



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

CRIMINAL INVESTIGATION

October 17, 2014

MEMORANDUM FOR SPECIAL AGENTS IN CHARGE
CRIMINAL INVESTIGATION

FROM

Rebecca A. Sparkman 
Director, Operations Policy and Support
Criminal Investigation SE:CI:OPS

SUBJECT

IRS Structuring Investigation Policy Changes

The purpose of this memorandum is to set forth IRS-CI policy concerning seizure and forfeiture activities involving “legal source” structuring.

IRS-CI will no longer pursue the seizure and forfeiture of funds associated solely with “legal source” structuring cases unless: (1) there are exceptional circumstances justifying the seizure and forfeiture and (2) the case has been approved at the Director of Field Operations (DFO) level. The policy involving seizure and forfeiture in “illegal source” structuring cases remains unchanged by this memorandum.

In cases where legal source income is involved in alleged structuring activity, consideration should be given to initiating a Title 26 criminal tax investigation. In certain circumstances, the structuring activity can be treated as an affirmative act of evasion under 26 U.S.C. § 7201,¹ evidence of willfulness, an overt act of conspiracy (18 U.S.C § 371), or it may support Title 31 violations. This policy update will ensure that CI continues to focus our limited investigative resources on identifying and investigating violations within our jurisdiction that closely align with CI’s mission and key priorities.

Individuals who are structuring cash deposits or withdrawals are more often than not doing so in an attempt to conceal the existence and source of the funds from the U.S. Government. While the structuring activities violate 31 U.S.C. §5324, the activity should be treated as just an indicator that another violation of law might have occurred. Therefore, authorized investigative activities should be performed to determine the source of the funds and if there are other related violations of law that should be investigated prior to initiating a seizure of funds related to the criminal activities.

¹ See *United States v. Mounkes*, 204 F.3d 1024, 1030 (10th Cir. 2000)

IRS-CI continues to be committed to investigating criminal violations of the federal anti-money laundering and Bank Secrecy statutes. Our partnerships with state, local and county law enforcement agencies through IRS-CI led Financial Crimes Task Forces (FCTFs) provide CI with valuable resources to further the commitment to investigate violations of these laws. The primary focus of FCTFs is to conduct significant criminal investigations of anti-money laundering and Bank Secrecy violations occurring in their area of responsibility and related statutes.

The applicable Internal Revenue Manual sections, the Suspicious Activity Report Review Team, and the FCTF Standard Operating Procedures will be revised to include this guidance as soon as practical. If you have any questions regarding this policy, please contact Global Financial Crimes Director XXXXXXXXXXXXXXXXXXXX.

cc: CI Senior Staff
CT Counsel