

IRM PROCEDURAL UPDATE

DATE: 11/30/2023

NUMBER: wi-25-1123-1140

SUBJECT: BMF Identity Theft Processing

AFFECTED IRM(s)/SUBSECTION(s): 25.23.9

CHANGE(s):

IRM 25.23.9.8.4 - Added procedures for updating the Sort Name on ENMOD when requesting an account lock. Added instructions to have an ENMOD print attached to the CII case and referral when requesting an account lock and unlock. Added additional instructions to monitor for the TC 020 to post.

(1) Beginning January of 2017, after determining an EIN is fabricated or inactive, refer the case to your BMF ID theft Liaison using the Form 14566 , BMF Identity Theft Referral, to request a TC 971 AC 524 be applied to the EIN. Be sure to document all your findings and research on the Form 14566.

(2) The input of the TC 971 AC 524 will cause the posting of a TC 020 locking the account. The TC 020 will post one cycle after the TC 971 AC 524. The TC 020 is only visible using CC BMFOLE. A TC 020 with a prior TC 971 AC 524 will not delete the entity but will prevent the posting of returns and payments to a tax module that is not already established on BMF.

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(4) Prior to sending the referral to have a fabricated or inactive EIN locked, ensure:

- a. There are no balances remaining on the account
- b. There are no credits on the module
- c. The sort name line is changed to "Identity Theft". If there is currently a name on the sort name line, move it down to the in care of name line. Then input "Identity Theft" on the sort name line.
- d. Document the sending of the referral on AMS along with details of the request. If working a CII case, attach the referral and a PDF print of the

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original entity (CC ENMOD) to the case. The referral and the PDF print of the original entity should be included in the request to have the account locked.

Note: For account lock reversal requests research CII for the original case and, if available, attach the PDF print of the original entity (CC ENMOD) to the secure e-mail. If the original case does not have a PDF print of the original entity attached, notate in the referral that the information was not available.

(5) Once the TC 971 AC 524 is input, IP will return the referral to the originator stating the input was completed.

(6) Do not close the case until the TC 971 AC 524 and TC 020 are posted on the account and all other account actions have been taken.

IRM 25.23.9.10.2 - Updated redacting instructions to match the new Adobe PDF program. Clarified what should be manually redacted on transcripts. Added link to IRM 25.23.3.2.6.4.

(1) If the taxpayer is requesting copies of potential ID theft returns or income documents, obtain the documents using the information available on TDS, IDRS or MeF for electronically filed returns. For employees utilizing the BTR tool, information from the screens can be printed by going to either the print icon or "file" for the print option. Once the information is accessed:

1. Print the information as a PDF file; use the CII number as the case name and save to your SBU folder. (Hint: Check your SBU folder prior to closing the file to ensure the file is saved).
2. Once the PDF file opens, click on the **"Tools"** menu.
3. Under **"Protect & Standardize"** click on **"Redact"**.
4. Using the mouse pointer, click and then drag over the information to be masked.
5. Continue to mask all required information.
6. Select **"Apply"** under the protection menu when all masking is complete. Another dialogue box will appear, click **"Continue"**. The boxed areas will then turn black for the redaction.
7. Save file in SBU folder - include CII case ID in the file name. The page can now be printed normally and sent to the taxpayer.

(2) **What needs to be redacted-** While the information that pertains to the determination of the victim-taxpayer's tax liability can be disclosed, information not relating to the computation of liability cannot be disclosed. It is necessary to determine which information must be redacted prior to sending the taxpayer the requested documents. Information that needs to be redacted is (these lists are not all inclusive):

a. Tax Forms

- TINs- Mask entire number except the last four digits. This includes all identifying identification numbers listed on the return or attached schedules if different from the EIN owner's.
- Business or Corporation names- Mask entire business name except the first four letters of the first name and the first four letters of any subsequent name on the name line. This includes all names listed on the return or attached schedules if different from the EIN owner's.
- Addresses- Mask the entire address except the first six numbers or letters of the street address line including spaces. This includes all addresses listed on the return or attached schedules if different from the EIN owner's.
- Preparer Identification Number- Mask entire number except the last four digits of DPIN or PTIN.
- Telephone number if not the number recorded on the account- Mask entire number except for last four digits.
- Banking information- this includes the routing and account numbers if present- Mask entire number except for last four digits.
- IP address if present- Mask entire IP Address except the last four digits of IP address.
- Software information if present- Mask entire Software ID except the last four digits of Software ID.
- All signatures on the tax return, forms, or schedules- Mask entire signature.

b. Income Document

- Employer/Payer address if different from the EIN owner's- Mask the entire address except the first six numbers or letters of the street address line including spaces.
- Employer/Payer name if different from the EIN owner's- Mask entire name except the first four letters of the recipients last name or business name.
- Taxpayer/Recipient/Filer name- Mask entire name except the first four letters of the recipient's last name or business name.
- Taxpayer/Recipient/Filer address if different from the EIN owner's- Mask the entire address except the first six numbers or letters of the street address line including spaces.
- Taxpayer/Recipient/Filer TIN (Identification number)- Mask entire number except the last four digits.
- Employer/Filer State ID number if different from the business's federal number
- Account number
- PSE's name and telephone number- Forms 1099-K, Payment Card and Third-Party Network Transactions

For examples on redacting BMF/IMF transcripts please see IRM 25.23.3.2.6.4, Manual Masking of MeF and TRDBV Fraudulent Return Request Transcript

(3) If the case is being worked through CII, attach a copy of the redacted print to the CII case.