

Subpart D—Remission or Mitigation of Forfeitures

§ 72.31 Laws applicable.

Remission or mitigation of forfeitures shall be governed by the applicable customs laws.

(Sec. 613, 618, 46 Stat. 756, as amended, 757, as amended, sec. 4, 53 Stat. 1292, sec. 7327, 68A Stat. 871; 19 U.S.C. 1613, 1618, 49 U.S.C. 784, 26 U.S.C. 7327)

§ 72.32 Interest claimed.

Any person claiming an interest in property, including carriers, seized by alcohol, tobacco and firearms officers as subject to administrative forfeiture may file a petition addressed to the Director, for remission or mitigation of the forfeiture of such property.

§ 72.33 Form of the petition.

There is no set or standardized form provided or required by the Department for use in filing a petition for remission or mitigation of forfeiture. However, it is preferable that the petition be typewritten on legal size paper; and it is necessary that the petition be executed under oath, prepared in triplicate and addressed to the Director, and that all copies of original documents submitted as exhibits in support of allegations of the petition be certified as true and accurate copies of originals. Each copy of the petition must contain a complete set of exhibits.

§ 72.34 Contents of the petition.

(a) *Description of the property.* The petition should contain such a description of the property or carrier and such facts of the seizure as will enable the alcohol, tobacco and firearms officers concerned to identify the property or carrier.

(b) *Statement regarding knowledge of seizure.* In the event the petition is filed for the restoration of the proceeds derived from sale of the property or carrier pursuant to summary forfeiture, it should also contain, or be supported by, satisfactory proof that the petitioner did not know of the seizure prior to the declaration or condemnation of forfeiture, and that he was in such circumstances as prevented

him from knowing of the same. (See also § 72.35.)

(c) *Interest of petitioner.* The petitioner should state in clear and concise terms the nature and amount of the present interest of the petitioner in the property or carrier, and the facts relied upon to show that the forfeiture was incurred without willful negligence or without any intention upon the part of the petitioner to defraud the revenue or to violate the law, or such other mitigating circumstances as, in the opinion of the petitioner, would justify the remission or mitigation of the forfeiture.

(d) *Petitioner innocent party.* If the petitioner is not the one who in person committed the act which caused the seizure the petition should state how the property or carrier came into the possession of such other person, and that the petitioner had no knowledge or reason to believe, if such be the fact, that the property or carrier would be used in violation of law. If known to the petitioner, at the time the petition is filed, that such other person had either a record or a reputation, or both, as a violator in the field of commercial crime, the petition should state whether the petitioner had actual knowledge of such record or reputation, or both, before the petitioner acquired his interest in the property or carrier, before such other person acquired his right in the property or carrier, whichever occurred later. When personal property is seized for violation of the liquor laws, the determining factor will be whether the person dealt with by the petitioner had either a record or a reputation, or both, as a violator of the liquor laws.

(e) *Documents supporting claim.* The petition should also be accompanied by copies, certified by the petitioner under oath as correct, of contracts, bills of sale, chattel mortgages, reports of investigators or credit reporting agencies, affidavits, and any other papers or documents that would tend to support the claims made in the petition.

(f) *Costs.* The petition should also contain an undertaking to pay the costs, if costs are assessed as a condition of allowance of the petition. Costs shall include all the expenses incurred in seizing and storing the property or

carrier; the costs borne or to be borne by the United States; the taxes, if any, payable by the petitioner or imposed in respect of the property or carrier to which the petition relates; the penalty, if any, asserted by the Director; and, if the property or carrier has been sold, or is in the course of being sold, the expenses so incurred.

§ 72.35 Time of filing petition.

A petition may be filed at any time prior to the sale or other disposition of the property or carrier involved pursuant to administrative forfeiture, but a petition in regard to property or a carrier which has already been sold or otherwise disposed of pursuant to administrative forfeiture must be filed within three months from the date of sale, and must contain the proof defined in § 72.34(b). Acquisition for official use is equivalent to sale so far as remission or mitigation of any forfeiture is concerned.

(Sec. 306, 49 Stat. 880; 40 U.S.C. 304k)

§ 72.36 Place of filing.

The petition should be filed in triplicate with the Director or his delegate for the region in which the seizure was made.

[T.D. ATF-9, 39 FR 9954, Mar. 15, 1974, as amended by T.D. ATF-183, 49 FR 37061, Sept. 21, 1984]

§ 72.37 Discontinuance of administrative proceedings.

If the petition is filed prior to administrative sale or retention for official use, proceedings to effect such sale or retention will be discontinued.

§ 72.38 Return of defective petition.

If the petition is defective in some correctable respect, the original of the petition will be returned by letter to the petitioner for his submission of a corrected petition, in triplicate, within a reasonable time.

§ 72.39 Final action.

(a) *Petitions for remission or mitigation of forfeiture.* (1) The Director shall take final action on any petition filed pursuant to these regulations. Such final action shall consist either of the allowance or denial of the petition. In the

case of allowance, the Director shall state the conditions of the allowance.

(2) In the case of an allowed petition, the Director may order the property or carrier returned to the petitioner, sold for the account of the petitioner, or, pursuant to agreement, acquired for official use.

(3) The Director or his delegate shall notify the petitioner of the allowance or denial of the petition and, in the case of allowance, the terms and conditions under which the Director allowed the petition.

(b) *Offers in compromise of liability to forfeiture.* The Director or his delegate shall take final action on any offer in compromise of the liability to forfeiture of personal property, including carriers, seized as provided in § 72.21. Such action shall consist either of the acceptance or rejection of the offer.

[T.D. ATF-9, 39 FR 9954, Mar. 15, 1974, as amended by T.D. ATF-183, 49 FR 37061, Sept. 21, 1984]

§ 72.40 Acquisition for official use and sale for account of petitioner in allowed petitions.

(a) *Acquisition for official use.* The property or carrier may be purchased by the United States pursuant to agreement and retained for official use. Where the petitioner is the owner, the purchase price is the appraised value of the property or carrier less all costs. Where the petitioner is a creditor, the purchase price is whichever one of these amounts is the smaller: (1) The petitioner's equity, or (2) the appraised value of the property or carrier less the amount of all costs incident to the seizure and forfeiture.

(b) *Sale for account of petitioner.* The petitioner may elect not to comply with the condition on which the property or carrier may be returned. In this event, the Director or his delegate is authorized to sell it. Where the petitioner is the owner of the property or carrier, there is deducted from the proceeds of the sale all costs incident to the seizure, forfeiture, and sale, and the Director or his delegate pays to the petitioner, out of the proper appropriation, an amount equal to the balance, if any. Where the petitioner is a creditor, there is deducted from the proceeds of the sale all costs incident to