



DISPOSITION OF EVIDENCE/SEIZED PROPERTY

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I. POLICY

The Field Enforcement Division, under the authority of Tax General Article 13, section 13-841, can sell and destroy contraband products and seized conveyances. All net proceeds from the sale of any conveyance or any other property will be distributed in the manner as described in Title 2 of the Tax General Article.

II. TOBACCO AND ALCOHOL SALE/BID PROCEDURES

1. The bid openings related to the sale of confiscated property or evidence must be witnessed by at least two (2) employees of the Comptroller's Office who attest to the witnessing by their signatures on the forms used for the bid opening process.
2. Once the bids have been opened for the sale of property or evidence and recorded on the alcohol and tobacco bid verification form, the property manager will send a copy of the form indicating the lot #, the company making the bid, and the amount they bid for each lot to the division manager.
3. Bid winners will be notified by telephone and by a follow up letter with instructions on how to claim their lots.
4. Bid winners will be issued a numbered invoice after which they will pay for their lots. A copy of the invoice specifying the amount to be received will be forwarded immediately to the Administration and Finance Division by the Property Manager.
5. The division manager or accounting manager will accept the check in payment for purchases of confiscated property.
6. The payment will be logged indicating the date of the payment, lot #, product type, company name, payment type and amount, invoice number and the signature of the person receiving payment.
7. Any proceeds from the sale of property or evidence and a copy of the payment log must be delivered directly (without unnecessary delay) to the accounting manager.
8. The accounting manager will prepare the necessary accompanying documents and see that the funds are deposited per established guidelines and copies of all related documents are maintained in division records.

9. Copies of all aforementioned related documents, including the validated bank deposit slip will be forwarded to the division auditor for verification and retention.

III. PROCEDURES FOR DISPOSAL/DESTRUCTION

Any destruction or disposal of property or evidence must be witnessed by at least two (2) employees of the Comptroller's Office who attest to the witnessing by their signatures.

The property manager will forward all relevant details in reference to destruction, disposal, or sale of property or evidence, witnessed by the division administrator, within five (5) business days of disposition, to ensure the electronic inventory database is updated.

A. Contraband Alcohol

1. Alcohol is separated into lots by what product can be sold in Maryland and what cannot be sold in Maryland. All items are re-checked by the division administrator to ensure that they may legally be sold in Maryland.
2. Items with damage, such as bad labels or bottles that are chipped or broken in anyway, cannot be sold.
3. Property sheets are checked to ensure that the case is closed. Notations are recorded on the property sheets that the property is being sold or destroyed.
4. Saleable items are separated into selling lots. Sizes and number of lots will depend on the quantity of alcohol available.
5. All lots must list the quantity, size, and type of product.
6. The property manager contacts the Maryland Beverage Journal and an advertisement is placed announcing the lots for bid.
7. Bids that are received are opened on the day and the time advertised in the solicitation for bids and in the manner described above.
8. The bid is awarded to the highest bidder.
9. FED notifies the winning bidder and arrangements are made for payment and pickup of the lot(s).

B. Contraband Tobacco

1. All tobacco products are separated into saleable and not saleable lots.
2. Property held forms are documented that the case is closed and that the property can be disposed of.
3. All products are separated by manufacturer.
4. A list is compiled of quantity and type of product to be sold.
5. Bid letters are prepared by the property manager, these letters are mailed to wholesalers and manufacturers licensed in Maryland.
6. Bids that are received are opened on the day and the time advertised in the solicitation for bids and in the manner described above.

7. The bid is awarded to the highest bidder.
8. FED makes notification to the bid winner, and arrangements are made for payment and pickup of the tobacco products.

C. Contraband Motor Fuel

1. Any seized motor fuels are immediately sold prior to any administrative hearings due to safety and storage regulations.
2. Distributors located in the general area of the motor fuel seizure are contacted for the purpose of purchasing the seized motor fuel.
3. The seized fuel is offered for sale at the weekly OPIS price.
4. Arrangements are made by FED personnel to have the fuel delivered to the distributor that has purchased the fuel.
5. Any proceeds from the sale of motor fuel must be delivered directly (without unnecessary delay) to the division administrator for referral to the accounting manager.
6. Copies of the applicable OPIS report, the distributor's invoice, and the validated bank deposit slip will be forwarded to the division auditor for verification and retention.
7. If after an administrative hearing is held, it is determined that the seized fuel is not subject to forfeiture, the State of Maryland will reimburse the defendant for the seized fuel as determined by the average wholesale value of the fuel on the date of the seizure.

D. Conveyances

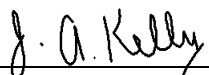
1. Seized conveyances are considered forfeited and can be sold after any of the following have occurred:
 - a. A forfeiture of the vehicle is sustained as a result of an administrative or court hearing.
 - b. The vehicle owner fails to appear for the administrative or court hearing.
 - c. No response is received from the owner of the vehicle regarding the vehicle or the notification of a hearing date which is sent by certified mail. Note: A vehicle may be sold only after it has been forfeited as listed above and after verification with the Tax Court that the vehicle owner has not appealed any forfeiture decision within the appeal time frame as provided for by law.
2. The following steps must be taken for selling forfeited vehicles:
 - a. The division administrator will check for lien status of the vehicle with the state that the vehicle was last registered in.
 - b. A letter of notification of sale of the vehicle is sent to the registered owner by certified mail, notifying them of the time and place that their vehicle will be sold.
 - c. A public notice is placed in the local newspaper(s) announcing the sale of forfeited vehicles and the time and place of the sale.
 - d. The division administrator arranges for the transportation of the forfeited vehicles to the auction company.

- e. Lien and registration information for each vehicle that is sold is provided to auction personnel.
- f. Submit a list of all vehicles, identified by make, model, year, and VIN that are to be auctioned to the FED accounting manager.
- g. All fees incurred for the sale of the vehicle(s) are subtracted from the gross amount netted from the sale.
- h. Any net proceeds from the sale of the vehicle(s) must be delivered directly (without unnecessary delay) to the accounting manager.
- i. Copies of the vehicle(s) information, the auction company invoice, and the validated bank deposit slip will be forwarded to the division auditor for verification and retention.

E. Destruction of Open Contraband

- 1. Any alcohol or tobacco product that is opened or determined not to be saleable will be destroyed.
- 2. Two representatives from the Comptroller's Office must witness the destruction of the product.
- 3. Each property form must reflect the date of destruction.
- 4. A memorandum of destruction must be submitted to the division manager and must contain the location and date of the destruction and the names and signatures of two witnesses (employees of the Comptroller of Maryland) to the destruction.
- 5. If the quantity of alcohol or tobacco that is to be destroyed is small, it may be done at the storage location.
- 6. If there is a large quantity of alcohol or tobacco to be destroyed, the property manager will arrange for transportation and destruction at a disposal facility.
- 7. Tobacco products not purchased after three bidding periods will be destroyed. A written request to destroy the product must be made to the division manager for approval.

IV. CANCELLATION: None.



Jeffrey A. Kelly, Director