

## IRM PROCEDURAL UPDATE

**DATE:** 07/26/2023

**NUMBER:** wi-21-0723-0849

**SUBJECT:** Forms 94XX with RICS, RIVO, or Identity Theft Involvement

**AFFECTED IRM(s)/SUBSECTION(s):** 21.7.2

**CHANGE(s):**

**IRM 21.7.2.4.6 Added new paragraph (18) at end of subsection with cross reference to new subsection IRM 21.7.2.4.6.13 which provides guidance for handling Forms 94XX with RICS/RIVO/IDT involvement.**

(18) For guidance on identifying and handling Forms 94XX with RICS/RIVO/IDT involvement, see IRM 21.7.2.4.6.12, *Forms 94XX with Return Integrity and Compliance Services (RICS)*, *Return Integrity Verification Operations (RIVO)*, or *Identity Theft (IDT) Involvement*.

**IRM 21.7.2.4.6.6(2) Revised the reminder and added a caution with a cross reference to new subsection IRM 21.7.2.4.6.13 which provides guidance for handling Forms 94XX with RICS/RIVO/IDT involvement.**

(2) In such cases, research the taxpayer's account for the missing tax return. This research should include reviewing the taxpayer's account for misapplied tax returns and unposted or rejected tax returns. If a missing return is located, take action to process or reprocess it to the proper tax account and then process the adjusted tax return as appropriate.

**Reminder:** If the adjusted employment tax return was scanned into Correspondence Imaging System (CIS), the tax module will reflect an E- freeze which **must** be addressed prior to closing the case. For additional information on E- freezes, see IRM 21.5.6.4.9, *E- Freeze*.

**Caution:** See IRM 21.7.2.4.6.12, *Forms 94XX with Return Integrity and Compliance Services (RICS)*, *Return Integrity Verification Operations (RIVO)*, or *Identity Theft (IDT) Involvement*, for information on identifying cases with RICS/RIVO/IDT involvement and associated handling **before** applying the guidance found in (3) and (4) below.

**IRM 21.7.2.4.6.13 Added new subsection with guidance for handling Forms 94XX with RICS/RIVO/IDT involvement.**

Forms 94XX with Return Integrity and Compliance Services (RICS), Return Integrity Verification Operations (RIVO), or Identity Theft (IDT) Involvement

(1) This subsection provides handling guidance for Form 94XX (or duplicate filed employment tax returns being processed as a Form 94XX) when there is Return Integrity and Compliance Services (RICS), Return Integrity Verification Operations (RIVO), or Identity Theft (IDT) involvement.

(2) BMF IDT is defined as creating, using, or attempting to use a business's identifying information to obtain a tax benefit without authority. BMF IDT can involve the use of a business's information to file fraudulent returns to support Individual Master File (IMF) IDT or to obtain refunds from BMF accounts. An individual's stolen personal information can also be used to obtain an Employer Identification Number (EIN) which is used to file false BMF tax returns and income documents. BMF accounts include the following entity types: sole proprietorship, corporation, partnership, estate, trust, exempt organization, or government entity.

(3) BMF IDT inquiries are complex and require extensive research. BMF taxpayers are often not aware their identities have been compromised until a notice is received from the IRS. The taxpayer may contact the IRS after receiving an unexpected notice regarding an inactive EIN, a recently-established EIN they have no knowledge about, or an IRS notice showing the business name was changed.

(4) If you suspect BMF IDT on a case, refer to IRM 25.23.11.4, *Business Master File (BMF) ID Theft Research*, and IRM 25.23.11.6, *Business Master File (BMF) Identity Theft Inquiries*.

(5) For any cases involving potential identity theft with RICS involvement, refer to IRM 25.23.11.6.3, *BMF Returns Selected for RICS Review*, for additional guidance. The following indicators (not all inclusive) may be seen on accounts:

- TC 971 AC 711
- TC 973
- Open RICS control assigned to 1481055555 with activity showing potential IDT
- Unreversed TC 971 AC 522 with MISC field "WI RICS CLSIDT"
- AMS shows Letter 6042C response and a determination
- Sort name line includes "POTENTIAL FAB EIN" or "Identity Theft"
- TC 971 AC 524 on module

(6) The following table provides guidance on handling common Form 94XX case scenarios with RICS/RIVO/IDT involvement:

If	And	Then
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-R Freeze		See (2) in IRM 21.5.6.4.35, <i>-R Freeze</i> , for guidance on identifying RIVO involvement on cases with -R freezes and IRM 21.5.6.4.35.3, <i>-R Freeze Overview for Accounts With Return Integrity Verification Operations (RIVO) Involvement</i> , for associated handling guidance.
E- Freeze	Open RIVO control, TC 971 AC 711, and TC 973 on module	<b>Do not</b> process the amended return/duplicate return as the original. Refer to IRM 25.23.11.6.3, <i>BMF Returns Selected for RICS Review</i> , for procedures on suspending and monitoring the case until a RICS determination is made.
TC 150 and "not IDT" determination has been made	TC 971 AC 712 or TC 971 AC 713 on module	Refer to IRM 25.23.11.6.3, <i>BMF Returns Selected for RICS Review</i> , for procedures applicable to TC 971 AC 712 or TC 971 AC 713 scenarios.
IDT or Fabricated EIN determination has been made	AMS states IDT determination made or Unreversed TC 971 AC 522 (MISC contains IDTCLM, IDTDOC or CLSIDT) on module or Sort name line includes "POTENTIAL FAB EIN" or "Identity Theft", TC 971 AC 524 on module	<ol style="list-style-type: none"> <li>1. Prepare Form 14566, <i>BMF Identity Theft Referral</i>. (See Exhibit 25.23.11-1, <i>Accounts Management Form 14566 Instructions</i>, for information on completing the form.)</li> <li>2. Send the completed Form 14566 via secure email to the AM BMF IDT liaison at *W&amp;I AM BMF IDT. If COVID related credits are claimed on the Form 94XX, include in subject line of the secure email the specific COVID related credit (i.e., "Sick and Family - Form 14566" or "ERC – Form 14566").</li> <li>3. Update the CII History Notes as follows: "Potential BMF IDT - Case referral to AM BMF IDT"</li> <li>4. Suspend the case and monitor for a response from BMF IDT confirming whether they will accept the case. <b>Do not</b> close the case until a response is received.</li> </ol>