



PRIVACY, GOVERNMENTAL
LIAISON AND DISCLOSURE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

July 3, 2014

Control Number: PGLD-10-0614-0006
Expiration Date: 12-31-2014
Impacted IRM: 10.5.3

MEMORANDUM FOR: DIRECTOR, CUSTOMER ASSISTANCE, RELATIONSHIPS
AND EDUCATION SE:W:CARE
DIRECTOR, CUSTOMER ACCOUNT SERVICES SE:W:CAS

FROM: Amy Stanton
Director, Privacy & Information Protection

SUBJECT: Interim Guidance on the Employment Related Identity Theft
(AC 525) Notification Pilot Program

This memorandum issues interim guidance on the Employment Related Identity Theft (AC 525) Notification Pilot Program. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: Beginning July 2014, IRS will issue notifications (Letter 4491C) to a selected pilot population of taxpayers whose Social Security numbers (SSNs) have been used for employment purposes. The Letter 4491C notifies these taxpayers that their SSN has been used for employment purposes and provides them with information to allow them to take appropriate actions to safeguard their personal information.

Background/Source(s) of Authority: This pilot program is being initiated as part of the IRS response to the following TIGTA audits:

2010-40-040. Procedures Need to Be Developed for Collection Issues Associated With Individual Taxpayer Identification Numbers

Recommendation #3: Develop a cross-referencing process to match ITIN tax returns to the related reporting returns

Recommendation #4: Develop a process to capture data to determine potential identity theft victims

2011-41-061, Individuals Who Are Not Authorized to Work in the United States Were Paid \$4.2 Billion in Refundable Credits

Recommendation #5: The Commissioner, Wage and Investment Division, should implement procedures that are proactive in timely alerting taxpayers when the IRS has become aware that a taxpayer's identity has potentially been stolen. At a minimum, those taxpayers whose names and SSNs have both been compromised should be notified.

Procedural Change: The attached guidance is provided to allow IRS assistors to provide background information and procedures for responding to taxpayers who contact IRS via telephone or written correspondence as well as providing procedures for responding to questions asked by taxpayers that are not covered in training or online information sources.

Effect on Other Documents: Pending the outcome of this pilot, this guidance will be incorporated into IRM 10.5.3.2.19.1, Employment-related Identity Theft Notification Program by January 1, 2015.

Effective Date: Immediately

Contact: If you have any questions, please contact me or a member of your staff may contact Justin McCarty at 202-317-6483 or via email at justin.j.mccarty@irs.gov.

Attachment: Interim Guidance PGLD-0614-0006

Distribution: [IRS.gov \(http://www.irs.gov\)](http://www.irs.gov)

Background:

1. Beginning July 2014, IRS will issue notifications to a test population of taxpayers whose Social Security numbers (SSNs) have been used for employment purposes by someone other than the valid SSN owner, so the taxpayers can take appropriate actions to check their financial and credit histories, and safeguard their personal information. The taxpayer will receive Letter 4491C, *Notice of Employment-Related Identity Theft*. The Letter 4491C:
 - Notifies the taxpayer that this use of their SSN has not affected their tax return or tax account
 - Explains that the IRS cannot by law share any information related to the identity of the individual who used their SSN for employment
 - Explains that the IRS has placed an identity theft (IDT) indicator on their account
 - Provides information on steps that can be taken to protect their personal information such as placing fraud alerts on their credit reports
 - Provides the Identity Protection Specialized Unit (IPSU) phone number and irs.gov web page

Caution: Disclosure laws prohibit disclosing any information related to tax returns, information reports/income documents (W-2, 1099 etc.) and any other documents as well as the source of those documents, if IRS is aware that they do not belong to, or are related to the taxpayer.

Note: Taxpayer correspondence regarding the Letter 4491C and undeliverable Letters 4491C will be forwarded to PGLD at AUSC Stop 1302.

The Letter 4491C is issued to taxpayers for informational purposes only, to allow them to take proactive actions to protect their personal information. Taxpayers may react by calling IRS, responding with correspondence or visiting a Taxpayer Assistance Center (TAC).

2. =====:
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Caution:=====

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3. Use the following guidance to assist taxpayers.

Responding to Taxpayer Inquiries - General Information (IPSU, Toll Free and TAC Assistors Only)

1. If the taxpayer responds to the Letter 4491C via phone or as a walk in:

- Because the taxpayer's SSN was not input as part of the letter, no TC 804 was posted on the taxpayer's account, and as such the notice will not be identifiable as part of the routine account research.
- Because the letter is not identifiable during account research, assistors must ask the taxpayer which letter they are calling in reference to per IRM 21.1.1.7(25). Do not ask the taxpayer if they received a Letter 4491C; have the taxpayer provide the letter number.
- The letter number is located in the upper right corner of the letter, below the date that the letter was sent.

Telephone Assistance only:

- If the taxpayer cannot find the letter number, ask him/her to read the first sentence below the heading "Why we are sending you this letter."
 - If the response is: "We believe your Social Security number (SSN) was used by another person to obtain employment" or the taxpayer implies that the letter was related to somebody using their SSN for employment; tell him/her that the letter number is "4491C" (see Caution below)
 - Pronounce it: "Forty-four, ninety-one See".

Caution: PGLD will be monitoring phone calls using contact analytics. The mention of the Letter 4491C will be used to identify an estimated volume of calls related to the pilot. It is important that the taxpayer read the letter number or that the assistor only mentions the letter number after they are sure that the call is related to the 4491C to ensure accurate identification of the call.

- If the response is different than the identified statement, the letter is not a 4491C and the call is not associated with Employment-Related Identity Theft, continue to address the taxpayer's issue(s) following normal procedures.
2. Use the following information as well as the information provided in the Letter 4491C during your discussion with the taxpayer:
- IRS is only aware of the misuse of the SSN for employment purposes
 - IRS is unable to disclose any information (employee's information, employer's name or TIN, address or any other information) regarding the Form W-2 to the taxpayer.
 - IRS does not have access to the Form W-2 that generated the Letter 4491C

- The use of the taxpayer's SSN for employment purposes has not had any impact on the taxpayer's federal income tax account.
3. Provide the taxpayer with the following precautionary measures for safeguarding their personal information.

- If you received a Form W-2 from an unknown employer or the wages reported by the Social Security Administration on your Social Security Statement shows more than you earned, please assemble the related information you have and contact the Social Security Administration. They will review your earnings with you to ensure the records are correct.
- You may review earnings posted to your record on your online Social Security Statement. Workers, age 18 and older, may create an account to review their statements.
- File a report with your local police department.
- Place a fraud alert on your credit reports by contacting any one of the three nationwide credit reporting companies online or through their toll-free numbers:

Equifax: 888-766-0008 www.equifax.com

Experian: 888-397-3742 www.experian.com

Trans Union: 800-680-7289 www.transunion.com

- File a complaint with the Federal Trade Commission (FTC) in one of the following three ways:
 - By internet: FTC Complaint Assistant
 - By telephone: Call FTC's Identity Theft Hotline: 1-877-438-4338
 - By mail:

FTC Identity Theft Clearinghouse
600 Pennsylvania Avenue NW
Washington, DC 20580

- Contact any banks or other financial institutions to close any accounts that are unused, have been tampered with or opened without your permission.
4. Provide the taxpayer with the following resources for additional information on safeguarding their personal information.

- IRS.GOV "Identity Theft" web page
 - www.irs.gov/uac/Identity-Protection
- Employment-Related Identity Theft web page

- www.irs.gov/uac/Employment-related-identity-theft
- Social Security Administration – General Information
 - www.SSA.gov
- Social Security Administration – Request for a Social Security Statement
 - <http://www.socialsecurity.gov/hlp/global/hlp-statement-7004.htm>

Responding to Taxpayer Inquiries – Unanswerable Questions: (IPSU, Toll Free and TAC Assistors Only)

5. If the taxpayer raises a question regarding the Letter 4491C and you are unable to provide an answer, take the following actions:

- Apologize to the taxpayer and tell him/her that you are unable to answer their question; however, their question will be forwarded to an employment-related identity theft specialist and they will receive a response via email. Inform the taxpayer or caller they can expect a response within 5 to 7 business days.
- Tell the taxpayer that if they do not receive a response within 5 to 7 business days to check their SPAM Inbox to see if the response was misdirected.

Note: Only if the taxpayer does not provide a valid email address, PGLD will contact the taxpayer by telephone.

- Complete Form 4442:
 - Part I: Complete box 1-4 and have manager sign box 7
 - Input your SEID in box 2 (ID Number)
 - Input your call site or TAC office location in box 4 (Location)
 - Part II: Complete Box 8–10, 13, 14 and 24
 - Box 14: Input the taxpayer's email address (verify the correct spelling of the email address).
 - Box 24: Input the taxpayer's telephone number and best time to call
 - Part III: Complete Section B:
 - Enter "Employment Related IDT Pilot - Call Site" (or – TAC Visit if applicable) "Response Requested"
 - Input the taxpayer's question (be clear and concise). "
 - Forward the Form 4442 to the front line manager
 - Prior to sending the form to PGLD, managers or leads should review the Form 4442 and verify:
 - The form is complete
 - Taxpayer contact information is included – email (if available) and telephone number
 - The taxpayer's question is:
 - Related to employment-related identity theft
 - Clearly and concisely stated
 - The response to the taxpayer's question is not covered in:
 - The Letter 4491C

- The employment-related IDT website
- The employment-related IDT Frequently Asked Questions (FAQs)
- If the form is correct and necessary, send the form via secure email to:
 - *PGLD Identity Protection Program. In the subject line include “Employment Related IDT Pilot – Call Site- Response Necessary”
 - Managers may consolidate all Forms 4442 received during a daily shift and send them in a single e-mail at the COB
- If the review reflects incorrect/incomplete information the form should be returned to the assistor for correction
- If the referral is determined not necessary because the requested information is available on the Letter 4491C, Employment-Related Identity Theft web page or FAQs, or internal training, the referral should be returned to the assistor and action must be taken on the rejected referral within 2 business days. See IRM 21.3.5.4.2.1.1(7)

Responding to Taxpayer Inquiries – IP PIN Questions: (IPSU, Toll Free and TAC Assistors Only)

- a. **Telephone and Field Assistance:** If the taxpayer wishes to receive an IP PIN due to the identity theft issue, provide the taxpayer with the URL (<http://www.irs.gov/pub/irs-pdf/f14039.pdf>) for the Form 14039 and advise the taxpayer to submit the completed form along with the required documentation to the address on the form.
- b. **Field Assistance Only:** If the taxpayer has the required documentation with them, copy the documentation and fax the Form 14039 to the Identity Protection Specialized Unit (IPSU) at 855-807-5720.

Responding to Taxpayer Inquiries – Other Business Units (Non-IPSU, Toll Free or TAC)

- (1) If an employee working in a function other than IPSU, or Toll Free telephone assistance or a Taxpayer Assistance Center (TAC), receives an inquiry regarding the 4491C letter, they should refer the taxpayer to the telephone number shown on the letter (1-800-908-4490 ext. 477) for assistance.

Reporting Taxpayer Visitations - TAC Assistance Only

- 6. All Taxpayer inquiries in the TAC must be documented on Form 4442

IF	THEN
The taxpayer has unresolved issues or questions regarding the Letter 4491C	Follow the guidance under “Responding to Taxpayer Inquiries – Unanswerable Questions: (IPSU, Toll Free and TAC Assistors Only)”

IF	THEN
<p>The taxpayer has no unresolved issues or questions regarding the Letter 4491C</p>	<p>Complete Form 4442:</p> <ul style="list-style-type: none"> • Part 1: Complete box 1-4 and have manager sign box 7 • Part II: Complete Box 8–10 and 13 • Part III: Complete Section B, <ul style="list-style-type: none"> • input “TAC Visit - No Response Necessary • Identify the issues discussed • Input the approximate time spent assisting the taxpayer. <p>Forward the form to the front line manager or lead for review. Managers should review the Form 4442 to make sure that the form is complete If the form is complete, send the form via secure email to:</p> <p>*PGLD Identity Protection Program. In the subject line include “Employment Related IDT Pilot – TAC Visit - No Response Necessary”</p> <ul style="list-style-type: none"> • Managers may consolidate all Forms 4442 received during a daily shift and send them in a single e-mail at the COB

Employment-Related Identity Theft – Pilot Population – PGLD Actions

- (1) **Taxpayer Correspondence:** PGLD, in coordination with W&I, will prepare a response to the taxpayer's inquiry.
- (2) **Forms 4442:** Upon receipt of the Form 4442, PGLD will review the referral to make sure that it is complete and appropriate
 - a. If the Form 4442 is incomplete or inappropriate, PGLD will return the Form to the sender for appropriate action per IRM 21.3.5.4.2.1.1(7)
 - b. If the Form 4442 is complete and appropriate, PGLD, in coordination with W&I, will prepare a response to unanswerable taxpayer questions
 - c. PGLD will issue the response to the email address on the Form 4442 within 5 to 7 business days. If the email address is undeliverable or the taxpayer does not have an email address, PGLD will attempt to contact the taxpayer via phone at the number provided on Form 4442.