



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

June 21, 2012

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Impacted: IRM 5.1.8  
IRM 3.17.80

MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS  
DIRECTOR, SUBMISSION PROCESSING  
DIRECTOR, ACCOUNTS MANAGEMENT  
DIRECTOR, ADVISORY & INSOLVENCY

FROM: Scott D. Reisher /s/ **Scott D. Reisher**  
Director, Collection Policy

SUBJECT: Issuance of Courtesy Investigations for Erroneous Refunds

The purpose of this memorandum is to provide guidance to the field area offices relative to issuance of Courtesy Investigations (OI) to work Erroneous Refund assignments. This guidance will be incorporated into IRM 5.1.8, *Courtesy Investigations*, and IRM 3.17.80, *Working and Monitoring Category D, Erroneous Refund Cases in Accounting Operations*, within one year of the date of this memorandum. Please ensure this information is distributed to all affected employees within your organization.

Currently, IRM 5.1.8.7.1, *Recovery of Unassessable Erroneous Refunds*, states that a Form 2209, *Courtesy Investigations*, will be issued to recover any erroneous refund # [REDACTED]#. Revenue officers (ROs) are limited in their actions to secure payment of the erroneous refund. Many of these OIs are considered low priority when received in the field. #

Effective immediately, the campus will only send erroneous refund OIs to the field # [REDACTED]#. If egregious factors (i.e. fraud or misrepresentation of a material fact) are identified, an OI # [REDACTED]# can be issued with detailed reasons for issuance and with the approval of the Accounting Branch Manager. #

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The new dollar criteria will allow the RO to consider a suit package according to IRM 5.17.4.14, *Suits to Recover Erroneous Refunds*, when other administrative collection efforts have been unsuccessful. The revenue officer is still able to demand and secure full pay or secure a Collection Information Statement and enter into an Installment Agreement before considering a suit package.

If an OI is currently assigned # [REDACTED] # and no contact has been made with the taxpayer, the OI can be closed as "Requested action not taken" and returned to the originator.

If you have any questions, please feel free to contact me, or a member of your staff may contact Senior Program Analyst, Cartha Haworth. Campus personnel should direct any questions through their management staff to the appropriate Campus contact.

cc: [www.irs.gov](http://www.irs.gov)  
Director, Field Collection  
Governmental Liaison and Disclosure