertising/promotional plan and proposed budget, a marketing plan, and a plan for handling public inquiries;
 - evaluation of property based on past and present comparable with copies of comparable sales information;

- a plan for maintaining the property during the listing period; and
 - a recommended sale price.
- b. Based on a review of the property, the contractor, shall also provide an identification and description of all items that are in violation of minimum property standards and local regulations, with cost and time estimates to correct violations.
5. The COTR shall review, provide required changes, and approve the Sales Plan and the sales price recommended by the contractor.
- a. Acceptance of the Sales Plan and sales prices shall constitute a formal listing agreement, effective for not more than 90 days, regardless of the method of sale.
- b. Upon approval of the Sales Plan, the contractor shall provide all technical, legal, and professional personnel to successfully complete the sale.
- c. USMS retains the full right to accept, reject, or make counter offers.
6. If the USMS is unable to consummate a sales transaction because the United States has been unable to correct title defects, the USMS will pay the contract rate of sales commission, but only if:
- a. the USMS accepted the offer; and
- b. the payment of the commission is required by the real estate laws of the state where the property is located.
7. If a property is withdrawn from sale or there are no offers, the USMS will not reimburse the contractor for customary advertising and promotional costs, such as listing the property in the MLS, but the USMS will reimburse the contractor for advertising and promotional expenses which were approved by the COTR in the contractor's Sale Plan and which are not customary, such as advertising in the Wall Street Journal or on Electronic Media.
8. In performing duties under this contract, the contractor shall:
- a. ensure that the earnest money deposits are within local industry standards and are held as required by state law;
- b. ensure that points quoted in the contract for sale are current market quotes;
- c. pre-qualify the buyer;
- d. ensure that the application for financing is made in a timely fashion. If loan is denied, the contractor shall notify the COTR immediately.

9. If the proposed financing is through the Veterans Administration or the Federal Housing Administration, the COTR must authorize the Certificate of Reasonable Value (VA) or the Conditional Commitment, respectively.
10. Upon acceptance by the USMS of an offer to purchase the listed property, the Ordering Officer shall place a verbal order with the contractor to schedule the closing, and shall confirm by issuing a sub-task order within one (1) work day of the verbal order.
 - a. The contractor shall perform the following services on a best efforts basis upon receipt of a sub-task order:
 - take all reasonable and appropriate action to obtain the necessary information, and prepare and provide two (2) sets of closing documents;
 - provide a set of closing documents to the USMS no later than four (4) work days prior to the anticipated closing date; and
 - forward the proceeds of sale and all closing documents to the COTR within five (5) work days of the closing.
 - b. The COTR shall review all closing documents prior to the scheduled closing date and inform the contractor in writing of any corrections required.
 - c. The USMS, with assistance of the U.S. Attorney's Office, is responsible for resolving issues set forth in the title insurance commitment.
 - d. The U.S. Marshal or his/her authorized representative shall execute all deeds of conveyance.

11. OTHER METHOD OF SALES- AUCTION

If the sale of the property is by auction, the contractor shall perform the following services:

- a. prepare an auction package to include a marketing/advertising plan for approval by the COTR;
- b. provide manpower to conduct the sale, including that necessary for traffic control and security;
- c. provide facilities for the sale;
- d. register potential bidders;

- e. conduct auction in accordance with standards of the Certified Auctioneers Institute or National Auctioneers Association or equivalent;
- f. assure proper recording of auction by audio visual means;
- g. complete registration documentation of the successful bidder;
- h. obtain an earnest money deposit;
- i. provide accounting of the sale to the COTR within seven (7) work days of the auction;
- j. maintain all documents received in response to the sale for a minimum of one year from date of the auction.

C-7. REIMBURSABLE SERVICES/SUPPLIES

1. A sub-task order shall be issued to the contractor by the Ordering Officer to perform certain reimbursable hourly services on behalf of the USMS, such as the following:
 - maintain the grounds to ensure a neat appearance at all times.
 - board up the property as directed by the COTR.
 - re-keying/replacement of locks;
 - winterizing;
 - logistical supervision/coordination, such as responding to burglar alarms on property, meeting vendors/subcontractors to obtain cost estimates for repairs, monitoring the removal of tenant personal property; and
 - make those repairs which are customarily the responsibility of the landlord in landlord tenant relationship.
2. The contractor shall obtain the COTR's prior written approval for all individual repairs in excess of \$500.00. Said limits shall be for:
 - any individual expenditure; and /or
 - total expenditure per month per property.

3. The contractor shall immediately report all emergencies to the COTR and shall effect repairs necessary to protect life, prevent personal injury, protect property of third parties, and/or to avoid suspension of services to tenants.
4. Reimbursable services and supplies will be paid by USMS following submission and approval of the Monthly Property Reports. The contractors shall provide original itemized actual cost invoices for reimbursement of these services and supplies.
5. If these services are performed by the contractor using his own employees, within ten (10) working days of the sub-task order, the contractor shall provide the COTR with:
 - evidence that the employee (s) are qualified;
 - the hourly rate for each service; and
 - at least two written quotes from alternative sources for the same service.

C-8. MONTHLY PROPERTY REPORT

1. On the fifteenth of each month, the contractor shall submit to the COTR a Monthly Property Report. This report shall include the following:
 - a. property management report including for each property the case number, property address, information on necessary repairs, and brokers price opinion;
 - b. property inspection report including a brief narrative of significant activity (e.g., actual and /or projected expenses and repairs);
 - c. any maintenance activity;
 - d. sales activity report;
 - e. status of any earnest money deposits if they are permitted under State law;
 - f. joint account bank statement (s).
2. The contractor shall submit all types of gross income received under this contract including, but not limited to, all rental income and all interest accrued from the Joint Account (s) and submit the income as a check payable to "U.S. Marshal." These checks shall be submitted with the Summary Report of Income as part of the Monthly Property Report. Deductions from income for mortgage payments made by the contractor (See Rental Services) shall be included and reported in the Summary Report of income. A copy of the mortgage payment check shall be provided as an attachment to the report.

C-9. **PERSONNEL AND SECURITY REQUIREMENTS.**

1. All contractor employees, including the contractor, subcontractor (s), must pass a background investigation conducted by DOJ/USMS. Employees must provide necessary information to conduct the investigation. Minimum information required is full name, current and past addresses for the past ten years, date of birth, place of birth, social security number, military serial number, if applicable, driver's license number, and whether or not the employee has been arrested within the past ten years. Employees may be required to submit to fingerprinting. The contractor shall provide this information for all new employees or subcontractor employees. Employees will not be permitted to work under this contract unless they have first passed the background check. Any individual found to have an arrest record which is indicative of a security risk will not be allowed to work under this contract. Any individuals found to have lied on their security application will be rejected and will not be permitted to work under this contract. The contractor has the right to replace that employee without penalty and shall submit the above required information for the replacement employee within 10 calendar days of receiving notification from the Contracting Officer/COTR that the previous employee submitted was rejected.
2. If a sub-contractor is used only occasionally (e.g., a plumber in a remote rural area who will probably not be used again) , the contractor shall submit the statement below with the Monthly Report:

"Based on my knowledge and reasonable inquiries into the business practices of the sub-contractor, I have determined that he/she has no criminal affiliations nor any associations with the defendant of any case on which individual or company worked".
3. Documents and other materials relating to seized/ forfeited property shall be segregated from other documents and shall be kept in locked cabinets when not in use. The contractor shall control all keys and shall keep them in a secure location when not in use.
4. In the event that the contractor, any sub-contractor, and any employee of the contractor or sub-contractor, or their families, residents of their households, and/or business partners, have a personal or financial interest in the property in a particular case, the contractor shall immediately notify the COTR.
5. In the case of the performance of any Sub-task Order under this contract, each of the following persons is prohibited from purchasing any personal property and from purchasing, renting, or otherwise residing in any real property in USMS custody:
 - a. the contractor, his/her spouse, unemancipated children, residents of his/her household and/or business partners;

- b. sub-contractors, his/her spouse, unemancipated children, residents of his/her household and/or business partners; or
- c. the contractor's or sub-contractor's employees, their spouse, unemancipated children, residents of his/her household and/or business partners.

Nor may anyone acting on behalf of any persons listed above purchase any personal property or purchase or rent any real estate on the disqualified person's behalf.

- 6. The contractor shall keep confidential information relating to a seizure and/or forfeiture unless authorized in writing by the COTR. The contractor shall refer requests for information, subpoena, or depositions to the COTR immediately.
- 7. The contractor shall establish and maintain a comprehensive system of records, books, and accounts in accordance with generally accepted accounting procedures of all expenditures, receipts, and charges incurred in the disposal of each property. All records, books, and accounts are subject to examination by USMS or other authorized entities of the Government.
- 8. The contractor shall not cause any lien, attachments, or easements to be placed on any properties without prior written approval of the Ordering Officer.
- 9. The contractors shall comply with all applicable Federal and state law and all local ordinances including, but not limited to, building and housing codes and zoning ordinances.
- 10. The contractor shall make every reasonable effort to cooperate with appraisers needing access to the property. The contractor shall coordinate with tenants or occupants, if any, and provide at least twenty-four (24) hours advance notice of such access, except in emergencies as stated by the USMS.

C-10. EXPIRATION OR TERMINATION OF CONTRACT

The contractor shall recognize that the services under this contract are vital to the Government and must be continued without interruption and that, upon contract expiration a successor, either the Government or another contractor, may continue them. The contractor agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to the successor. The contract or shall return all USMS documents, properties and resolve all matters concerning this contract upon award of a successor contract, but no later than five days after contract expiration. All transition costs incurred by the contractors, including costs incurred after the contract expires are the contractor's responsibility. Transition cost include but are not limited to such as the mailing of files to the new contractor, briefing the new contractor on any outstanding issues, etc.

C-11. **DEFINITIONS:**

As used throughout this contract, the following terms shall have the meaning set forth below. Addition definitions are in the "Definition" clause in Section I.

1. **Certificate of Reasonable Value** - A Veterans Administration appraisal which must be requested by the seller.
2. **Closing Documents** - The documents required at settlement, including, but not limited to: Buyer's and Seller's Closing Statement; Binder; Tax Statement (s); and Deed.
3. **Commercial Unit** - A room or suite of rooms designed for use by a single tenant and intended for retail, wholesale, office, or service use.
4. **Commercial Complex** - A structure containing more than one commercial unit and designed to accommodate multiple tenants.
5. **Conditional Commitment** - A Federal Housing Administration appraisal which must be requested by the seller.
6. **Contracting Officer's Technical Representative (COTR)** - A USMS employee appointed the technical representative under the contract by the contracting officer. See Section G-2 for duties of the COTR.
7. **Forfeiture** - Divestiture of property by order of the court without compensation when it is used in a manner contrary to the laws of the sovereign.
8. **Joint Account** - An account in a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) that the contractor shall establish, when directed by the COTR.
9. **Occupancy Agreement** - An Agreement which permits residents occupying a property at the time of seizure to continue occupancy, subject to the conditions of the Agreement. The Agreement automatically terminates upon violation of any terms or conditions of the Occupancy Agreement is executed by the United States Marshal on behalf of the United States.
10. **Ordering Officer (OO)** - The OO is the CO's division/district level authorized representative. OO shall issue orders in accordance with all contract terms and conditions. OO does not have the authority to alter the Quoter's obligations under the contract, direct changes that fall within the purview of the General Provisions clause entitled "Changes" and/or modify any of the expressed terms, conditions, specifications, or cost of the agreement. If, as result of any discussions it is desirable to alter/change contractual obligations the Contracting Officer shall issue such changes in writing.

11. **Posting** - The process by which the USMS executes process in a civil in rem proceeding by affixing a copy of a Warrant of Arrest In Rem to the property in a conspicuous place and by leaving a copy of the complaint and process with the person having possession or the person's agent.
12. **Quality Assurance** - A method used by the Government to provide some measure of control over the quality of service received.
13. **Rural Vacant Land** - Land on which single-family housing unit, multifamily housing unit, farm/ranch, and/or commercial unit is not present, and which is in rural areas; e.g., vacant grazing land, tree and farm land.
14. **Seizure** - The taking of actual or constructive possession of property by the U.S. Marshal Service pursuant to federal forfeiture law.
15. **Single Family Residential Lot in a Developed Subdivision** - One of several parcels of land into which property is divided so as to accommodate one housing unit.
16. **Single Family Housing Unit** - A type of residential structure designed to include one dwelling. Adjacent units may share walls and other structural components but generally have separate access to the outside and do not share plumbing and heating equipment.

Single family housing units include:
 - detached housing units
 - townhouses
 - zero lot line home
17. **Sub-Task Order** - An order for services or supplies placed against the contract. Each Sub-task Order shall identify the service (s) required and the period of performance. Sub-task Orders may be issued only after the Contracting Officer issues the Task Order with funding for the contract.
18. **Summary Report of Income** - The monthly Income (rental) report which will include deductions from income for mortgage payments made by the contractor.
19. **Title Insurance Commitment** - A report setting forth the condition of title to property as of a certain date, and the conditions which, if satisfied, will cause a policy of title insurance to be issued to the purchaser of real property sold by the USMS.
20. **Task Order** - An order issued by the Contracting Officer obligating funding for the services required by this contract.