



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

SMALL BUSINESS / SELF-EMPLOYED DIVISION

June 29, 2012

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MEMORANDUM FOR DIRECTORS, COMPLIANCE CAMPUS OPERATIONS  
(BROOKHAVEN AND MEMPHIS)  
DIRECTORS, COLLECTION AREA OPERATIONS  
(CALIFORNIA, GULF STATES, AND SOUTH ATLANTIC)

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

SUBJECT: Interim Letters for Offer in Compromise

A review conducted by the Treasury Inspector General for Tax Administration (TIGTA) of the Offer in Compromise program identified that taxpayers are not always being notified of the status of their offer after initial receipt. Based on this finding, we need to provide the taxpayer regular updates on all cases that remain unassigned for investigation 120 days after receipt.

When the Process Examiner (PE) issues the Combo Letter using paragraph "A" or the transfer letter, notifying the taxpayer of receipt or transfer of the offer, the date of possible contact must reflect 120 days from the date of the Combo or transfer letter. Document the Automated Offer in Compromise (AOIC) history with this information.

When the PE issues a Combo Letter requesting additional information, an interim letter needs to be sent when the PE reviews the response, prior to assignment to an Offer Examiner (OE) holding inventory. Document the interim letter was issued in the AOIC history.

When the field receives a case and we are unable to assign it to an Offer Specialist (OS) within 120 days of the date the case was transferred to the Area office on AOIC, an interim letter needs to be issued informing the taxpayer that it may be up to an additional 120 days before contact. Document the AOIC history with this information.

If the case has not been assigned to an OE or OS within 120 days after the initial letter or transfer letter was issued, a second interim letter is then issued notifying the

taxpayer of an additional 120 day delay before assignment. If the case is not assigned within 240 days from receipt, management should review the case(s) to determine if expedite processing is required. Additional interim letters are to be issued until assignment using the appropriate estimated number of days until assignment; ie, 30, 60, 90, or 120 days.

It will be the responsibility of each Area office and Centralized site to develop a report or process to monitor this action. The plan must be provided to the National Program Manager, Diana Estey, no later than 30 days from the date of this memorandum.

If you have any questions, please contact me, or a member of your staff may contact Diane Morris, OIC Senior Program Analyst or Ilene Nodiff-Robinson, Senior Tax Analyst. Area and COIC personnel should elevate their questions through the appropriate management chain.

cc: [www.irs.gov](http://www.irs.gov)  
Director, Campus Compliance Services  
National Chief, Appeals  
Chief Counsel  
National Taxpayer Advocate