

IRM PROCEDURAL UPDATE

DATE: 08/29/2017

NUMBER: sbse-05-0817-1281

SUBJECT: Role of Revenue Officers In Sales

AFFECTED IRM(s)/SUBSECTION(s): 5.10.5

IRM 5.10.5.2(3) updated to reflect which revenue officers may not participate in sale activities.

3. Neither the seizing revenue officer nor any other revenue officer who has taken any collection actions **at any time** against the taxpayer whose assets have been seized may be involved with any aspect of the actual sale under IRC 6335, including, but not limited to:
 - Grouping and lotting of property prior to sale after the Form 2433, *Notice of Seizure*, has been completed
 - Registering bidders
 - Tabulating bids
 - Assisting in the collection of money
 - Issuing certificates of sale
 - Answering sale related questions
 - Any other sale related activity involving interaction with anyone attending or conducting the sale

NOTE: Revenue officers may participate in sales of perishable goods since these sales do not take place under IRC 6335. Responsibility for all perishable goods sales resides with the PALS function, see IRM 5.10.1.7(4).

IRM 5.10.5.6(13) updated to reflect which revenue officers may not participate in cancellation of a sale.

13. Cancellation of a sale before the sale commences may be announced by any IRS employee that is not the seizing revenue officer or a revenue officer who has taken any collection actions **at any time** against the taxpayer whose assets have been seized. This may occur when the taxpayer redeems property before the sale and the travel cost of the PALS to announce the cancellation is not cost effective. The PALS should request the local employee's assistance in announcing the cancellation through the employee's manager.

IRM 5.10.5.7(1), (2) and (3) updated to reflect which revenue officers may not participate in sale activities.

1. With the exception of perishable goods sales, the PALS will conduct the sale and at least one other Service employee, who may not be a revenue officer who has taken any collection actions **at any time** against the taxpayer whose assets have been seized, must assist with the sale. This does not apply in cases in which the sale is outsourced. See IRM 5.10.4.6, *Outsourcing Sales*.

EXCEPTION: In rare situations a law enforcement officer may assist with a public auction sale if no Service employee is available.

2. The PALS must determine the number of personnel that will be required to assist with the sale. The complexity of the sale will influence the number of assisting employees that will be required. The assisting employees may be other PALS, revenue agents, secretaries, revenue officers who have not taken any collection actions **at any time** against the taxpayer whose assets have been seized or any other service employee. Some of the normal sales responsibilities for which assistance may be needed include:
 - o Helping to group and lot the property prior to sale
 - o Helping to organize the sale area prior to sale
 - o Signing in bidders, assigning bidder numbers, and issuing bidder cards
 - o Helping spot bids and recording bid amounts
 - o Assisting in collecting or counting money
 - o Meeting and greeting bidders, monitoring the crowd, answering questions or directing prospective bidders to the appropriate person
 - o Assisting in the preparation of Form 2435, *Certificate of Sale of Seized Property*
 - o Matching Form 2435 against property removed after the sale

NOTE: Ensure that the assisting employees understand their roles and responsibilities for assisting at the sale and that procedures are in place to adequately safeguard proceeds from the sale. Assign tasks based on the technical abilities of the assisting employees and ensure the delegated authority for signing Certificates of Sale, etc. is not assigned to employees outside of the delegated positions.

3. The PALS will first look to employees of Advisory and Insolvency, who have not taken any collection actions **at any time** against the taxpayer whose assets have been seized, or other PALS, to assist at sales. In situations where it is not feasible or cost-effective for employees of Advisory or Insolvency to assist with sales, the PALS will request assistance from the Collection territory manager where the seizure was conducted. The PALS will identify the number of employees needed to assist at the sale and the

Collection territory manager will provide the assistance needed in accordance with IRM 5.10.5.7(1) & (2).

IRM 5.10.5.14(5) updated to reflect which revenue officers may not assist with documenting sealed bids received in the local office.

5. If the sale is to be held in the office where the PALS is located, the PALS or an employee in the office where the PALS is located will document each bidder's name, address, and the date the sealed bid was received for all sealed bids as they are received. Section C of Form 4425 or a similar form should be used for this purpose. If the sale is being held at a local IRS office, the PALS should coordinate with the local office to have an employee, other than the seizing revenue officer or any revenue officer who has taken any collection actions *at any time* against the taxpayer whose assets have been seized, document on Form 4425 each bidder's name, address, and the date the bid was received for all sealed bids as they are received.

IRM 5.10.5.15(1) updated payment information to match the Form 2434, Notice of Sale.

1. All payment for property sold must be in the form of:
 - o cash
 - o certified, cashier's, or treasurer's check drawn on any bank or trust company incorporated under the laws of the United States or under the laws of any State, Territory or possession of the United States,
 - o or by a United States postal, bank, or express money order payable to the United States Treasury.