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MEMORANDUM FOR DIRECTOR, ADVISORY AND INSOLVENCY
DIRECTORS, FIELD COLLECTION AREA OPERATIONS

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

SUBJECT: Aging of Suit Development Cases

The purpose of this memorandum is to reissue Interim Guidance Memorandum dated November 5, 2012, with control number SBSE-25-1112-084, titled, *Aging of ATAT and Suit Development Cases*. This memorandum provides guidance on the use of transaction code (TC) 971 action code (AC) 281 to stop the aging of general program suit development cases. Internal Revenue Manual (IRM) 5.20.2, *Abusive Tax Avoidance Transactions Time Reporting*, and IRM 25.1.8*, Fraud Handbook, Collection Field Function,* have been updated with guidance on the use of TC 971 AC 281 to stop the aging of Abusive Tax Avoidance Transaction (ATAT) cases and fraud development cases. IRM 25.3.2, *Suits by the United States*, will be updated to include the appropriate use of TC 971 AC 281 to stop the aging of suit development cases.

The following general program suit development cases will qualify for suspension of the overage calculation with group manager approval:

- Complex or fact-intensive cases where additional time is needed to analyze and gather the facts necessary for developing a suit recommendation

The TC 971 AC 281 is input by selecting "Generate TC 971/972 AC 281" from the Collection Activities menu on Integrated Collection System (ICS) to initiate the upload of TC 971 AC 281 or TC 972 AC 281. This option is only available to group managers, acting group managers, group secretaries, and ICS Quality Analysts (IQAs). Group managers must document approval to input the TC 971 AC 281 in the ICS case history.

"Generate TC 971/972 AC 281" has two sub choices. The first will generate a TC 971 AC 281 to suspend the overage clock. The second will generate a TC 972 AC 281 which turns the

overage clock back on. ICS cannot upload these transactions to IDRS unless there is an open IDRS Bal Due or Del Ret module, therefore option "Generate TC 971/972 AC 281" is blocked unless an open IDRS Bal Due or Del Ret module is present. Prepare a manual Form 4844, *Request for Terminal Action*, if there are no open modules on ICS.

Suit development cases will be marked with a TC 971 AC 281 and distinguished as follows:

- Suit development cases will retain their ICS subcode.

- Once group manager approval is documented in the ICS case history, the group manager or their designee will request upload of TC 971 AC 281 through the ICS application "Generate TC 971/972 AC 281" and will input "SUIT" in the location block on ICS.

- Under "Entity Detail," select "Name/Address."

- Select the taxpayer's address and click on "view/edit."

- Enter "SUIT" in the location block and save. If "SUIT" is not input in the location block, the case will be erroneously included in the Area fraud report. The revenue officer group manager or designee will input TC 972 AC 281 when the case is no longer in suit development status. This will be the earlier of the following:

    o When the suit recommendation is no longer being pursued;

    o Other actions, such as CNC classification, are being recommended to dispose of the case; or

    o The suit recommendation has been referred to the Department of Justice (DOJ).

Note: If warranted, the revenue officer will create an Other Investigation (OI) if additional assistance is requested by the DOJ after the suit has been referred.

If you have any questions, please contact me or members of your staff should contact Collection Policy analyst JoAnn Zidanic.

cc: Director, Field Collection
        www.irs.gov