



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

OFFICE OF
CHIEF COUNSEL

November 28, 2011

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UIL: 165.00-00

The Honorable John McCain
United States Senator
2201 East Camelback Road
Suite 115
Phoenix, Arizona 85016

Attention:

Dear Senator McCain:

This letter responds to your inquiry dated October 25, 2011, on behalf of your constituent, . asked about modifying the optional safe harbor method in Revenue Procedure 2009-20 for deducting theft losses from certain fraudulent investment arrangements. Specifically, asked about allowing investors to use the procedure when the death of a lead figure has foreclosed the possibility of criminal charges against the lead figure.

We released Revenue Procedure 2011-58 on November 28, 2011. This revenue procedure modifies Revenue Procedure 2009-20 to address situations in which the death of a lead figure has foreclosed the possibility of a criminal charge. I am enclosing a copy of the revenue procedure.

I hope this information is helpful. If you have any questions, please call me or
, Office of Chief Counsel, Income Tax and Accounting Division, at

Sincerely,

Andrew J. Keyso
Deputy Associate Chief Counsel
(Income Tax and Accounting)

Enclosure