



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

February 7, 2005

All Attorney's & Trustee's:

As part of its modernization initiative, the Internal Revenue Service is conducting an ongoing analysis of our organizational structure to ensure maximum operational efficiency, enhance compliance, and protect taxpayer rights. One function that has been under study for several months is our Insolvency operation. It has played an integral role in leading the modernization effort through a number of automation enhancements and by creating an environment that focuses on improving customer service and promoting compliance with the tax laws.

During the bankruptcy process, the Insolvency operation is responsible that timely and appropriate actions are taken to protect the government's interest and at the same time, ensuring that taxpayers' rights are protected. Insolvency clerical and para-professional work that was traditionally performed in more than 70 local offices around the country will be consolidated to one location on the Philadelphia campus. Only the professional staff, consisting of advisors and specialists, will remain in their current locations and we expect them to continue to maintain a significant presence in their respective bankruptcy jurisdictions.

Insolvency field employees will focus their efforts on compliance issues on Chapter 9, 11 and 12 cases as well as pre-confirmation Chapter 13 cases and complex Chapter 7 cases. They will continue to review plans and schedules, conduct plan negotiations, prepare claims, testify as expert witnesses, attend 341 hearings, conduct outreach and remain as your local contact as applicable to the cases they are working.

Effective February 07, 2005, Chapter 7 No Asset cases and post-confirmation Chapter 13 cases for the entire states of North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas, Missouri, Louisiana, Mississippi, as well as the Southern District of Alabama will be assigned to the Philadelphia campus. Insolvency employees at the campus will be responsible for taking all actions on cases that are assigned to them, including handling incoming phone calls and processing Insolvency mail directed to the campus. A toll free call center will be established for Insolvency related calls. Telephone calls pertaining to the cases listed above should be directed to our toll free number, 1-800-913-9358. The campus staff will consist of day and swing shifts to enable customers to speak with assisters during working hours in all time zones.

There will be two mailing addresses for cases assigned to the campus.

- Payments for Chapter 7 No Asset and Chapter 13 post confirmation cases should be sent to P.O. Box 21125, Philadelphia, PA 19114.
- All other correspondence pertaining to the cases listed above should be sent to P.O. Box 21126, Philadelphia, PA 19114.
- Payments for Chapter 11 cases will continue to be sent to the local offices.

The transfer of work to the campus will be done in phases over the next several months to lessen the impact on our customers. While the changes mentioned above are applicable to your specific state, other locations will continue to follow the existing procedures until further notice.

Eventually, all Chapter 7 No Asset cases, most Chapter 7 Asset cases and post-confirmation Chapter 13 cases will be assigned to the Philadelphia campus. The campus will also be responsible for initial processing of all new bankruptcy cases and closing actions on cases that are discharged or dismissed. As these changes are implemented, employees in local offices and the campus will work together to ensure the current levels of customer service are maintained.

If you have any questions or concerns, please contact Don Peattie at 408-817-6520.

Sincerely,

/s/ Thomas D, Mathews

Thomas D. Mathews
Director, Advisory, Insolvency & Quality