

Technical Guidance
Property Appraisal / Authentication Services

1. INTRODUCTION

The independent sub-contractor(s) shall be able to perform the following services: appraisal, authentication and consultation.

The asset types to be appraised include:

1. Jewelry to include Watches/Loose Stones/Gems
2. Precious Metals
3. Collectibles/Antiques/Artifacts/Furniture/Musical Instruments/Memorabilia
4. Artwork/Print/Drawings
5. Collector Coins and Collector Currency
6. Clothing/Furs/Accessories
7. Miscellaneous Personal Property Assets

The asset types to be authenticated include:

1. Antiques/Artifacts
2. Artwork/Prints/Drawings
3. Autographs
4. Collectibles/Memorabilia

The appraiser/authenticator shall provide consultation services to include:

1. Expert testimony in a court of law
2. Provenance research
3. Informal evaluation
4. Authentication certificates
5. Assistance at live auctions

2. PERFORMANCE LOCATION

Appraisal and authentication services will primarily be conducted at the contractor's primary storage facility.

On occasion, the appraisal, authentication and/or consultation services shall be performed at a designated off-site location specified by the COR. The off-site inspection shall be located within the United States and Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands.

3. ORDERING REQUIREMENTS

All services shall be authorized via a STO by the COR. Prior to STO being issued, the COR shall submit a Request for Appraisal Services form which shall indicate:

1. Date(s)
2. Place of performance
3. Technical instructions for the services required
4. Services are for initial appraisal or reappraisal
5. An itemization list which will have a brief description of the asset(s) to be appraised/authenticated
6. The USMS district code and a unique CATS ID and/or PACES Barcode for each asset
7. When available, the Investigative Agency (IA) appraisal and any other supporting documentation
8. Specified date and time for response from contractor
9. COR may request multiple quotes for appraisal work based on the size and scope of the work to be performed.

The contractor, via email, shall submit to the COR the Request for Appraisal Services form by the specified date and time for response. The contractor shall indicate the following information on the Request for Appraisal Services form:

1. Date(s) in which asset(s) are to be appraised
2. Appraiser/Authenticator who will be performing work
 - a. The COR may request a specific appraiser/authenticator should the situation dictate
3. Number of Hours required to perform tasks requested
4. Hourly rate of Appraiser/Authenticator
5. Travel costs associated with requested task

Upon receipt of the response of Request for Appraisal Services by the contractor, the COR shall approve or deny the Request for Appraisal Service. If the COR accepts the response from the contractor, a STO number shall be issued for the requested services. If the COR rejects the response from the contractor, the COR shall notify the contractor of the reason for rejection in writing.

The contractor shall contact the COR prior to inspection service if additional time is needed to complete the services requested.

4. GENERAL REQUIREMENTS

- A. The appraiser/authenticator/contractor shall provide all necessary personnel, equipment, and supplies to complete identification, inventorying, and digital photographing within the specified time frames.

- B. The appraiser/authenticator shall identify each item inspected by the district code and the CATS ID number and/or PACES Barcode on the appraisal/authentication report.
 - 1. The CATS ID number may have multiple line items under it and the appraiser shall note the item number along with the quantity and a description corresponding with the USMS items contents list.
- C. The appraiser/authenticator shall be required to use the government furnished documents to submit their appraisal reports (Attachment C) and authentication reports (Attachment D).
 - 1. The reports shall not deviate from the order of the line items according to the USMS itemization list.
- D. The descriptions noted on the appraisal/authentication reports shall be used when developing the catalog for the sale of the assets.
- E. The appraiser/authenticator/contractor shall be responsible for providing competent and accurate services and will reimburse the USMS for any loss or damage to the property during the process and the expenses reasonably incurred as a result of inaccurate appraisals/authentications, including, but not limited to, the cost of sales commissions, re-appraisal, and shipping costs.
- F. Appraisal reports/Authentication reports are proprietary and shall not be distributed to anyone outside of the USMS.
- G. Authentication reports should provide factual basis of evaluation to include:
 - 1. Quoted prices in dealer's catalogs of comparable assets
 - 2. A record of the current/past exhibitions
 - 3. Current economic state of the asset at the time of valuation
- H. The appraiser/authenticator shall create:
 - 1. One electronic copy of the appraisal report for each CATS ID number, OR one electronic copy of the authentication report for each CATS ID number
 - 2. One full set of 2 x 3 digital photographs of each item clearly displaying the CATS ID number and item number.
- I. The appraiser/authenticator/contractor shall maintain a case file of all appraisal/authentication services per the STO. These case files shall be available to the COR upon request. The case file shall include:
 - 1. The appraisal report/authentication report of each item
 - 2. Counterfeit report (if applicable)
 - 3. Digital photographs of each item
 - 4. Task order
 - 5. Travel documentation
 - 6. Invoices

5. **APPRAISAL SERVICES AND STANDARDS**

- A. The appraiser shall provide an appraisal report with the following three values:
Replacement Value, Liquidation Value and Fair Market value.
- B. If the appraiser discovers a counterfeit asset or an asset with no value, the appraiser will note this in the appraisal report and the value will be \$1.00.
 - 1. Upon the discovery of a counterfeit asset, the appraiser shall complete a counterfeit assets report (Attachment E).
- C. **Jewelry to include Watches and Loose Stones/Gems** - Appraisals of all jewelry to include watches and loose stones/gems shall include a detailed description of the asset.
 - 1. Jewelry appraisals (rings, bracelet, necklace, earrings, etc.) shall include
 - i. A detailed description of the type of jewelry, style, metal, size, length, weight, quantity, the name of designer, flaws, and physical condition.
 - ii. If the jewelry contains gemstones or diamonds, the appraisal shall detail the cut, clarity, setting, color, number of stones, and brilliance of the stone.
 - iii. The appraiser shall also note if it is costume jewelry.
 - 2. Loose stone and gem appraisals shall include
 - i. A detailed description of the stone including the weight, physical condition, flaws, color, clarity, cut, setting, carat, missing stones, and brilliance of the stone.
 - ii. The appraiser will notify the contractor and COR if the diamond needs a Gemological Institute of America (GIA) certification (ex. Diamond over 1.5 carats).
 - 1. If the asset is not forfeited, then the appraiser will notate on the appraisal report that the asset needs to be sent to GIA once ready for sale.
 - 2. If forfeited, the COR will issue a STO for the appraiser to remove the diamond from the setting if ready for disposal.
 - a. The contractor will send the diamond to GIA and obtain the GIA certificate.
 - b. Appraiser will complete interim appraisal report annotating removal of stone following 10 day standard reporting time frame.
 - c. Upon receipt of completed GIA certificate, appraiser will submit a revised appraisal report within 2 days.
 - d. The appraiser shall provide a 2 x 3 digital color photo of the item(s) before and after removal of the stone that will include both the stone and setting displaying the CATS ID number and item number.

3. Watch appraisals shall include a detailed description to include the manufacturer, metal type, style, model, serial number, description of the band, bezel, and dial.

D. **Rolex Watch Appraisal.** Rolex watches shall be opened and photos of the inside and outside shall be taken. The appraisal shall include the following information:

1. Band
2. Bezel
3. Dial
4. Metal Type
5. Model number
6. Serial number
7. Bracelet number
8. Case number
9. Movement number
10. Descriptions of gems or diamonds in or on the bezel, bracelet or dial
11. Complete description of any aftermarket or non-genuine parts
12. Digital color photographs of the front, back, and movement

E. **Precious Metals** - Appraisals of precious metals shall include a complete description of the type of metal, weight, quantity, and the physical condition of the property.

1. All precious metal pieces individually weighing 50 grams or more **shall** be tested for metal fineness.
 - i. When appraising large lots of precious metal jewelry; a representative sample of those pieces shall be tested for metal fineness.

F. **Collectibles/Antiques/Artifacts/Furniture/Musical Instruments/Memorabilia** - (This includes collector postage stamps, sports cards & memorabilia, autographs, sculptures, crystal, rare and fine wine, etc.) Appraisals of collectibles, antiques, and artifacts shall include a complete description to include rarity, year, quantity, dimensions, title of piece, artist of piece, and physical condition of each item.

1. These assets are not required to be authenticated unless directed by the COR.
2. Certificates of Authenticity should be noted on the appraisal report if available.
 - i. COR may request additional research regarding validity of Certificates of Authenticity
3. **Artwork/ Prints/Drawings** - Appraisals of artwork, prints, and drawings shall include a complete description of each item to include rarity, year, quantity, dimensions, physical condition, title, and name of the artist.
 - i. These assets are not required to be authenticated unless directed by the COR.

- ii. Certificates of Authenticity should be noted on the appraisal report if available.
 - 1. COR may request additional research regarding validity of Certificates of Authenticity
 - iii. Appraisals shall include a digital 2 x 3 color photograph of the signature, if any.
 - G. **Collector Coins and Collector Currency** - Appraisals of collector coins and currency shall include a complete description of each item, quantity (set), age, rarity, and physical condition (i.e., mint, un-circulated, extremely fine, very fine, fine, very good, good, fair, or poor).
 - 1. Certificates or documentation should be noted on the appraisal report if available. NOTE: When a collection coin or currency appraisal results in a determination that the coin or currency is only worth the face value, the appraiser shall immediately notify the COR and provide the CATS ID number and the item number.
 - 2. Appraiser shall notify the contractor and COR if the coin(s) requires Professional Coin Grading Service (PCGS)
 - 1. If the asset is not forfeited, then the appraiser will notate on the appraisal report that the asset needs PCGS once ready for sale.
 - H. **Clothing/Furs/Accessories** - (Including, handbags, scarves, shoes, sunglasses, etc.) Appraisals of clothing, furs, and accessories shall include a complete description of each item, listing the physical condition, color, size, and designer.
 - I. **Miscellaneous Personal Property** – Appraisal of miscellaneous personal property assets shall include the quantity and a complete description of each item.
 - 1. The value threshold shall be determined prior to reporting via COR on task order.

6. RE-APPRAISAL SERVICES

- A. Re-appraisal services may be ordered via STO for select assets that need to be re-valued prior to disposal.
- B. This service requires updated values only and does not need to be re-inspected at the contractor's facility or the any other off-site location.
- C. Appraiser shall note "revised" appraisal on the appraisal report and the re-appraisal date.

7. AUTHENTICATION SERVICES

- A. The authenticator shall provide an expert and official valuation of all assets being authenticated.
- B. The authenticator shall provide an authentication report with the condition, description, date of item, date of artist, and findings of the asset.
- C. The authentication expert shall provide an expert and official determination of all assets being authenticated.
- D. The authenticator shall provide an authentication certification to include a general assessment of authenticity, quality and condition based on physical condition, fair market price and replacement value.
- E. The authenticator shall also include a description that includes the following:
 1. A complete description of the object indicating the size, subject matter, medium, name of the artist or culture, title, and approximate date created.
 2. If available, a history of the item, including proof of authenticity.

8. DISCREPANCIES

- A. The appraiser/authenticator shall immediately notify the contractor and COR of any instances where the descriptions from the Itemization list are incorrect.
- B. The appraiser/authenticator shall identify and annotate all discrepancies on the itemization list.
 - i. The COR will work to resolve the discrepancy as soon as possible as not to delay the appraisal report. If the COR is unable to resolve the discrepancy that day then the appraiser/authenticator will be given additional time to complete the appraisal report.
 - ii. Upon completion of inspection, the appraiser/authenticator shall provide the annotated itemization list to the COR via email within 1 calendar day.

9. PROHIBITIONS

Upon the discovery of any of the following types of property, the appraiser/authenticator shall notify the contractor and COR immediately.

- Endangered Species – Property made from the skins and feathers of endangered animals and birds.
- Counterfeit assets
- Ivory
- Drug Paraphernalia – This may include assets depicting contraband in the design or in the motif
- Offensive or racially insensitive property

10. DELIVERABLES

- A. **Appraisal Reports** – The contractor shall submit the appraisal reports and documentation specified in the TGL to the COR via email within 10 calendar days of the completion of the inspection. The appraisal reports shall notate all items on the item/contents list.
- B. **Counterfeit Asset Reports.** Upon the discovery of a counterfeit asset, the appraiser shall complete a counterfeit assets report of all counterfeit assets. The contractor shall submit the counterfeit asset report to the COR via email within 10 calendar days of the completion of the inspection. The appraiser shall:
 - 1. Indicate in the description block on the appraisal report "Counterfeit". The appraiser shall indicate if the asset is counterfeit with no value or if there are salvageable parts and has some value.
 - 2. If the counterfeit item is a watch, then the appraiser shall provide the serial, model, movement, and bracelet number. The appraiser will also note in the comments section if the watch has salvageable parts or if it has no value and needs to be destroyed.
 - 3. If item has no value, the asset will be appraised at \$1.00.
 - 4. The contractor shall provide a counterfeit report along with the appraisal report.
- C. **Authentication Reports** – The contractor shall submit the authentication report(s) and documentation specified in the TGL to the COR via email within 10 calendar days of the completion of the inspection
- D. **Discrepancy Reports** – The contractor shall provide the discrepancy report from the Itemization list annotating the discrepancy to the COR upon discovery. Upon completion of inspection, the contractor shall provide the annotated itemization list to the COR via email within 1 calendar day.
- E. **Re-appraisal Reports** - The contractor shall submit re-appraisal reports to the COR within 7 calendar days of the signed task order. Digital photos are not required.

13. STANDARDS OF PERFORMANCE

- A. **Uniform Standards of Professional Appraisal Practice**
 - 1. The appraiser shall perform appraisals ethically, competently, and in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and any supplemental standards agreed to by the appraiser in accepting the assignment.
- B. **Quality Assurance**

1. USMS sales standards are based upon appraisal and authentication accuracy. As such, appraisers/authenticators shall present reliable, accurate and timely paperwork.
2. Patterns of late report submissions, inaccurate reports, descriptions or widespread variance in pricing will result in an immediate review of appraiser/authenticator standing.
3. If an inaccurate report is submitted to USMS, than the appraiser shall review and correct the report with no additional billing to the USMS.

C. Inappropriate Conduct

1. Inappropriate or offensive conduct will not be accepted from any appraiser/authenticator during the performance of services under this contract. The appraiser/authenticator will immediately contact the contractor and/or COR to report any inappropriate conduct, actions, or threats during the inspection.

D. Disclosure

1. The appraiser/authenticator, its employees and their immediate family members, or persons acting for or on behalf of the appraiser/authenticator are prohibited from bidding on any piece of property offered for sale by contractor during the USMS auction.
2. The appraiser/authenticator shall not disclose any information relating to the seizure and forfeiture of the property unless otherwise authorized by the USMS (including other Federal Agencies).
3. Appraiser/Authenticator shall notify the contractor and COR immediately if contacted regarding any USMS assets.
4. Appraisal reports are proprietary and shall not be disbursed to anyone outside of the USMS.

E. Conflicts of Interest

1. The appraiser/authenticator shall act at all times with the highest degree of ethics and in compliance with any applicable industry rules or regulations.
2. The appraiser or authenticator shall not engage in the appraisal or authentication of any asset which would create the appearance of a conflict of interest.
3. The appraiser/authenticator/contractor will be held liable for any losses or expenses reasonably incurred by the USMS as a result of their unethical behavior.