



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, DC 20224

Small Business / Self-Employed Division

December 20, 2012

Control Number: SBSE-04-1212-055
Expiration: 12-20-2013

MEMORANDUM FOR EXAMINATION AREA DIRECTORS

FROM: Tamera L. Ripperda */s/ Tamera L. Ripperda*
Acting Director, Examination Policy

SUBJECT: Interim Guidance on Processing Identity Theft Cases

This memorandum provides guidance for processing and correcting an identity theft victim's account. It provides detailed instructions regarding actions an examiner must take to correct the victim's tax account and make the taxpayer whole (see Attachment 1). Please distribute this guidance to all affected employees within your organization. It is effective immediately.

Identity theft occurs when someone uses an individual's personal information, such as name, social security number (SSN), or other identifying information, without permission to commit fraud or other crimes. Taxpayers may notify the IRS when they believe they may have experienced an identity theft incident. In these instances, taxpayers must provide documentation to establish they are identity theft victims (see IRM 10.5.3.2.7, *Overview - Identity Theft Supporting Documentation*).

When interacting with taxpayers, examiners should keep in mind that identity theft often leaves its victims feeling helpless and distraught. Identity theft cases should be treated as a priority.

This guidance will be incorporated into proposed IRM 4.10.27, *Identity Theft Case Processing for Field Examiners*, which is currently being drafted, by December 20, 2013.

If you have questions, you may contact me or a member of your staff may contact Cathy Demetra, Program Manager, Examination Policy, Examination General Processes.

Distribution:
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Attachment (1)

IDENTITY THEFT POST FUNCTION ACCOUNT ADJUSTMENT REFERRALS

Examination employees will use the procedures in this document to correct an identity theft victim's account. Generally, to correct the victim's account, the examiner must reverse the identity thief's bad return¹ (hereinafter referred to as bad return), including audit adjustments posted to the bad return, and correctly process and post the victim's return.

Part 1, *Correcting Identity Theft Victim's Account*, of this memorandum, provides step by step directions for correcting the identity theft victim's account, which include the following:

- Section 1—Form 4442, *Inquiry Referral*, Instructions
- Section 2—Report Generation Software (RGS) Procedures
- Section 3—Secured Delinquent Return (Victim) Accepted as Filed Case Procedures
- Section 4—Secured Delinquent Return (Victim) Warrants Examination Case Procedures
- Section 5—Administrative File Assembly and Routing for Disposal Code (DC) 33 Error Accounts
- Section 6—Closing Procedures for an Identity Theft Reopened Return When Victim Does Not Have a Filing Requirement or Victim's Posted Duplicate Return (TC 976) Does Not Warrant Examination

Part 2, *Form 4442 Designated Identity Theft Adjustments (DITA) Referral Package*, of this memorandum provides detailed instructions for referrals to the Designated Identity Theft Adjustment (DITA) team, which include the following:

- Section 1—DITA Referral Package Content, Assembly, and Submission
- Section 2—Related Resources

PART 1—CORRECTING IDENTITY THEFT VICTIM'S ACCOUNT

Section 1—Form 4442, *Inquiry Referral*, Instructions

- (1) Once the examiner determines the taxpayer was a victim of identity theft and the taxpayer provides the substantiation documentation required per IRM 10.5.3.2.7, *Overview-Identity Theft Supporting Documentation*, a Form 4442 with supporting documentation (hereinafter referenced as the Form 4442 package) will be prepared and submitted to the DITA team.
- (2) Form 4442 should provide instructions to DITA needed to correct the victim's account.
- (3) Form 4442 instructions will vary depending on whether or not a TC 300 has posted to the victim's account. **The examiner must use the tables at the end of this attachment to**

¹ Identity thief's bad return for the purpose of this guidance is the return fraudulently filed in the name and SSN of the identity thief's victim.

determine actions required. These tables will redirect the examiner to the appropriate procedures in Part 1 Section 2 through Section 6 of this attachment.

(a) Table 1 Form 4442 Instructions—When a TC 300 has not posted to Master File (MF).

(b) Table 2 Form 4442 Instructions—When a TC 300 has posted to Master File (MF).

Section 2—Report Generation Software (RGS) Procedures

(1) After completing Form 4442 using Table 1 and Table 2, the examiner will follow the directions in paragraph (2)(a) through (2)(c) below based on the facts and circumstances of each case.

(2) RGS procedures:

(a) Victim has no filing requirement or victim's return posted as duplicate return (TC 976) is accepted as filed:

(1) Secure the RGS electronic case if it is not in the examiner's possession. If the bad return was previously audited and closed (TC300/421), retrieve the case from Archives.

(2) Notate in the Case Activity record that this was an identity theft case and save the Form 4442 into Case File Documents.

(3) Manager or clerk archives the case.

(b) Victim's return (secured by examiner) is accepted as filed:

(1) Secure the RGS electronic case if it is not in the examiner's possession. If the bad return was previously audited and closed (TC300/421), retrieve the case from Archives and preserve the original workpapers by following IRM 4.10.15.1.2, *RGS Inventory/Case Management*.

(2) Correct RGS Case Information to victim's information.

(3) Remove all identity theft entries in Return Setup (check all tabs and any detail buttons). Run a Variance to ensure no remaining entries.

(4) Submit the return for a partial assessment if required (see Part 1 Section 4, paragraph 2). Enter the victim's return in Return Setup. Run a Variance. Ensure that the return matches the current transcript after the assessment. Create at least one issue that is no changed. Per Return and Per Exam must be equal and agree to the victim's return as previously assessed.

(5) Do **not** submit the return for a partial assessment if the tax per return is zero (before withholding credits or refundable credits or both). Create adjustments for each item on the victim's return. Per Return is zero. Per Exam is the amount from the victim's return.

(6) Use Reason Code 53 for each issue.

(7) Complete case using normal procedures.

(c) Victim's return secured by examiner or victim's return posted as duplicate return (TC976) warrants examination:

- (1) Secure the RGS electronic case if it is not in the examiner's possession. If the bad return was previously audited and closed (TC300/421), retrieve the case from Archives and preserve the original workpapers by following IRM 4.10.15.1.2, *RGS Inventory/Case Management*.
- (2) Correct RGS Case Information to victim's information.
- (3) Remove all identity theft entries in Return Setup (check all tabs and any detail buttons). Run a Variance to ensure no remaining entries.
- (4) Submit the return for a partial assessment if required (see Part 1 Section 4, paragraph 2). Enter the victim's return in Return Setup. Run a Variance. Ensure that the return matches the current transcript after the assessment. If a partial assessment is required, create adjustments as necessary. Per Return must equal the victim's return as previously assessed. Enter the Per Exam amount based on the examination results.
- (5) Do **not** submit the return for a partial assessment if the tax per return is zero (before withholding credits or refundable credits or both). Create adjustments for each item on the victim's return. Per Return is zero. Per Exam is the amount from the victim's return or as adjusted.
- (6) Complete case using normal procedures.

Section 3—Secured Delinquent Return (Victim) Accepted as Filed Case Procedures

- (1) Once an examiner secures a delinquent return that will be accepted as filed, the examiner must take the actions outlined in this section.
 - (2) Request the input of a TC 971 AC 282 using the return received date in the Trans Date field. This updates Master File to show that Examination secured a delinquent return. This step should be done by the group as soon as the return is secured.
 - (3) Prepare Form 3177, *Notice of Action for Entry on Master File*, as follows:
 - (a) Enter an "X" in the box titled "Other" at the bottom of the form and enter "TC 971 AC 282 Return Received Date (MM/DD/YYYY)."
 - (b) Fax the Form 3177 to the FORT Unit in Centralized Case Processing (CCP). The fax number can be found in the contact listing posted to the AIMS/ERCS web site.
- Note:** Posting of a TC 971 AC 282 at Master File updates IMF and BMF to show that Examination secured a delinquent return; and for IMF, it causes Master File to set the ASSED based on the IRS received date.
- (4) Establish ASSED on AIMS/ERCS by inputting Form 5348, *AIMS/ERCS Update (Examination Update)*, to request the statute date be updated on AIMS and ERCS. Managerial approval is required for statute updates.
 - (5) Update the activity code on AIMS/ERCS to reflect the income on the delinquent return as soon as possible so the time applied on the examination is reflected under the correct activity code. At the latest, the activity code **MUST** be updated to reflect the delinquent return by the time the case leaves the group.

- (6) **After** DITA has corrected the account, incorporate the amounts on the secured delinquent return received from the victim into a report (Form 4549 or any other type of examination report) and assess as a TC 300/301. Do **not** forward the delinquent return to submissions processing for posting of a TC 150.
- (7) The processing and closing of the victim's secured delinquent return is the same as the processing and closing of a delinquent return secured after the posting of a substitute for return (SFR). Follow IRM 4.4.9.7.3, *Delinquent Return Secured by Examination After SFR TC 150 Posted—Accepted as Filed Procedures*, and IRM 4.4.9.7.3.1, *Prepare RAR and Form 5344, Examination Closing Record*, to process the return and close the case **after** DITA has corrected the account.

Section 4—Secured Delinquent Return (Victim) Warrants Examination Case Procedures

- (1) The examiner must take the actions outlined in this section when a secured delinquent return warrants examination.
- (2) **After** DITA has corrected the account, the secured return must be processed as a partial assessment. Prepare RAR starting with zero per return to reflect tax, credits, etc. per return. Refer to IRMs 4.4.9.7.4.1, *Prepare RAR and Form 5344, Examination Closing Record*, and IRM 4.4.9.7.4.2, *Fax to Centralized Case Processing (CCP)*, for instructions regarding how to process the partial assessment.

Note: If tax per return is zero (before withholding credits or refundable credits or both), do **not** request a partial assessment. Prepare final RAR starting with per return figures of zero.

- (3) If the audit of the victim's return does not result in adjustments, refer to IRM 4.4.9.7.5.1, *No Additional Adjustments Required/Prepare RAR and Form 5344, Examination Closing Record*, for RAR and closing procedures.
- (4) If the victim's return results in additional adjustments, refer to IRM 4.4.9.7.5.2, *Additional Adjustments Required/Prepare RAR and Form 5344, Examination Closing Record*, for RAR and closing procedures.

Section 5—Administrative File Assembly and Routing for Disposal Code (DC) 33 Error Accounts

- (1) When an identity theft victim has no filing requirement or the victim has a TC 976 return that does not warrant examination, the examiner must take the actions below to delete the account:
 - (a) Submit a Form 4442 Package (see Part 2 Section 1—Form 4442 DITA Team Referral Package Content, Assembly, and Submission), the TRDBV print of the victim's return if a TC 976 is on the account, and the administrative file (see paragraph 2 of this section) to DITA. Transmit using a Form 3210, *Document Transmittal*, with the following notation in the remarks section, "Expedite—Identity Theft Case: Form 4442 Referral Package Enclosed."

- (b) Hold the AIMS record at the group (suspend activity regarding record deletion pending DITA account correction). See paragraph 3 of this section.
 - (c) Delete AIMS record once DITA confirms account correction. See paragraph (4) of this section.
- (2) **Administrative File**—The examiner will prepare an administrative file that will generally include but is not limited to the following:
- (a) Bad return
 - (b) Form 9984, *Examining Officer's Activity Record*
 - (c) Charge-out documents for the bad return
 - (d) Audit reports, workpapers, 30/90 day letters, and other pertinent audit documents if the bad return was previously audited
 - (e) Form 14039, *Identity Theft Affidavit*
 - (f) Form 14027-B, *Identity Theft Case Referral*
 - (g) Police report
 - (h) Documentation secured from victim
 - (i) Any other significant documentation secured while assisting the victim
- (3) **Hold AIMS/ERCS Record**—Do not delete the AIMS record until secure email confirmation is received from DITA acknowledging reversal of the bad return information. (Examiner should follow-up if no contact from DITA in 12 to 15 weeks).
- (4) **Delete AIMS/ERCS Record**—The examiner and/or clerical staff (as directed by the group manager) will take the following actions once the group receives a confirmation email from DITA:
- (a) Prepare a Form 10904, *Request for Record Deletion from AIMS*, to close the account off AIMS/ERCS.
 - (b) The examiner or clerk will send Form 10904 requesting DC 33 to his or her local AIMS/ERCS unit to process per the examiner's instructions.
 - (c) The examiner or clerk will monitor the taxpayer's account for the TC 421 posted to master file (verify with IMFOLT) and Status Code 90 on AIMS.

Section 6—Closing Procedures for an Identity Theft Reopened Return When Victim Does Not Have a Filing Requirement or Victim's Posted Duplicate Return (TC 976) Does Not Warrant Examination

The group cannot delete an AIMS/ERCS record using DC 33 procedures **if** the record is a reopened return.

- (1) Examiners closing reopened return(s) must complete a Form 5344 and close the administrative file through CCP.

Note: If an examiner has a case with both reopened and non-reopened returns, the examiner will split the case into two separate administrative files and follow the procedures applicable for each return type.

- (2) When the victim does not have a filing requirement or the victim's posted duplicate return (TC 976) does not warrant examination, the examiner should use DC 12 (an examined closure to CCP) with \$1 in Item 35 on the Form 5344. See IRM 4.4.26.6.3.2, *Item 13: Disposal Code*.
- (3) The examiner will assemble the administrative case file as described in IRM 4.4.1, Exhibit 4.4.1-8, *Case Assembly*, and complete Form 3198, *Special Handling Notice for Examination Case Processing*, as follows:
 - (a) Place an "X" in the "other" box under special feature instructions and indicate "Identity Theft Case—Actions Completed by DITA. Case ready for closure."
 - (b) Place an "X" the "Forward to CCP—Update to Status 51" box.
- (4) Close the case to CCP as a regular closure.

PART 2—FORM 4442 DESIGNATED IDENTITY THEFT ADJUSTMENTS (DITA) TEAM REFERRAL PACKAGE

Section 1—Form 4442 DITA Team Referral Package Content, Assembly, and Submission

- (1) The examiner will prepare the DITA Team Referral Package (Form 4442 Package) containing the following:
 - (a) Form 4442, *Inquiry Referral*.
 - (b) Copy of Form 14039, *Identity Theft Affidavit*.
 - (c) Copy of bad return (electronic or paper).
 - (d) Copy of the taxpayer's (victim) identity theft substantiation documentation (as defined in IRM 10.5.3.2.1, *Identity Theft and Substantiation Documentation*).
 - (e) MFTRA U print if secured (do not attach any other IDRS prints because DITA will secure if needed).
 - (f) Any correspondence to or from the victim.

- (2) Form 4442 must be prepared and submitted to DITA for each tax year that reversals need to be made on a victim's account. Supporting documentation does not need to be duplicated and attached to each year. The supporting documentation, if the same for all years involved, only has to be attached to the most recent year Form 4442 (e.g. 2009, 2010, and 2011, then attach supporting documentation to Form 4442 for 2011). When preparing Form 4442:
- (a) Write "EXPEDITE-IDENTITY THEFT" across the top of each Form 4442 submitted to DITA.
 - (b) Input the phrase, "SB/SE Field Exam" in Part 1, Box 4-Location.
 - (c) Form 4442 must include specific instructions (in Part III Section B) on actions needed to correct the account. See instructions in Table 1 or Table 2 below for specific language to be used in Part III Section B. Attach a continuation sheet to Form 4442 if additional space is needed to provide instructions to DITA.
 - (d) Request TC 50X and address update. Indicate in Part III Section B that DITA input the appropriate TC 50X upon completing the account corrections and updating the address so that any victim notification letters do not go to the wrong address (identity thief's address). See IRM 10.5.3, *Identity Protection Program*, for further guidance on indicators to be used when closing identity theft issues.

Note: The original identity theft substantiation documentation should remain in the examiner's administrative case file. The DITA team should also receive copies to associate with the 29X adjustment when the reversals are made by DITA.

- (4) Incomplete referrals will be rejected back to the originating group.
- (5) Mail, fax, or email the Form 4442 package, along with the Form 3210, to the DITA team depending on its contents as follows.
 - (a) Mail the Form 4442 package if there is an original return in the package.
 - (b) Fax the Form 4442 package if no original return is in the package.
 - (c) Email the Form 4442 package if the entire Form 4442 package is completely comprised of electronic documents (Microsoft © Word, PDF, or scanned documents), and the documents requiring signature have a digital signature. The package should be sent secured email.

Mailing Address	Fax Number	Email Address
Internal Revenue Service 2970 Market St. Philadelphia, PA 19104 Attn: DITA Mail Stop 4G-20.500	(855) 786-6575 Subject: Identity Theft case. Expedite Form 4442.	*SBSE CCS DITA Subject: Identity Theft case. Expedite Form 4442.

Section 2—Related Resources

- (1) IRM 10.5.3.2.5, *Identity Theft Tracking Indicators*
- (2) MySBSE Identity Theft Website at <http://mysbse.web.irs.gov/exam/tip/identitytheft/default.aspx>

Table 1 Form 4442 Instructions—No TC 300 Posted to Master File (MF)

IF the victim ...	And...	Then...
Does not have a filing requirement	A TC 150 is on the victim’s module due to the bad return	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Victim does not have a filing requirement. • Reverse the TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. <u>Mary.Doe@irs.gov</u>] when the account corrections are complete. <p>(2) Send the completed Form 4442 Package to the DITA team for processing using Form 3210.</p> <p>Note: Disposition of the administrative file depends on whether or not the case contains a reopened tax year. See paragraph (4) below.</p> <p>(3) Follow RGS instructions in Part 1, Section 2, paragraph 2(a) of this attachment.</p> <p>(4) The steps used to delete the AIMS/ERCS record and close each return in the case from the group will depend on whether or not the return was reopened.</p> <ul style="list-style-type: none"> • Follow the steps outlined in Part 1 Section 5 for returns that have not been reopened. • Follow the steps outlines in Part 1 Section 6 for the returns that have been reopened. <p>Note: If an examiner has a case with both reopened and non-reopened returns, the examiner will split the case into two separate administrative files and follow the procedures applicable for each return type.</p>
Has a filing requirement and the secured delinquent return will be accepted as filed (no examination warranted)	A TC 150 is on the victim’s module due to the bad return	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will accept the victim’s secured delinquent return as filed and assess it using Form 4549, <i>Income Tax Examination Changes</i>. • Reverse TC 150 — return information, wages, withholding, credits, tax, and

Table 1 Form 4442 Instructions—No TC 300 Posted to Master File (MF)

IF the victim ...	And...	Then...
		<p>refunds for the bad return, including any interest and penalties.</p> <ul style="list-style-type: none"> • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. Mary.Doe@irs.gov] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p> <p>Reminder: Do not forward the victim’s secured delinquent return or the administrative file to DITA.</p> <p>(3) Follow the <u>Secured Delinquent Return (Victim)</u>—Accepted as Filed Case Procedures per Part 1, Section 3 of this attachment.</p> <p>(4) See Part 1 Section 2 paragraph 2(b) of this memo for RGS instructions.</p> <p>(5) After receiving email confirmation from DITA that the bad return data has been reversed, close the case to CCP.</p>
<p>Has a filing requirement and the secured delinquent return will not be accepted as filed (examination warranted)</p>	<p>A TC 150 is on the victim’s module due to the bad return</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will proceed with the audit of the victim’s secured delinquent return. • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. Mary.Doe@irs.gov] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p> <p>Reminder: Do not forward the victim’s secured delinquent return or the administrative file to DITA.</p> <p>(3) While the reversals for the bad return data are being processed by DITA, the examiner should continue with the examination of the victim’s return.</p>

Table 1 Form 4442 Instructions—No TC 300 Posted to Master File (MF)

IF the victim ...	And...	Then...
		(4) See Part 1 Section 2 paragraph 2(c) of this memo for RGS instructions.
<p>Has a duplicate return posted on his or her account and the return filed by the victim does not warrant examination</p>	<p>The following two conditions are met:</p> <p>(1) A TC 150 is on the victim’s module due to the bad return</p> <p>(2) A TC 976 (duplicate return indicator) is on the account for the victim’s return that posted after the bad return</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will not be proceeding with the audit of the victim’s return. • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Post the victim’s TC 976 return as the original return. • Inform the examiner by secure email at [insert examiner’s full email address, e.g. Mary.Doe@irs.gov] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p> <p>(3) The steps used to delete the AIMS/ERCS record and close each return in the case from the group will depend on whether or not the return was reopened.</p> <ul style="list-style-type: none"> • Follow the steps outlined in Part 1 Section 5 for returns that have not been reopened. • Follow the steps outlines in Part 1 Section 6 for the returns that have been reopened. <p>Note: If an examiner has a case with both reopened and non-reopened returns, the examiner will split the case into two separate administrative files and follow the procedures applicable for each return type.</p> <p>(4) See Part 1 Section 2 paragraph 2(a) of this memo for RGS instructions.</p>
<p>Has a duplicate return posted on his or her account and the victim’s return warrants examination</p>	<p>The following two conditions are met:</p> <p>(1) A TC 150 is on the victim’s module due to the bad return</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will proceed with the audit of the victim’s return; DITA should not post and process the victim’s TC 976 return when making the reversals. • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties.

Table 1 Form 4442 Instructions—No TC 300 Posted to Master File (MF)

IF the victim ...	And...	Then...
	<p>(2) A TC 976 (duplicate return indicator) is on the account for the victim's return that posted after the bad return</p>	<ul style="list-style-type: none"> • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner's full email address, e.g. <u>Mary.Doe@irs.gov</u>] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210. Do not send the administrative file to DITA.</p> <p>(3) While the reversals for the bad return data are being made, the examiner should:</p> <ul style="list-style-type: none"> • Continue with the examination of the victim's return. • Follow Part 1 Section 4—Secured Delinquent Return (Victim) Warrants Examination Case Procedures. • Use a TRDBV print to obtain the figures for the victim's TC 976 return. <p>(4) See Part 1 Section 2 paragraph 2(c) of this memo for RGS instructions.</p>

Table 2 Form 4442 Instructions—TC 300 Posted to Bad Return on Master File (MF)

IF the victim	And...	Then...
Does not have a filing requirement	<p>The following two conditions are met:</p> <p>(1) A TC 150 is on the victim’s module due to the bad return</p> <p>(2) Audit codes are posted on the victim’s account due to the audit of the bad return (TC 420, TC 300, etc.)</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Victim does not have a filing requirement. • Reverse the TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Reverse the TC 300 assessed amount from the bad return audit, including interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. <u>Mary.Doe@irs.gov</u>] when the account corrections are complete. <p>(2) Send the completed Form 4442 Package to the DITA team for processing using Form 3210.</p> <p>Note: Disposition of the administrative file depends on whether or not the case contains a reopened tax year. See paragraph (4) below.</p> <p>(3) Follow RGS instructions in Part 1, Section 2, paragraph 2(a) of this attachment.</p> <p>(4) The steps used to delete the AIMS/ERCS record and close each return in the case from the group will depend on whether or not the return was reopened.</p> <ul style="list-style-type: none"> • Follow the steps outlined in Part 1 Section 5 for returns that have not been reopened. • Follow the steps outlines in Part 1 Section 6 for the returns that have been reopened. <p>Note: If an examiner has a case with both reopened and non-reopened returns, the examiner will split the case into two separate administrative files and follow the procedures applicable for each return type.</p>
Has a filing requirement and the secured delinquent return will be accepted as filed (no examination warranted)	<p>The following two conditions are met:</p> <p>(1) A TC 150 is on the victim’s module due to</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will accept the victim’s secured delinquent return as filed and assess it using Form 4549, <i>Income Tax Examination Changes</i>. • Reverse TC 150—return information, wages, withholding, credits, tax, and

Table 2 Form 4442 Instructions—TC 300 Posted to Bad Return on Master File (MF)

IF the victim	And...	Then...
	<p>the bad return</p> <p>(2) Audit codes are posted on the victim’s account due to the audit of the bad return (TC 420, TC 300, etc.)</p>	<p>refunds for the bad return, including any interest and penalties.</p> <ul style="list-style-type: none"> • Reverse the TC 300 assessed amount from the bad return audit, including interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. Mary.Doe@irs.gov] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p> <p>Reminder: Do not forward the victim’s secured delinquent return or the administrative file to DITA.</p> <p>(3) Follow the <u>Secured Delinquent Return (Victim)</u> —Accepted as Filed Case Procedures per Part 1, Section 3 of this attachment.</p> <p>(4) See Part 1 Section 2 paragraph 2(b) of this memo for RGS instructions.</p> <p>(5) After receiving email confirmation from DITA that the bad return data has been reversed, close the case to CCP.</p>
<p>Has a filing requirement and the secured delinquent return will not be accepted as filed (examination warranted)</p>	<p>The following two conditions are met:</p> <p>(1) A TC 150 is on the module due to the bad return</p> <p>(2) Audit codes are posted on the victim’s account due to the audit of the bad return (TC 420, TC 300, etc.)</p>	<p>(1) Use the language below in Part III Section B of Form 4442:</p> <ul style="list-style-type: none"> • Exam will proceed with the audit of the victim’s secured delinquent return. • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties and TC 300 amount from prior audit. • Reverse the TC 300 assessed amount from the bad return audit, including interest and penalties. • Address any payments or credits on the account belong to the true SSN owner (victim). • Inform the examiner by secure email at [insert examiner’s full email address, e.g. Mary.Doe@irs.gov] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p>

Table 2 Form 4442 Instructions—TC 300 Posted to Bad Return on Master File (MF)

IF the victim	And...	Then...
		<p>Reminder: Do not forward the victim’s secured delinquent return or the administrative file to DITA.</p> <p>(3) While the reversals for the bad return data are being processed by DITA, the examiner should continue with the examination of the victim’s return.</p> <p>(4) See Part 1 Section 2 paragraph 2(c) of this memo for RGS instructions.</p>
<p>Has a duplicate return posted on his or her account and the victim’s return does not warrant examination</p>	<p>The following three conditions are met:</p> <p>(1) A TC 150 is on the victim’s module due to the bad return</p> <p>(2) A TC 976 (duplicate return indicator) is on the account for the victim’s return</p> <p>(3) Audit codes are posted on the victim’s account due to the audit of the bad return (TC 420, TC 300, etc.)</p>	<p>(1) Use the language below in Part III, Section B of Form 4442:</p> <ul style="list-style-type: none"> • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Reverse the TC 300 assessed amount from the bad return audit, including interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Post the victim’s TC 976 return as the original return. • Inform the examiner by secure email at [insert examiner’s full email address, e.g. <u>Mary.Doe@irs.gov</u>] when the account corrections are complete. <p>(2) Send the completed Form 4442 package to the DITA team for processing using Form 3210.</p> <p>(3) The steps used to delete the AIMS/ERCS record and close each return in the case from the group will depend on whether or not the return was reopened.</p> <ul style="list-style-type: none"> • Follow the steps outlined in Part 1 Section 5 for returns that have not been reopened. • Follow the steps outlines in Part 1 Section 6 for the returns that have been reopened. <p>Note: If an examiner has a case with both reopened and non-reopened returns, the examiner will split the case into two separate administrative files and follow the procedures applicable for each return type.</p> <p>(4) See Part 1 Section 2 paragraph 2(a) of this memo for RGS instructions.</p>

Table 2 Form 4442 Instructions—TC 300 Posted to Bad Return on Master File (MF)

IF the victim	And...	Then...
<p>Has a duplicate return posted on his or her account and the victim's return warrants examination</p>	<p>The following three conditions are met:</p> <ul style="list-style-type: none"> (1) A TC 150 is on the victim's module due to the bad return (2) A TC 976 (duplicate return indicator) is on the account for the victim's return (3) Audit codes are posted on the victim's account due to the audit of the bad return (TC 420, TC 300, etc.) 	<ul style="list-style-type: none"> (1) Use the language below in Part III Section B of Form 4442: <ul style="list-style-type: none"> • Exam will proceed with the audit of the victim's return and that DITA should not process or post the victim's TC 976 return when making the reversals. • Reverse TC 150—return information, wages, withholding, credits, tax, and refunds for the bad return, including any interest and penalties. • Address any payments or credits on the account that belong to the true SSN owner (victim). • Reverse the TC 300 assessed amount from the bad return audit, including interest and penalties. • Inform the examiner by secure email at [insert examiner's full email address, e.g. <u>Mary.Doe@irs.gov</u>] when the account corrections are complete. (2) Send the completed Form 4442 package to the DITA team for processing using Form 3210. Do not send the administrative file to DITA. (3) While the reversals for the bad return data are being made, the examiner should: <ul style="list-style-type: none"> • Continue with the examination of the victim's return. • Follow Part 1 Section 4—Secured Delinquent Return (Victim) Warrants Examination Case Procedures • Use a TRDBV print to obtain the figures for the victim's TC 976 return. (4) See Part 1 Section 2 paragraph 2(c) of this memo for RGS instructions.