

IRM PROCEDURAL UPDATE

DATE: 06/17/2014

NUMBER: PGLD-10-0614-1012

SUBJECT: IMF Identity Theft Indicator Action Code (AC) 522

AFFECTED IRM(s)/SUBSECTION(s): 10.5.3

CHANGE(s):

IRM 10.5.3.1.1 Definitions of Key Identity Protection Terms moved to IRM 10.5.3.2, IMF identity Theft Procedures and Definition for clarity and added the IMF-Identity Theft Definition. Renumbered the next sections accordingly.

1. This subsection of IRM 10.5.3 is specific to resolving Individual Masterfile (IMF) accounts.
2. **Identity Theft-** A fraud that is committed or attempted, using a person's identifying information without authority.

EXAMPLE: Identity Theft: In 2010, the taxpayer filed his own return and did not use a preparer. However, unbeknownst to the taxpayer, the preparer he used in 2009, filed a return using the victim's SSN without his permission. In 2010, the taxpayer was a victim of identity theft.

CAUTION: Do not confuse preparer misconduct with identity theft.

3. **Preparer Misconduct:** Return Preparer misconduct generally involves the orchestrated preparation and filing of false income tax returns (in either paper or electronic form) by unscrupulous preparers who may claim, for example:
 - o Inflated personal or business expenses;
 - o False deductions;
 - o Unallowable credits;
 - o Excessive exemptions; or
 - o Fraudulent tax credits such as the Earned Income Tax Credit (EITC).

The preparer's clients may or may not have knowledge of the false expenses, deductions, exemptions and/or credits shown on their tax returns.

EXAMPLE: Preparer Misconduct: A taxpayer used a preparer in 2009 to prepare and file Form 1040. The preparer changed the return by increasing the withholding tax claimed and diverted the resulting refund into the

preparer's personal account. This is preparer misconduct, do not place an identity theft tracking indicator on the 2009 tax year.

NOTE: Refer to your functional IRM for guidance on resolving preparer misconduct cases.

4. **Personally Identifiable Information (PII).** The definition of personally identifiable information is provided by OMB 07-16 . For further information about PII, see the Privacy, Governmental Liaison, Disclosure (PGLD) web page called PII - What is personally identifiable information? .
5. **Incident** - Throughout this IRM, the term "incident" refers to an occurrence or event involving identity theft as it applies to a specific tax year(s) as reported by the taxpayer.
6. For a full listing of Identity Protection terms, see Exhibit 10.5.3-1, *Glossary of Identity Protection Terms and Definitions*.

IRM 10.5.3.2.1, IMF- Identity Theft Research updated requirement to research for prior AC 50X.

1. Research should be performed and documented prior to reaching a final determination of identity theft. Research using Command Codes (CC) ENMOD, IMFOL, RTVUE, NAMES, INOLE, DUPOL, FFINQ, REINF, and IRPTR.

CAUTION: Consult your functional IRM for research requirements when resolving identity theft cases as the following list is not all inclusive.

- a. Research the TIN (valid and invalid) to determine if there was a mixed entity or scrambled case in prior years, and to locate any possible cross-reference TIN.

NOTE: Research Real-Time System (RTS) in addition to IDRS research of CCs for Individual Tax Identification Numbers (ITIN). See IRM 3.21.263.8.1.2, Accessing and Logging onto ITIN RTS and IRM 3.21.263.8.4, Researching the ITIN RTS.

CAUTION: See IRM 21.6.2, Adjusting TIN-Related Problems for additional information.

- b. Review all returns for the year(s) involved (including returns filed at other sites AND electronic filed returns). When applicable, utilize SCFTR Service Center Control File (SCCF) as a part of your research. For ITIN cases, use EUP/RTS to locate DLNs to request any relevant original Form W-7 application documents.

NOTE: Prior to ordering returns from files, hard copy MFTRA prints, and NUMIDENT use CC RTVUE, TRDBV etc. to case build.

Unnecessary ordering of returns, MFTRAs and NUMIDENTs may delay case resolution.

- c. Search returns, schedules, and forms for a different TIN. Research spouse and dependent information whenever available.
- d. Compare all documents and return information for:
 - Name
 - Social Security Number
 - Address
 - Occupation
 - Exemptions
 - Signatures (except for e-filed returns when a signature is unavailable)
 - Similar tax data
 - Forms W-2, etc.
 - Marital status changes
 - Tax preparer
- e. If you cannot locate a valid TIN for each taxpayer, and the common number (the taxpayer identification number used by the victim and the perpetrator) is an SSN, request MFTRA, type U, to obtain NUMIDENT information.
- f. Search returns and entity modules for indications of identity theft such as identity theft documentation attached to the return or a previously posted TC 971 with Action Code (AC) 50X or TC 971 with Action Code 522.

CAUTION: Inadequate authentication of the identity of a caller could result in an unauthorized disclosure of return or return information. Refer to IRM 21.1.3.2.3, Required Taxpayer Authentication and IRM 21.1.3.2.4, Additional Taxpayer Authentication.

IRM 10.5.3.2.5, Initial Allegation or Suspicion of Tax-Related identity Theft - Identity Theft Indicators added In situations where the taxpayer is reporting multiple tax years affected by identity theft, beginning July 1, 2014 there will be only one TC 971 AC 522 (PNDCLM or IRSID) applied to the taxpayer's entity module. The secondary date on command code REQ77 will reflect the tax year of the incident or if multiple years are affected, the earliest tax year involved. Also added an IF/Then Decision Table to clarify processes.

1. An initial allegation or suspicion of identity theft can be recognized by either the taxpayer or the service. PGLD developed tracking indicators to mark taxpayer accounts when the identity theft incident is initially alleged or suspected.
2. Two Tax Administration Source codes were developed to track cases as they are initially identified:

- a. **TC 971 AC 522 PNDCLM** - for taxpayer initiated allegations of identity theft.
- b. **TC 971 AC 522 IRSID** - for IRS initiated suspicions of identity theft.

REMINDER: TC 971 AC 522 does not provide taxpayer protections or prevent future occurrences of identity theft. This code is used to identify potential identity theft cases.

- 3. Prior to marking an account with TC 971 AC 522 PNDCLM or IRSID research ENMOD/IMFOLE to ensure the account has not already been marked. **If the coding already exists, do not input a second code.**

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- 4. Taxpayer entity modules can accommodate a limited number of transactions. Due to the entity limitations, we must also limit the number of TC 971 AC 522s applied to the account. In situations where the taxpayer is reporting multiple tax years affected by identity theft, beginning July 1, 2014 there will be only one TC 971 AC 522 (PNDCLM or IRSID) applied to the taxpayer's entity module. The secondary date on command code REQ77 will reflect the tax year of the incident or if multiple years are affected, the earliest tax year involved. If there is an existing TC 971 AC 522 PNDCLM or IRSID refer to the table below:

Table 1: When to apply an ID theft Indicator

IF	THEN
Your BOD or Function differs from that of the existing TC 971 AC 522 PNDCLM, NODCRQ, or IRSID EXAMPLE: There is an existing TC 971 AC 522 PNDCLM input by WI FA. You are located in SBSE Compliance. REMINDER: NODCRQ is no longer a valid Tax Administration Source Code.	Do not apply another indicator. For additional information regarding multiple tax years, refer to IRM 10.5.3.2.5.1
You would have selected a	Do not apply another indicator.

IF	THEN
<p>different Tax Administration Code than was selected by the initial function receiving the documents.</p> <p>EXAMPLE: There is a TC 971 AC 522 IRSID and you would have input a PNDCLM</p>	<p>For additional information regarding multiple tax years, refer to IRM 10.5.3.2.5.1</p>
<p>There is an existing unreversed TC 971 AC 522 PNDCLM or IRSID and you determine the identity theft affected a tax year earlier than what is reflected on ENMOD.</p> <p>EXAMPLE: There is a TC 971 AC 522 PNDCLM for TY 2012 and you determine that TY 2011 was also affected by ID theft.</p>	<p>Do not apply another PNDCLM or IRSID.</p> <p>Leave a history on ENMOD using Command Code Acton, documenting the earlier tax year: "PNDCLM2011". If you use AMS, you will also leave a history on AMS.</p>

5. Do not apply the AC 522 PNDCLM or IRSID to the SSN of a taxpayer when an **ITIN taxpayer reports** the misuse of the SSN. See IRM 10.5.3.2.9 (1) (d) Note, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, Documentation Provided.

EXAMPLE: In the course of performing an audit, the employee identifies an ITIN taxpayer has been working under the SSN belonging to another individual. The SSN owner is unaware of the misuse of his SSN. Do not apply the AC 522 to the commonly used SSN.

6. All identity theft affected accounts will require resolution and the application of a closing identity theft marker (TC 971 AC 501 or TC 971 AC 506), as applicable.

IRM 10.5.3.2.5.1 Taxpayer Initiated Allegations of Identity Theft - Pending Claim Identity Theft TC 971 AC 522

PNDCLM added direction to not input more than one TC 971 AC 522 PNDCLM per entity module. If, however the taxpayer is reporting identity theft and the account reflects a reversed TC 971 AC 522 PNDCLM , a new TC 971 AC 522 PNDCLM may be appropriate. Added caution Command Code REQ77 will not accept a tax year that exceeds eight years old from the current date. Refer to IRM 10.5.3.2.5(4), Initial Allegation or Suspicion of Tax-Related identity Theft - Identity Theft Indicators for additional information.

1. In situations where the taxpayer or the taxpayer's authorized representative as defined in IRM 21.3.7.5, Form 2848, Power of Attorney and Declaration of Representative, and Form 8821, Taxpayer Information Authorization Overview, makes an allegation of identity theft, employees will mark the entity account, using Command Code (CC) REQ77 initiated from ENMOD to input a TC 971 AC 522 reflecting a Tax Administration Source Code PNDCLM, if none already exists. See Exhibit 10.5.3–12, for additional information.

EXAMPLE: Taxpayer calls the IRS on March 13, 2011, regarding a CP 2000 notice for 2009. He states he did not earn the income reported nor did he reside in the state in which the income was earned. He suspects he may be a victim of identity theft. He has not experienced a previous identity theft issue. He is concerned that someone may be using his SSN without his permission for employment purposes and just recently, he received a notice from SSA cutting his benefits due to income reported for 2010 in which the taxpayer had no income. The Customer Service Representative (CSR) reviews the account and finds no prior identity theft indicators have been applied. The employee will input a TC 971 AC 522 PNDCLM initiating an identity theft case for the 2009 tax year and input a history to reflect the TY 201 allegation as well: H, "PNDCLM2010".

REMINDER: If the taxpayer is alleging identity theft on more than one tax year, input AC 522 PNDCLM for the earliest tax year affected by identity theft. Remember to leave a history on ENMOD using Command Code ACTON reflecting the additional tax years affected by identity theft. Refer to IRM 10.5.3.2.5, Initial Allegation or Suspicion of Tax-Related identity Theft - Identity Theft Indicators.

2. When a taxpayer asserts identity theft, request the taxpayer provide identity theft supporting documentation. See IRM 10.5.3.2.6, *Overview - Identity Theft Supporting Documentation*.

CAUTION: When a taxpayer files a return with identity theft documentation attached, Submission Processing (SP) Code and Edit employees will edit an SPC 8 on the paper return. The SPC 8 is transcribed and generates a TC 971 AC 522 WI SP PNDCLM. Beginning in 2014, the SPC 8 will generate an acknowledgement letter advising the taxpayer that the Service received his/her documents. The TC 971 AC 522 input to reflect complete and legible documents were received is not input until the documents have been reviewed by the assigned function. refer to IRM 10.5.3.2.6, *Overview - Identity Theft Supporting Documentation*

3. There will be only one TC 971 AC 522 PNDCLM per entity module.

EXAMPLE: Taxpayer calls IRS on May 15, 2011, claiming to be a victim of identity theft for a 2008 audit assessment. The Customer Service Representative (CSR) requests the taxpayer respond to examination with identity theft supporting documentation and applies the TC 971 522 PNDCLM

to the 2008 account. On September 12, 2011, the taxpayer calls IRS claiming to be a victim of identity theft for the same 2008 audit assessment. The CSR reviews the account and finds there is no open IDRS controls and there is an un-reversed 522 PNDCLM. The CSR will follow IRM procedures for resolving the call. The CSR will **not** input another 522 PNDCLM as one is already present on the entity.

4. Do not input more than one TC 971 AC 522 PNDCLM per entity module. If, however the taxpayer is reporting identity theft and the account reflects a reversed TC 971 AC 522 PNDCLM, a new TC 971 AC 522 PNDCLM will be appropriate.

EXAMPLE: A taxpayer alleging identity theft contacted IRS on February 2, 2012 regarding tax year 2009. The employee requested supporting documentation from the taxpayer. On May 1, 2012, the employee input a TC 972 AC 522 NORPLY as the taxpayer did not provide the documentation requested. On June 3, 2012, the taxpayer provided the requested documents. The employee input a new TC 971 AC 522 PNDCLM and a TC 971 AC 522 to reflect receipt of documentation.

5. If, at the time of case closure you find the Entity module has not been flagged with a TC 971 AC 522 PNDCLM, do not input this code at closing. Close the identity theft issue with TC 971 AC 50X, as appropriate.

IRM 10.5.3.2.5.2, IRS Initiated Suspicion of Identity Theft - TC 971 AC 522 IRSID added note if there is already an unreversed TC 971 AC 522 IRSID or PNDCLM do NOT input TC 971 AC 522 IRSID. Revised section, not to input more than one TC 971 AC 522 IRSID per entity module. Added requirement to leave an IDRS history if additional tax years are affected by ID theft.

1. In situations where the IRS suspects identity theft may have occurred, employees will mark the entity account, using Command Code (CC) REQ77 initiated from ENMOD to input a TC 971 AC 522 reflecting a Tax Administration Source Code IRSID, and the tax year of the identity theft incident if none already exists. See IRM Exhibit 10.5.3 -12, *TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Suspicion and Supporting Documents)*, for additional information.

REMINDER: If you suspect identity theft on more than one tax year, input TC 971 AC 522 IRSID for the earliest tax year affected by identity theft. Remember to leave a history on ENMOD using Command Code ACTON reflecting the additional tax years affected by identity theft. Refer to IRM 10.5.3.2.5, *Initial Allegation or Suspicion of Tax-Related identity Theft -*

Identity Theft Indicators.

CAUTION: If the taxpayer has already self-identified as an ID theft victim, do not input TC 971 AC 522 IRSID.

2. Apply the TC 971 AC 522 IRSID when you initially suspect ID theft may have occurred. Post filing Compliance programs should not enter TC 971 AC 522 IRSID until after the taxpayer has had an opportunity to respond to the IRS notice/letter.

REMINDER: If there is already an unreversed TC 971 AC 522 IRSID or PNDCLM do **NOT** input TC 971 AC 522 IRSID.

3. Do not input more than one TC 971 AC 522 IRSID per entity module.

EXAMPLE: Accounts Management, while working a duplicate filing condition for the 2010 tax year, suspects an identity theft incident may have occurred. The TC 976 return appears to have been filed by the SSN owner at the address of record for many years. The TC 150 reflects income not supported by IRPTR, suspicious dependents and a different address from prior year filings. The CSR will review ENMOD/IMFOLE for an unreversed TC 971 PNDCLM or IRSID. If none are present, the CSR will input a TC 971 AC 522 IRSID initiating an identity theft case and follow their IRM procedures to resolve their case. If ID theft is suspected in an additional tax year, leave a history item for example for 2011 H, "IRSID2011".

4. PGLD considers an account with a TC 971 AC 522 IRSID and no subsequent TC 971 AC 506 (indicating a completely resolved account) an open identity theft case. Subsequently, if the case is deemed NOT to be identity theft, see IRM 10.5.3.2.7, Reversing Pending Identity Theft Claims - TC 972 AC 522 NORPLY or NOIDT.
5. If, at the time of case closure you find the Entity module has not been flagged with a TC 971 AC 522 IRSID, do not input this code at closing. Close the identity theft issue with TC 971 AC 50X, as appropriate

IRM 10.5.3.2.6 Overview - Identity Theft Supporting

Documentation revised and clarified: Supporting documentation covers more than one tax year. The taxpayer does not need to submit documents for each year affected by identity theft. Only one TC 971 AC 522 reflecting documentation receipt is applied even if two or more years are effected by identity theft. The earliest tax year affected by identity theft will be input in the Secondary Date Field on command code REQ77. Added an If/Then decision table to clarify processes.

1. Taxpayers will notify the IRS when they believe they may have experienced an identity theft incident. In these instances, taxpayers alleging to be victims of identity theft will be required to provide documentation to substantiate identity theft incidents as detailed below:

NOTE: In situations where the taxpayer initially asserts identity theft and provides supporting documents at the same time, mark the account with one TC 971 AC 522 reflecting receipt of documentation using the appropriate Tax Administration Source Code (INCOME, MULTFL, INCMUL, OTHER, or NOFR).

- a. **Authentication of Identity** - a copy of a valid U.S. federal or state government issued form of identification (examples include a driver's license, state identification card, social security card, or passport).

NOTE: IRS no longer accepts Puerto Rican birth certificates issued before July 1, 2010, due to new laws by the Government of Puerto Rico. Taxpayers with birth certificates issued before this date must get new documentation from the Puerto Rico Vital Statistics Record Office.

- b. **Evidence of Identity Theft** - a copy of a police report or Form 14039, IRS Identity Theft Affidavit.

NOTE: The IRS affidavit, Form 14039, is accepted from taxpayers in support of an allegation of identity theft. This form collects only the information necessary for taxpayers to attest to the IRS that they either have experienced or are at risk of harm from identity theft. IRS only accepts the IRS affidavit or a police report for substantiation purposes. The IRS affidavit is also available in Spanish, Form 14039 SP.

NOTE: When taxpayers contact the IRS indicating they have lost their wallet, experienced suspicious activity on their credit report, or have a tax related issue, IRS employees should direct them to complete Form 14039. As a reminder, this is **not necessary** if they have already obtained a police report. The police report is a valid form of identity theft substantiation. *Taxpayers who submit police reports should not be directed to complete an IRS affidavit.* Requirements for proof of identity (in addition to documentation substantiating identity theft) remain the same.

2. **Form 14039** is used to report both tax-related and non-tax related identity theft issues. The Form 14039 can be filed by either mail or fax following the instructions provided on the second page of the Form 14039.

Table 2: When to collect identity theft documentation

IF the taxpayer alleges identity theft and	THEN
The taxpayer was unable to	Advise the taxpayer to attach Form

IF the taxpayer alleges identity theft and	THEN
file his/her return electronically because the primary and/or secondary SSN was misused	14039 and documentation to the back of his/her paper return and submit all to the IRS location where he/she normally files.
The taxpayer already filed a paper return	Advise the taxpayer to submit the Form 14039 and documentation to the IRS location where he/she normally files.
The taxpayer is responding to a letter or notice he/she received	Advise the taxpayer to submit Form 14039 and documentation with a copy of the notice or letter to the address contained in the notice or letter.
Does not have a tax related issue	Advise the taxpayer to mail the Form and documentation to Internal Revenue Service PO. Box 9039 Andover, MA 01810-0939 Or fax the Form to (855) 807-5720.

NOTE: See IRM 10.5.3.2.6.2, Complete and Legible Documents for additional information.

3. If taxpayers do not provide supporting documentation when requested, proceed with case resolution assuming the taxpayer is not an identity theft victim. See IRM 10.5.3.2.7, Reversing Pending Identity Theft Claims - TC 972 AC 522 NORPLY or NOIDT.
4. Supporting Documentation can be accepted from the taxpayer or someone who has power of attorney for the taxpayer (e.g., Form 2848, Power of Attorney and Declaration of Representative). Form 14039 requires a signature of the taxpayer or representative of taxpayer. See IRM 10.5.3.2.6.2, Complete and Legible Documents for additional information.
5. Documents must be secured and handled in the same manner as other sensitive taxpayer information. Form 14039 retention will follow case retention procedures of the function working the case.
6. The business unit function that is assigned the identity theft case (relevant open control) or issued the notice/letter relating to the identity theft (CP 2000, Audit Notice, Letter 239C, etc.) is responsible for collecting supporting documentation in a timely, accurate, and secure manner, if applicable.
7. The individual receiving Form 14039, the police report, or correspondence alleging identity theft will acknowledge receipt within 30 days of the IRS received date.

Table 3: Closing your case when taxpayer documents were not previously acknowledged

If	And	Then
If the 30 day window for acknowledging receipt of the taxpayer documents has passed.	You will be closing the case before the end of the next business day	Do not issue a documentation acknowledgement letter. The closing contact will serve as both an acknowledgement of receipt of the taxpayer's documents and the closing contact.

CAUTION: Exercise caution when acknowledging receipt of documentation by mail. The address on Form 14039 may be different from the address on ENMOD.

NOTE: Taxpayer notification does not apply to employees securing documentation face to face from the taxpayer.

8. After the receipt of the taxpayer's documentation, IRS will need to research the case to verify the taxpayer's claim. If it is later determined that identity theft did not occur, reverse the TC 971 AC 522 (see IRM Exhibit 10.5.3-13 TC 972 AC 522 - Reversal of the TC 971 AC 522).

NOTE: A systemic notification letter that the substantiation is received is not sent to the taxpayer when an AC 522 is input. Refer to your functional IRM for the specific letter your function will use to notify the taxpayer that Form 14039 was received by the IRS. However, a systemic notification letter is sent once the case is resolved and the TC 971 AC 501 is applied to the taxpayer's account.

9. Taxpayer accounts displaying a TC 971 AC 522 with any one of the following Tax Administration Source Codes:
 - INCOME
 - INCMUL
 - MULTFL
 - NOFR
 - OTHER

indicate the taxpayer provided complete and legible documentation supporting identity theft for a specific tax year. See IRM 10.5.3.2.6.3, Marking Taxpayer Accounts When Accepting Identity Theft Supporting Documents.

CAUTION: This excludes accounts marked with a TC 971 AC 522 reflecting "PPDS" as the BOD, "OPIP" as the Program, and "OTHER" as the Tax Administration Code.

CAUTION: The submission of Form 14039 by a claimant is not proof of identity theft. Identity theft is determined only after reviewing pertinent case facts and circumstances.

10. A taxpayer is required to provide supporting documentation to the IRS only once within the three year period. Any business unit that requires supporting documentation for an identity theft incident should use this documentation.

EXAMPLE: A taxpayer provides supporting documentation to Automated Underreporter (AUR). The next year, Automated Collection System (ACS) receives a call from the taxpayer about a balance due notice and indicates he or she does not owe because of identity theft related to the same incident reported to AUR. The taxpayer does not need to submit supporting documentation again.

11. Supporting documentation is valid for a period of three years from the date IRS receives and processes the documentation. If the taxpayer experiences a new identity theft incident after that period, the taxpayer will need to submit new supporting documentation.

EXAMPLE: A taxpayer provides supporting documentation to the IRS in March 2007. The taxpayer contacts IRS in 2012 with a new incident of identity theft. The taxpayer would need to provide IRS with new supporting documentation.

EXAMPLE: A taxpayer's wallet was stolen in 2009. He reported the incident to the IRS in June 2009 and provided supporting documentation. His account was marked with a TC 971 AC 504. In March 2012, the taxpayer contacts the IRS because someone else filed using his SSN. The taxpayer does NOT need to provide new supporting documentation as the current incident is within the 3 year period.

NOTE: If the documents provided by the taxpayer were received more than three years ago but you are able to make a determination of identity theft using internal resources, do not request new documentation.

NOTE: If the documentation received date is different from the processing date (TC 971 AC 522 date), use the most current to begin the 3 year period.

12. Supporting documentation covers more than one tax year. The taxpayer does not need to submit documents for each year effected by identity theft. Only one TC 971 AC 522 reflecting documentation receipt is applied even if two or more years are effected by identity theft. The earliest tax year affected by identity theft will be input in the Secondary Date Field on command code REQ77.

EXAMPLE: In April 2010, the taxpayer received an AUR notice for his 2008 tax account. The taxpayer suspects he may be a victim of identity theft because he was unable to electronically file his 2009 return (someone had already filed under his SSN). The taxpayer provides supporting documentation to the IRS in May 2010 for the years 2008 and 2009. The TC 971 AC 522 indicating documents were received will reflect tax year 2008 (the earliest tax year affected).

If there is an existing TC 971 AC 522 with any of the following Tax Administration Codes: INCOME, INCMUL, MULTFL, OTHER, or NOFR, refer to the table below:

Table 4: When to apply an identity theft indicator reflecting document receipt

IF	And	THEN
Your BOD or Function differs from that of the existing TC 971 AC 522 INCOME, INCMUL, MULTFL, OTHER, or NOFR	The documents provided by the taxpayer fall within the three-year period as described in IRM 10.5.3.2.6 (11)	<p>Do not apply another indicator.</p> <p>EXCEPTION: If the three year validity date of the TC 971 AC 522 INCOME, INCMUL, MULTFL, OTHER, or NOFR will expire within 6 months of receipt of the new documentation, apply the indicator. Refer to IRM 10.5.3.2.6 (11) for additional information on the expiration of the indicator.</p>
You would have selected a different Tax Administration Code than was selected by the initial function receiving the documents	The documents provided by the taxpayer fall within the three-year period as described in IRM 10.5.3.2.6 (11)	<p>Do not apply another indicator.</p> <p>EXCEPTION: If the three year validity date of the TC 971 AC 522 INCOME, INCMUL, MULTFL, OTHER, or NOFR will expire within 6 months of receipt of the new documentation, apply the indicator. Refer to IRM 10.5.3.2.6 (11) for additional information on the expiration of the indicator.</p>
The taxpayer is claiming two or more years affected by identity theft and one year is a MULTFL and the other is a NOFR		Apply only one TC 971 522 using the Tax Administration Code that pertains to the earliest tax year affected by identity theft. In this example use NOFR indicating document

IF	And	THEN
<p>EXAMPLE: The taxpayer states in TY 2009, he had no income and was not required to file. In TY 2010, he did have a filing requirement and someone else filed a return using his PII.</p>		<p>receipt because the TY 2009 account is the earliest year affected by identity theft.</p> <p>NOTE: Leave a history on ENMOD reflecting the additional tax years affected by identity theft: "IDT2010".</p>
<p>The taxpayer provided documents and ENMOD/IMFOLE contains a TC 971 AC 522 INCOME but the associated year is not the earliest tax year affected by identity theft.</p> <p>EXAMPLE: There is an existing TC 971 AC 522 INCOME for tax year 2012. The taxpayer is reporting identity theft for 2010 as well.</p>		<p>NOTE: Do not apply another indicator. Leave a history on ENMOD reflecting the additional tax years affected by identity theft: "IDT2010".</p>

13. All identity theft affected accounts require resolution and the application of a closing identity theft marker (TC 971 AC 501 or TC 971 AC 506), as applicable.

IRM 10.5.3.2.6.1 When to Request Identity Theft

Supporting Documents added requirement to review ENMOD/IMFOLE to help prevent duplicative (identical) TC 971 AC 522, 501, and 506 entries. Also updated If/Then Decision table to clarify processes.

1. Before requesting supporting documentation review the taxpayer's account (ENMOD/IMFOLE) to determine if a TC 971 (AC 501, 504, 505, 506, or 522) identity theft indicator already exists. If any of these indicators exists, follow the chart below.

REMINDER: Supporting documentation is valid for 3 years. Refer to IRM 10.5.3.2.6 (11) for additional information.

2. Reviewing ENMOD/IMFOLE is necessary to help prevent duplicate (identical) TC 971 AC 522, 501, and 506 entries. While there may be multiple TC 971 AC 501 or AC 506 on an account, each will pertain to different tax year.

Table 5: When to collect supporting taxpayer documentation

IF	AND	THEN
ENMOD/IMFOLE does not reflect any Identity Theft Tracking Indicators	You cannot make an identity theft determination using internal resources	Collect Supporting Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i> .
TC 971 AC 501 is present - Taxpayer initiated tax-related identity theft incident	You cannot make an identity theft determination using internal resources and the documents on file exceed the three year validity period	Collect Supporting Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i>
TC 971 AC 504 with one of the following Miscellaneous Codes indicating taxpayer initiated non-tax-related identity theft incident: <ul style="list-style-type: none"> ○ ACCT ○ BOTH ○ INCOME ○ NKI 	You cannot make an identity theft determination using internal resources and the documents on file exceed the three year validity period.	Collect Supporting Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i>
TC 971 AC 505 is present NOTE: For more information about this indicator, see IRM 10.5.4.5.1.1, Applying Tracking Indicators to IRS Data Loss Incidents	You cannot make an identity theft determination using internal resources	Collect Supporting Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i>
TC 971 AC 506 is	You cannot make	Collect Supporting

IF	AND	THEN
present - IRS initiated tax-related identity theft incident	an identity theft determination using internal resources	Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i>
TC 971 AC 522 with any of the following Administration Source Codes present: <ul style="list-style-type: none"> ○ INCOME ○ MULTFL ○ INCMUL ○ NOFR ○ OTHER ○ NODCRQ <p>NOTE: This excludes accounts marked with a TC 971 AC 522 reflecting "PPDS" as the BOD, "OPIP" as the Program, and "OTHER" as the Tax Administration Code.</p>	The documents are within the three year period	Do not collect documents as the taxpayer has already provided them
TC 971 AC 522 with any of the following Administration Source Codes present: <ul style="list-style-type: none"> ○ IRSID ○ # _____ # 	You cannot make an identity theft determination using internal resources	Collect Supporting Documentation per IRM 10.5.3.2.6, <i>Overview - Identity Theft Supporting Documentation</i>
TC 971 AC 522 PNDCLM is present AND there is NO TC 971 AC 522 indicating document receipt <p>EXCEPTION: Accounts marked with TC 971 AC 522 WI SP PNDCLM. SP inputs the TC 971 AC 522 to reflect document receipt with the return.</p>	You cannot make an identity theft determination using internal resources	Collect Supporting Documentation per IRM 10.5.3.2.67, <i>Overview - Identity Theft Supporting Documentation..</i> <p>NOTE: If the documentation is present on AMS/CIS, do NOT request the taxpayer resubmit the document. However, if no documentation is available and more than</p>

IF	AND	THEN
		<p>45 days has passed since the taxpayer mailed the documents, request the taxpayer to resubmit and annotate AMS.</p> <p>NOTE: If a TC 971 AC 522 WI SP PNDCLM is present, request the original return. Identity theft documents will be attached to the return.</p>

IRM 10.5.3.2.6.2 Complete and Legible Documents updated (3) to include and you can not make a determination using internal resources and research.

3. When the documentation is NOT legible/complete and you can not make a determination using internal resources and research:

Table 6: Actions required when documents are incomplete or illegible

IF	THEN
<p>There is an open control in another function.</p>	<p>Sending Employee</p> <ol style="list-style-type: none"> 1. Input TC 971 AC 522 PNDCLM (if there is already a TC 971 AC 522 PNDCLM, do not input another). 2. Forward the documentation to the employee assigned in the appropriate function. 3. The sending employee will close their control after sending the case to the assigned (receiving) employee.

IF	THEN
	<p>Receiving (Assigned) Employee</p> <ol style="list-style-type: none"> 1. The receiving (assigned) employee will suspend the case and request the taxpayer provide legible and complete documentation within 30 days of the request. 2. If the receiving (assigned) employee does not secure a taxpayer response within 45 days from the date of request, the TC 971 AC 522 PNDCLM will be reversed using TC 972 AC 522 NORPLY 3. The receiving (assigned) employee will close identity theft issue and resolve/address remaining issues as appropriate.
<p>If you have an open case</p> <p>EXCEPTION: AM IPSU employees will begin monitoring process when Multi-Function Criteria is met. Refer to IRM 21.9.2.3.3, Tax-Related Identity Theft (IPSU Toll-Free line CSRs only).</p>	<ol style="list-style-type: none"> 1. Input TC 971 AC 522 PNDCLM (if there is already a TC 971 AC 522 PNDCLM do not input another). 2. Contact the taxpayer and request the taxpayer provide legible and complete documentation within 30 days of the request. 3. If you do not receive a taxpayer response within 45 days from the date of request, reverse TC 971 AC 522 PNDCLM using TC 972 AC 522 NORPLY. 4. Close identity theft issue and resolve/address remaining issues as appropriate.
<p>There is no open control in another function.</p>	<ol style="list-style-type: none"> 1. Input TC 971 AC 522 PNDCLM (if there is already a TC 971 AC 522 PNDCLM do not input another).

IF	THEN
	<ol style="list-style-type: none"> 2. Return the documents to the taxpayer explaining what is needed. 3. Advise the taxpayer to respond with complete legible documents within 30 days of the request. 4. Close identity theft issue and resolve/address remaining issues as appropriate.

NOTE: Exercise caution when contacting the taxpayer by mail. If the address on Form 14039 differs from the address on ENMOD, correspond to the address on Form 14039.

IRM 10.5.3.2.6.3 Marking Taxpayer Accounts When Accepting Identity Theft Supporting Documents added cross-reference to IRM Refer to IRM 10.5.3.2.6 *Overview - Identity Theft Supporting Documentation*.

1. Upon receipt of complete and legible documents, mark the taxpayer's account using Command Code (CC) REQ77 initiated from ENMOD to input a TC 971 AC 522 reflecting an appropriate Tax Administration Source Code depending upon the facts and circumstances of the case. Refer to IRM 10.5.3.2.6, *Overview - Identity Theft Supporting Documentation* and IRM Exhibit 10.5.3-12, *TC 971 AC 522 - Supporting Documentation Received by IRS* for additional information.

REMINDER: Only one TC 971 AC 522 reflecting documentation receipt is applied even if two or more years are effected by identity theft.

2. There are five Tax Administration Source Codes that apply when marking accounts to reflect receipt of acceptable documents.
 - a. **INCOME** - used when income has been reported under the taxpayer's SSN without their consent or knowledge.
 - b. **MULTFL** -used when two or more returns are filed for the same tax period under the same SSN.
 - c. **INCMUL** - used when both INCOME and MULTFL apply.
 - d. **NOFR** - used when the taxpayer is not required to file a return.
 - e. **OTHER** - used when the situation does not fit any Tax Administration Source Code Type.

CAUTION: Review the Form 14039 for the year(s) affected by identity theft. Be sure to include only those years where identity theft is suspected when marking the taxpayer's account.

3. The TC 971 AC 522 (INCOME, MULTFL, INCMUL, NOFR, and OTHER) are only applied to a taxpayer's account when complete and legible supporting documentation has been received by the IRS.
4. After receipt of the taxpayer's documentation, the employee assigned will need to research the case to verify the taxpayer's claim. If it is later determined that identity theft did not occur, reverse the TC 971 AC 522 (see IRM 10.5.3 - 13 TC 972 AC 522 - Reversal of the TC 971 AC 522). Follow your IRM procedures to notify the taxpayer of actions you took to resolve the issues.
5. A systemic notification letter that the supporting documents were received is not sent to the taxpayer when an AC 522 is input. However, a systemic notification letter is sent on some identity theft cases once the case is resolved and the TC 971 AC 501 is input.

IRM 10.5.3.2.6.4 TC 971 AC 522 NODCRQ obsoleted this tax administration source code from future application.

1. Beginning July 1, 2014 Administration Source Code "NODCRQ" is no longer a valid entry. This code has been made obsolete.

IRM 10.5.3.2.8, Closing Identity Theft Issues editorial revision,

1. **Case Closure Analysis:** Perform case closure analysis to ensure all identity theft related issues have been addressed and resolved. **This includes but is not limited to:**

- Review both prior (a minimum of three prior years) and subsequent years for apparent evidence of unresolved identity theft issues;

EXAMPLE: The SSN owner filed for the first time in 2011. A review of the accounts indicates returns were filed for tax years 2009 and 2010. While the taxpayer did not include the tax years 2009 and 2010 on the Form 14039, it is clear that these years were not filed by the SSN owner.

- Release notice or enforcement holds as appropriate;
- Ensure the victim received their appropriate refund; And
- Verify and update the taxpayer's address.

- Refer issues identified during case closure analysis to another function, **ONLY** when you cannot resolve the case within your own function.
 - Correcting the taxpayer's address;
 - Adjusting the account to the taxpayer's figures;
 - Advising the taxpayer of actions taken; and
 - Issuing the taxpayer's correct refund.
2. **Back-End Work** - The following actions are considered back-end work necessary finish case resolution after the identity theft issues are resolved. These actions have no effect on the taxpayer (victim of identity theft).
- Waiting for a perpetrator's return to post to an IRSN; or
 - Transferring an assessment using TC 400 procedures.
3. The input of the AC 50X will not, in every case, coincide with the closing of the control base. There may be additional back-end work to be completed before the control base can be closed. Do not wait until all the additional back-end work is completed before inputting the protective TC 971 AC 501/506 on the taxpayer's account, for example completing TC 400 procedures.

CAUTION: The importance of updating the address prior to inputting the TC 971 AC 501/506 cannot be stressed enough. If the address is not updated appropriately, the victim notification letter will go to the wrong address. In addition, failure to follow the appropriate sequence could result in the Identity Protection Personal Identification Number (IP PIN) being sent to the ID thief instead of the ID theft victim. Refer to IRM 10.5.3.2.156, Identity Protection Personal Identification Number (IP PIN).

The AC 501 cannot be input until the taxpayer is no longer harmed by identity theft issues impacting tax administration. The TC 501 indicates all identity theft tax administration issues have been resolved from the taxpayer's perspective.

EXAMPLE: An identity thief's return posted to the victim's 2010 account first. The victim was expecting a refund for 2010. In 2007, the victim was assessed by exam for underreporting income originating from the identity theft. The victim did not have a filing requirement in 2007. Prior to marking ENMOD with a TC 971 AC 501, the employee assigned **MUST:**

ENSURE the victim's address has been verified and updated on ENMOD.
Adjust the 2010 account to the taxpayer's figures and issue a correct refund to the victim.
Suspend all collection activity.

NOTE: The correction of the 2007 account is considered back-end work. From the taxpayer's perspective, the account is resolved.

4. A case control **must** be maintained until all back-end work is completed.

5. Prior to moving a case into back-end casework, the outstanding issues must be cleared through the PGLD if they are not addressed in 10.5.3.2.8 (3). Your Headquarters representative from your functional area will coordinate with PGLD.
6. The employee assigned the case will close the identity theft issue by marking the account with either a TC 971 AC 501 for taxpayer initiated identity theft supported by taxpayer provided documentation or a TC 971 AC 506 for IRS determined identity theft (no documentation required). These action codes (501 and 506) provide the taxpayer protection against future occurrences of identity theft.

IRM 10.5.3.2.9 Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, Documentation *Provided revised there can be only one TC 971 AC 501 per tax year.*

1. To indicate resolution of a taxpayer initiated identity theft claim supported by documentation, mark the victim's account using Command Code (CC) REQ77 initiated from ENMOD, to input a TC 971 AC 501 reflecting an appropriate Tax Administration Source Code depending upon the facts and circumstances of the case along with the tax year of the identity theft incident. The AC 501 is applied to a taxpayer's account when **all** of the following occur:
 - a. The identity theft incident was taxpayer initiated **and** supported by taxpayer documentation, or the identity theft incident was IRS determined but taxpayer documentation was required to resolve all issues.
 - b. **All** corrective actions have been taken. This includes verifying and updating the taxpayer's address on ENMOD, as applicable (excludes back-end work, see IRM 10.5.3.2.8 (3), Closing Identity Theft Issues.

CAUTION: Marking the account with AC 501 prior to correcting the victim's address may result in the issuance of the victim notification letter to an incorrect address and may allow an identity thief's return to post while the legitimate taxpayer's return will unpost.

NOTE: See IRM 21.6.2.4.2, Multiple Individuals Using the Same TIN.

- c. The taxpayer's identity theft affects tax administration.
- d. **The taxpayer provided complete and legible supporting documentation.**

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- e. Perform case closure analysis to ensure all identity theft related issues have been addressed and resolved. Refer to IRM 10.5.3.2.8, Closing Identity Theft issues.

NOTE: The input of the AC 501 will not, in every case, coincide with the closing of the control base. Refer to IRM 10.5.3.2.8, Closing Identity Theft issues.

- o Verifying and updating the taxpayer's address **MUST** be done before inputting the TC 971 AC 501.
2. TC 971 AC 501 can be input by any business unit delegated the authority and programmed to use this code when closing identity theft issues supported by taxpayer documentation.

EXAMPLE: A taxpayer contacts AUR about a CP 2000 notice. In the course of working the case, AUR determines the taxpayer is a victim of identity theft. The victim provides AUR with supporting documentation. AUR will verify the taxpayer's address, take appropriate action and close the case with a TC 971 AC 501.

3. Generally, there will be only one TC 971 AC 501 per tax year. However, some automated systems are not programmed to look for an existing TC 971 AC 501 for a specified tax year, prior to applying a second indicator and in those instances, a second AC 501 may be applied to an account.
4. If more than one year is affected by identity theft and resolved, the employee will enter the corresponding TC 971 AC 50X for each year.

IRM 10.5.3.2.9.1, Actions Taken After TC 971 AC 501 Placed on Account clarifying when a CP 01 is issued.

1. Notice CP 01, *Identity Theft Claim Acknowledgment*, is used for victim notification on identity theft issues closed with a TC 971 AC 501. CP 01 systemically generates between 2 and 12 posting cycles after the TC 971 AC 501 is input, depending upon when the taxpayer's account adjustment is completed. The CP 01 is issued only once within a three year period.

Table 7: When is a CP01 issued

IF	THEN
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IF	THEN
There are no AC 501 on the taxpayer's entity (ENMOD or IMFOLE).	A CP 01 will be issued to the taxpayer.
The taxpayer's entity (ENMOD or IMFOLE) contains an unreversed TC 971 AC 501 and the CP 01 was issued within the three year period.	A CP 01 will not be issued. You will need to send the taxpayer a closing letter.
<p>EXAMPLE: There is an AC 501 for the 2010 TY input on July 15, 2012. You are resolving the 2012 TY on March 14, 2014. A CP 01 will not be issued.</p>	

CP 01 contains the following information:

- a. Confirmation that the supporting documentation was received and accepted
- b. Information about how the IRS will monitor the taxpayer's account and income tax returns
- c. Information about identity theft prevention and available identity theft-related resources

NOTE: Letter 4445 C, Acknowledgement Notification, was previously used for victim notification for TC 971 AC 501s input through June 30, 2009. Letter 4445 C may be used in those instances where taxpayers indicate they never received Notice CP 01.

NOTE: A Notice CP 01, is not applicable to, and does not systemically generate when a TC 971 AC 506 is applied to a taxpayer's account.

2. The taxpayer should continue to file tax returns each tax year, as appropriate.

3. # [REDACTED]

4. The presence and date of the TC 971 AC 501 on an account should be used as a data point, along with other key information, to make case-related decisions. The existence of the identity theft indicator should not supersede or replace existing procedures for case resolution.

5. # [REDACTED]

IRM 10.5.3.2.10.1.3 Functional Responsibilities Regarding Referrals Meeting TAS Criteria 5-7, Identity Theft Assistance Requests (ITAR) to the IPSU updated (2) Review ENMOD/IMFOLE to determine if the tax year in question entity module has already been marked with a TC 971 AC 522.

2. Review ENMOD/IMFOLE to determine if the entity module has already been marked with a TC 971 AC 522. If the account has not been flagged with an identity theft tracking indicator, mark the account as appropriate. See IRM 10.5.3.2.5, *Initial Allegation or Suspicion of Tax Related identity Theft - Identity Theft Indicators*, and IRM 10.5.3.2.6, *Identity Theft Supporting Documentation*, for assistance in determining the correct identity theft tracking indicator.

IRM 10.5.3.2.10.5, *Identity Theft Identified by Submission Processing* removed reference to 5073C letter and replaced with CP 01S.

1. Submission Processing (SP) inputs TC 971 AC 506 identity theft indicator on the account of a taxpayer, with an unreversed TC 971 AC 501, when the unpostable resolution meets certain conditions. See IRM 10.5.3.2.9.1, *Actions Taken After TC 971 AC 501 Placed on Account*.
2. Additional guidance for procedures used by Submission Processing can be found in the following IRMs:
 - o IRM 3.12.37.14.15, Unpostable Code 147 Reason Code 0
 - o IRM 3.12.37.14.16, Unpostable Code 147 RC 1 and Unpostable Code 147 RC 3
 - o IRM 3.12.179.43.1, UPC 147 RC 1 - Possible Identification Theft Procedures
 - o IRM 3.13.5.65.1, UPC 147 RCs 0 and 1 Correspondence/Corrections
 - o IRM 3.28.4, Identity Theft Returns for Submission Processing
 - o Document 6209, Section 8, Unpostable Code - IMF
3. See Exhibits 10.5.3-10 and 10.5.3-11 for more information about this identity theft indicator.
4. SP will edit paper tax returns containing a Form 14039 with a Special Processing Code (SPC) 8. The SPC 8 systemically generates a TC 971 AC 522 indicating receipt of an identity theft claim. CP 01S is systemically issued

to the taxpayer confirming receipt of the Form 14039. Refer to IRM 3.21.3-1, Attachment Guide, for additional information.

IRM 10.5.3.2.11.1 Closing Cases Involving IRS-Identified Identity Theft Affecting Tax Administration - TC 971 AC 506 added (1) d: Review the entity module for a prior TC 971 AC 506 for the same tax year.

1. To indicate resolution of an IRS determined Identity Theft Case involving tax administration, mark the victim's account using Command Code (CC) REQ77 initiated from ENMOD to input a TC 971 AC 506 reflecting an appropriate Tax Administration Source Code depending upon the facts and circumstances of the case along with the tax year of the identity theft incident. The TC 971 AC 506 is applied to a taxpayer's account when **all** of the following occur:
 - a. **All** corrective actions have been taken. This includes verifying and updating the taxpayer's address on ENMOD, as applicable (excludes back-end work, see IRM 10.5.3.2.8, Closing Identity Theft Issues). Refer to IRM 10.5.3.2.11 IRS-Identified Identity Theft Affecting Tax Administration - TC 971 AC 506.

CAUTION: If you do not have a valid address for the taxpayer, use the Service Center address to prevent an IP PIN from going to incorrect taxpayer.
 - b. The taxpayer's identity theft affects tax administration.
 - c. Perform case closure analysis to ensure all identity theft related issues have been addressed and resolved. See IRM 10.5.3.2.8, Closing Identity Theft Issues.
 - d. Review of the entity module does not indicate a prior TC 971 AC 506 for the same tax year. Generally, there will be only one TC 971 AC 506 per tax year. However, some automated systems are not programmed to look for an existing TC 971 AC 506 for a specified tax year, prior to applying a second indicator and in those instances, a second AC 506 may be applied to an account.
2. The input of the TC 971 AC 506 will not, in every case, coincide with the closing of the control base. There may be additional back-end work to be completed before the control base can be closed. Do not wait until all the additional back-end work is completed before inputting the protective TC 971 AC 506 on the taxpayer's account. Refer to IRM 10.5.3.2.8, Closing Identity Theft Issues.

The following rules must be adhered to:

- The TC 506 cannot be input until the taxpayer is no longer harmed by identity theft impacting tax administration.
- Verifying and updating the taxpayer's address **MUST** be done before inputting the TC 971 AC 506.

CAUTION: The importance of updating the address prior to inputting the TC 971 AC 506 cannot be stressed enough. If the address is not updated appropriately, the victim notification letter will go to the wrong address. In addition, failure to follow the appropriate sequence could result in the Identity Protection Personal Identification Number (IP PIN) being sent to the ID thief instead of the ID theft victim.

- A case control must be maintained until all back-end work is completed.

REMINDER: The procedural guidance for your functional area must be followed as to when the TC 971 AC 506 should be input. Your procedural guidance, however, must adhere to the guidelines provided in this subsection.

3. Input of a TC 971 AC 506 does not generate a systemic notification to the taxpayer. To notify the taxpayer of actions taken to resolve identity theft issues, the Letter 4310 C or other appropriate letter may be used.
4. See IRM 10.5.3-10 and IRM 10.5.3-11 for additional guidance.

IRM 10.5.3.3.4.1(1) BMF Identity Theft Tracking Indicator updated cross reference IRM section to 10.5.3.3.4 (2) *Tracking And Reporting Identity Theft cases - BMF.*

1. In situations where the taxpayer makes an allegation of identity theft or when the IRS initially suspects that identity theft may have occurred, the IRS function will apply an identity theft indicator. The identity theft tracking indicator alerts others that a claim of identity theft has been reported and provides the Service with a method to quantify the scope of BMF Identity Theft. Refer to IRM 10.5.3.3.4 (2), *Tracking And Reporting Identity Theft cases - BMF* for additional information.

CAUTION: BMF identity theft indicators (unlike some of those used on IMF accounts) do NOT systemically generate any systemic notices to the taxpayer. All taxpayer notifications are manual.

2. Each indicator is input as a Transaction Code (TC) 971 with Action Code (AC) 522 using command code REQ77 on the **TXMOD** of the account affected by identity theft. Use IDRS CC TXMODA or BMFOLT to view the posted transactions.
3. BMF Identity theft tracking indicators, unlike those used for IMF, are applied to the MFT and Tax Period affected by identity theft. PGLD established three distinctive new Tax Administration Source Codes for BMF accounts.
 - **Initial Allegation or Suspicion of Identity Theft**, TC 971 AC 522 IDTCLM with the Tax Administration Source Code designated for your function. Refer to IRM Exhibit 10.5.3-18, *BMF Acronyms & Definitions* and IRM Exhibit 10.5.3 -19, *BMF ID Theft Indicators -TC 971 AC 522*

IDTCLM - Initial Allegation or Suspicion of BMF Identity Theft, for information for complete input directions.

- **Taxpayer Provided Documentation Received**, TC 971 AC 522 IDTDOC with the Tax Administration Source Code designated for your function. Refer to IRM Exhibit 10.5.3-19, and IRM Exhibit 10.5.3 -20, *BMF ID Theft Indicators - TC 971 AC 522 IDTDOC - BMF Documents Accepted*.

NOTE: If documentation was not provided by the taxpayer, do not use TC 971 AC 522 with Tax Administration Source Code IDTDOC.

- **BMF Indicator Case Resolved**, TC 971 AC 522 CLSIDT with the Tax Administration Source Code designated for your function. Refer to IRM Exhibit 10.5.3-18, *BMF Acronyms & Definitions* and IRM Exhibit 10.5.3-21, *BMF Indicator - TC 971 AC 522 CLSIDT - Closed and Confirmed as BMF ID Theft*, for complete input directions.

NOTE: TC 971 AC 522 with Tax Administration Source Code CLSIDT is applied only when all ID theft issues are fully resolved. Do not input if closing control and transferring case to another area.

4. If after the account has been marked with a BMF Identity Theft Indicator, the employee determines identity theft did not occur, the BMF ID theft tracking indicator will be reversed by the employee assigned. This removes the case from identity theft inventory. See IRM Exhibit 10.5.3-22, *Reversing BMF Identity Theft Indicators - TC 972 AC 522* for additional information. All other non-identity theft issues will be resolved using normal procedures.

Exhibit 10.5.3-3 updated acronyms.

The following tables describe the terms and acronyms used for the TC 971 AC 501, 504, and 506 identity theft indicator codes. The three tables are: 1) BOD/Function, 2) Program Name, and 3) Tax Administration Source. Not all Tax Administration Source Codes are available to all BOD/Functions. For specific BOD/Function information, refer to the applicable Exhibit for the Action Code, for example TC 971 AC 501 or AC 506.

1. BOD/Function

Table 8: BOD/Function Acronyms and Descriptions

Term/Acronym	Description
AP	Appeals
CI	Criminal Investigation
LBI	Large Business & International
IT	Information Technology
OS	Operations Support

Term/Acronym	Description
PPDS	Privacy, Governmental Liaison & Disclosure
SBSE	Small Business / Self-Employed
TAS	Taxpayer Advocate Service
WI	Wage & Investment

2. Program Name

Table 9: Program Name Acronym & Descriptions

Term/Acronym	Description
ACS	Automated Collection System
AM	Accounts Management (IRS-identified identity theft)
AMADJ	Accounts Management (TP-identified identity theft)
AMTAP	Integrity & Verification Operations (IVO) formerly Accounts Management Taxpayer Assurance Program (AMTAP)
AP	Appeals
ASFR	Automated Substitute for Return
AUR	Automated Underreporter
CA	TAS Case Advocate
CFBALDUE	SB/SE: Field Collection - Taxpayer Delinquency Accounts
CFDELRET	SB/SE: Field Collection - Taxpayer Delinquency Investigations
CONGINQ	Congressional Inquiry
CORR	SB/SE Correspondence Exam
CSCO	Compliance Services Collection Operations
CSIRC	Computer Security Incident Response Center
EXAM	W&I Correspondence Exam
FA	Field Assistance
FO	Field Office
FLDEXAM	Field Exam
FLDADV	Field Advisory
FLDINSLV	Field Insolvency
LBI	Large Business & International
OPIP	Office of Privacy & Information Protection
PHSH	Phishing
PREREF	Pre-Refund Program
PRP	Pre-refund Program
RC	Refund Crimes
RFND	Refund Scheme
RICS	Return Integrity & Correspondence Services
SP	Submission Processing
TDI	Tax Delinquency Investigation
WHC	Withholding Compliance

3. Tax Administration Source

Table 10: Tax Administration Source Code Acronym & Descriptions

Term/Acronym	Description
ACCT	Non-tax related issues: One or more personal accounts have been opened under the victim's identity or the victim reported questionable account activity.
BOTH	Non-tax related issues: Both EMPL and ACCT
DDB	Used by RICS Pre-Refund for cases selected by DDB filter and identified as an ID Theft return
DECD	Taxpayer is deceased
EAFAIL	Non-tax related issue: Used exclusively by RICS for situations where the Electronic Filing PIN (EFP) Application has been linked to a telephone line which has been blocked after a series of attempts to secure a PIN
EMPL	Non-tax related issue: Victim's SSN Used for Employment.
ERC027	Primary Taxpayer under 14 years old
IDT	Used by RICS Pre-Refund for CI Cases where a bad return was filed under the taxpayer's SSN
INCOME	Identity theft identified and substantiated due to an underreporting of income
IRSID	During the normal course of business, the IRS suspects identity theft may have occurred and the case is not yet resolved.
MULTFL	Identity theft identified and substantiated due to two or more tax returns filed for one taxpayer
INCMUL	Identity theft identified and substantiated due to both underreporting of income and multiple filings
NKI	No known taxpayer impact
NOFR	Substantiated identity theft incidents where the victim does not have a filing requirement
# [REDACTED] #	# [REDACTED] #
OMMGB	Valid return filed by the legitimate taxpayer who was previously identified as OMM
OTHER	Identity theft which cannot be identified as related to any existing Tax Administration Source types
OTHER1	Used by Rics to identify an SSN where there is at least one good return filed with a valid address
PNDCLM	The taxpayer makes a claim of identity theft. The taxpayer has not yet provided supporting documentation
PRISNR	Taxpayer is incarcerated
RFND	Identity theft identified by the filing of a false return in order to obtain a refund
SSA	Used by RICS Pre-Refund for cases identified by SSA filters, but are confirmed ID Theft cases
RPM	Used by AM and Compliance functions to flag Return

Term/Acronym	Description
	Preparer Misconduct cases. Employees will notify these taxpayers that the Service will provide identity protection via the IP PIN as they are vulnerable because of their dealings with a bad preparer.
SPCL1	Applied when there is at least one incident of failed High-Risk Disclosure during a phone call and a taxpayer is requesting their Adjusted Gross Income (AGI) or Self Select PIN (SSP) so that they can e-File their tax return
SPCL2	Used by AM and Compliance functions to flag Return Preparer Misconduct cases. Employees will notify these taxpayers that the Service will provide identity protection via the IP PIN as they are vulnerable because of their dealings with a bad preparer.
UNAUDP	Unauthorized use of a dependent person
UNWORK	A case was internally identified as a potential identity theft incident but was not worked by the selecting function.
UPC147	Input on the identified IRSN corresponding to the non-legitimate unpostable return with UPC147 RC 1 as identified and determined by SP
UPCMUL	Input on true SSN owner's account when a non-legitimate unpostable return with UPC147 RC 1 has been filed using the taxpayer's SSN as identified and determined by SP

Exhibit 10.5.3-6 IMF Only TC 971 AC 504, removed requirement for BOD in Miscellaneous Code field and made editorial changes to description of the Miscellaneous Field Code.

Important: Input of Action Code 504 for non-tax related identity theft purposes is limited and reserved for use by the Identity Protection Specialized Unit (IPSU) in W&I, Accounts Management and will reflect one of the following Miscellaneous Field Codes:

- ACCT
- BOTH
- NKI
- EMPL

The following Miscellaneous Field Codes are not limited to input by IPSU employees:

- SPCL1
- SPCL2

- EAFail
- RPM

TC 971 AC 504 is displayed on IDRS command code ENMOD and consists of the following data elements:

Table 11: AC 504 Secondary Date & Miscellaneous Code Fields

TRANS-DT	SECONDARY-DT	MISC	REMARKS
Input date of TC 971 AC 504	Date identity theft occurred (per taxpayer). CAUTION: If applying the AC 504 using SPCL1, SPCL2, RPM, or EAFail use the tax year of the incident in the Secondary Date Field.	Taxpayer impact. (See the Impact to Taxpayer table below.)	Comments

Secondary Date Field is required on input of all TC 971 AC 504. Some taxpayers provide an incomplete incident date or no incident date at all. In these situations, follow as outlined below:

Table 12: Secondary Date Field on AC 504

If Form 14039	THEN
Specifies an incident date that is complete	Use the date provided on Form 14039. EXAMPLE: The taxpayer indicates the ID theft occurred on October 15, 2013, the secondary date will reflect 10152013.
Indicates an incident date of only a month and year	Use the first day of the month provided by the taxpayer on Form 14039. EXAMPLE: The taxpayer indicates the ID theft occurred on October 2013, the secondary date will reflect 10012013.
Does not include an incident date.	Use the IRS received date of the Form 14039. EXAMPLE: The Form 14039 was received April 29, 2012, secondary date will reflect 04292012.
Miscellaneous Field Codes	Description

Miscellaneous Field Codes	Description
ACCT	IPSU use only - Non-tax related issues: One or more personal accounts have been opened under the victim's identity or the victim reported questionable account activity.
BOTH	IPSU use only - Non-tax related issues: Both EMPL and ACCT.
EMPL	IPSU use only - Non-tax related issues: Victim's SSN Used for Employment.
NKI	IPSU use only - Non-tax related issues: No known impact has been identified by the taxpayer.
# [REDACTED] #	# [REDACTED] [REDACTED] [REDACTED] [REDACTED] # [REDACTED] [REDACTED] [REDACTED] ## [REDACTED]
# [REDACTED] #	# [REDACTED] [REDACTED] [REDACTED] # [REDACTED]
# [REDACTED] #	Used by AM and Compliance functions to flag Return Preparer Misconduct cases. Employees will notify these taxpayers that the Service will provide identity protection via the IP PIN as they are vulnerable because of their dealings with a bad preparer. NOTE: These taxpayers will be issued an IP PIN.
# [REDACTED] #	# [REDACTED] [REDACTED] [REDACTED] [REDACTED] # [REDACTED]

Exhibit 10.5.3-10, IMF Only TC 971 AC 506 - IRS-Identified Tax-Related Identity Theft Case Closure, removed references to AMTAP and replaced them with IVO.

The exhibit below demonstrates how SP inputs a TC 971 AC 506 when resolving IRS-identified identity theft issue involving an unpostable.

Text Only Link

```

FRM77 XXX-XX-XXXX    MFT>00    TX-PRD> 000000    PLN-NUM>    NM-CTRL>
XXXXXX
TC>971    TRANS-REGISTER-IND>    PSTNG-DLAY-CD>
EXTENSION-DT>    TC93X-EMP-CD>    TRANS-DT>
CLOSING-CD>    RESP-UNIT/JURISDICTION-CD>    TC148-CD>
DLN-CD>    BL-LOC-CD>    LAST-RET-AMT-CD>    TC480-SC-CD>
CYCLE>    APP-OFF-CD>    CSED-CD>    BOD-CD>    BOD-CLIENT-CD>
SEQ-NUM>    REVERSAL-DLN>    SECONDARY-DT>12312009
CAF-CD>    TC971/151-CD> 506    TC550DEFINER-CD>    FEMA-NUM>
ULC>    FREEZE-RELEASE-AMT>    ABA-NUM>
TC46X-GRP-CD>    TC583-DEFINER-CD>
XREF-TIN>    XREF-NM-CTRL>
XREF-TIN-PRD>    XREF-PLN-NUM>    XREF-MFT>    MISC>WI SP UPC147
CORR-DT-IND>    REFILE-LIEN-*IND>    2032-IND>
REMARKS: Identity Theft
    
```

Exhibit 10.5.3-10

Input instructions for TC 971 AC 506 are as follows:

1. Obtain the following information:
 - o Entity - SSN;
 - o Business Operating Division (BOD)/Function (See Exhibit 10.5.3-3);
 - o Program Name (See Exhibit 10.5.3-3);
 - o Tax Administration Source (See Exhibit 10.5.3-3); and
 - o Tax Year affected by identity theft.

NOTE: The tax year affected by the identity theft **cannot** be the current year. For example, the taxpayer gives you supporting documentation during the current year, e.g., 2013, for a 2005 tax year issue. Input TC 971 AC 506 on tax year 2005 only and not on 2013.

2. The tables provided below display the available Tax Administration Source Codes by BOD/Function(Program). Do not attempt to use Tax Administration Source Codes not listed for your BOD/Function (Program).
3. Navigate to FRM77
 - o Sign into IDRS;
 - o Enter ENMOD (SSN), then press ENTER;
 - o Enter REQ77;
 - o FRM77 is displayed for the selected SSN.
4. Enter the TC 971 AC 506
 - o Enter the TC with 971;
 - o TRANS-DT is auto populated with the current date;

- Enter SECONDARY-DT (enter the tax year affected by the identity theft incident in the format MM-DD-YYYY);
- Enter MISC (enter your specific BOD/Function, Program Name, and Tax Administration Source; see the BOD/Function tables below); and
- After REMARKS, enter "IDENTITY THEFT".

NOTE: See the illustration above, demonstrating how SP inputs a TC 971 AC 506 after resolving an unpostable 147 RC1 case.

5. Tax Administration Source Codes for use with TC 971 AC 506 - IRS Determined Case Closure

Table 13: TC 971 Ac 506 Tax Administration Source Code and Definitions

TC 971 AC 506 Tax Administration Codes	Definition of Tax Administration Source Code
INCOME	Identity theft identified and substantiated due to an underreporting of income
MULTFL	Identity theft identified and substantiated due to two or more tax returns filed for one taxpayer
INCMUL	Identity theft identified and substantiated due to both underreporting of income and multiple filings
OTHER	Identity theft which cannot be identified as related to any existing Tax Administration Source types
OTHER1	Used by Rics to identify an SSN where there is at least one good return filed with a valid address
NOFR	Identity theft identified by the filing of a false return in order to obtain a refund
DECD	Deceased taxpayer
PRISNR	Incarcerated Taxpayer
NKI	Used by RICS Pre-Refund for CI cases with no known impact on taxpayer account
IDT	Used by RICS Pre-Refund for CI Cases where a bad return was filed under the taxpayer's SSN
DDb	Used by RICS Pre-Refund for cases selected by DDb filter and identified as an ID Theft return
SSA	Used by RICS Pre-Refund for cases identified by SSA filters, but are confirmed ID Theft cases
OMM	Used by RICS Pre-Refund for cases selected by DDb Filter that are OMM Cases
UPCMUL	Input on true SSN owner's account when a non-legitimate unpostable return with UPC147 RC 1 has been filed using the taxpayer's SSN as identified and determined by SP
UPC147	Input on the identified IRSN corresponding to

TC 971 AC 506 Tax Administration Codes	Definition of Tax Administration Source Code
	the non-legitimate unpostable return with UPC147 RC 1 as identified and determined by SP
OMMGB	Valid return filed by the legitimate taxpayer who was previously identified as OMM
ERC027	Primary Taxpayer under 14 years old

6. Do not attempt to use a Tax Administration Source Code that your BOD/Program (Function) is not profiled to use. The following table identifies the BOD/Programs and applicable Tax Administration Source Codes. Refer to IRM 10.5.3–3, *Acronyms and Definitions*, for definitions of the Program Name codes.
7. **The following BODS are not profiled to use TC 971 AC 506: Appeals, TAS, LB&I, and IT. Important: Input of Action Code 506 is limited and reserved for use by designated functions. The BOD Tables below illustrate only those Functions/Programs authorized to use TC 971 AC 506.**

NOTE: At present, W&I Field Assistance (FA) is not profiled for AC 506. Until further notice when resolving IRS determined cases, W&I FA will use the following:

BOD: WI

Program: AM

Tax Administration Source Codes: INCOME, and OTHER.

8. Criminal Investigation is profiled to use TC 971 AC 506 as follows:

BOD Name	Program Name	TC 971 AC 506 Tax Administration Source Code
CI	PHSH	<i>Field intentionally left blank</i>
CI	RFND	<i>Field intentionally left blank</i>
CI	OTHER	<i>Field intentionally left blank</i>
CI	RC	OMM
CI	RC	PRISNR
CI	RC	DECD

9. SBSE is profiled to use the following codes:

BOD Name	Program Name	TC 971 AC 506 Tax Administration Source Code
SBSE	ACS	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	AUR	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD

SBSE	CFBALDUE	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	CFDELRET	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	CORR	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	CSCO	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	FLDEXAM	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	FLDADV	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
SBSE	FLDINSLV	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD

10. W&I is profiled with the following codes:

BOD Name	Program Name	TC 971 AC 506 Tax Administration Source Code
WI	ACS	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
WI	AM	INCOME, INCMUL, MULTFL, DECD, OTHER, and NOFR
WI	IVO	OMM, OMMGB, RFND, OTHER, DECD, and PRISNR
WI	AUR	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
WI	CSCO	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
WI	PRP	INCOME, MULTFL, INCMUL, NOFR, NKI, DDb, IDT, OMM, SSA, OTHER, DECD and PRISNR
WI	RICS	INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR, and DECD
WI	SP	INCOME, INCMUL, MULTFL, OTHER, and NOFR, DECD, PRISNR, ERC027, UPC147, and UPCMUL

Exhibit 10.5.3-11, IMF Only TC 972 AC 506 Tax-Related, Reversal of Identity Theft Case Closure, No Taxpayer Provided Documents, made editorial changes and removed references to AMTAP and replaced them with IVO.

The illustration below demonstrates how Accounts Management reverses a TC 971 AC 506 using a TC 972 AC 506.

[Text Only Link](#)

```

FRM77 XXX-XX-XXXX   MFT>00   TX-PRD> 000000   PLN-NUM>   NM-CTRL> XXXXXX
TC>972   TRANS-REGISTER-IND> PSTNG-DLAY-CD>
EXTENSION-DT>   TC93X-EMP-CD>   TRANS-DT> See Instructions Below
CLOSING-CD>   RESP-UNIT/JURISDICTION-CD>   TC148-CD>
DLN-CD>   BL-LOC-CD>   LAST-RET-AMT-CD>   TC480-SC-CD>
CYCLE>   APP-OFF-CD>   CSED-CD>   BOD-CD>   BOD-CLIENT-CD>
SEQ-NUM>   REVERSAL-DLN>   SECONDARY-DT>12312009
CAF-CD>   TC971/151-CD> 506   TC550DEFINER-CD>   FEMA-NUM>
ULC>   FREEZE-RELEASE-AMT>   ABA-NUM>
TC46X-GRP-CD>   TC583-DEFINER-CD>
XREF-TIN>   XREF-NM-CTRL>
XREF-TIN-PRD>   XREF-PLN-NUM>   XREF-MFT>   MISC>WI AM IRSERR
CORR-DT-IND>   REFILE-LIEN-*IND>   2032-IND>
REMARKS: Identity Theft DID NOT OCCUR, MIXED ENTITY ISSUE
  
```

Exhibit 10.5.3-11

Input instructions for TC 972 AC 506 are as follows:

1. Obtain the following information:
 - Entity - SSN;
 - BOD/Function (See Exhibit 10.5.3-3);
 - Program Name (See Exhibit 10.5.3-3);
 - Tax Year of the TC 971 AC 506 being reversed; and

NOTE: The tax year must match the tax year of the TC 971 AC 506 that is being reversed.

 - Transaction date of the TC 971 AC 506 being reversed.
2. Navigate to FRM77
 - Sign into IDRS;
 - Enter ENMOD SSN, then press ENTER;
 - Enter REQ77;
 - FRM77 is displayed for the selected SSN.
3. Enter the TC 972 AC 506
 - Enter the TC with 972;
 - Enter TRANS-DT (enter the transaction date of the TC 971 AC 506 being reversed);
 - Enter SECONDARY-DT (enter the tax year of the TC 971 AC 506 being reversed in the MM-DD-YYYY format);
 - Enter MISC (Modify the Reason Code field with the reason for the reversal). Select the Reason code that reflects the reason for the reversal from the options below; and
 - Enter REMARKS (enter your remarks).

NOTE: Do not attempt to use Tax Administration Source Codes not listed for your BOD/Function.

- Tax Administration Source Code is entered into the Miscellaneous field and displays the reason for the reversal. See TC 972 AC 506 Miscellaneous Field chart below for reasons and values for the MISC field:

Table 14: TC 971 AC 506 Tax Administration Source Code and Definitions

TC 972 AC 506 Tax Administration Source Code	Definition
TPRQ	The taxpayer requests the 971 be reversed.
IRSERR	The 971 was due to a typographical mistake or another internal mistake.
IRSADM	The 971 is causing a negative impact on another internal process or system, and should be reversed to discontinue the negative impact.
FALSE	The original identity theft incident claim was determined to be fraudulent.
OTHER	The reason for the 971 reversal does not meet any of the reason descriptions above.

- The following **BODS** are not profiled to use **TC 972 AC 506: Appeals, TAS, LB&I, and IT.**
- The following tables describe the TC 972 AC 506 reason codes by BOD/Function and Program. Refer to IRM 10.5.3-3, *Acronyms and Definitions*, for definitions of the Program Name codes.

NOTE: Do not attempt to use Tax Administration Source Codes not listed for your BOD/Function.

- Criminal Investigation is profiled to use TC 972 AC 506 as follows:

Table 15: TC 972 AC 506 as input by CI

BOD Name	Program Name	TC 972 AC 506
		Tax Administration Source Code
CI	OTHER	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
CI	PHSH	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
CI	RC	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
CI	RFND	TPRQ, IRSERR, IRSADM, FALSE, and OTHER

- Operations Support (OS) is profiled to use TC 972 AC 506 as follows:

Table 16: TC 972 AC 506 as Input by OS

BOD Name	Program Name	TC 972 AC 506
		Tax Administration Source Code

BOD Name	Program Name	TC 972 AC 506
		Tax Administration Source Code
OS	PIPDS	TPRQ, IRSERR, IRSADM, FALSE, and OTHER

9. Small Business Self Employed (SBSE) is profiled to use TC 972 AC 506 as follows:

Table 17: TC 972 AC 506 as Input by SBSE

BOD Name	Program Name	TC 972 AC 506
		Tax Administration Source Code
SBSE	ACS	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	AUR	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	CFBALDUE	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	CFDELRET	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	CORR	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	CSCO	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
SBSE	FLDEXAM	TPRQ, IRSERR, IRSADM, OTHER, and FALSE
SBSE	FLDADV	TPRQ, IRSERR, IRSADM, OTHER, and FALSE
SBSE	FLDINSLV	TPRQ, IRSERR, IRSADM, OTHER, and FALSE

10. Wage & Investment (WI) is profiled to use TC 972 AC 506 as follows:

Table 18: TC 972 AC 506 as Input by W&I

BOD Name	Program Name	TC 972 AC 506
		Tax Administration Source Code
WI	ACS	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	AM	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	IVO	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	AUR	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	CSCO	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	RICS	TPRQ, IRSERR, IRSADM, FALSE, and OTHER
WI	SP	TPRQ, IRSERR, IRSADM, and FALSE

Exhibit 10.5.3-12 IMF Only TC 971 AC 522 Tax-Related Identity Theft, Case Status (Initial Claim/Suspicion and Supporting Documents) added note: If the taxpayer is reporting more than one year affected by identity theft, the Secondary-DT field will reflect the earliest tax year affected by identity theft. Removed Tax Administration Code NODCRQ from BOD/Function the tables

The exhibit demonstrates how AUR inputs a TC 971 AC 522 when the taxpayer initially asserts identity theft.

Text Only Link

FRM77	XXX-XX-XXXX	MFT>00	TX-PRD> 000000	PLN-NUM>	NM-CTRL> XXXXXX
TC>971	TRANS-REGISTER-IND>	PSTNG-DLAY-CD>			
EXTENSION-DT>	TC93X-EMP-CD>	TRANS-DT>			
CLOSING-CD>	RESP-UNIT/JURISDICTION-CD>	TC148-CD>			
DLN-CD>	BL-LOC-CD>	LAST-RET-AMT-CD>	TC480-SC-CD>		
CYCLE>	APP-OFF-CD>	CSED-CD>	BOD-CD>	BOD-CLIENT-CD>	
SEQ-NUM>	REVERSAL-DLN>	SECONDARY-DT>12312009			
CAF-CD>	TC971/151-CD> 522	TC550DEFINER-CD>	FEMA-NUM>		
ULC>	FREEZE-RELEASE-AMT>	ABA-NUM>			
TC46X-GRP-CD>	TC583-DEFINER-CD>				
XREF-TIN>	XREF-NM-CTRL>				
XREF-TIN-PRD>	XREF-PLN-NUM>	XREF-MFT>	MISC>WI AUR PNDCLM		
CORR-DT-IND>	REFILE-LIEN-*IND>	2032-IND>			
REMARKS: Identity Theft					

Exhibit 10.5.3-12

Input instructions for TC 971 AC 522 are as follows:

1. Obtain the following information:
 - o Entity - SSN;
 - o BOD/Function (See Exhibit 10.5.3-3);
 - o Program Name (See Exhibit 10.5.3-3);
 - o Tax Administration Source (See Exhibit 10.5.3-3); and
 - o Tax Year affected by identity theft.

NOTE: The tax year affected by the identity theft **cannot** be the current year. For example, the taxpayer gives you supporting documentation during the current year, e.g., 2010, for a 2005 tax year issue. Input TC 971 AC 522 on tax year 2005 only and not on 2010.

2. The tables provided below display the available Tax Administration Source Codes by BOD/Function (Program). Do not attempt to use Tax Administration Source Codes not listed for your BOD/Function (Program).
3. Navigate to FRM77
 - o Sign into IDRS;

- Enter ENMOD SSN, then press ENTER;
 - Enter REQ77;
 - FRM77 is displayed for the selected SSN.
4. Enter the TC 971 AC 522
- TC> Enter the TC with 971;
 - TC971/151-CD> Enter 522
 - TRANS-DT is auto-populated with the current date;
 - Enter SECONDARY-DT (enter the tax year affected by the identity theft incident in the format MM-DD-YYYY);
- NOTE:** If the taxpayer is reporting more than one year affected by identity theft, the Secondary-DT field will reflect the earliest tax year affected by identity theft.
- Enter MISC (enter your specific BOD/Function, Program Name, and Tax Administration Source) see IRM 10.5.3-3, *Acronyms and Definitions*, and
 - After REMARKS, enter "IDENTITY THEFT".
5. Tax Administration Source codes for use with TC 971 AC 522 – Identity Theft Account Status:

Table 19: TC 971 AC 522 Tax Administration Source Code Definitions

TC 971 AC 522 Tax Administration Source Code	Definition
INCOME	Clear and legible documentation provided, Income reported under TPs SSN without their consent or knowledge
MULTFL	Clear and legible documentation provided, two or more tax returns filed for one taxpayer
INCMUL	Clear and legible documentation provided, both INCOME and MULTFL apply
OTHER	Clear and legible documentation provided, identity theft which cannot be identified as related to any existing Tax Administration Source types
NOFR	Clear and legible documentation provided, Victim does not have filing requirements
PNDCLM	The taxpayer makes a claim of identity theft. The taxpayer has not yet provided supporting documentation
IRSID	During the normal course of business, the IRS suspects identity theft may have occurred and the case is not yet resolved.
NODCRQ	OBSOLETE: Previously applied when the taxpayer claimed identity theft and there was a posted TC 971 AC 501/ 506.
UNWORK	A case was internally identified as a potential

TC 971 AC 522 Tax Administration Source Code	Definition
	identity theft incident but was not worked by the selecting function. #  #

6. The tables provided below display the available Tax Administration Source Codes by BOD/Function and Program. **Do not attempt to use Tax Administration Source Codes not listed for your BOD/Function.**
7. **Appeals (AP)** is profiled to use the following codes for TC 971 AC 522:

Table 20: TC 971 AC 522 for Appeals

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
AP	AP	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK

8. **Criminal Investigation (CI)** is profiled to use the following codes for TC 971 AC 522:

Table 21: TC 971 AC 522 for CI

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
CI	FO	INCOME, MULTFL, INCMUL, OTHER, and NOFR
CI	RC	DECD, INCOME, MULTFL, INCMUL, IRSID, OTHER, NOFR, and UNWORK

9. **Large Business & International (LB&I)** is profiled to use the following codes for TC 971 AC 522:

Table 22: TC 971 AC 522 for LBI

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
LBI	LBI	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID and UNWORK

10. **IT** is profiled to use the following codes for TC 971 AC 522:

Table 23: TC 971 AC 522 for IT

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
MITS	CSIRC	NOFR and OTHER

11. **Operations Support (OS)** is profiled to use the following codes for TC 971 AC 522:

Table 24: TC 971 AC 522 for OS

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
OS	PHSH	IRSID and UNWORK

12. The **Privacy Office (PGLD)** is profiled to use the following codes for TC 971 AC 522:

Table 25: TC 971 AC 522 for PGLD

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
PPDS	CONGINQ	INCOME, MULTFL, INCMUL, OTHER, NOFR, IRSID, PNDCLM, and UNWORK
PPDS	OPIP	INCOME, MULTFL, INCMUL, OTHER, NOFR, IRSID, PNDCLM, and UNWORK

13. **Small Business Self Employed (SBSE)** is profiled to use the following codes for TC 971 AC 522:

Table 26: TC 971 AC 522 for SBSE

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
SBSE	ACS	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	ASFR	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	AUR	INCOME, INCMUL, MULTFL, OTHER, NOFR, IRSID, PNDCLM, and, UNWORK
SBSE	CFBALDUE	INCOME, INCMUL, IRSID, OTHER, MULTFL, NOFR, UNWORK, and PNDCLM
SBSE	CFDELRET	INCOME, INCMUL, IRSID, OTHER, MULTFL, NOFR, UNWORK, and PNDCLM
SBSE	CORR	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	CSCO	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, and UNWORK
SBSE	FLDADV	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	FLDEXAM	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	FLDINSLV	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
SBSE	TDI	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK

14. **Taxpayer Advocate Service (TAS)** is profiled to use the following codes for TC 971 AC 522:

Table 27: TC 971 AC 522 for TAS

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
TAS	CA	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK

15. **Wage & Investment (WI)** is profiled to use the following codes for TC 971 AC 522:

Table 28: TC 971 AC 522 for W&I

BOD Name	Program Name	TC 971 AC 522
		Tax Administration Source Code
WI	ACS	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
WI	IVO	INCOME, INCMUL, MULTFL, IRSID, OTHER, NOFR, PNDCLM, and, UNWORK
WI	IVO	INCOME, IRSID, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, OMM, and UNWORK
WI	ASFR	INCMUL, MULTFL, INCOME, NOFR, OTHER, NOFR, PNDCLM, IRSID, and, UNWORK
WI	AUR	INCMUL, MULTFL, INCOME, IRSID, OTHER, NOFR, PNDCLM, IRSID, and, UNWORK
WI	CSCO	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, and UNWORK
WI	EXAM	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
WI	FA	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
WI	PREREF	INCOME, IRSID, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, and UNWORK
WI	RICS	INCOME, IRSID, MULTFL, INCMUL, OTHER, NOFR, and UNWORK
WI	SP	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
WI	TDI	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK
WI	WHC	INCOME, MULTFL, INCMUL, OTHER, NOFR, PNDCLM, IRSID, and UNWORK

