

IRM PROCEDURAL UPDATE

DATE: 06/06/2017

NUMBER: sbse-04-0617-0960

SUBJECT: IMF Automated Underreporter (AUR) Program

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

CHANGE(s):

IRM 4.19.3.3.3.2(13) table, 2nd row and Caution - added AC 123 and AC 129 to the If column and in the Then column, provided specific instructions for closure in screening, when a notice was issued and there is a credit on the account and when a notice was issued and there is no credit on the account; deleted Caution

IRM 4.19.3.3.3.2(13) table, 3rd row - deleted and moved information to (15)

13. **Freeze Code "P-"** indicates the case may be assigned in the FRP or Integrity and Verification Operation (IVO) held the refund. Research IDRS.

If	And	Then
TC 599 AC 17 or 89 is present	FRP has an open control (will show AUDT in control base)	Refer the case to the local FRP coordinator who will provide instructions to either continue processing or to transfer case. If FRP wants the case transferred, use PC 13.
TC 720 and TC 971 with either AC 052, 123, 129, 134, 617 is present		<p>During screening close the case no change using PC 28.</p> <p>If a notice was issued and there is a credit on the account, take the following actions to close the case:</p> <ol style="list-style-type: none"> 1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Input TC 888 – 0 (zero amount). 5. Remove all other transaction/reference codes. 6. Input remarks: No change. 7. Commit the Assessment window. 8. Input PC 52 (CP 2501), PC 71

		(CP 2000) or PC 92 (Stat), as appropriate. If a notice was issued and there is no credit , close the case no change using PC 52, 71, or 92 as appropriate.
--	--	--

IRM 4.19.3.3.3.2(15) - revised to add a table with specific instructions for closure in screening, when a notice was issued and there is a credit on the account and when a notice was issued and there is no credit on the account

15. A **Freeze Code "-R"** on Tax Account screen reflects IVO or Taxpayer Protection program (TPP) involvement and is identified with TC 971 AC 052, AC 134, AC 617 or TC 570 with TC 971 AC 199 which indicates a frozen refund. Take the following actions to close the case:

If	Then
During screening	Close the case no change with PC 28.
A notice was issued and there is a credit on the account	<ol style="list-style-type: none"> 1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Input TC 888 – 0 (zero amount). 5. Remove all other transaction/reference codes. 6. Input remarks: No change. 7. Commit the Assessment window. 8. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate.
A notice was issued and there is no credit on the account	Close the case no change using PC 52, 71 or 92, as appropriate.

IRM 4.19.3.3.3.4(15) table If column, 6th and 7th rows - deleted Notes

15. TC 971 with certain Action Codes (AC), indicate the TP may be a victim of identity theft. During response phase, see IRM 4.19.3.20.1.26, *Identity Theft (IDT) Claims - Overview*, and IRM 4.19.3.20.1.26.3, *IDT Claims - Responses*, for additional information. **During screening phase:**

If there is a TC 971 AC	Then
501	Close case PC 23
504	Close case PC 23
505	Close case PC 23
506	Close case PC 23
522	Close case PC 23
523	<ol style="list-style-type: none"> 1. Continue normal AUR processing. 2. Leave a case note acknowledging the TC 971 AC 523. 3. DO NOT TRANSFER TO IDTVA.
524	<ol style="list-style-type: none"> 1. If filing status (FS) 2, research IDRS CC INOLES to determine which TP is deceased. 2. Continue AUR processing following IRM 4.19.3.4.5, <i>Deceased Taxpayers</i>, and IRM 4.19.3.20.1.14, <i>Decedents</i>. 3. Leave a case note acknowledging the TC 971 AC 524. 4. DO NOT TRANSFER TO IDTVA.
525	Close case PC 23

NOTE: For a list of AC meanings see, Exhibit 4.19.3-16, *Identity Theft Action Codes*.

IRM 4.19.3.4.8.2(4) table, Then column, 1st row - clarified that case should be closed PC 28, per FFC instruction

IRM 4.19.3.4.8.2(4) table, Then column, 2nd row, step 3 - revised instruction to request Form 14039/a police report

4. If Fraud refuses the case, returns it to the tax examiner per IRM 4.19.3.4.8.3 (6), *AUR Functional Fraud Coordinator Responsibilities*, take the following actions:

If	Then
The case is in the screening phase	Close the case PC 28, if instructed by the FFC to do so.
The TP's response indicates they did not file a tax return (regardless of agreement to the U/R income)	<ol style="list-style-type: none"> 1. Research and print ENMOD. If there is an indication of identity theft see IRM 4.19.3.20.1.26.3, <i>IDT Claims - Responses</i>. 2. If not, issue a Letter 2626C, and advise the TP to submit a completed return including the required signatures or a signed statement that they did not have a

	<p>filing requirement with a copy of our notice. Refer to Exhibit 4.19.3-19, <i>Filing Requirements for Most People</i>, for additional information.</p> <p>3. Request Form 14039 /a police report.</p> <p>4. Leave a detailed case note outlining the TP response and actions (i.e. "TP resp didn't file. 2626C for rtn or signed stmt").</p>
--	--

IRM 4.19.3.19.1(4) - added new Reminder for TC 971 AC 501 and AC 506

IRM 4.19.3.19.1(5) Note - revised for clarity

IRM 4.19.3.19.1(5) table, Then column, 1st row - removed instructions to research to determine whether the AC is current or expired

IRM 4.19.3.19.1(5) table, If column, 2nd row - revised to add literal UNWORK and added Note to deal with claims made prior to April 3, 2017

IRM 4.19.3.19.1(5) table, Then column, 3rd row - revised instruction to remove the requirement to request IDT documentation other than Form 14039/a police report and added Note for AMS research

IRM 4.19.3.19.1(5) table, If column, 6th row - removed reference to IRM 25.23.2

IRM 4.19.3.19.1(5) table, If column, 8th row - deleted Note

IRM 4.19.3.19.1(5) table, 9th row - new to add If and Then instructions for AC 506 on the AUR tax year

IRM 4.19.3.19.1(5) table, If column, 11th row - deleted Note

IRM 4.19.3.19.1(5) table, If column, 12th row - deleted Note

IRM 4.19.3.19.1(6) added AC literal UNWORK

4. When there is an indication of identity theft in the message window, review IDRS CC ENMOD for **current** IDT indicators. Consider the following when determining appropriate action:

REMINDER: TC 971 AC 501 and AC 506 do not expire.

If there are multiple current IDT indicators	Then
---	-------------

Input on various dates	Process the case based on the most recent IDT indicator.
Input on the same date, and these are the most recent IDT indicators	<ol style="list-style-type: none"> 1. Consider all these IDT indicators. 2. If one indicates the case should be closed no change but another indicates some other action should be taken, i.e., transfer the case to the AUR IDT Liaison; take the other action. DO NOT close the case no change.

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

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.

NOTE: With the exception of AC 501 and AC 506, which do not expire, identity theft documentation must be less than three (3) years old to be considered "current". The **TRANS-DT** on an existing AC 5XX is used to determine whether the documentation is current or expired.

If TC 971 has an AC of	Then
501	<ol style="list-style-type: none"> 1. Issue a Letter 2626C 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 Form 14039 /a police report and identification of the issues related to IDT. 4. Input IPC 3L, 6L or 8L as appropriate.
522 with the literal UNWORK or IRSID NOTE: If the IDT claim was made prior to April 3, 2017 also consider INCOME, MULTFL, INCMUL, NODCRQ, NOFR or OTHER	Research IDRS CC ENMOD to determine if the TRANS-DT on an existing AC 522 is current; within the last three (3) years. If less than 3 years: <ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Place in the designated area for

	<p>the AUR IDT liaison.</p> <p>If not current; more than 3 years, continue normal AUR processing.</p>
<p>522 with the literal PNDCLM</p>	<p>Research IDRS CC ENMOD to determine if the TRANS-DT on an existing AC 522 is current; within the last three (3) years.</p> <p>If current; less than 3 years take the following actions:</p> <ol style="list-style-type: none"> 1. Research AMS/CIS to check for Form 14039 or a police report (i.e., law enforcement incident report) and/or a related scanned taxpayer response. <p>NOTE: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure that AMS/CIS is researched for IDT documents.</p> <ol style="list-style-type: none"> 2. If AMS/CIS includes a copy of a Form 14039 or a police report (i.e., law enforcement incident report), transfer to the designated UID. 3. Place in the designated area for the AUR IDT liaison. <p>If AMS/CIS does not include a copy of a Form 14039 or police report (i.e., law enforcement incident report) or any IDT</p>

	<p>related TP response, continue normal processing.</p> <p>If AMS/CIS does not include a copy of a Form 14039 or police report (i.e., law enforcement incident report), but an IDT related scanned TP response is present, refer to IRM 4.19.3.20.1.26.3, <i>IDT Claims - Responses</i>.</p> <p>If TRANS-DT is not current; more than 3 years, continue normal AUR processing.</p>
504 with the literal RPM on the AUR tax year	Close no change PC 52, 71 or 92. Do not send a Letter 1802C.
506 on the AUR tax year	Close no change PC 52, 71 or 92. Do not send a Letter 1802C.
AC 504 with the literal RPM (not on the AUR tax year) or with literals SPCL1, SPCL2 or EAFAIL does not indicate identity theft.	<ol style="list-style-type: none"> 1. Continue normal AUR processing. 2. Leave a case note acknowledging the AC 504 - SPCL1, SPCL2 or EAFAIL.
504 with literals ACCT, BOTH, NKI or EMPL	<p>Research IDRS CC ENMOD to determine if the TRANS-DT on an existing AC 504 is current; within the last three (3) years.</p> <p>If less than 3 years:</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 not current; more than 3 years, continue normal AUR processing.</p>
505	Continue normal AUR processing.
506 on the AUR tax year	If there is no credit on the account:
CAUTION: AC 506 with literals WI AMTAP (RFND, OTHER, OMM, OMMGB or DDB) or WI PRP OTHER1 or WI PRP DDB is an indication	<ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Close the case using PC 52, 71 or 92, as appropriate.

<p>of IVO involvement. The account may also contain a "P-" or "-R" Freeze Code Do NOT release any credit.</p>	<p>If there is a credit on the account:</p> <ol style="list-style-type: none"> 1. Access the MFT 30 Assessment window. 2. Input/verify TC 290 .00. 3. Input Hold Code 4. 4. Input TC 888 – 0 (zero amount). 5. Remove all other transaction/reference codes. 6. Input remarks: No change. 7. Commit the Assessment window. 8. Leave a detailed case note. 9. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate.
<p>506 on other than the AUR tax year CAUTION: If the tax return in question meets the criteria outlined in the Refund Scheme Listing, IRP data, IRM 25.23.4-2, <i>IRTPTR/IDRS Data Decision Tree</i>, (i.e., the only UR income is social security benefits that do not indicate a filing requirement, etc.), it may be an indication that the return is bad (not filed by the SSN owner) and the address on the module may not be that of the actual TP. It may be necessary to research the TP's address against prior year returns or IDRS CC ENMOD and reissue the notice/letter accordingly. Refer to Exhibit 4.19.3-19, <i>Filing Requirements For Most People</i>, for additional information. NOTE: Use the address from the SS/RR IR when the only UR income is social security benefits that do not indicate a filing requirement.</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. Inform the TP 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/ keyword <i>Identity Theft</i> or see Pub 5027, <i>Identity Theft Information for Taxpayers</i>. 6. Input IPC 3L, 6L, or 8L as appropriate. <p>NOTE: The instructions in steps 1 - 6 above apply even if</p>

	the case is ready to default.
523	Continue normal AUR processing. DO NOT TRANSFER TO IDTVA.
524	Continue AUR processing following IRM 4.19.3.4.5, <i>Deceased Taxpayers</i> , and/or IRM 4.19.3.20.1.14, <i>Decedents</i> . DO NOT TRANSFER TO IDTVA.
525	Close no change PC 52, 71 or 92. Do not send a Letter 1802C.

6. 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, research IDRS CC ENMOD for a current AUR initiated TC 971 AC 522 UNWORK or PNDCLM for the tax year in question. If present, reverse per IRM 4.19.3.20.1.26.3, *IDT Claims - Responses*, using NORPLY and continue normal AUR processing.

IRM 4.19.3.20.1.26.1 - information in the sub-section was deleted and the following sub-sections were renumbered; the information now in the sub-section is a complete re-write of instructions in IDT – General

1. In situations where the taxpayer makes an allegation of identity theft, when working paper responses, or when answering incoming toll-free calls, follow the steps below:
 1. Research IDRS CC ENMOD for a **current** IDT indicator, TC 971. See the table below, Exhibit 4.19.3-16, *Identity Theft Action Codes*, and Exhibit 4.19.3-17, *Identity Theft - Tax Administration Source Terms and Descriptions*, for additional information.

AC	Literal
501	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR
504	ACCT, BOTH, NKI, EMPL
505	
506	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR
522	PNDCLM, UNWORK, IRSID
522	INCOME, MULTFL, INCMUL, NOFR, OTHER, if the identity theft claim was made prior to April 3, 2017

NOTE: With the exception of AC 501 and AC 506 which do not expire, identity theft documentation must be less than three (3) years old to be considered "current". The **TRANS- DT** on an existing AC 5XX is used to determine whether the documentation is current or expired.

2. If there is no current IDT TC 971 indicator see the table below to immediately input TC 971 AC 522 with the appropriate literal, using the IAT "REQ 77" tool. For instructions on how to input TC 971, see IRM 4.19.3.20.1.26.3, *IDT Claims - Responses*.

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

NOTE: Ensure IDRS updates are made for the correct TP.

If	Then
Form 14039 /a police report is provided	Input literal UNWORK
Form 14039 /a police report is not provided	Input literal PNDCLM
WRITTEN RESPONSES ONLY – TP indicates # [REDACTED]	# [REDACTED]
[REDACTED] #	[REDACTED] #

3. If there is an existing TC 971, see (1) above, verify the IDRS updates were made for the correct TP.

NOTE: If it is determined the IDRS updates were made to the incorrect TP, i.e., the secondary TP (spouse) is the victim and the indicator was placed on the primary, see IRM 4.19.3.20.1.26.3(12), *IDT Claims - Responses*, to reverse the indicator for the primary TP and IRM 4.19.3.20.1.26.3(11), *IDT Claims - Responses*, to update the secondary TP.

4. Determine if the case is already assigned to or has already been referred to IDTVA; look for a case note indicating referral to IDTVA or an IDRS control category of IDIX ("X" represents a numeric value, i.e., IDI2 is used when the case is assigned to IDTVA). If it is determined during the call the case is assigned to IDTVA provide the TP with the IDTVA contact information.
 5. If the taxpayer states they have lost, misplaced or did not receive their Identity Protection PIN (IP PIN) and is in need of a replacement, advise the TP to contact IDTVA for assistance.
2. Telephone assistors refer to RM 4.19.3.20.1.26.2, *IDT Claims – Telephone*, for additional information and if working paper responses refer to IRM 4.19.3.20.1.26.3, *IDT Claims - Responses*.

IRM 4.19.3.20.1.26.2 - new sub-section for handling telephone calls with claims of identity theft

1. Determine if the case is already assigned to or has already been referred to IDTVA; look for a case note indicating referral to IDTVA or an IDRS control

category of IDIX ("X" represents a numeric value, i.e., IDI2 is used when the case is assigned to IDTVA). If it is determined the case is assigned to IDTVA provide the TP with the IDTVA contact information.

2. If the case is NOT already assigned to or referred to the IDTVA, and the **case is controlled at your campus**, and any of the conditions in the table below exist, take the following actions:

NOTE: On October 1, 2015, IDTVA began scanning all correspondence into AMS/CIS. Scanned documents are associated with the SSN of the TP claiming identity theft. If the return is Married Filing Joint (FS 2) it may be necessary to research both SSNs and/or it may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.

CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing.

NOTE: AC listed in the table below do not need to be present on AUR account (year).

If there is an existing current TC 971 (input within the last 3 years) with	And the literal is	Then
AC 501 or 506 REMINDER: TC 971 AC 501 and AC 506 do not expire.	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR	<ol style="list-style-type: none"> 1. Request the case via UWC. <p>EXCEPTION: If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note.</p> <ol style="list-style-type: none"> 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 504	SPCL1, SPCL2, or EAFAIL	Continue normal AUR processing/call handling. <p>CAUTION: If the account is marked with TC 971 AC 504 SPCL1, SPCL2, or EAFAIL there have been unsuccessful attempts to obtain the IP PIN. Use high risk disclosure procedures; see IRM 4.19.3.20.2.2, <i>Disclosure</i>, for additional information.</p>

AC 504	ACCT, BOTH, NKI or EMP	<ol style="list-style-type: none"> 1. Request the case via UWC. <p>EXCEPTION: If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note.</p> <ol style="list-style-type: none"> 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 506	<p>WI AMTAP (RFND, OTHER, OMM, OMMGB, or DDB) or WI PRP OTHER1 or WI PRP DDB.</p> <p>NOTE: The account may also contain a "P-" or "-R" Freeze Code.</p>	<p>If there is no credit on the account:</p> <ol style="list-style-type: none"> 1. Request the case to work. 2. Leave a detailed case note. 3. Close the case using PC 52, 71 or 92, as appropriate. <p>If there is a credit on the account:</p> <ol style="list-style-type: none"> 1. Request the case to work. 2. Access the MFT 30 Assessment window. 3. Input/verify TC 290 .00. 4. Input Hold Code 4. 5. Input TC 888 – 0 (zero amount). 6. Remove all other transaction/reference codes. 7. Input remarks: No change. 8. Commit the Assessment window. 9. Leave a detailed case note. 10. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate. <p>If the case is not available to request, leave a detailed case note and ensure appropriate actions are taken to close the case.</p>

AC 522	UNWORK or IRSID NOTE: If the IDT claim was made prior to April 3, 2017 also consider INCOME, MULTFL, INCMUL, NOFR or OTHER.	<ol style="list-style-type: none"> 1. Request the case via UWC. <p>EXCEPTION: If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note.</p> <ol style="list-style-type: none"> 2. Follow steps 4 – 6 below. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.
AC 522	PNDCLM and the TP states IDT documents were sent	<p>Research AMS/CIS to check for IDT documentation and/or a related scanned TP response.</p> <p>REMINDER: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.</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 police report (i.e., law enforcement incident report) then:</p> <ol style="list-style-type: none"> 1. Request the case via UWC. <p>EXCEPTION: If the case is unavailable through UWC, notify the AUR IDT liaison via secure email that the case needs to be referred to the IDTVA and leave a detailed case note.</p> <ol style="list-style-type: none"> 2. Leave a detailed case note. 3. Transfer to the designated UID. 4. Place in the designated area for the AUR IDT liaison.

		If AMS/CIS does not include a copy of Form 14039 or a police report (i.e., law enforcement incident report), follow steps 2-6 below.
AC 522	PNDCLM and the TP does not indicate IDT documents were sent	Follow steps 2-6 below.
AC 522	NODCRQ with "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.
AC 505 or 525		<ol style="list-style-type: none"> 1. Request the case via UWC. 2. Leave a detailed case note. 3. Close the case no change using normal AUR procedures. <p>EXCEPTION: If the case is unavailable through UWC, take the appropriate action to ensure the case is closed following normal AUR procedures, per IRM 4.19.3.20.1.26.3(6) table, <i>IDT Claims - Responses</i>.</p>

1. If none of the above is present or if the TRANS-DT is not within the last 3 years (except AC 501 and AC 506, which do not expire), input TC 971 AC 522 PNDCLM using the IAT "REQ77" tool. See IRM 4.19.3.20.1.26.3(11), *IDT Claims - Responses*, for additional information.

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

2. Attempt to secure Form 14039 or a police report via fax. If the TP faxes the document(s) 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.
3. If the TP indicates Form 14039 or a police report will be sent later, advise them once their document(s) 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.

4. Inform the TP 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 5027, *Identity Theft Information for Taxpayers*.
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.

3.

4. If the case is NOT already assigned to or referred to the IDTVA, and the case **is not controlled** at your campus, and any of the conditions in the table below exist, take the following actions:

CAUTION: If the TC 971 AC 501, 504, 505, 506 or 522 has been reversed with a corresponding TC 972 - continue normal AUR processing.

NOTE: AC listed in the table below do not need to be present on AUR account (year).

If there is an existing current TC 971 (input within the last 3 years) with	And the literal is	Then
AC 501 or 506 REMINDER: TC 971 AC 501 and AC 506 do not expire.	INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR	<ol style="list-style-type: none"> 1. Follow steps 4-6 below. 2. Leave a detailed case note. 3. Complete Form 4442, <i>Inquiry Referral</i>, and fax/e-Fax to the site AUR Coordinator.
AC 504	SPCL1, SPCL2, or EAFail	Continue normal AUR processing/call handling. CAUTION: If the account is marked with TC 971 AC 504 SPCL1, SPCL2, or EAFail there have been unsuccessful attempts to obtain the IP PIN. Use high risk disclosure procedures; see IRM 4.19.3.20.2.2, <i>Disclosure</i> , for additional information.
AC 504	ACCT, BOTH, NKI, or EMP	<ol style="list-style-type: none"> 1. Follow steps 4-6 below. 2. Leave a detailed case note. 3. Complete Form 4442, <i>Inquiry Referral</i>, and fax/e-Fax to the site

		AUR Coordinator.
AC 506	<p>WI AMTAP (RFND, OTHER, OMM, OMMGB or DDB) or WI PRP OTHER1 or WI PRP DDB.</p> <p>NOTE: The account may also contain a "P-" or "-R" Freeze Code. Do NOT release any credit.</p>	<p>If there is no credit on the account:</p> <ol style="list-style-type: none"> 1. Request the case to work. 2. Leave a detailed case note. 3. Close the case using PC 52, 71 or 92, as appropriate. <p>If there is a credit on the account:</p> <ol style="list-style-type: none"> 1. Request the case to work. 2. Access the MFT 30 Assessment window. 3. Input/verify TC 290 .00. 4. Input Hold Code 4. 5. Input TC 888 – 0 (zero amount). 6. Remove all other transaction/reference codes. 7. Input remarks: No change. 8. Commit the Assessment window. 9. Leave a detailed case note. 10. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate. <p>EXCEPTION: If the case is unavailable through UWC, for either situation above, complete Form 4442, <i>Inquiry Referral</i>, and fax/e-Fax to the site AUR Coordinator.</p>
AC 522	<p>UNWORK or IRSID</p> <p>NOTE: If the IDT claim was made prior to April 3, 2017 also consider INCOME, MULTFL, INCMUL, NOFR or OTHER.</p>	<ol style="list-style-type: none"> 1. Follow steps 4-6 below. 2. Leave a detailed case note. 3. Complete Form 4442, <i>Inquiry Referral</i>, and fax/e-Fax to the site AUR Coordinator.
AC 522	PNDCLM and the TP states ID	Research AMS/CIS to check for IDT documentation and/or a related scanned

	Theft documents were sent	<p>TP response.</p> <p>REMINDER: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.</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 police report (i.e., law enforcement incident report) then:</p> <ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Complete Form 4442, <i>Inquiry Referral</i>, and fax/e-Fax to the site AUR Coordinator. <p>If AMS/CIS does not include a copy of Form 14039 or a police report (i.e., law enforcement incident report), follow steps 2-6 below.</p>
AC 522	PNDCLM and the TP does not indicate ID Theft documents were sent	Follow steps 2-6 below.
AC 522	NODCRQ with "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.
AC 505 or 525		<ol style="list-style-type: none"> 1. Request the case via UWC. 2. Leave a detailed case note. 3. Close the case no change using normal AUR procedures. <p>EXCEPTION: If the case is</p>

		<p>unavailable through UWC, check the action required box and leave a case note indicating the TP made a claim of identity theft and the case needs to be closed following normal processing procedures per IRM 4.19.3.20.1.26.3 (6) table, <i>IDT Claims - Responses</i>.</p>
--	--	--

1. If none of the above is present or if the TRANS-DT is not within the last 3 years (except AC 501 and AC 506, which do not expire), input TC 971 AC 522 PNDCLM using the IAT "REQ77" tool. See IRM 4.19.3.20.1.26.3(11), *IDT Claims - Responses*, for additional information.

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

2. Inform the TP Form 14039 or a police/law enforcement incident report is required and advise them to fax or mail to the assigned campus.
3. Advise the TP once the required Form 14039 or police/law enforcement incident report is received, their case will be referred to the Identity Theft Victim Assistance, and if additional information is needed a representative from that area will contact them.
4. Inform the TP 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 5027, *Identity Theft Information for Taxpayers*.
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.

5. If the TP indicates # [REDACTED] # advise the TP to submit a signed statement indicating they did not file or that they did not have a filing requirement with a copy of our notice and leave a detailed case note outlining the TP response and actions taken (i.e. "TP resp didn't file and/or has no filing requirement. Requested signed stmt.").

NOTE: Refer to Exhibit 4.19.3-19, *Filing Requirements for Most People*, for additional information.

IRM 4.19.3.20.1.26.3(3) - revised to remove duplicated instructions to determine whether the case is already assigned to IDTVA and instruction to request IDT documents other than Form 14039/police report; added new Exception for handling cases which have already been referred to IDTVA

IRM 4.19.3.20.1.26.3(4) - deleted Note

IRM 4.19.3.20.1.26.3(5) - added Exception concerning ACs 501 and 506 and revised information in the table

IRM 4.19.3.20.1.26.3(6) - added Exception for AC 501 and 506 and revised information in the table

IRM 4.19.3.20.1.26.3(7) - added Reminder for AC 501 and 506 and revised information in the table

IRM 4.19.3.20.1.26.3(8) - revised to remove instructions to request documents other than Form 14039/police report

3. When the taxpayer makes an allegation or claim of identity theft; i.e., key words/phrases such as # [REDACTED] # and there is no Form 14039 , *Identity Theft Affidavit*, or police report present take the following actions:
 1. Input TC 971 AC 522 with literal PNDCLM, if applicable.
 2. Issue a Letter 2626C (**using IPC 3L, 6L or 8L as appropriate**) requesting Form 14039 /a police report and/or a written statement for each AUR issue.
 3. Leave a detailed case note.

EXCEPTION: If the case is assigned to or has already been referred to IDTVA, leave a detailed case note, transfer to the designated UID and place in the designated area for the AUR IDT liaison.

4. If the response indicates the taxpayer # [REDACTED] # and ENMOD has either a current PNDCLM or there are no IDT indicators present,
 1. Use the IAT "aMend" tool, research portion, to determine Scrambled SSN or Mixed Entity. If yes, prepare Form 4442 for referral to AM and close PC 52, 71 or 92 or IPC 9R, as appropriate.
 2. If no, Input TC 971 AC 522 with literal IRSID, if applicable.
 3. Leave a detailed case note.
 4. Transfer to the designated UID.
 5. Place in the designated area for the AUR IDT liaison.
5. If the taxpayer submits a signed return or a statement that they did not have a filing requirement (refer to Exhibit 4.19.3-19, *Filing Requirements for Most*

People, for additional information) and ENMOD has no TC 971 AC 522 IRSID present, with or without a current AC 522 PNDCLM, take the following actions:

1. Input TC 971 AC 522 with literal IRSID, if applicable.
 2. Leave a detailed case note.
 3. Transfer to the designated UID.
 4. Place in the designated area for the AUR IDT liaison.
6. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally **and** the AUR systems shows a **current (within the last three (3) years) unreversed TC 971, AC 501, 504, 506, 522, 523, 524 or 525** see the table below to determine appropriate action to take:

EXCEPTION: AC 501 and AC 506 do not expire.

EXCEPTION: AC 504 with literals SPCL1, SPCL2 or EAFAIL does not indicate IDT documentation has been submitted.

If	Then
AC 501 or 506 with the literals INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR	<ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Leave a case note. 3. Place the case in the designated area for the AUR IDT liaison.
AC 506 with literals WI AMTAP (RFND, OTHER, OMM, OMMGB or DDB) or WI PRP OTHER1 or WI PRP DDB. NOTE: The account may also contain a "P-" or "-R" Freeze Code. Do NOT release any credit.	<p>If there is no credit on the account:</p> <ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Close the case using PC 52, 71 or 92, as appropriate. <p>If there is a credit on the account:</p> <ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Access the MFT 30 Assessment window. 3. Input/verify TC 290 .00. 4. Input Hold Code 4. 5. Input TC 888 – 0 (zero amount). 6. Remove all other transaction/reference codes. 7. Input remarks: No change. 8. Commit the Assessment window. 9. Leave a detailed case note. 10. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate.
AC 522 with literals INCOME, MULTFL,	<ol style="list-style-type: none"> 1. Transfer to the designated UID. 2. Leave a case note.

INCMUL, NOFR, or OTHER if the identity theft claim was made prior to April 3, 2017	3. Place the case in the designated area for the AUR IDT liaison.
AC 522 with the literal PNDCLM and there is a Form 14039 or police report (i.e., law enforcement incident report) present	<ol style="list-style-type: none"> 1. Verify/input TC 971 AC 522 UNWORK. 2. Transfer to the designated UID. 3. Leave a case note. 4. Place the case in the designated area for the AUR IDT liaison.
AC 522 with the literal PNDCLM or NODCRQ with "OTHER" and "PPDS" as the BOD, "OPIP" as the Program and there is no Form 14039 or police report (i.e., law enforcement incident report) present	<ol style="list-style-type: none"> 1. Issue a Letter 2626C to acknowledge TP's correspondence. 2. Include a paragraph to request Form 14039 /a police report. 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 Form 14039 /a police report and identification of the issues related to IDT. 5. Inform the TP 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/ keyword "Identity Theft" or see Pub 5027, <i>Identity Theft Information for Taxpayers</i>. 6. Input IPC 3L, 6L or 8L as appropriate.
AC 505, 525 or 504 with the literal RPM	Close the case no change following normal AUR procedures.
AC 523	<ol style="list-style-type: none"> 1. Issue a Letter 2626C to acknowledge TP's correspondence. 2. Include a paragraph to request Form 14039 /a police report. 3. Include a paragraph to request a statement identifying the issues related to IDT. 4. If the income issue(s) is affiliated

	<p>with the secondary SSN which does not have the IDRS IDT indicator, include a paragraph to request Form 14039 /a police report and identification of the issues related to IDT.</p> <p>5. Inform the TP 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/ keyword "Identity Theft" or see Pub 5027, <i>Identity Theft Information for Taxpayers</i>.</p> <p>6. Input IPC 3L, 6L or 8L as appropriate.</p>
AC 524	<p>1. If filing status (FS) 2, research IDRS CC INOLES to determine which TP is deceased.</p> <p>2. Continue AUR processing following IRM 4.19.3.4.5, <i>Deceased Taxpayers</i>, and IRM 4.19.3.20.1.14, <i>Decedents</i>.</p> <p>3. Leave a case note acknowledging the TC 971 AC 524.</p> <p>4. DO NOT TRANSFER TO AUR IDT liaison.</p>

7. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally, there is no Form 14039, *Identity Theft Affidavit*, or police report (i.e., law enforcement incident report) present, **and** the AUR systems shows an **expired (more than three (3) years old), unreversed TC 971 AC 501, 504, 506 or 522**, see the table below to determine appropriate action to take.

REMINDER: AC 501 and 506 do not expire.

EXCEPTION: AC 504 with literals SPCL1, SPCL2 or EAFAIL does not indicate IDT documentation has been submitted.

If	And	Then
AC 501 or 506 with the literals INCOME, MULTFL, INCMUL, NOFR, OTHER, DECD or PRISNR		<p>1. Transfer to the designated UID.</p> <p>2. Leave a case note.</p> <p>3. Place the case in the designated area for the</p>

		AUR IDT liaison.
<p>AC 506 with literals WI AMTAP (RFND, OTHER, OMM, OMMGB or DDB) or WI PRP OTHER1 or WI PRP DDB.</p> <p>NOTE: The account may also contain a "P-" or "-R" Freeze Code. Do NOT release any credit.</p>		<p>If there is no credit on the account:</p> <ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Close the case using PC 52, 71 or 92, as appropriate. <p>If there is a credit on the account:</p> <ol style="list-style-type: none"> 1. Leave a detailed case note. 2. Access the MFT 30 Assessment window. 3. Input/verify TC 290 .00. 4. Input Hold Code 4. 5. Input TC 888 – 0 (zero amount). 6. Remove all other transaction/reference codes. 7. Input remarks: No change. 8. Commit the Assessment window. 9. Leave a detailed case note. 10. Input PC 52 (CP 2501), PC 71 (CP 2000) or PC 92 (Stat), as appropriate.
<p>AC 504 or 522 with literals INCOME, MULTFL, NOFR, INCMUL, OTHER, PNDCLM or UNWORK</p>	<p>The TP identifies the AUR issue(s) directly related to the IDT claim</p>	<p>Research AMS/CIS to check for Form 14039 or police report.</p> <p>NOTE: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure AMS/CIS is researched for Form 14039 /a police report.</p>

		<p>If AMS/CIS includes a copy of a Form 14039 /a police report (i.e., law enforcement incident 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 Form 14039 /a police report (i.e., law enforcement incident report):</p> <ol style="list-style-type: none"> 1. Issue a Letter 2626C to acknowledge the TP's correspondence. 2. Include a paragraph to request Form 14039 /a police report. 3. Input IPC 3L, 6L or 8L as appropriate.
<p>AC 504 with literal RPM or 522 INCOME, MULTFL, NOFR, INCMUL, OTHER, PNDCLM or UNWORK</p>	<p>The TP does not identify the AUR issue(s) directly related to the IDT claim</p>	<p>Research AMS/CIS to check for Form 14039 or police report.</p> <p>NOTE: It may be necessary to research years other than the AUR tax year because documents are filed under the earliest year listed on Form 14039.</p> <p>NOTE: If TE does not have access to AMS/CIS, follow local procedures to ensure AMS/CIS is researched for Form 14039 /a police report.</p> <p>If AMS/CIS includes a copy of a Form 14039 /a police report (i.e., law enforcement incident 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 Form 14039 /a police report (i.e., law enforcement incident report):</p> <ol style="list-style-type: none"> 1. Issue a Letter 2626C to acknowledge the TP's correspondence. 2. Include a paragraph to request Form 14039 /a police report. 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 Form 14039 /a police report and identification of the issues related to IDT. 5. Input IPC 3L, 6L or 8L as appropriate.
--	--	---

8. If the **taxpayer indicates the U/R income was the result of identity theft** or their SSN being used illegally **and the AUR system shows no indication of identity theft**, there is no Form 14039 , *Identity Theft Affidavit* , or police report (i.e., law enforcement incident report) present, check IDRS CC ENMOD for the conditions in (6) above. If no condition(s) present, take the following actions:
 1. Issue a Letter 2626C to acknowledge the TP's correspondence.
 2. Include a paragraph to request Form 14039 /a police report.
 3. Include a paragraph to request a statement identifying the issues related to IDT if the TP has not identified them.

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 Form 14039 /a police report and identification of the issues related to IDT.
5. Inform the TP 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/> keyword "Identity Theft" or see Pub 5027, *Identity Theft Information for Taxpayers*.
6. Input IPC 3L, 6L or 8L as appropriate.

IRM 4.19.3.20.1.26.3(12) - revised to use NORPLY when reversing TC 971 input by AUR; deleted table

12. TC 972 is used to reverse the TC 971. The TC 972 reversal also has a miscellaneous input field. The first two fields are the same as the TC 971 miscellaneous input field (see (11) above). Replace the Tax Administration Source with NORPLY, indicating the TP did not respond to a request for Form 14039 or a police report.

NOTE: To avoid an unpostable condition when inputting any TC 972 reversal, enter the transaction date of the corresponding TC 971 AC 5XX being reversed.

REMINDER: The IAT "REQ77" tool must be used to input/update the TC 971. See IRM 4.19.3.1.6, *Integrated Automated Technologies*, and Exhibit 4.19.3-20, *Mandated IAT Tools*, for additional information.

IRM 4.19.3.20.1.26.4(4) step 3 - revised instruction to remove IPC 9R, as this is no longer applicable

IRM 4.19.3.20.1.26.4(4) step 5 and Note - replaced PNDCLM with UNWORK, per changes in identity theft procedures and revised Note to remove reference to IRM 25.24.4.2

4. When an incoming response contains either; a Form 14039 or police report (i.e., law enforcement incident report), or the case requires referral to IDTVA due to the TP indicating they did not have a filing requirement or did not file a tax return, take the following actions:

NOTE: Non-identity theft mixed entity or scrambled SSN cases still follow normal procedures and are routed to Accounts Management. Use the IAT "aMend" tool, research portion, to assist in determining scrambled SSN or mixed entity.

1. Leave a case note indicating case is being referred to IDTVA. The case note should also include the following: Tax year(s) impacted, if known, indication of any Statute issues, see (7) below for additional action(s) if required, date of the Statutory Notice of Deficiency and last day to petition if applicable (Statutory Notice phase cases should also be flagged with the last day to petition noted on the flag), indication of Collection issues. Refer to Exhibit 4.19.3-19, *Filing Requirements for Most People*, for additional information.
2. Input IRS received date on AUR on open cases, if not present.
3. Input IPC SI.
4. Close AUR IDT IDRS control, if present.
5. Verify input of TC 971 AC 522 UNWORK or IRSID, as appropriate.

NOTE: Input of TC 971 # [REDACTED] # or had no filing requirement.

6. Input CC STAUP for 15 cycles, as needed.

EXCEPTION: If the case is in collection status, input TC 470 on IDRS. See Exhibit 4.19.3-14, *Notice Delay Actions (Reconsiderations)*.

7. Complete Form 3210, *Document Transmittal*.
8. Return completed package to clerical to handwalk/tranship to the IDTVA.

IRM 4.19.3.20.1.26.4(12) and Note - added alpha list to clarify appropriate closing PC and revised Note to ensure CCISO is notified of IDT determination

12. IDTVA will return a listing of SSNs for cases requiring input of closing PC.
 - a. If all UR IRs are determined to be due to IDT, or if after deleting all UR IRs determined to be due to IDT any remaining IRs # [REDACTED], # close the case using PC 17.
 - b. If the UR IRs are determined not to be IDT, but some or all will be deleted for another reason (i.e., the name on the IR is not the TP's), close the case no change # [REDACTED] # PC.

NOTE: If the case contains Form 8857, notify the IS Coordinator the case has been closed N/C, per the IDTVA determination, and coordinate to ensure CCISO is advised of the IDT determination.

CAUTION: If IDTVA advises there is a payment on the account (i.e., noted in a case note) and the case should be closed with PC 17, hold the case for 2 weeks before input of PC 17. This will allow time for IDTVA to release the payment.

IRM 4.19.3.20.7.5(4) - revised instruction to include research when the TP disclaims knowledge of income/payer or disputes income amount and included in new Reminder instruction not to send Letter 2625C to the Social Security Administration

4. If the TP disclaims knowledge of the income/payer or disputes the amount research IDRS using CC INOLE or ENMOD to obtain the employer/payer address; if the payer address cannot be obtained, DELETE the issue. If payer contact is necessary, see (5) - (7) below.

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)*.

Exhibit 4.19.3-16 - Revised identity theft Action Code descriptions, per changes to IRM 25.23.2

Action Code	Description
501	Indicates identity theft case closure - TP initiated.
504	Indicates documented identity theft that may not be applicable to AUR/U/R income.
505	Indicates IRS data loss incidents
506	Indicates IRS determined identity theft.
522	Provides the status of an in-process identity theft case.
523	Reserved for IPSO use.
524	Indicates the TP is deceased and the account has been locked to prevent any tax return from posting. AC 524 may not be currently associated with IDT.
525	This indicator is systemically applied and indicates employment related identity theft.

Exhibit 4.19.3-17 - Revised identity theft Action Code literal descriptions, per changes to identity theft general case processing

To facilitate effective identity theft case tracking and reporting, the Identity Protection office developed new Administration Source Fields used in certain circumstances, dependent upon the facts and circumstances of the case. The following table provides the Source Codes, their descriptions needed for IDRS input of TC 971 AC 522.

TERM/ACRONYM	DESCRIPTION
PNDCLM	The TP made an allegation of identity theft by telephone, has filed a return with a claim attached or sent a reply to a Compliance function alleging identity theft without a Form 14039 or police report/law enforcement incident report.
IRSID	During the normal course of business, the IRS suspects identity theft occurred and the case is not yet resolved.
UNWORK	The TP made an allegation of identity theft and provided the required Form 14039 or police report/law enforcement incident report and the case was forwarded to IDTVA for determination.
INCOME	Income reported under a TP's SSN without their consent or knowledge.
MULTFL	Two or more returns filed for the same tax period under the same SSN.
NOFR	Victim is not required to file a tax return.
INCMUL	Both INCOME and MULTFL apply.
OTHER	Identity theft which cannot be identified as related to any existing Tax Administration Source types.
NODCRQ	Prior to 2015, NODCRQ was applied when the taxpayer claimed identity theft and there was a posted TC 971 AC 501/ 506. Beginning in 2015, used in conjunction with BOD PPDS and Program OPIP (TC 971 AC 522 PPDS OPIP NODCRQ) to identify and track on-line accounts and EPSS accounts disabled due to identity theft.

