DATE: 05/15/2015

NUMBER: SBSE-04-0515-0868

SUBJECT: Post Publication Revision to TY 2013 IRM 4.19.3, IMF Automated Underreporter Program

AFFECTED IRM(s)/SUBSECTION(s): 4.19.3.4.8.3

CHANGE(s):

IRM 4.19.3.4.8.3(2) step 1 - revised to indicate three years;
IRM 4.19.3.4.8.3(2) - added new step 4 for completing Campus Fraud Monitoring Report;
IRM 4.19.3.4.8.3(4) step 2 - revised to include scanned copies and to follow local procedures;
IRM 4.19.3.4.8.3(4) step 2 - added Caution for 13 months left on assessment statute expiration date (ASED);
IRM 4.19.3.4.8.3(5) step 2 - added Note for maintaining Form 13549 for 3 years;
IRM 4.19.3.4.8.3(5) step 4 - revised to include follow local procedures

1. The AUR Functional Fraud Coordinator (FFC) is responsible for developing fraud cases:
   1. Conducting preliminary screening of Form 13549, to determine if the referral should be forwarded to the CFC (all cases in IPC 0D, 3F, 6F, and 8F).
   2. Conducting research used to establish a pattern of non-compliance.
   3. Making a determination to accept (forward the case to the CFC) or decline the referral within 10 (ten) days of receipt.
   4. Leave a case note detailing actions taken (i.e. forwarded to Fraud, doesn't meet fraud criteria, etc).
2. The AUR FFC is also responsible for monitoring and managing the Fraud Referral Program within the AUR Operation.
   1. Maintaining a copy of each Form 13549 for 3 years.
   2. Tracking all AUR fraud leads, including those declined/returned to AUR and those accepted for further Fraud development. AUR will use a combination of the IPC listing and Form 13549 to track Fraud referral cases.
   3. Submitting information on Fraud referral/accepted/declined cases to Headquarters by the fifth day of each month.
   4. Completing the Campus Fraud Monitoring report located at \\COV0010CPSHR1\Common\SBSE\Campus Compliance Services\Fraud.

3. If the AUR FFC declines the fraud lead he/she will:
    1. Provide a written explanation for the declination in Section VI, Explanation for Declination, of Form 13549.
    2. Return a copy of the completed Form 13549, to the initiator through the initiator's team leader/manager.
    3. Reassign the case to the initiator's User Identification Number (UID).
4. If the AUR FFC accepts the fraud lead, he/she will:
    1. Annotate the acceptance on the Form 13549.
    2. Forward the fraud lead (case or scanned documents and Form 13549) to the CFC for a final fraud determination, following local procedures.

       CAUTION: The normal Assessment Statute Expiration Date (ASED) expires three (3) years from the due date of the return or three years from the received date of the original return; whichever is later. There must be at least 13 months remaining on the ASED, from the date the case is referred to the CFC. If less than 13 months remain and the case has good fraud potential, the FFC can contact the CFC who can consider accepting the case on a case by case basis.

   NOTE: The CFC is required to make a determination to accept or decline a lead within 21 business days of receipt.

5. If the CFC accepts the fraud lead for further development, he/she will request the case be reassigned and ensure the case is established on AIMS. The AUR FFC will:
    1. Close the case using Fraud Closing PC 14, 44, 72 or 84, as appropriate.
    2. Annotate the Form 13549 and keep a copy for the AUR records.

       NOTE: Copies of Form 13549 must be maintained by AUR for three years.

    3. Make and send a copy of the Form 13549 to the initiator through the initiator's manager.
    4. Ensure the entire case contents are forwarded, following local procedures.

       NOTE: If the case contents are being trans-shipped to the CFC, recharge the return using IDRS CC ESTABDT or Form 2275, *Records Request, Charge and Recharge*.

6. If the CFC declines the fraud lead, he/she will return the Form 13549 with a written explanation to AUR. The AUR FFC will:
    1. Return the Form 13549 to the initiator through the initiator's manager.
    2. Transfer the case to the initiating tax examiner's UID.