

December 10, 2012

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MEMORANDUM FOR ALL FEDERAL, STATE AND LOCAL GOVERNMENTS (FSLG)
MANAGERS AND EMPLOYEES

FROM: Paul Marmolejo, Director /s/ *Paul A. Marmolejo*
Federal, State and Local Governments Division

SUBJECT: Reissuance of Interim Memo #45, Enhancement to
FSLG's Case Selection & Case Building Procedures

Purpose

The purpose of this memorandum is to reissue guidance provided in Interim Memo #45 (TEGE 04-0711-03), issued July 21, 2011. The guidance will be included in a revision to IRM 4.90.5, Case Selection Procedures. The procedures outlined below are unchanged from the original memorandum and will remain in effect until the release of the revised IRM 4.90.5 in 2013.

Procedural Change

When researching and making workload selection determinations, Compliance and Program Management (CPM) classifiers will conduct the research necessary to determine whether a prior FSLG compliance activity has been completed on the identified entity. A prior compliance activity may be in the form of a customer assistance case, a compliance check, or an examination. When a prior compliance activity exists, the classifier will take the steps necessary to obtain access to case file documents stored electronically within the Reporting Compliance Case Management System (RCCMS) to use in the classification process. As part of completing the enhanced case building process, CPM will import documents from the prior RCCMS compliance activity into the new compliance activity.

This process provides two benefits. First, it improves the classification process by ensuring that classifiers consider results of prior compliance contacts when selecting

entities for compliance contacts. Second, it provides information from prior compliance contacts to the Field Specialist assigned the case, which will enhance pre-planning analysis and improve the overall efficiency of the compliance check and/or examination process.

Determining When a Prior Compliance Activity Has Occurred

When a CPM classifier determines that an entity meets the criteria for potential selection, including consideration of claims and referrals, they will use the EIN of the entity to determine whether compliance activities for the entity exist in the RCCMS case library. If a current compliance activity exists, the classifier will forward results from any current query or referral to the Field Specialist or Manager, if the information might be useful in current compliance activity. If a prior (i.e. closed) compliance activity exists then the classifier will secure a copy of the RCCMS records for further analysis.

If the RCCMS case library search produces no results then the classifier will search the Exempt Organization Inventory Control System (EOIC) historical data files for record of a prior worked compliance activity. The EOIC data files maintained within CPM provides case history for all FSLG compliance activities that were established prior to September 30, 2009. Under Operation R.E.D., most of these historical files were destroyed, following records retention guidelines.

If analysis of the prior compliance activity supports selection of the entity for additional compliance contact, the classifier will make a notation in the “narrative” section of Part 1 of the Case Selection Survey, to provide information about the prior contact. For example: “2006 Compliance Check closed 6-22-2008; Prior case file workpapers included in RCCMS case file.” For prior compliance activities that were closed before RCCMS, the MFT, tax period, and disposal code information from EOIC will be provided in the narrative section of Part 1 of the Case Selection Survey. Note: there is no need to provide information related to surveyed cases.

Case File Documents included in New Compliance Activity in RCCMS

CPM will import documents from the prior RCCMS compliance activity into the new compliance activity. When the prior activity was a customer assistance case or a compliance check case, CPM will generally import all case file documents. When a prior examination case is identified, the documents imported will be limited due to the number and size of documents. Documents imported from prior examination activities will normally include the ET – RAR workbook (Forms 2504, 2504-WC, 4666, 4668, 886-A(s), etc.), Form(s) 5701, 4318, 9984, opening interview notes if easily identifiable, Case Selection Survey, Market Segment Check sheet, and other work papers that the classifiers identify as relevant. Additional documents from prior examinations can be requested by the Field Specialist if necessary.

Importing Prior Compliance Activity Case File Documents to the New Compliance Activity

Classifiers will be responsible for importing case file documents from a prior compliance activity into a new activity case file. The documents from the prior compliance activity will be renamed by adding the number "4." to the beginning of the file, so that when sorted in RCCMS the prior case file documents will appear at the bottom of the office documents listing. In addition, CPM will post the documents to the *Office Documents* folder within the "*Current Case*" subfolder to a sub-subfolder entitled "*Prior Case File.*" FSLG will provide screen-shot illustrations of these folders in future training materials.

Effect on Other Documents

This guidance changes procedures contained in IRM 4.90.5, Case Selection Procedures (revision 5-1-2010), and will be incorporated into IRM 4.90.5 no later than March 1, 2013.

Effective Date

This memorandum is effective December 10, 2012.

Contact

If you have any questions, please contact Phyllis Burnside, CPM Manager, at (401) 528-1852.