



Large Business & International Training

Date: June 10, 2021

Campaign 685 - Internal and External Information Sources



Front Matter Items

- ❖ [The IRS Mission Statement](#)
- ❖ [14 General Principles of Ethical Conduct for Federal Employees](#)
- ❖ [Your Rights as a Taxpayer](#)



Disclosure per IRC Section 6103

- ❖ Protecting 6103 information is everyone's responsibility
- ❖ Do not disclose PII and/or entity identifiers either verbally or in text chat
- ❖ Please select the **green check mark** ✓ to show you understand.



Course Objectives

- ❖ By the end of this lesson, you will be able to:
 - Identify internal research tools and how they can be used in Act 20/22 examinations
 - Identify external research tools that can be used in Act 20/22 examinations



Acronyms

- ❖ TP – Taxpayer
- ❖ PR – Puerto Rico
- ❖ IDRS – Integrated Data Retrieval System
- ❖ CEAS - Correspondence Examination Automation Support
- ❖ FATCA – Foreign Account Tax Compliance Act
- ❖ MeF - Modernized e-File
- ❖ RTR - Remittance Transaction Research
- ❖ OCI - Offshore Compliance Initiatives Information



Acronyms (cont'd)

- ❖ TECS - Treasury Enforcement Communications System
- ❖ FBAR – Foreign Bank Account Report
- ❖ BPPR - Banco Popular de Puerto Rico
- ❖ COSSEC - Corporacion Publica para Supervision y Seguro de Cooperativas de Puerto Rico
- ❖ DDEC - Departamento de Desarrollo Economico y Comercio
- ❖ CRIM - Centro de Recaudacion de Ingresos Municipales



Sources of Information – Pre-audit

- ❖ Masterfile (IDRS) – filing history, address, related entities.
- ❖ Correspondence Examination Automation Support (CEAS)
- ❖ yK1 Link Analysis Tool
- ❖ Etrak
- ❖ FATCA Database (Form 8966)
- ❖ Modernized e-File (MeF) Database



Sources of Information – Pre-audit (cont'd)

- ❖ Accurint – properties, address, businesses
- ❖ Internet – observe disclosure rules
- ❖ Remittance Transaction Research (RTR)
- ❖ Offshore Compliance Initiatives Information (OCI) Database
- ❖ Treasury Enforcement Communications System (TECS)



Sources of Information

- ❖ Information should be collected, to the greatest extent practicable, directly from the taxpayer to whom it relates.
 - Information Document Request
 - Interview is paramount
 - Taxpayer, husband and wife
 - Return preparer
 - Accountant, if different from preparer
 - Employees.
 - Promoter.



Sources of Information (cont'd)

- ❖ FinCen Query
 - FBAR filings
 - Cash transaction reports
 - Suspicious activity reports
 - Note: special handling requirements

- ❖ Other Agencies Databases

- ❖ Public Records



Sources of Information- External

- ❖ External sources (third party contacts) may be used to obtain or verify items in all examinations including substantiating income and expense items or corroborating the taxpayer's oral/written testimony and explanations
- ❖ Letter 1995, Third Party Contact Letter to Request Information, may be used to request information from third parties during an examination (IRM 4.10.4.5.2(4)(c))



Sources of Information- External (cont'd - 1)

- ❖ There are three main local banks in Puerto Rico
 - Banco Popular de Puerto Rico (BPPR)
 - First Bank Puerto Rico
 - Oriental Bank de Puerto Rico

- ❖ Local Credit Unions (regulated by COSSEC)



Sources of Information- External (cont'd - 2)

- ❖ Departamento de Desarrollo Economico y Comercio (DDEC)
 - Issuers of the Certificate of Act 20/22

- ❖ Puerto Rico State Department
 - Certificate of Incorporation
 - www.estado.pr.gov

- ❖ Departamento de Hacienda – PR Treasury Department
 - Form 8796 – Refer to list of authorized agents
 - www.hacienda.gobierno.pr



Sources of Information- External (cont'd - 3)

- ❖ Centro de Recaudacion de Ingresos Municipales (CRIM)
 - Information on local returns
 - Information on property taxes paid. Barrier- no electronic database

- ❖ Registro de la Propiedad
 - Barrier – not electronic records

- ❖ Departamento de Salud – HHS
 - Cannabis license



❖ Court System

- Website description: La Rama Judicial de Puerto Rico
 - Access to court cases by entering the name of the individual
 - Information is available electronically



Sources of Information – External (cont'd - 5)

❖ Utilities Companies

- Power – Autoridad de Energia Electrica
- Water – Autoridad de Acueductos y Alcantarillados
- Telephone, Mobile, Internet
 - Claro
 - T-Mobile - Sprint
 - Liberty (AT&T)
 - Boost
- Cable Providers
 - Liberty Cable, Dish



- ❖ Temporary Dwelling
 - Hotels
 - AirBnB
 - HomeAway
 - Rental agreements
- ❖ Golf course subscriptions
- ❖ Restaurant invoices
- ❖ Spas



Sources of Information – External (cont'd - 7)

- ❖ Airlines tickets
 - Reconcile with TECS information
- ❖ Virtual Currency Documents
- ❖ Pay Pal Records
- ❖ Credit reporting agencies



Sources of Information - Summons

- ❖ In Campaign 685 examinations it may be necessary to summons information to factually develop the case. This information may include various documents including contract(s) that the TP has entered into and bank information not received



Course Summary

- ❖ You are now be able to:
 - Identify internal research tools and how they can be used in Act 20/22 examinations
 - Identify external research tools that can be used in Act 20/22 examinations



Questions?

