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10/22/2004

GLS-139462-03
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MEMORANDUM FOR SECTION 1204 PROGRAM MANAGER,
SMALL BUSINESS/SELF EMPLOYED

FROM: Neil B. Worden, /S/ Neil B. Worden
Chief, Claims, Labor and Personnel Branch

SUBJECT: Collection Field Function Memorandum Section 1204 Review.

This memorandum is to confirm and follow up on the advice previously provided in a July 7, 2003, telephone conference call regarding potential RRA section 1204 issues arising from a memorandum from the Director, Payment Compliance regarding "Challenges and Expectations" for Collection Field function (Cff)(attached).

DISCUSSION

We reviewed the memorandum for compliance with RRA section 1204 and 26 C.F.R. Section 801 and provided immediate feedback that it did not appear to violate the law or regulation, but that some of the suggestions in the memorandum might be misconstrued and lead to inappropriate management actions.

We note that the memorandum makes several references to the need to conduct collection activities in a manner consistent with taxpayer rights. We also note that Regulation 801 emphasizes the need to achieve business results as one of the 3 balanced measures of organizational performance. Nevertheless, RRA Section 1204 prohibits the use of records of tax enforcement results (ROTERRs) to suggest production goals or quotas. The implementation of communication strategies suggested in the memorandum could be viewed as suggesting production goals or quotas, depending upon the circumstances of each communication.

In particular, the plan to share "success stories" on a Cff web site and the instruction to group managers to encourage revenue officers to share their experiences "when work is particularly effective on a case," could result in suggesting production goals. If the "success stories" or "effective casework" are defined by ROTERRs, such as dollars collected, such communications to front line employees could tend to suggest quotas or goals and violate Section 1204. The focus of the success stories should be on the steps taken by the employee to achieve the desired result.

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CONCLUSION

Thus, in general, the memorandum does not call for any managerial action which would violate the restrictions on the use of ROTERs. As always, care should be exercised when discussing other employees' case results with front line employees in order to avoid suggesting a production goal or quota. Should you have questions regarding the appropriateness of any web site posting or of a "success story," this office is available to assist you. If you have any questions, please contact Mark Wines at 202 283 7900.

Attachment