



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

May 10, 2024

Control Number: SBSE-04-0524-0012
Expiration Date: May 10, 2026
Affected IRM(s): 4.24.6

MEMORANDUM FOR: DIRECTOR, SPECIALTY EXAMINATION, CHIEF, ESTATE &
GIFT/EXCISE TAX, AND EXCISE TAX EXAMINATION MANAGERS

FROM: Daniel R. Lauer, Director, HQ Exam Daniel R. Lauer

SUBJECT: Interim Guidance on Financial Crimes Enforcement Network (FinCEN)
Access

Digitally signed by Daniel R.

Lauer
Date: 2024.05.10 10:02:00
-04'00'

This memorandum issues interim guidance relating to Suspicious Activity Report (SAR) information requests and FinCEN Query (FCQ) system access until IRM 4.24.6, Technical Guidance and Information Processing for Excise Tax Examination Issues, is revised. Please ensure this information is distributed to all affected employees within your organization.

Purpose: The purpose of this memorandum is to implement new guidance and procedures relating to requesting SAR information and accessing the FCQ system.

Background/Source of Authority: The FCQ system is an online query application used to conduct research for analysis of Bank Secrecy Act reports and data. It provides access to ten years of historical currency reports plus one year of recently filed reports.

A SAR is a report made by a financial institution to FinCEN regarding suspicious or potentially suspicious activity. A SAR includes detailed information about transactions that are or appear to be suspicious which are stored on the FCQ system. SAR information is subject to Unauthorized Access (UNAX) guidelines and inquiries must only be made in connection with specific and assigned tax administration matters. Excise employees may request SAR information through an Excise Gatekeeper.

Procedural Change: Effective immediately, Excise Tax Examination must follow the procedures listed in Attachment A – Excise FinCEN Procedural Guidance, when requesting SAR information and accessing the FCQ system.

Effect on Other Documents: This guidance will be incorporated into IRM 4.24.6 by May 10, 2026.

Effective Date: This guidance is effective May 10, 2024.

Contact: If you have any questions regarding this memorandum, you may contact Kellie L. McCann, Program Manager, Excise Tax Policy, or Allison Boyd, Excise Tax Policy Analyst.

Attachment: Attachment A – Excise FinCEN Procedural Guidance

Distribution:

[IRS.gov \(https://www.irs.gov\)](https://www.irs.gov)

The following changes are hereby effective May 10, 2024 for IRM 4.24.6.

IRM 4.24.6.17 FinCEN Background

- (1) The FinCEN Query (FCQ) system is an online query application used to conduct research for analysis of Bank Secrecy Act (BSA) reports and data. It provides access to ten years of historical currency reports plus one year of recently filed reports.
- (2) A Suspicious Activity Report (SAR) is a report made by a financial institution to FinCEN regarding suspicious or potentially suspicious activity. A SAR includes detailed information about transactions that are or appear to be suspicious which are stored on the FCQ system. SAR information is subject to Unauthorized Access (UNAX) guidelines and inquiries must only be made in connection with specific and assigned tax administration matters.
- (3) A SAR may be useful in identifying a taxpayer's location or banking information that is unknown, or when potential fraud indicators point to hidden income or assets. A SAR can also reveal indicators that a taxpayer is operating on a cash-basis to avoid reporting income or to evade collection.

Note: Examiners should contact a Fraud Enforcement Advisor (FEA) after consulting with their manager if potential fraud indicators are identified. For additional guidance refer to IRM 4.24.25.5.12, C310 – Fraud Awareness Check Sheet.

- (4) SAR information must be treated with the same security as information received from a confidential informant or whistleblower. The following procedures must be followed to protect a SAR and SAR information:
 - a. Keep all SAR information inside a sealed confidential envelope labeled "SAR Information" and keep it separate from the IMS and paper case files.
 - b. Attach Form TDF 15-05.11, Sensitive But Unclassified (SBU) Cover Sheet, to the outside of any case file containing Form 10509-A, FinCEN Query SAR Request, or SAR information. This cover sheet clearly identifies documents that must always be under the personal custody of an authorized IRS employee or maintained in a locked container.

Note: Form TDF 15-05.11 can be found in the Published Products Catalog by searching for catalog number 56033J.

- c. No SAR information, including the existence of a SAR, can be disclosed in the course of any compliance activity to the filer of the SAR, the subject of the SAR, or to any party outside the IRS without prior consultation with the BSA FinCEN Liaison. Within IRS, SAR information can be shared only on a strict need to know basis.
- d. The workpapers, activity records, examination reports, and any other documents within the IMS or paper case files should not reveal that a SAR or SAR information exists. If absolutely necessary, use the term "confidential informant" when referring to a SAR.
- e. Destroy all SAR related materials when the information is no longer needed or when closing the case. Ensure that no SAR related materials are provided to Appeals.

- (5) A suspected unauthorized disclosure or loss of SAR information must be reported within one hour of a user becoming aware of it. See IRM 4.26.14.6.4, SAR Unauthorized Disclosure Procedures, for procedures that must be followed.
- (6) No tax adjustments can be made based solely on SAR information. Examiners must independently develop the underlying issues related to the SAR to support proposing any adjustments.
- (7) For additional information refer to:
 - IRM 4.10.4.7, Access to Suspicious Activity Reports (SARs) for Title 26 Civil Tax Purposes
 - IRM 4.26.4, FinCEN Query (FCQ)

IRM 4.24.6.17.1, Requesting FinCEN SAR Information

- (1) Excise Tax Examination employees who do not have direct electronic access to the FCQ system can request SAR information from an Excise Gatekeeper (Gatekeeper).
- (2) In order to receive SAR information, examiners are required to take the following Integrated Talent Management (ITM) course:
 - #36427, Safeguarding, Requesting, and Using Suspicious Activity Report (SAR) Security Briefing
- (3) Group managers of employees requesting SAR information are required to take the following ITM courses:
 - #36427, Safeguarding, Requesting, and Using Suspicious Activity Report (SAR) Security Briefing
 - #36428, Manager SAR Audit Trail Reviews
- (4) Examiners may request SAR information from a Gatekeeper after completion of the required ITM course. The following procedures are used to request SAR information:
 - a. The examiner must complete Form 10509-A, FinCEN Query SAR Request, and forward the completed form, along with current IDRS transcripts for command codes AMDISA and INOLES, via encrypted email to the group manager.

Note: For illegal wagering cases where an EIN was established for an individual, then the requestor must submit additional supporting information to show the relationship of the subject to the assigned case.

Note: If SAR information is needed for more than one taxpayer, only one Form 10509-A is required if a complete list of the taxpayers requested is attached.

Note: Gatekeepers must also follow the above procedures before researching a SAR for cases in their inventory.
 - b. The group manager will approve the request only after verifying the examiner has completed the required ITM training and confirming association with an active, assigned case. Once confirmed, the manager signs and forwards the approved Form 10509-A, AMDISA, and INOLES to a Gatekeeper via encrypted email.
 - c. The Gatekeeper will send available SAR information to the examiner via encrypted email. If no SAR information is found, the requesting examiner will be notified electronically that no SAR information is available.

- d. The examiner must keep a copy of the approved request, related emails, and SAR information in a sealed confidential envelope with Form TDF 15-05.11 attached to the outside of the envelope.

IRM 4.24.6.17.2, Excise Gatekeeper Procedures and Responsibilities

- (1) Gatekeepers are required to complete the following ITM course prior to obtaining access to the FCQ system:
 - #41166, Safeguarding Online Access and Using Suspicious Activity Report (SAR) Info Briefing
- (2) Group managers of Gatekeepers must complete the following ITM courses:
 - #41166, Safeguarding Online Access and Using Suspicious Activity Report (SAR) Info Briefing
 - #41167, Manager Online Suspicious Activity Report (SAR) Audit Trail Reviews Briefing
- (3) After completion of the required ITM courses, Gatekeepers and their managers must forward the ITM Certificates of Completion to the Excise FinCEN Coordinator. The Gatekeeper must then submit a Business Entitlement Access Request System (BEARS) for:
 - “SYS USER FINCEN QUERY SYSTEM - IRS EXCISE TAX (SPECIALITY) FUNCTIONS (FINCEN QUERY -CURRENCY AND BANKING RETRIEVAL SYSTEM)”
- (4) When the BEARS request has been approved, the Excise FinCEN Coordinator will create a FCQ user profile that the user must update once access is gained. When the FCQ user profile has been completed and saved, the system coordinator will review and approve the user profile changes. Refer to IRM 4.26.4.4.3, Accessing FinCEN Query, for additional information and guidance.
- (5) After the Gatekeeper is granted access to the FinCEN portal, the user will be required to take the Law Enforcement BSA Data Certification Training. This can be found by clicking the “Training/Help” link under FinCEN Tools located on the left of the FinCEN portal page. Upon reaching the “Training/Help” page the user can access the “BSA Data Certification Training” at the top of the page.

Note: This is mandatory training required every 2 years for access to BSA Data Applications. The training requires an 80% pass rate and recertification is required every two years.
- (6) When Gatekeepers receive a request for SAR information via Form 10509-A, the Gatekeeper will:
 - a. Verify that the requestor has completed the required SAR ITM Training.
 - b. Download and send SAR information (if available) to the requestor via encrypted email. If no SAR information is filed on the individual in question, the requestor will be notified electronically that no SAR information is available.
 - c. Maintain all Form 10509-As for six years. In addition, Gatekeepers must maintain a log of all requests and retain the supporting INOLES, AMDISA, and any related emails for six years.

- (7) The manager of a Gatekeeper must complete an annual audit to reconcile access with approved requests. The second-level manager will ensure these reviews have been conducted as required.