



Interactions Between the U.S Department of Justice (DOJ) and the Internal Revenue Service (IRS) regarding **Restitution Based Assessments (RBA)**

COMMON QUESTIONS & ANSWERS

Q1: What IRS functions are involved in restitution matters and what issues do they handle?

A1: The IRS has four main functions that work together on restitution matters in cases that involve tax or tax-related offenses:

Criminal Investigation (CI):

Notifies Technical Services Exam and Collection Civil Enforcement Advice and Support Operations (CEASO) when a case with a judgment requires civil actions and provides closing documents to Exam & Collection.

Technical Services (TS) Exam:

TS receives closing documents from CI, prepares the restitution assessment, issues Notice and Demand (CP 94) to the taxpayer and notifies Collection Advisory and Kansas City Accounting when the assessment is made.

Collection (CEASO and Revenue Officers):

CEASO advisors act as a liaison between the DOJ and revenue officers. CEASO advisors also monitor IRS conditions of probation. Revenue officers make collection determinations and take appropriate case actions to collect outstanding civil tax assessments, including arranging for payment of past due taxes and securing delinquent tax returns.

Submission Processing, Kansas City Accounting:

Receives and processes payments from the Clerk of Court, ensures payments post correctly, reconciles accounts, and identifies and resolves discrepancies.

Q2: Is there a centralized function for receipt of restitution payments and if so, what is the appropriate address to send our restitution payment to?

A2: Yes, there is a centralized function designated for restitution payments.

The appropriate address for submission of restitution payments is:

Internal Revenue Service

Attn: Mail Stop 6261, Restitution
333 W Pershing Road
Kansas City, MO 64108

Q3: Who should the DOJ contact to obtain a summary of restitution payments that have been made to the IRS?

A3: In a tax or tax-related case, the court may order the defendant to pay restitution to the IRS. The Judgment and Commitment Order (J&C) normally specifies that restitution payments are to be paid to the Office of the Clerk of Court in the district in which the defendant was sentenced. The Clerk of Court forwards the money to the victim(s) listed in the restitution order, including the IRS. The Clerk of the Court forwards the IRS restitution payments to the Kansas City Service Center, which are processed by the Accounting Operation. If payments are received directly from the taxpayer, the Kansas City office will prepare Letter 5526, Restitution Offset Credit, to notify the Office of the Clerk of Court. Inquiries regarding court ordered restitution payments should be forwarded to the Kansas City Accounting team.



Q4: There seems to be a discrepancy between the amount of restitution owed to the IRS and the DOJ. Who should be contacted?

A4: Contact the District Court where the defendant was sentenced. The Court should then review their records and request a payment summary from Kansas City Accounting if a discrepancy is identified needing reconciliation. Kansas City Accounting may also request a case inquiry from the Court to identify discrepancies.

Q5: What efforts does the IRS take to collect court ordered restitution?

A5: The IRS assesses the amount of restitution ordered by the court and reviews the J&C before making any collection determinations. The IRS files a Notice of Federal Tax Lien (NFTL) to protect the Government's interests. Before any collection enforcement actions are taken (levies, suits, and/or seizures), the Collection department will coordinate civil enforcement actions with DOJ.

Q6: Who does the DOJ contact to prevent the IRS from taking collection actions on a restitution account?

A6: DOJ should reach out to the IRS CEASO department.

Q7: The IRS filed a Notice of Federal Tax Lien (NFTL) against the taxpayer. Who does the DOJ contact for questions regarding the NFTL?

A7: DOJ should reach out to the IRS CEASO department.

Q8: Does the IRS pursue collection of court order restitution if there are multiple victims listed on the J&C?

A8: When other victims are listed on the J&C, all non-federal victims must be paid in full before the IRS will pursue any collection action, pursuant to 18 U.S.C. § 3664(i). The IRS will file a NFTL to protect the government's interest.

Q9: Does the IRS report non-compliance of tax-related probation to the courts?

A9: When a taxpayer is in violation of the court ordered conditions of probation (COP), the revenue officer and/or special agent will work with the probation officer as needed. If the taxpayer continues to violate the conditions of probation, CEASO will coordinate efforts with CI to seek revocation of probation.

Q10: Under what circumstances may the IRS make disclosures of taxpayer-specific information in a criminal case?

A10: The circumstances in which the IRS may disclose taxpayer-specific information depend on whether the case is a criminal tax case. Although criminal tax cases generally involve a violation of Title 26 (the Internal Revenue Code), other offenses under Title 18 or Title 31, such as money laundering, concealment of property, and false claims, may also be considered a criminal tax case if they involve tax administration.

The disclosure of taxpayer-specific information in criminal tax cases includes any information from the defendant's tax file that is material and relevant to determining the sentence, whether it relates to the conviction year(s) or other tax years, and it may be disclosed in the pre-sentence phase.

When compliance with IRS-related conditions of supervision in a criminal tax case are an issue, information regarding the years specified in the conditions of supervision may be disclosed. A written statement including the period and the conditions of probation should be submitted to the CEASO office.

Information about other tax years generally may not be disclosed unless the information is material for consideration of the court in revoking or extending probation or supervised release.

In a non-tax criminal case, disclosure generally will not be made to any third party without the taxpayer's authorization.