GAO
United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-272444

November 20, 1996

The Honorable Janet Reno
The Attorney General

Dear Madam Attorney General:

As part of our oversight responsibilities in the high-risk area of asset forfeiture programs,[1] we initiated a review of pre-seizure planning practices in the Department of Justice. Our objectives were to determine (1) what pre-seizure planning guidelines exist for the U.S. Attorneys, U.S. Marshals Service, Drug Enforcement Administration, and Federal Bureau of Investigation for determining whether or not to seize real property and businesses; and (2) to what extent the agencies follow the guidelines for pre-seizure planning.

During our initial work we found that the number of seizures of real property and businesses has fallen in recent years,[2] and some seizure practices have been changed. These practices are designed to reduce some of the potential for management problems and fiscal losses.[3] Because of these factors, we have decided to discontinue this specific review. However, in the course of our work we identified some potential procedural inconsistencies that we feel we should bring to

[1]Asset Forfeiture Programs (GAO/HR-95-7, February 1995).

[2]The Marshals Service's inventory of seized real properties and businesses decreased from 4,500 properties valued at $859 million in fiscal year 1993 to 997 properties valued at $288.5 million in fiscal year 1995.

[3]For example, since the Supreme Court's decision in United States v. James Daniel Good Real Property on December 13, 1993, the United States generally commences civil forfeiture actions against real property through "posting" rather than seizure. Under this posting process, the government does not take actual custody and control of the property. Rather, the U.S. Attorney files a forfeiture complaint and gives instructions to the Marshals Service to post on the property a copy of the complaint as well as a warrant, which states that the government has an interest in the property. Prior to the Good decision, the government seized real property as soon as it had probable cause and maintained it, pending forfeiture.

157801

your attention. These inconsistencies involve the timing of the notification of the Marshals Service when a seizure is being considered. This letter summarizes the results of our preliminary work.

RESULTS IN BRIEF

The current Department of Justice Pre-seizure Planning Guidance was issued in February 1994. The guidance requires the Assistant U.S. Attorney to consult the Marshals Service prior to initiating action to seize and forfeit real property and businesses. The guidance establishes a net equity threshold of 20 percent of the appraised value of the property or $20,000, whichever is greater, for pursuing forfeiture of real properties. The U.S. Attorney has discretion to pursue forfeiture of real property with estimated equity below the threshold if there is a compelling law enforcement purpose to do so.

In our limited file review of properties the Marshals Service received in fiscal years 1994, 1995, and 1996, we found instances where the U.S. Attorney may not have consulted the Marshals Service prior to initiating action to seize and forfeit real property and businesses.[4] While our sample cannot be projected to all cases, in 37 of the 39 cases we reviewed, we found no indications in the Marshals Service's case files that it was consulted prior to the initiation of forfeiture complaints or indictments. Although the guidance does not specifically state that evidence of pre-seizure planning should be maintained in the Marshals Service's case files, Marshals Service officials told us that if any documents or notes from pre-seizure planning existed, they should be found in the case files. Further, for 8 of the 37 cases in which we found no indications of Marshals Service involvement in pre-seizure planning, Marshals Service officials told us that if they had been consulted in pre-seizure planning, they might have recommended against pursuing forfeiture action due to estimated equities below the threshold established in the guidance.

In response to Marshals Service concerns that many of its districts were not consulted by Assistant U.S. Attorneys prior to the seizure or forfeiture of assets, the Deputy Director, Executive Office for U.S. Attorneys, sent an electronic mail memorandum to all Criminal Division Chiefs in the U.S. Attorneys' Offices and all Assistant U.S. Attorney asset forfeiture contacts on February 28, 1996. A portion of this memorandum was a reminder that the Marshals Service should always be included in pre-seizure planning involving real property and referred to the pre-seizure planning

---

[4]The Marshals Service is the custodian of seized and forfeited properties for the Department of Justice. It is responsible for seized and forfeited property management and disposition.

guidance. Further, the Department of Justice Asset Forfeiture and Money Laundering Section issued a policy directive on March 15, 1996, as a reminder that the Marshals Service should be consulted in pre-seizure planning.

However, several Marshals Service officials we interviewed from April through July 1996 told us that the guidelines still were not consistently being followed. That is, they said some Assistant U.S. Attorneys did not always consult with the Marshals Service prior to the initiation of action to seize and forfeit real properties. U.S. Attorney's Office officials confirmed that the Marshals Service was not always consulted in pre-seizure planning. According to the Marshals Service officials, they should be consulted before any action is taken towards seizure and forfeiture of real properties, because the Marshals Service has information necessary for determining the net value of the targeted property. Specifically, property management and disposal expenses should be included in a net value determination, and the Marshals Service is in the best position to estimate these expenses since it is the custodian of property after seizure and forfeiture. Moreover, according to the officials, because of their experience in the area, they are also in a good position to anticipate potential management problems once the property is seized and forfeited.

JUSTICE PRE-SEIZURE PLANNING GUIDANCE

The Department of Justice, Executive Office for Asset Forfeiture, issued Directive 94-2, "Guidelines for Pre-Seizure Planning," on February 16, 1994, effective March 1, 1994, to supersede Justice's June 1986 policy.[5] The guidance was intended to encourage practices that would minimize or avoid the possibility that the government would assume unnecessarily difficult problems in the management and disposition of assets and to ensure that the Marshals Service would be consulted prior to the seizure and forfeiture of assets. In July 1996, the Asset Forfeiture and Money Laundering Section, Criminal Division, issued an Asset Forfeiture Policy Manual. The manual includes a section on Guidelines for Pre-Seizure Planning, which is essentially identical to Directive 94-2.

Guidance Requires Early Consultation with the Marshals Service

One of the key requirements of the guidance is that the Marshals Service be consulted during pre-seizure planning. It states that the U.S. Attorney should consult with the Marshals Service prior to the submission of any proposed orders to a court that

---

[5]Memorandum of former Deputy Attorney General D. Lowell Jensen, Anticipating and Avoiding Problems Relating to the Management and Disposition of Seized and Forfeited Assets, June 25, 1986.

impose any restraint, seizure, property management, or financial management requirements relating to any property that is or will be in the Marshals Service's custody. It specifically states that the Marshals Service should be advised prior to the filing of civil forfeiture complaints or the return of indictments containing forfeiture counts.

Guidance Establishes Equity Thresholds

The guidance establishes minimum net equity levels that generally must be met before federal forfeiture actions are instituted. According to the guidance, the net equity thresholds are intended to decrease the number of federal seizures, thereby enhancing efforts to improve case quality and to expedite processing of the cases initiated. For real properties, the minimum net equity is to be at least 20 percent of the appraised value or $20,000, whichever is greater. The guidance gives the U.S. Attorney discretion to pursue properties with net equities below the threshold in circumstances where the seizure and forfeiture of the property will serve a compelling law enforcement interest.

A sample worksheet for preparing the net equity estimation is included as an appendix to the guidance. The worksheet calculates net equity from the appraised value minus encumbrances and expenses (net of any income generated by the property), such as property management and disposal costs. The guidance does not specifically state that the Marshals Service should be consulted in making the net equity estimation.

LIMITED FILE REVIEW FOUND NO INDICATION THAT THE MARSHALS SERVICE WAS CONSULTED IN MOST CASES

We reviewed case files at each of the three Marshals Service districts we visited: Central California, Southern California, and Southern Florida. The Marshals Service reported receiving approximately 237 cases involving real estate and businesses in their automated tracking systems for these three districts in fiscal years 1994, 1995, and part of 1996.[6] We judgmentally selected 39 cases to review for properties and businesses received by the Marshals Service in this time period. Some of these cases were selected because property had been forfeited or was pending forfeiture, and other cases were selected because low equity was estimated on the case worksheet. The remaining cases were selected unsystematically from office files. In 37 of the 39

[6]This included properties received by the Marshals Service from October 1, 1993, through September 30, 1996, in the Central District of California; October 1, 1993, through May 29, 1996, in the Southern District of California; and October 1, 1993, through May 31, 1996, in the Southern District of Florida.

cases, we found no indications in the Marshals Service's case files that it was consulted in pre-seizure planning prior to the initiation of forfeiture complaints or indictments. Although the guidance does not specifically state that evidence of pre-seizure planning should be maintained in the Marshals Service case files, the Marshals Service officials told us that documents or notes from pre-seizure planning, if any, should be kept in the case files.

For 8 of these 37 cases, 7 real properties and 1 business, Marshals Service officials told us that if they had been consulted during pre-seizure planning, they might have recommended against pursuing forfeiture action due to estimated equities below the threshold established in the guidance. Five of these cases were pending forfeiture at the time we completed our work, so we do not know the final outcomes, in terms of whether or not the government will lose money. One property was forfeited, but the case was later dismissed for insufficient equity because of numerous liens disclosed by the Marshals Service. The effect of these liens was that there was not enough equity in the property to justify the government going forward with the sale of this property. The Marshals Service incurred property management costs from the asset forfeiture fund of $430 on this property. One property had encumbrances in excess of the value of the property. The forfeiture action was dismissed, but the Marshals Service incurred expenses from the asset forfeiture fund of $1,683. One business was forfeited and sold, resulting in a monetary loss to the asset forfeiture fund of $12,180. However, this loss was due to the cost of a business analysis that may have been necessary during pre-seizure planning even if forfeiture was not pursued.

Because forfeiture is a law enforcement tool, a decision may be made to seize a property that is not economically profitable because of a compelling law enforcement purpose. The Department of Justice guidelines direct that in this context, the U.S. Attorney's Office makes the final decision as to whether or not to forfeit a particular property. The U.S. Attorney's Office bases this decision on information received during the criminal investigation, including pre-seizure planning, if any. Thus, we do not know if the Marshals Service's recommendations would have led to different outcomes in these eight cases. A summary of each of these cases is found in enclosure I.

JUSTICE HAS RESPONDED TO THE MARSHALS SERVICE'S CONCERNS

In response to Marshals Service concerns that many of its districts were not consulted prior to the seizure or forfeiture of assets, the Deputy Director, Executive Office for U.S. Attorneys, sent an electronic mail memorandum to all Criminal Division Chiefs and all Assistant U.S. Attorney asset forfeiture contacts on February 28, 1996. A portion of the memorandum was a reminder that the Marshals Service should always

be included in pre-seizure planning involving real properties. The memorandum refers the chiefs and contacts to the pre-seizure planning guidance.

In addition, the Asset Forfeiture and Money Laundering Section, Criminal Division, issued Policy Directive 96-3, "Implementation of Guidelines for Pre-Seizure Planning," on March 15, 1996. The Directive was addressed to all United States Attorneys and law enforcement agencies of the Department of Justice and was intended to serve as a reminder that the Marshals Service should be promptly advised prior to the filing of civil forfeiture complaints or the return of indictments containing forfeiture counts.

MARSHALS SERVICE OFFICIALS STATED THAT GUIDELINES ARE STILL NOT ALWAYS FOLLOWED

We visited Marshals Service offices in three districts: Central California, Southern California, and Southern Florida, from April through July 1996. Marshals Service officials told us that although pre-seizure coordination is improving, the Marshals Service was not always contacted prior to the initiation of action to seize and forfeit real properties. In some cases, the Marshals Service's first knowledge of the government's intent to forfeit properties was when it received copies of forfeiture complaints or orders of forfeiture with instructions to post or seize the properties.[7]

According to Marshals Service officials we spoke with, the Marshals Service should be consulted and asked to provide information for the net equity determination before any action is taken toward seizure and forfeiture of real property and businesses. Specifically, property management and disposal expenses should be included when a net equity determination is made, and the Marshals Service is in the best position to estimate these expenses since it is the custodian of the property after seizure and forfeiture. Moreover, because of the Marshals Service's experience in the area, it is also in a good position to anticipate potential management problems once the property is seized and forfeited, according to the officials.

U.S. ATTORNEY'S OFFICE OFFICIALS ALSO STATED THAT GUIDELINES ARE NOT ALWAYS FOLLOWED

U.S. Attorney's Office officials in the three districts we visited told us that the Marshals Service was not always consulted in pre-seizure planning. Officials in two of the districts told us that the Marshals Service was not routinely involved in pre-seizure planning. One of these officials told us that Assistant U.S. Attorneys relied on pre-seizure information obtained by investigative agencies but contacted the Marshals

[7]See footnote 2.

Service if the estimated net equity was close to the minimum threshold. An official in the third district told us that Assistant U.S. Attorneys are responsible for coordinating pre-seizure planning with the Marshals Service in accordance with the guidelines, but not all Assistant U.S. Attorneys follow the guidelines.

AGENCY COMMENTS AND OUR EVALUATION

We requested comments on a draft of this correspondence from the Attorney General or her designee on October 22, 1996. On November 7, 1996, we met with Department of Justice officials, including representatives from the Criminal Division, Executive Office of U.S. Attorneys, Justice Management Division, U.S. Marshals Service, and Federal Bureau of Investigation. The officials agreed that more time spent by the Marshals Service in pre-seizure planning in real estate and business forfeitures should improve the effectiveness and quality of these forfeitures generally. Their comments were incorporated into the final report, as appropriate, and are discussed below.

On pages 2 and 5 we stated that for 37 of the 39 cases we reviewed, we found no indications in the Marshals Service's case files that it was consulted prior to the initiation of forfeiture complaints or indictments. The Department of Justice officials stated that pre-seizure planning in a U.S. Attorney's Office involves evaluation of properties that have been identified during a criminal investigation in terms of the basis for forfeiture as well as the value of the property. During this process, if property is determined appropriate for forfeiture, information from both investigative agencies and the Marshals Service is considered. Justice's policy directives do not require pre-seizure planning discussions to be in person or formally documented. The U.S. Attorney's Office may solicit this information by telephone. It is possible that no notes exist even if informal discussions were held. The U.S. Attorneys' offices in these districts advised the Department of Justice that they often notify the Marshals Service by phone in cases where the investigation shows the equity in the property to be particularly significant and/or clearly above the equity threshold. In more complex cases, the Marshals Service would be contacted for guidance prior to instituting forfeiture actions for real property and would be more involved in the process. While contact with the Marshals Service may have taken place in some of the 37 cases, we found no evidence of contact. We were told by the Marshals Service officials we interviewed that they might have advised against forfeiture in some of those cases if they had been consulted earlier. Further, both the Marshals Service and the U.S. Attorney's Office officials we interviewed agreed that contact with the Marshals Service during pre-seizure planning is not always timely.

According to the Justice officials, actions are being taken to address problems with pre-seizure planning. The Marshals Service has recognized the ongoing problems in the pre-seizure phase of the forfeiture process and is working closely with the asset

forfeiture component agencies through increased training and review of internal control procedures to address this deficiency. The Marshals Service, in conjunction with its Quality Improvement Program, met in Miami, Florida, during the last week in October 1996, along with a few Assistant U.S. Attorneys to address issues and problems that have impeded efforts to conduct effective pre-seizure planning activities. Recommendations resulting from this focus group will be shared with the Department of Justice asset forfeiture community. Although the procedural inconsistencies we observed appear to be receiving further management attention by Justice officials, we believe that the potential for asset management problems and the loss to the asset forfeiture fund when the Marshals Service is not consulted prior to the decision to seize assets makes this continued management attention particularly important.

SCOPE AND METHODOLOGY

To obtain information on pre-seizure planning guidance, we interviewed officials in the Justice Management Division; the Asset Forfeiture and Money Laundering Section; the Executive Office for U.S. Attorneys and the U.S. Marshals Service and obtained copies of the directives and policy manual. To determine the extent to which the guidelines were being followed, we interviewed officials at the Marshals Service and Offices of the U.S. Attorney in three districts: Central California, Southern California, and Southern Florida. We realize that these three districts may not be representative of practices in all districts. However, these three districts had 15 percent of the number and 27 percent of the value of seized real properties and businesses received by the Marshals Service in fiscal year 1994.[8] The Marshals Service reported receiving approximately 237 cases involving real estate and businesses in their automated tracking systems for these three districts in fiscal years 1994, 1995, and part of 1996.[9] We performed limited file reviews at each Marshals Service location and judgmentally selected 39 property case files to review for documentation of Marshals Service involvement in pre-seizure planning. We chose 36 cases to review from Marshals Service reports of properties received in fiscal years 1994, 1995, and 1996. Some of these cases were selected because property had been forfeited or was pending forfeiture, and other cases were selected because low equity was estimated on the case worksheet. The remaining cases were selected unsystematically from office files. Three cases were provided by Marshals Service officials as examples of instances where they were not consulted in pre-seizure planning. We conducted our work

---

[8]We used data from fiscal year 1994 instead of fiscal years 1995 and 1996 because the Marshals Service began the process of converting to a new Consolidated Asset Tracking System during fiscal year 1995. The conversion process has created the potential for double-counting records.

[9]See footnote 6.

between April and October 1996 in accordance with generally accepted government auditing standards.

– – – – –

We are sending copies of this letter to the Chairman and Ranking Minority Member, Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs; the Assistant Attorney General for Administration; the Chief, Asset Forfeiture and Money Laundering Section, Criminal Division; the Assistant Director for Asset Forfeiture, Executive Office for U.S. Attorneys; and the Director, U.S. Marshals Service. Copies will also be made available to others upon request.

Major contributors to this correspondence were Darryl Dutton, Assistant Director; Leah Riordan, Evaluator-in-Charge; and Brian Lipman, Evaluator. Please contact me on (202) 512-8777 if you or your staff have any questions about this letter.

Sincerely yours,

Laurie E. Ekstrand
Associate Director, Administration
of Justice Issues

SUMMARY OF EIGHT CASES

CASE 1: VACANT LAND, WEST PALM BEACH, FLORIDA

According to a Marshals Service official, the Marshals Service had no knowledge of this property prior to receiving a copy of the preliminary order of forfeiture from the Assistant U.S. Attorney in the mail on May 13, 1996. The order was dated February 2, 1996. The estimated value of the property listed on the instruction form was $18,000 with taxes owed of $1,500, leaving equity of $16,500, which is below the $20,000 threshold. A Marshals Service appraisal estimated the property's value at only $16,000, leaving a net equity of only $14,500. According to the official, if the Marshals Service had been consulted prior to the initiation of forfeiture action against this property, it would have recommended against pursuing forfeiture. The Marshals Service official telephoned the Assistant U.S. Attorney assigned to the case to discuss the low equity. He told her about the $20,000 equity requirement or a compelling criminal interest. The Assistant U.S. Attorney's response was that she would not dismiss the forfeiture action even though there was only $14,500 in equity. She stated that the compelling criminal interest was that "it was bought with the proceeds of drug trafficking." The final order of forfeiture had not been received by the Marshals Service as of August 9, 1996. The final outcome is unknown.

CASE 2: APARTMENT BUILDING, MIAMI, FLORIDA

According to a Marshals Service official, on May 7, 1996, the Marshals Service received in the mail a copy of the preliminary order of forfeiture dated January 2, 1996, from the Assistant U.S. Attorney. The Marshals Service had no knowledge of the government's intent to forfeit this property before receiving the order. The Marshals Service prepared a net equity worksheet and determined that there was only 12 percent estimated equity in the property. According to the official, if the Marshals Service had been consulted prior to the initiation of forfeiture action against this property, it would have recommended against pursuing forfeiture. He wrote a letter to the Assistant U.S. Attorney stating that the equity was below the threshold established by the guidelines. The Assistant U.S. Attorney's response stated that the property would be forfeited for "law enforcement purposes." The Marshals Service had not received the final order of forfeiture as of August 9, 1996. The final outcome is unknown.

CASE 3: POOL CLEANING BUSINESS, PALM BEACH, FLORIDA

According to a Marshals Service official, the Marshals Service had no knowledge of this pool cleaning business until receiving a copy of the preliminary order of forfeiture from the Assistant U.S. Attorney in the mail on December 6, 1995, without any information on the value of the business. The order was dated November 6, 1995. The Marshals Service official stated that if he had been consulted earlier, he would have cautioned against taking any forfeiture action on this business until it was analyzed. Through experience, he had learned that it does not take very much money to start a pool business, so there might not have been much equity.

The Marshals Service hired Price Waterhouse at a cost of $14,180 to analyze the business. The analysis revealed the business was in financial distress and all employees had been laid off. The Marshals Service sent a fax to the Assistant U.S. Attorney on February 1, 1996, recommending dismissal of the forfeiture action due to the results of the analysis; however, the Assistant U.S. Attorney pursued forfeiture. In the end, the Marshals Service sold its interest in the business for $2,000 with expenses of $14,180, resulting in a $12,180 loss to the government. However, according to the Marshals Service official, the business analysis may have been necessary in pre-seizure planning and the cost unavoidable, even if the Marshals Service had been consulted earlier.

CASE 4: SINGLE FAMILY RESIDENCE, NORTH MIAMI BEACH, FLORIDA

According to a Marshals Service official, the Marshals Service had no knowledge of this residence prior to receiving a copy of the preliminary order of forfeiture from the Assistant U.S. Attorney in the mail on February 1, 1996. The order was dated October 6, 1995. A Marshals Service net equity worksheet prepared on February 6, 1996, estimated the U.S. equity at $8,650, well below the threshold. According to the official, if the Marshals Service had been consulted prior to the initiation of forfeiture action against this property, it would have recommended against pursuing forfeiture. The Marshals Service found numerous liens on the residence that were not disclosed by the title search on the property done by the investigative agency prior to the government seeking the forfeiture of the property. The effect of these liens was that there was not enough equity in the property to justify the government going forward with the sale. The final order of forfeiture was entered January 17, 1996, but was dismissed in August of 1996 for insufficient equity as recommended by the Marshals Service. This property resulted in a loss of $430 to the asset forfeiture fund for property management costs.

CASE 5 : VACANT LAND, MONROE COUNTY, FLORIDA

According to a Marshals Service official, the Marshals Service had no knowledge of this property prior to receiving a copy of the preliminary order of forfeiture from the Assistant U.S. Attorney in the mail on July 9, 1996. The order was dated February 21, 1996. A Marshals Service appraisal and title search estimated the property value at $50,000,with a mortgage balance of $30,000 and taxes owed of $4,500. The estimated equity was clearly under the $20,000 threshold. Also, this is vacant land and there is a building ordinance in this area that could negatively affect the selling price. Had the Marshals Service been consulted during pre-seizure planning, it may have recommended against pursuing forfeiture action on this property, according to the Marshals Service official. The Marshals Service wrote letters to the Assistant U.S. Attorney on August 9 and 12, 1996, explaining the results of the appraisal and title search and that this property did not meet the minimum net equity requirements. One letter also explained the building ordinance that could ultimately delay and create an obstacle in the disposal of the property. As of August 13, 1996, the Marshals Service had not received the final order of forfeiture. The final outcome is unknown.

CASE 6: SINGLE FAMILY RESIDENCE, SAN DIEGO, CALIFORNIA

According to a Marshals Service official, the Marshals Service had no knowledge of this residence prior to receiving a copy of the forfeiture complaint from the Assistant U.S. Attorney in the mail on September 20, 1994. The complaint was dated August 19, 1994. The official ordered a title report on September 22, 1994, which revealed excessive encumbrances exceeding the value of the property. According to the official, if she had been consulted in pre-seizure planning, she may have recommended against pursuing forfeiture action against this property due to excessive encumbrances and low equity. She contacted the Assistant U.S. Attorney to inform her of the excessive encumbrances, and the Assistant U.S. Attorney withdrew the forfeiture action. The Marshals Service incurred expenses totaling $1,683 on this property.

CASE 7: VACANT LAND, LOS ANGELES, CALIFORNIA

According to a Marshals Service official, the Marshals Service had no knowledge of this property until it received a copy of the forfeiture complaint from the Assistant U.S. Attorney in the mail on August 8, 1995. The complaint was dated July 26, 1995. The Marshals Service estimated the value of the property at $7,422. According to the official, had he been consulted in pre-seizure planning he would have recommended against pursuing forfeiture action on this property due to low equity. The official also stated that vacant land in Southern California is very difficult to sell because very few lending institutions will finance it. He commented that even if the forfeiture action is dropped, it wasted time and resources to post the property, establish a file, and

monitor the property. The Marshals Service had not received a final order of forfeiture as of August 19, 1996, and the final outcome is unknown.

CASE 8: SEVEN APARTMENT BUILDINGS IN LOS ANGELES COUNTY

According to a Marshals Service official, the Marshals Service was not consulted during pre-seizure planning. On November 20, 1995, the Marshals Service received in the mail a copy of an order of forfeiture dated November 13, 1995, from the Assistant U.S. Attorney stating that seven apartment buildings "are to be seized forthwith and maintained by the United States of America in its secure custody and control in accordance with law." According to the official, most of the apartment buildings were in bad condition. Four of them did not meet the minimum net equity requirement. At least one of them should have been condemned, not seized, in his opinion. Had the Marshals Service been consulted prior to seizure, the official would have suggested not pursuing forfeiture of at least four of the properties that did not meet the minimum net equity requirement. He stated that some of these properties will probably cost the government money in the long run. As of August 26, 1996, the Marshals Services' net expenses on these properties totalled $62,769. A final order of forfeiture must be received before the Marshals Service can dispose of these properties. The Marshals Service had not received a final order of forfeiture as of August 27, 1996, and the final outcome is unknown.

(182025)

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use $300

Address Correction Requested