

IRM PROCEDURAL UPDATE

DATE: 06/10/2015

NUMBER: SBSE-04-0615-1002

SUBJECT: Post Publication Revision 4.19.3, IMF Automated Underreporter (AUR) Program

AFFECTED IRM(s)/SUBSECTION(s): 4.19.3

CHANGE(s):

Made changes throughout to revise tax examiner instruction from input IPC SI to transfer to the designated UID

Made changes throughout to indicate Form 14039 can be accepted if it is not signed

IRM 4.19.3.19.1(3) table - added instruction for IDT related scanned taxpayer response; IRM 4.19.3.19.1(3) - added Note after table that AUR will make one written request for identity theft documentation and/or specific IDT related issues

3. When there is an indication of identity theft in the message window, take the following actions:

NOTE: Beginning June 1, 2015 Brookhaven (BSC), Ogden (OSC) and Philadelphia (PSC) AUR sites will follow local procedures for processing cases involving identity theft.

CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing, DO NOT TRANSFER TO IDTVA

If TC 971 has an AC of	Then
501 ,	Research IDRS CC ENMOD to determine if the TRANS- DT on an existing TC 501 indicates documentation was received within the last three (3) years. If less than 3 years: 1. Issue Letter 2626C

	<ol style="list-style-type: none"> 2. Include a paragraph to request a statement identifying the issues related to IDT. 3. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT. 4. Input IPC 3L, 6L or 8L as appropriate. <p>If more than 3 years</p> <ol style="list-style-type: none"> 1. Issue a Letter 2626C. 2. Include a paragraph to request IDT documentation. 3. Include a paragraph to request a statement identifying the issues related to IDT. 4. If the income issue(s) is affiliated with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request both the IDT documentation and identification of the issues related to IDT. 5. Input IPC 3L, 6L or 8L as appropriate.
<p>522 with the literals INCOME, MULTI, INCMUL, IRSID, NODCRQ, NOFR or OTHER</p>	<ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Place in the designated area for the AUR IDT liaison.
<p>522 with the literal PNDCLM</p>	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response</p>

	<p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a Form 14039 or a police report, then:</p> <ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Place in the designated area for the AUR IDT Liaison. <p>If AMS/CIS does not contain a Form 14039 or police report included then, continue normal AUR processing. DO NOT TRANSFER TO IDTVA.</p> <p>If AMS/CIS does not include a copy of a Form 14039 or a police report, but an IDT related scanned TP response is present, refer to IRM 4.19.3.20.1.25, IDT Claims - Responses</p>
504 with the literal RPM	Close no change PC 52, 71 or 92.
506	Do not send a Letter 1802C.
AC 504 with literals SPCL1, SPCL2 or EAFAIL does not indicate identity theft. See IRM 10.5.3-6, IMF Only TC 971 AC 504.	<ol style="list-style-type: none"> 1. Continue normal AUR processing. 2. Leave a case note acknowledging the AC 504 - SPCL1, SPCL2 or EAFAIL.
523 NOTE: Per IRM 10.5.3.2.12, <i>Misuse of Dependent SSN - TC 971 AC 523</i> , TP has been using a questionable dependent TIN.	Continue normal AUR processing. DO NOT TRANSFER TO IDTVA.
524 NOTE: Per IRM 10.5.3.2.13, <i>Locking Decedent Accounts - TC 971 AC 524</i> , as of 01/2011, AC 524 is used to lock the account of deceased taxpayers. The posted return	Continue AUR processing following IRM 4.19.3.4.5, Deceased Taxpayers , and/or IRM 4.19.3.20.1.14, Decedents . DO NOT TRANSFER TO IDTVA.

is presumed to be legitimate until a response is received.	
525	Close no change PC 52, 71 or 92. Do not send a Letter 1802C.

NOTE: AUR will make one written request to secure the needed information (IDT documentation and/or the specific issues related to the IDT claim). If not provided, update IDRS per IRM 4.19.3.20.1.25.3.1 (12), *IDT Claims - Responses*, using NORPLY.

IRM 4.19.3.20.1.25(4) - deleted references to BT 81 and 83

4. Clerical builds IDT responses that do not contain a Form 14039, **Identity Theft Affidavit**, and/or a police report to the appropriate response batch type, 41 (CP 2501 Identity Theft (IDT) Responses), 52 or 53 (CP 2000 Identity Theft (IDT) Responses), or 72 (Statutory Identity Theft (IDT) Responses) on a **daily basis** and notifies the AUR Coordinator when clerical closes the batch and the batches are ready for the technical units. The AUR Coordinator assigns the batches to ensure **these batches are treated as priority and are worked and released accordingly**.

NOTE: Clerical does not build referrals (IPSU, Fast Track, OARS, etc.) into identity theft batches. Referrals are transferred to the appropriate coordinator.

IRM 4.19.3.20.1.25(7) table - added OFP Code for IDT Liaison duties

7. Follow the table below to record all time spent on identity theft duties:

OFP Code	Designator	Description
700-48043	IDTPHONE	ID Theft Phones
710-48023	IDTSCREE	ID Theft Screening
710-48033	CP2501ID	CP 2501 ID Theft
710-48043	CP2000ID	CP 2000 ID Theft
710-48053	STATIDT	Stat ID Theft
710-40003	RECON IDT	Recon ID Theft
990-59133	IDT Liaison	IDT Liaison

NOTE: Time spent on IDT clerical duties for open AUR cases is reported to 790-48043 and time spent on all IDT clerical duties for closed (recon) cases is reported to 790-40003.

IRM 4.19.3.20.1.25.1 - deleted Reminder

1. The standard Service wide acceptable documentation to substantiate a claim of identity theft is listed below.
 - o A completed Form 14039, IRS Identity Theft Affidavit or
 - o A copy of a police report stating taxpayer's identity was stolen.

Acceptable documentation to authenticate a taxpayer's identity is a legible (i.e., the name, date of birth, place of birth, address, date of issue and expiration date is clear and easily read) copy of a valid United States (U.S.) federal or state government issued identification:

- o A driver's license,
 - o A state issued identification card,
 - o A Passport or
 - o Social Security card.
2. All identity theft actions are recorded in IDRS, including receipt and approval of complete legible identity theft documentation. See Exhibit 4.19.3-16, *Identity Theft Action Codes*, and Exhibit 4.19.3-17, *Identity Theft - Tax Administration Source Terms and Descriptions*, for more information on the IDRS IDT indicators affiliated with TC 971.

CAUTION: Verify that the IDRS updates were made for the correct taxpayer. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1 (12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1 (11), *IDT Claims - Responses*, to update the secondary TP.

IRM 4.19.3.20.1.25.2(2) - added example of IDRS IDTVA assignment

2. Review the case to determine if the case is already assigned to or has already been referred to IDTVA (IDRS control category will be IDIX, ("X" represents a numeric value, i.e., IDI2 is used when the case is assigned to the IDTVA). If the case is assigned to IDTVA provide the taxpayer with the IDTVA contact information (855-343-0057).
3. If the case is NOT already assigned to or referred to the IDTVA and any of the conditions in the table below exist, take the following actions:

If there is an existing current TC 971 with	And the literal is	Then
AC 501 or 506	INCOME, MULTFL,	1. Request case via UWC.

	INCMUL, NOFR, OTHER, DECD or PRISNR	<p>EXCEPTION: If case is unavailable through UWC, check the Action required box and leave detailed case note if the case is controlled at another Campus. If the case is controlled at your campus order the case to work. The call site will check the Action required box.</p> <ol style="list-style-type: none"> 2. Transfer to the designated UID. 3. Place the case in the designated area for the AUR IDT liaison. 4. Follow steps 3-7 below.
AC 504	ACCT, BOTH, NKI, or EMPL	
	SPCL1 SPCL2, or EAFAIL	
	RPM	Close case following normal AUR procedures.
AC 522	INCOME, MULTFL, INCMUL, IRSID, NOFR, or OTHER	<ol style="list-style-type: none"> 1. Request case via UWC. <p>EXCEPTION: If case is unavailable through UWC, check the Action required box and leave detailed case note if the case is controlled at another Campus. If the case is controlled at your campus order the case to work. The call site will check the Action required box.</p> <ol style="list-style-type: none"> 2. Transfer to the designated UID. 3. Place the case in the designated area for the AUR IDT liaison. 4. Follow steps 3-7 below.
	PNDCLM	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned taxpayer response</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documentation.</p> <p>If AMS/CIS includes a copy of a Form 14039 or a police report, then:</p>

		<ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Place in designated area for the AUR IDT Liaison. <p style="text-align: center;">EXCEPTION: Philadelphia call site will follow steps 2-6 below.</p> <p>If AMS/CIS does not contain a Form 14039 or police report included follow steps 2 -6 below.</p>
	"OTHER" and "PPDS" as the BOD, "OPIP" as the Program	Consider the account as NOT having a TC 971 AC 522 posted and follow steps 1-6 below.

1. If none of the above is present or if the TRANS-DT is not current, input TC 971 AC 522 PNDCLM using the IAT "REQ77" tool. See IRM 4.19.3.20.1.25.3.1(11), *IDT Claims - Responses*, for additional information.

EXCEPTION: If there is an existing TC 971 AC 522 PNDCLM/IRSID for the same tax year, DO NOT apply a second code.

2. Attempt to secure all IDT documentation via fax.

EXCEPTION: The Philadelphia Call site will inform the taxpayer of the acceptable ID Theft documentation necessary and advise them to fax and/or mail to assigned campus.

3. Inform the taxpayer they should contact the Federal Trade Commission at (877) 438-4338 or <http://www.ftc.gov/> and that they should make a report to their local police and the three major credit bureaus. For additional information, visit <http://www.irs.gov/> key word "Identity Theft" or see Pub 4535, *Identity Theft Prevention and Victim Assistance*.
4. Advise the taxpayer if they choose to fax the information to us, to please enlarge the image prior to faxing to avoid delays in resolving their case. Some faxed items like driver's licenses or social security cards may not be legible when we receive them. As these items must be legible, we would have to contact them again to ask the taxpayer to mail copies that we can read.
5. Ask the TP which income issues are a direct result of the identity theft.
6. Leave a detailed case note documenting the call and actions taken.
7. Advise the TP once the required documentation (Form 14039 or police report) is received, their case will be referred to the Identity Theft

Victims Assistance, and if additional information is needed a representative from that area will contact them.

NOTE: If the TP faxes the required documentation in (while on the call), advise them their case is being referred to the Identity Theft Victims Assistance, and if additional information is needed a representative from that area will contact them.

4. If there is no TC 971 AC 501, 504 or 522 with the literals INCOME, MULTI, INCMUL, NOFR, OTHER, IRSID or PNDCLM, immediately input TC 971 AC 522 PNDCLM, using the IAT "REQ77" tool. For instructions on how to input TC 971, see IRM 4.19.3.20.1.25.3.1, *IDT Claims -Responses*.

CAUTION: If the account is marked with TC 971 AC 504 SPCL1 or EAFAIL, there have been unsuccessful attempts to obtain an IP PIN. Use high risk disclosure procedures; see IRM 4.19.3.20.2.2, Disclosure, for additional information.

5. Verify that the IDRS updates were made for the correct taxpayer. If the secondary taxpayer (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.25.3.1(12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.25.3.1(11), *IDT Claims - Responses*, to update the secondary TP.

IRM 4.19.3.20.1.25.3.1(1) - revised Step 3 to indicate referred to IDTVA

1. If a case involves a claim of identity theft **and Innocent Spouse**,
 1. Provide the Innocent Spouse Coordinator, with a copy of the Form 8857.
 2. Determine if the case needs to be referred to IDTVA. If referral is necessary, transfer to the designated UID.
 3. Advise the innocent spouse coordinator the case will be referred to the IDTVA.

IRM 4.19.3.20.1.25.4(4) - added new Step 2 to input IRS received date and included clarification in Step 3 for appropriate PC/IPC for open and closed cases; IRM 4.19.3.20.1.25.4(4) Step 8 - added Note to clarify when control bases should be added on multiple year claims

4. When the taxpayer provides Form 14039 , Identity Theft Affidavit, or police report, take the following actions:
 1. Leave a case note indicating case is being referred to IDTVA.
 2. Input IRS received date on AUR, if not present.
 3. Input IPC SI (open cases) or IPC 9R (Recon cases), as appropriate.

4. Close AUR IDT IDRS control, if present.
5. Verify input of TC 971 AC 522 PNDCLM, as appropriate.
6. Input CC STAUP for 15 cycles, as needed.
7. Complete Form 4442, see (5) below for required information.
8. Establish an IDRS control base to IDTVA. See (7) and (8) below for information on control bases.

NOTE: If Form 14039 indicates there are multiple years involved, a control base should be opened for each year listed.

9. Use control category IDI1, ID Theft Claim Referred to Spec TM and employee "00000"

NOTE: IDTVA will update the control category to IDI2 when received.

10. Return completed package to clerical to handwalk/tranship to the IDTVA.

IRM 4.19.3.20.1.25.4(6) - revised to include transfer to IDT Liaison

6. When a case is received where the TE has input the IPC SI or transferred to the liaison, the liaison will review the case to validate whether the case should be sent to the IDTVA. If case should be sent to the IDTVA, follow the procedures in (4) above. If the case should not be sent to the IDTVA, return the case to clerical with instructions to transfer back to the TE. Leave a case note indicating why the case is being returned.

IRM 4.19.3.20.2.1(2) f - revised instruction for when a call back number should be requested

2. Important actions to provide quality taxpayer telephone assistance include the following:
 - a. **Greet the taxpayer:** Identify yourself, including employee identification (badge) number, and indicate a willingness to help.
 - b. **Respond to the taxpayer's opening statement:** Actively listen to the taxpayer; deal with the taxpayer's feelings, if appropriate, and, acknowledge the ability to help. If appropriate, apologize for any mistakes made by IRS.
 - c. **Target the taxpayer's questions:** Listen to the taxpayer's opening statement; form and use confirming questions; gain agreement from the taxpayer; and determine any targeting required to better identify the taxpayer's issue.
 - d. **Get the necessary facts:** Ask the right questions and use appropriate hold procedures. Do not keep the caller on hold for more than a few minutes without giving him/her an explanation and apology. If

additional research time is or will be too lengthy, offer to return the call with the requested information.

- e. **Provide assistance:** Provide accurate and complete assistance and/or appropriately refer the taxpayer to another source, if required. Verify the taxpayer's understanding by asking if they have any questions about what was discussed.
- f. **Secure, verify and input/enter** a call back number (taxpayer/authorized representative), when the taxpayer requests a call back or the issue is complex and requires further research.

NOTE: TP contact information is not required if issues/case is resolved during the call.

- g. **Close the conversation:** Conclude the contact courteously.

IRM 4.19.3.20.2.4(1) Step 2 - reworded and removed Note

1. **If the taxpayer has questions relating to his/her case**, access the Taxpayer Information window.
 1. Use the Case Note section to document any pertinent information, i.e., any statement by the taxpayer that provides information to allow the tax examiner to make a change to the case. The information entered will append to the Case Note window.

NOTE: Case notes remain a part of the case file. These notes can be viewed by other areas such as the United States Tax Court (in the event the taxpayer petitions the court), or by taxpayers through the Freedom of Information Act, etc. Caution should be used when case notes are written.

NOTE: If the caller requests the case contents, they may request a copy under the Freedom of Information Act (FOIA). This request must be in writing and contain the date, name, identification number of the employee, and the approximate time of the call. See IRM 21.1.3.17.1, *Freedom of Information Act (FOIA)*, for more information.

2. When the taxpayer requests a call back or is told the tax examiner will call him/her back, secure/verify and input/enter the phone number.

NOTE:

3. If the taxpayer provides a new address, click on the address change box and use the Update Address screen following guidelines in IRM 4.19.3.20.1.6, *Address Updates*, and IRM 4.19.7, *IMF Automated Underreporter (AUR) Technical System Procedures - Updating Address Information*.

4. The latest Primary/Secondary/POA address displays. This may not, however, be the address that received a notice.

IRM 4.19.3.20.6(11) b Note - clarified that Note applies to both a and b

11. If the recomputed net tax change is **#XXXXXXXXXXXXXXXXXXXXX #** and the taxpayer or authorized representative acknowledges the existence of a remaining balance due/refund (e.g., submits a payment, a signed Form 1040X, requests a "bill" or "notice", etc.) and;
 - a. The recomputation is equal to or less than the payment amount (or the taxpayer did not submit a payment), access the Summary screen. Use Notice Indicator 7 or 8, as appropriate. Close case with IPC "RN" (Recomputation Notice) or IPC "SR" (Statutory Recomputation Notice).

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**XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
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- b. The recomputation is more than the payment amount, adjust the MISCELLANEOUS CREDITS field of the Non-Refundable Credits window (in Return Value) to arrive at the payment amount as the recomputed net tax change amount and close the case with IPC "RN" (CP 2000) or "SR" (Statutory Notice).

NOTE: For CP 2501 responses, if the conditions in a or b above apply, and the taxpayer includes a specific amount of tax increase, update/verify the Assessment window and input PC 53.

- c. Remove the flag from the Form 9465 or written IA request and send to Collections.

IRM 4.19.3.20.7.5 table - corrected letter number in first Then

5. Use the following instructions to issue the Letter 2625C:

REMINDER: Do not issue a Letter 2625C to the Social Security Administration, see IRM 4.19.3.20.3.12 (3), *Social Security/ Railroad Retirement (SS/RR)*.

1. Research IDRS using CC INOLE or ENMOD to obtain the employer/payer address.

NOTE: If the payer address cannot be obtained, DELETE the issue.

2. When research is complete, update the address for the employer/payer using the Update Address window with Address Type B1 - B9, as appropriate.
3. Issue a Letter 2625C to the employer/payer, always select paragraph "X" and other applicable paragraphs to compose the body of the letter.

CAUTION: For FS 2 cases be sure the Letter 2625C refers to the correct taxpayer.

4. When a third party contact letter is mailed to an individual, Paragraph "W" MUST be included on the Letter 2625C.
5. Issue an interim letter to the taxpayer. Select paragraphs that: acknowledge the taxpayer's response, identify the reason(s) the final response is delayed AND specify a contact date when we will provide the final response. Follow the chart below to determine appropriate taxpayer letter:

If	And	Then
The taxpayer has not granted permission to contact the payer	There are no other issues that need to be addressed	Issue Letter 3404C. NOTE: If manually issuing Letter 3404C using the IAT "Letters" tool or IDRS, you must wait 10 days before issuing the Letter 2625C.
The taxpayer has granted permission to contact the payer		Issue Letter 4314C
The taxpayer has not granted permission to contact the payer	There are other issues that need to be addressed	Issue Letter 2626C
The taxpayer has granted permission to contact the payer		

EXCEPTION: Telephone assistors may verbally inform the taxpayer of action taken instead of issuing Letter 3404C, Letter 4314C or Letter 2626C. Leave a case note to document what information was provided to the taxpayer.