



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

July 24, 2020

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Expiration Date: July 30, 2021
Impacted IRMs: 4.26.8.6.2,
4.26.11.11.5,
25.1.12.9, and 9.4.1

MEMORANDUM FOR SPECIALTY EXAMINATION-BSA, FRAUD POLICY AND OPERATIONS AND CRIMINAL INVESTIGATION MANAGERS AND EMPLOYEES

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SUBJECT: Interim Guidance for the Prime Lead Memorandum (Form 15221)

The purpose of this memorandum is to re-issue SBSE-04-0719-0025, *Interim Guidance for the Prime Lead Memorandum*, issued on July 26, 2019. Please ensure this information is distributed to all affected employees within your organization.

Purpose: This memorandum provides interim guidance to improve communications, reporting, efficiency, and enhance BSA referrals to Criminal Investigation (CI) by clarifying existing procedures on the use and tracking of Bank Secrecy Act (BSA) - Prime Lead Memorandums (PLM). A PLM is used on a BSA examination when a criminal fraud referral to Criminal Investigation (CI) is not warranted. This may occur but is not limited to instances when indicators of fraud do not meet the Law Enforcement Manual criteria or local prosecutorial priorities.¹ In these instances, a PLM is required to transmit evidence of willful violations of BSA laws.

Background/Source(s) of Authority: This interim guidance supersedes the current instructions found in IRM sections 4.26.8.6.2, 4.26.11.11.5, and 25.1.12.9 which will be updated within one year of the date of this memorandum. CI will update part 9.4.1 of their IRM to explain the processing of the PLMs and will reference IRM 25.1.12.9. This

¹ CI works with their local prosecuting U.S. Attorney to determine prosecution priorities for their assigned area.

memo also addresses concerns raised in TIGTA Report #2018-30-071 "The Internal Revenue Service's Bank Secrecy Act Program Has Minimal Impact on Compliance."

Procedural change: When BSA examiners identify indicators of fraud during an examination a discussion must be held with their BSA manager. If the BSA manager concurs, the manager and examiner will contact the Fraud Technical Advisor (FTA) to discuss the exam and fraud indicators.

It is important to identify as many indicators of fraud as possible. These indicators validate the existence of possible criminal activity that took place.

When it is determined the case does not meet the local criminal referral requirements, and BSA and the FTA believe the information should be shared with CI, the following actions will be taken:

1. The BSA examiner will complete the [Form 13639, Fraudulent Intent Referral Memorandum \(FIRM\)](#) and send it via secure email to the BSA manager for approval.
2. The BSA manager will review and approve Form 13639 and update the case to status 17 in the Title 31 database.
3. The BSA examiner will complete the [Form 15221, Bank Secrecy Act Prime Lead \(BSA\) - Prime Lead Memorandum](#) with the assistance of the FTA.
 - a. Box 8 of the Form 15221 requires a list of all attachments. Include electronic copies of all supporting evidence; cash checks (front and back), money orders, wire transmission receipts, a spreadsheet of wires and/ or other similar records. If the documents are not available electronically or readily convertible to electronic, they should be made available once a special agent requests access to them from the BSA examiner.
 - b. If original documents are provided to CI, copies should be kept with the BSA case file.
4. The BSA examiner will secure email the completed Form 15221 to the BSA manager for approval along with the previously approved Form 13639.
5. The BSA manager will review, sign, and secure email the Form 15221 and previously approved Form 13639 to the FTA for signature.
6. The BSA manager will secure email the Form 15221 and Form 13639 to BSA Case Selection [*SBSE.BSA.Info.Reports@IRS.gov](mailto:SBSE.BSA.Info.Reports@IRS.gov).
7. The FTA will secure email the Form 15221 and Form 13639 to the FTA manager.

8. The FTA manager will review, approve and secure email the Form 15221 to the appropriate special agent in charge at the appropriate field office or their designee, i.e. CI fraud coordinator, and secure email the Form 15221 to the fraud data specialist (FDS).
9. The FDS will record the Form 15221 and number of individuals/entities included with the Form 15221 on a spreadsheet within the National Fraud Program.
10. CI will have 30 calendar days to review the Form 15221, supporting documents and schedule a meeting with the referring BSA examiner, BSA manager and the FTA to discuss the merits of the Form 15221. CI does not have to accept or decline the Form 15221 but may hold it for future use. The CI supervisory special agent can request an extension to the 30 days in writing to the BSA territory manager. Together, they will decide if an extension is warranted and if so, will determine an acceptable extension date. The FTA manager will be cc'd when an extension is submitted to the BSA Territory Manager.
11. If CI initiates a criminal investigation from any information in the Form 15221, CI will assign a source code in the Criminal Investigation Management Information System (CIMIS) of "SBSE BSA Prime Lead". Any "spinoff" investigations are to be coded similarly. This action will provide data which can be used to track BSA Form 15221 accomplishments.
12. The BSA manager will update the case from status 17 to status 12 after the four-way meeting and the examiner will complete the examination. The BSA case file remains in the BSA examiner's possession throughout the Form 15221 process.
13. The FTA will notify the FTA Manager when the Form 15221 is no longer an active fraud development case. The FTA Manager will secure email the FDS of the change in status of the Form 15221.
14. The BSA manager will record the prime leads in the Title 31 database when the examination is closed. This is completed by selecting "Enter Leads" in the case closure screen and selecting "CI" as the "type".
15. CI will provide Fraud with a quarterly report of investigations sourced from Forms 15221.
16. Fraud will provide a quarterly report to BSA Case Selection of received Form 15221 and investigations initiated from them via secured email [*SBSE.BSA.Info.Reports@IRS.gov](mailto:SBSE.BSA.Info.Reports@IRS.gov).

This process establishes improved tracking and accountability for BSA Forms 15221 that are referred to CI with the assistance of Fraud.

Effective on other documents: The revised guidance appearing within the memorandum will be incorporated into IRM 4.26.11.11.5, 4.26.8.6.2, 25.1.12.9 and 9.4.1 by July 30, 2021.

Effective Date: July 24, 2020

Contact: If you have questions concerning this interim guidance, contact BSA Policy Analyst Daryl Jones (240) 613-5015, Senior Fraud Policy Analyst, Jackie Fralick, (502) 396-5447, or CI Director, Carolyn Williams (202) 317-5484.

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