



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.23.10

AUGUST 24, 2023

EFFECTIVE DATE

(10-01-2023)

PURPOSE

- (1) This transmits revised IRM 25.23.10, Compliance Identity Theft Case Processing.

MATERIAL CHANGES

- (1) IRM 25.23.10.2(3) Note, Added instruction on when to input a TC 470. IPU 23U0373 issued 03-09-2023.
- (2) IRM 25.23.10.5, Added a definition for the audience of this IRM section and its subsections. IPU 22U118 issued 11-23-2022.
- (3) IRM 25.23.10.5.1(5), Added paragraph to include how to work a lost response from an AUR referral. IPU 23U0373 issued 03-09-2023.
- (4) IRM 25.23.10.5.6, Replaced contacting OIC HQ with contacting CAmpus OIC based on mapping. IPU 22U1008 issued 10-07-2022.
- (5) IRM 25.23.10.5.6(2) a, Exception added on when the package should be mailed.
- (6) IRM 25.23.10.5.6(4), Added new box with instruction for IRSID cases with OIC involvement.
- (7) IRM 25.23.10.6, Removed references to ITAR and rearranged paragraphs.
- (8) IRM 25.23.10.7, Added paragraph regarding CCA and CII case creation of addition impacted years. IPU 23U0373 issued 03-09-2023.
- (9) IRM 25.23.10.7(4), Added new paragraph to include instruction to update the case information.
- (10) IRM 25.23.10.7(5), Added new paragraph regarding activity code and suspense dates.
- (11) IRM 25.23.10.7.1.2, Added new paragraph to email a Form 4442 to HQ of there is a case that does not fit the table scenarios lusted. IPU 22U1118 issued 11-23-2022.
- (12) IRM 25.23.10.7.1.2(2), Added new paragraph for ASFR TIN perfected NOIDT procedures. IPU 22U1008 issued 10-07-2022.
- (13) IRM 25.23.10.7.1.2(2), Added information on how to identify a TIN perfected document. IPU 23U0373 issued 03-09-2023.
- (14) IRM 25.23.10.7.1.2(3)(d), Added instruction to complete Form 14394. IPU 22U1118 issued 11-23-2022.
- (15) IRM 25.23.10.7.2.1.1(3)(a), Changed follow up timeframe from 120 days to 180 days. IPU 23U0373 issued 03-09-2023.
- (16) IRM 25.23.10.7.2.2(5), Added link to IRM 25.23.13 in the example.
- (17) IRM 25.23.10.7.2.6.4(3), Added new paragraph explaining that manual blocks expire after 52 cycles.
- (18) IRM 25.23.10.7.2.8.1, Added paragraph to update to the appropriate IDI category code. IPU 22U1118 issued 11-23-2022.

- (19) IRM 25.23.10.7.2.9(2)(a), Changed follow up timeframe from 90 days to 180 days. IPU 23U0373 issued 03-09-2023.
- (20) IRM 25.23.10.7.2.9, Added link to IRM 25.23.10.7.2.6.4.
- (21) IRM 25.23.10.7.3.2, Changed Title
- (22) IRM 25.23.10.7.3.2.1, Changed Title
- (23) IRM 25.23.10.7.3.2.1(1), Revised paragraph for clarity.
- (24) IRM 25.23.10.7.3.2.1(2), Added instruction, do not suspend the case waiting for the PC "SI"
- (25) IRM 25.23.10.7.3.2.1(5), Added information regarding CII fields that need to be checked and updated. IPU 23U0373 issued 03-09-2023.
- (26) IRM 25.23.10.7.3.2.1(7), Added TC 470 instructions.
- (27) IRM 25.23.10.7.3.2.1(9), Added paragraph to include how to work a lost response from an AUR referral. IPU 23U0373 issued 03-09-2023.
- (28) IRM 25.23.10.7.3.2.1.1(1), Added more examples to AUR cases screened in error. IPU 22U1008 issued 10-07-2022.
- (29) IRM 25.23.10.7.3.2.1.1(2), Clarified bullet list. Added Reminder to see closing instructions.
- (30) IRM 25.23.10.7.3.2.1.1(3), Moved paragraph regarding TIN perfected IRs to IRM 25.23.10.7.3.2.3, Income Related Identity Theft, and added a new paragraph regarding EINs.
- (31) IRM 25.23.10.7.3.2.2(2), Revised open paragraph.
- (32) IRM 25.23.10.7.3.2.3, Change Title.
- (33) IRM 25.23.10.7.3.2.3(1), Revised Then boxes since instruction is included in IRM 25.23.10.7.3.3, Closing Procedures.
- (34) IRM 25.23.10.7.3.2.3(2) box 10, Added instructions to complete a Form 4442 when emailing HQ for direction. IPU 22U1118 issued 11-23-2022
- (35) IRM 25.23.10.7.3.2.3(2), Added paragraph regarding TIN perfected IRs.
- (36) IRM 25.23.10.7.3.2.3(3), Revised Then boxes for clarity.
- (37) IRM 25.23.10.7.3.2.3(4), Added paragraph for BMF ID Theft referrals.
- (38) IRM 25.23.10.7.3.2.4, Changed Title
- (39) IRM 25.23.10.7.3.2.4(3), Revised table for clarity.
- (40) IRM 25.23.10.7.3.2.4(4), Revised table for clarity.
- (41) IRM 25.23.10.7.3.3, Changed Title.
- (42) IRM 25.23.10.7.3.3(1), Added link to IRM 25.23.4.10. IPU 23U0373 issued 03-09-2023.
- (43) IRM 25.23.10.7.3.3(1), Revised links.
- (44) IRM 25.23.10.7.3.3(3), Added paragraph for RC 139.
- (45) IRM 25.23.10.7.3.3(6), Added table for cases closed with a PC 17. IPU 22U118 issued 11-23-2022.

- (46) IRM 25.23.10.7.3.3(6), Paragraph revised for clarity. IPU 23U0031 issued 01-03-2023
- (47) IRM 25.23.10.7.4.2, Change Title.
- (48) IRM 25.23.10.7.4.2.1, Changed Title.
- (49) IRM 25.23.10.7.4.2.1(1), Revised paragraph to include instruction on when to update cases to IDI1.
- (50) IRM 25.23.10.7.4.2.1(4), Added TC 470 instructions.
- (51) IRM 25.23.10.7.4.2.2, Changed Title.
- (52) IRM 25.23.10.7.4.2.3, Changed Title.
- (53) IRM 25.23.10.7.4.5, Moved to IRM 25.23.10.7.6.
- (54) IRM 25.23.10.7.5, Revised section for clarity.
- (55) IRM 25.23.10.7.5.1, Revised section for clarity.
- (56) IRM 25.23.10.7.5.1.1, Removed.
- (57) IRM 25.23.10, Changed CIS to CII through out entire IRM. IPU 22U118 issued 11-23-2022
- (58) IRM 25.23.10, Various editorial changes and IRM cross references updated throughout entire IRM.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 25.23.10 dated 10-03-2022 and incorporates Identity Theft Case Processing IRM procedural updates:

IPU 22U1008 issued 10-07-2022

IPU 22U1118 issued 11-23-2022

IPU 23U0031 issued 01-03-2023

IPU 23U0373 issued 03-09-2023

AUDIENCE

The provisions in this manual apply to all employees working Identity Theft Victim Assistance-Compliance Programs.

Joseph Dianto
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Wage and Investment Division

25.23.10

Compliance Identity Theft Case Processing

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Exhibits

- 25.23.10-1 AUR Standardized Case Notes for IDTVA (AUR Open Cases Only)

25.23.10.1
(10-01-2019)
Program Scope and Objectives

- (1) Purpose: This manual provides case procedures specific to identity theft cases with Compliance involvement. This manual also provides guidance for cases processed by the Designated Identity Theft Adjustment (DITA) Team.

Note: See IRM 21.1.1.1, Program Scope and Objectives, if a taxpayer believes they have been discriminated against on the basis of sex, race, color, national origin (including limited English proficiency), disability, reprisal, religion, or age.

- (2) Audience: This IRM is for use by employees of the Identity Theft Victims Assistance (IDTVA) Specialty Teams.

- (3) Policy Owner: Director of Accounts Management.

- (4) Program Owner: Accounts Management, Identity Theft Victims Assistance.

- (5) Primary Stakeholders: The primary stakeholders are organizations that Accounts Management collaborates with; Return Integrity & Compliance Services (RICS), Compliance and Submission Processing.

- (6) Program Goals: The Identity Theft Victims Assistance program goals and objectives are to be achieved by following the processes and procedures provided within this IRM for the IDTVA Specialty Teams. In addition to the IRM 25.23, the following IRMs may be utilized for processing work performed by IDTVA Specialty teams. This list is not all inclusive:

- IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection
- IRM 2.3, IDRS Terminal Responses
- IRM 2.4, IDRS Terminal Input
- IRM 3.12.3, Individual Income Tax Returns
- IRM 3.13.5, Individual Master File (IMF) Account Numbers
- IRM 3.13.2.2.2.1, Taxpayer Bill of Rights (TBOR)
- IRM 4.13, Audit Reconsideration
- IRM 4.19.2, IMF Automated Underreporter (AUR) Control
- IRM 4.19.3, IMF Automated Underreporter Program
- IRM 4.19.7, IMF Automated Underreporter (AUR) Technical System Procedures
- IRM 4.19.11, Examination Classification of Work
- IRM 4.19.13, General Case Development and Resolution
- IRM 4.19.14, Refundable Credits Strategy
- IRM 4.19.15, Discretionary Programs
- IRM 4.19.16, Claims
- IRM 4.19.17, Non-Filer Program
- IRM 4.31, Pass-through Entity Handbook
- IRM 5.11, Notice of Levy
- IRM 5.18.1, Automated Substitute for Return (ASFR) Program
- IRM 5.19.1, Balance Due
- IRM 5.19.2, Individual Master File (IMF) Return Delinquency
- IRM 5.19.4, Enforcement Action
- IRM 5.19.9, Automated Levy Programs
- IRM 8.2, Pre 90-Day and 90-Day Cases (available on Forms, Pubs, and Docs repository)
- IRM 10.5, Privacy and Information Protection
- IRM 11.3, Disclosure of Official Information
- IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria

- IRM 20.1, Penalty Handbook
- IRM 20.2, Interest
- IRM 21, Customer Account Services
- IRM 25.1, Fraud Handbook
- IRM 25.12.1, Processing Refund Hold Program Inventory
- IRM 25.6, Statute of Limitations
- IRM 25.23, Identity Protection and Victim Assistance
- IRM 25.24, Return Preparer Misconduct Program
- IRM 25.25, Revenue Protection

25.23.10.1.1
(06-05-2017)

Background

- (1) In Fiscal Year (FY) 2015 the IRS opted to consolidate Identity Theft operations to improve accountability, efficiency, and timeliness. The Identity Theft Victims Assistance (IDTVA) organizational structure provides unified leadership and improves program oversight.

25.23.10.1.2
(06-05-2017)

Authority

- (1) Refer to IRM 1.2.1.13, Policy Statements for Customer Account Services Activities, for information.

25.23.10.1.3
(06-05-2017)

Responsibilities

- (1) The Wage and Investment Commissioner has overall responsibility for the policy related to this IRM which is published on a yearly basis. Additional information is found in IRM 1.1.13.7.3, Accounts Management (AM) and IRM 21.1.1, Accounts Management and Compliance Services Overview.
- (2) Accounts Management Identity Theft Victim Assistance Specialty Teams are responsible for the activities provided in this IRM. The provisions in this IRM are specific to resolving identity theft account referrals from:
- a. Automated Collection System Support (ACSS)
 - b. Automated Substitute for Returns (ASFR)
 - c. Automated Underreporter (AUR)
 - d. Compliance Services Collection Operation (CSCO)
 - e. Monitoring Offer in Compromise (MOIC)
 - f. Centralized Offer in Compromise (COIC)
 - g. Doubt as to Liability (DATL)
 - h. Correspondence Examination (Exam)
 - i. Field Exam Reconsiderations
 - j. Field & Specialty Collection
 - k. Large Business & International (LB&I)
 - l. Tax Equity & Fiscal Responsibility Act (TEFRA)
- (3) For a list of the IDTVA Specialty teams see IRM 25.23.4-6, IDTVA Site Locations.

25.23.10.1.4
(10-01-2020)

Acronyms

- (1) For a comprehensive listing of any IRS acronyms, please refer to the *Acronym Database*. The following acronyms will be used throughout this IRM:

| Acronym | Definition |
|---------|-------------------------------|
| AC | Action Code |
| ACE | Automated Correspondence Exam |

| Acronym | Definition |
|----------------|--|
| ACSS | Automated Collection System Support |
| AM | Accounts Management |
| AMS | Accounts Management System |
| ASED | Assessment Statute Expiration Date |
| ASFR | Automated Substitute for Return |
| AUR | Automated Underreporter |
| BITER | Brookhaven Identity Theft Exam Referral |
| CC | Command Code |
| CCA | Complete Case Analysis |
| CEAS | Correspondence Examination Automation Support |
| CII | Correspondence Imaging Inventory |
| CN | Common Number |
| COIC | Centralized Offer in Compromise |
| CRN | Credit Reference Number |
| CSCO | Compliance Services Collection Operations |
| DITA | Designated Identity Theft Adjustment |
| ERS | Error Resolution System |
| IA | Installment Agreement |
| IAT | Integrated Automated Tools |
| ICT | Image Control Team |
| IDRS | Integrated Data Retrieval System |
| IDT | Identity Theft |
| IDTVA | Identity Theft Victim Assistance |
| IDTVA-A | Identity Theft Victim Assistance Accounts Management |
| IDTVA-I | Identity Theft Victim Assistance IPSU |
| IPSU | Identity Protection Specialized Unit |
| IR | Information Return |
| IRS | Internal Revenue Service |
| IRSN | Internal Revenue Service Number |
| ITAR | Identity Theft Assistance Request |
| OAR | Operations Assistance Request |
| OFP | Organization Function Program |

| Acronym | Definition |
|---------|--|
| OIC | Offer in Compromise |
| OSINV | Oscar Inventory |
| PC | Process Code |
| QMF | Query Management Facility |
| RGS | Report Generation Software |
| RICS | Return Integrity and Compliance Services |
| RPM | Return Preparer Misconduct |
| RTF | Return Transaction File |
| SFR | Substitute for Return |
| SNOD | Statutory Notice of Deficiency |
| SP | Submission Processing |
| SSA | Social Security Administration |
| SSN | Social Security Number |
| TAS | Taxpayer Advocate Service |
| TC | Transaction Code |
| TCIS | Treasury Check Information System |
| TEFRA | Tax Equity and Fiscal Responsibility Act |
| TIN | Taxpayer Identification Number |
| TPP | Taxpayer Protection Program |
| U/R | Underreported |

25.23.10.1.5
(10-01-2021)

Related Resources and Tools

- (1) Refer to IRM 1.4.2.1.8, Related Resources, for information on related resources that impact internal controls. The following resources contain information and job aides that can assist in case processing.
 - Document 6209, IRS Processing Codes and Information
 - Accounts Management Research Portal – Identity Theft
 - SERP
 - *IDTVAHub*
- (2) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.
- (3) The following systemic tools may be utilized to perform research or to process the work performed by IDTVA. This list is not all inclusive:

- Account Management Services (AMS)
- Accurint
- ACSweb
- Automated Substitute for Return (ASFR) System
- Automated Underreporter (AUR) System
- Integrated Automation Technologies (IAT)
- Integrated Data Retrieval System (IDRS)
- Correspondence Examination Automation Support (CEAS)
- Correspondence Imaging Inventory (CII)
- Employee User Portal (EUP)
- Individual Taxpayer Identification Number – Real Time System (ITIN-RTS)
- Modernized E-File System (MeFile)
- Remittance Transaction Research (RTR)
- Report Generation Software (RGS)
- Treasury Check Information System (TCIS)

25.23.10.2
(03-09-2023)
Case Batching

- (1) All cases that come into an IDTVA Specialty team must be controlled on CII. All correspondence should be researched on IDRS and CII to determine whether there are existing open CII cases.
- (2) For new correspondence received on an open CII case, a CII Association sheet must be completed and sent to ICT to be associated with the existing open case.

Note: **DO NOT** request the scanning of any like documents with no new information that already exists on CII.

Note: If a Form 656, Offer in Compromise or Form 656-L, Offer in Compromise (Doubt as to Liability) is included with the response, see paragraph (7)(d) below.

- (3) Send any correspondence received on cases that have not been opened on CII to ICT using the Image Control Team (ICT) Batch Cover Sheet. IDTVA teams receiving correspondence should complete the ICT Batch Cover Sheet for each piece of correspondence. This form and its instructions can be found on the *IDTVA Hub*.

Note: Prior to sending an IDT case to ICT for batching, all collection activities must be addressed, and an acknowledgement letter must be sent. See IRM 25.23.4.12, Collection Activity - Form 14394/13794 and IRM 25.23.4.18.1, General IDTVA Letter Procedures for more information. If the account reflects a balance due on Service Center or Master File, input TC 470 CC 90 to prevent balance due notices from generating and offsets into the module. A copy of the acknowledgement letter must be made and included with the correspondence that is being sent to ICT to be batched.

Exception: If a case already exists and is assigned to an examiner, do not issue an acknowledgement letter.

Reminder: Before sending correspondence to ICT, perform research to ensure that the case meets the requirements to be worked in IDTVA and the account was marked with the appropriate IDT indicator. See IRM 25.23.4.3.4, IDTVA Specialty Functions - Case Referrals from Compliance

25.23 Identity Protection and Victim Assistance

Functions, and IRM 25.23.2.4.4.1, IMF Identity Theft - Taxpayer Initiated Allegations of Identity Theft - TC 971 AC 522, for additional information.

- (4) For cases that were previously closed and re-opened, the case data fields must be updated with the correct case type, category code and OFP immediately after re-opening the cases. Cases re-opened should be worked and closed in the same day.
- (5) If at any time an original form of payment (i.e., personal check or money order) is discovered, refer to IRM 25.23.10.2.1, Discovered Remittance.
- (6) When an unprocessed return is attached to the correspondence, refer to IRM 25.23.10.3, Unprocessed/Secured Returns - General.
- (7) If a Form 656 is included with a Form 14039, Identity Theft Affidavit or police report assigned to IDTVA or included in a response to IDTVA, take the following actions:

Note: It is urgent that Form 656 is forwarded to COIC as soon as it is discovered. COIC has strict timeframes they must meet.

- a. If the identity theft claim was made on Form 656, Offer in Compromise, immediately forward via EE-fax to the appropriate campus based on COIC mapping.
 - b. If the identity theft claim was made on Form 656-L, Offer in Compromise (Doubt as to Liability), immediately forward to Doubt as to Liability via EE-fax found in the *Offer-in-Compromise (OIC) Compliance Campus Locations for DATL*.
 - c. Include the following special paragraph or similar verbiage in your acknowledgement letter: "We received your Form 656, Offer in Compromise/656-L, Offer in Compromise (Doubt as to Liability). We have forwarded it to the appropriate department for consideration. We will continue to process your Identity Theft claim." Include only the appropriate Form 656 or 656-L in the paragraph.
 - d. Document the acknowledgement of the Form 656/656-L in a CII case note.
- (8) All IDTVA Specialty control bases will contain category code IDI* to identify the function the case is assigned to. When submitting an ICT Batch Cover Sheet to the ICT team, the correct IDI code must be indicated to ensure proper control. See IRM 25.23.2-16, IDTVA IDRS Category Controls by Function and IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions.

Note: If the correspondence contains a Form 14157, Return Preparer Complaint, see IRM 25.24.1.4.1, Routing Information - Paper. Use the routing information to prepare the ICT Batch Cover Sheet to ensure it is assigned to the correct function. Do not issue an acknowledgement prior to referring to ICT. All acknowledgement and interim letters will be generated systemically through CII. Do not route Form 14039 when the taxpayer is claiming RPM, send a 4674C letter to request the required RPM documentation. See IRM 25.24.2.3.2, Case Batching for additional information.

- (9) Input priority codes on the ICT Batch Cover Sheet as appropriate following IRM 25.23.4.3.5, Priority Codes for IDTVA Specialties CII Cases.

- (10) If a Form 14394, Identity Theft Collection Alert or Form 13794, Request for Release or Partial Release of Notice of Federal Tax Lien will be sent to ACSS or Collection Advisory, include a copy of the completed form with the documents being sent to ICT for imaging.

Exception: ACSS does not complete Form 14394, therefore they are not responsible for submitting a copy of the form to ICT.

- (11) Make sure that the ICT Batch Cover Sheet contains all necessary information so the case can be accurately controlled.
- (12) Additional information about controlling case can be found in IRM 25.23.4.3.1, CII and IDRS Case Controls.
- (13) Refer to the following specialty function sections, for additional batching requirements:
- IRM 25.23.10.7.1.1, IDTVA Specialties CSCO Initial Receipt Clerical Actions
 - IRM 25.23.10.7.2.1.1, IDTVA Specialties ACSS Initial Receipt Clerical Actions
 - IRM 25.23.10.7.3.1, IDTVA Specialties AUR IDTVA Clerical Procedures
 - IRM 25.23.10.7.4.2.1, Technical - Initial Handling Procedures

25.23.10.2.1
(09-03-2020)

Discovered Remittance

- (1) Discovered remittance is an original form of payment, such as a personal check, money order, or cashier's check that is found attached to correspondence, inside an envelope, or attached to a blank piece of paper.
- (2) When a remittance is discovered, complete two copies of Form 3244, Payment Posting Voucher. Complete the following fields:
- TIN
 - Form number/MFT
 - Tax Period
 - Transaction/Received date (IRS received date)
 - Taxpayer name, address, and ZIP code
 - Transaction Data
- Note:** Enter the remittance amount next to the appropriate code. Use TC 610 if the payment is included with an original return or TC 670 if it is a subsequent payment.
- Remarks
- Note:** Enter the team manager's phone number and mail stop.
- Prepared by
- (3) After completing Form 3244, take the following actions:
1. Attach one copy (original) to the remittance. Give it to the Manager/Lead to be placed in the local Lock Box.
 2. Attach the second copy of Form 3244 to the response.
 3. Complete Form 4287, Record of Discovered Remittance. Give it to the Manager/Lead to ensure the discovered remittance is included in the log, as required.

- (4) IRS Checks - Returned IRS refund checks are handled differently than regular discovered remittance. If an IRS refund check is found, take it to the team Manager/Lead to be routed to the Refund Inquiry Unit.
- (5) Voided Checks - If the response has a "VOIDED" personal check attached to an Installment Agreement (IA) request, route the "VOIDED" personal check and IA request to Collections.

25.23.10.3
(10-01-2019)
**Unprocessed/Secured
Returns - General**

- (1) Unprocessed returns can be included as part of the IDT correspondence and must be handled appropriately. This process involves reviewing the return and routing to Submission Processing. This section provides general guidance for the handling of unprocessed returns.
- (2) A return will be considered signed if the correspondence includes any form that contains a signed Jurat (e.g., Form 14039, Letter 3219C).

Reminder: Both taxpayer's signatures must be present on joint filed returns.

- (3) Statute imminent returns and Operations Assistance Requests (OARs) will receive priority treatment.
- (4) If an unprocessed return is received, follow the instructions in either IRM 25.23.10.3.1, Unprocessed/Secured Returns - Initial Screening, if the return is included with the referral from another function or IRM 25.23.4.6.5.2, Unprocessed Documents, if the return is received or discovered during the processing of the case.
- (5) Returns not processed as an original return have bypassed DIF scoring. Valid returns must be screened after they are processed. Refer to IRM 25.23.4.6.3(1), IDTVA Research, Verification, and Requests; If/Then statement (3) for instructions regarding the DIF scoring process.
- (6) If the unprocessed return meets the nullity criteria, that return is not processed. Annotate the CII case notes to document the criteria and determination for nullification.

Reminder: All returns must be included as a CII image on the case.

- (7) If there is no TC 150 posted to the account, any unprocessed returns filed by the valid taxpayer must be sent to SP to be processed.

25.23.10.3.1
(10-01-2020)
**Unprocessed/Secured
Returns - Initial
Screening**

- (1) When a return is included with the referred case, research to determine if it was previously scanned as a CII image:
 - a. Review the document for a CII Case Number.
 - b. Review return(s) for a stamped DLN. If a DLN is present, search CII images for a return with the same DLN and follow the table below.

| If the return is | Then |
|---|---|
| 1) Located in CII images, | The return does not need to be sent for imaging. Determine if the return is an original or a copy and take the following action: <ul style="list-style-type: none"> • If the return is the original (live ink/live stamps), refile the return. • If the return is a copy, the return can be treated as classified waste. |
| 2) Not located on CII images and CC TXMOD shows a TC 976 with the same DLN, | Send the case to ICT to be imaged. |
| 3) Not located on CII images and CC TXMOD shows no matching TC 976 DLNs, | Route return and associated correspondence to SP following the instructions in (3) and (4) below. |

- c. When a return does not have a stamped DLN, review CC TXMOD for a posted TC 977 or pending TC 971 AC 010. If present, verify the date of the transaction matches the stamped IRS received date on the return. When the dates match, search CII images for an identical return.

| If | Then |
|--|---|
| 1) An identical return is located, | The return does not need to be sent for imaging. |
| 2) An identical return is not located, | Route return and associated correspondence to SP following the instructions in (3) and (4) below. |

- d. When the posted TC 977 or pending TC 971 AC 010 do not match the stamped IRS received date on the return, send the case to be imaged.
- (2) When required to route a return to SP, photocopy the entire response, including two copies of the return. Retain the copy of the response and one copy of the return until it is imaged and the TC 976 is posted. On the second copy indicate “Original sent to SP for processing” in the top margin. Include this photocopy of the return with the response that will be sent to ICT to be batched.
- (3) For campuses with a SP site, route the return to SP using a Form 1725, or similar local routing slip. For campuses without a SP site, route the return to SP using a Form 3210. See IRM 21.1.7-2, Submission Processing Stop Numbers for Routing Non-Remit Documents, for the service center addresses and IRM 21.3.3.3.5, Submission Processing Consolidation (Rampdown) to determine which SP site to route the documents. Include on the form “post TC 976” or similar instruction in the Remarks field.

25.23 Identity Protection and Victim Assistance

Caution: Returns with an IRS received date 915 days or older must be given to a designated individual within the team for statute clearing prior to requesting the TC 976.

Exception: Unprocessed Forms 1040-NR, 1040-SS and 1040-PR will be sent to Austin Service Center.

- (4) The designated individual statute clearing priority cases will determine if the unprocessed return was filed by the valid taxpayer and math verify all valid returns.

| If | And | Then |
|---|---|---|
| 1)The unprocessed return is determined to be valid, | The total tax on the return is less than the amount of tax currently on the module, | Send the return to SP per (2) and (3) above. |
| 2)The unprocessed return is determined to be valid, | The total tax on the return is more than the amount of tax currently on the module, | <ol style="list-style-type: none"> 1. Follow procedures in IRM 25.23.2.5.2, Statute Protection – Multiple Returns – SSN owner’s return has not posted. 2. Send the return to SP per (2) and (3) above when the assessment has posted. |
| 3)The unprocessed return is determined to be invalid, | The return meets nullity criteria, | Do not send the return to be processed. Send the return to ICT to be imaged only. |

| If | And | Then |
|--|---|---|
| <p>4)The unprocessed return is determined to be invalid,</p> | <p>The return will be moved to an IRSN,</p> | <ol style="list-style-type: none"> 1. Research to determine if the taxpayer filing the invalid return has been assigned an IRSN. 2. If an IRSN is needed, contact the DITA team lead to request one. 3. Input a protective assessment on the IRSN module. Follow procedures in IRM 25.23.2.5.2, Statute Protection – Multiple Returns – SSN owner’s return has not posted 4. Use the IRSN for the TIN, and recompute the tax based on the reported information with consideration of what is allowable for a taxpayer with an invalid TIN. IRM 25.23.10.6, Post Function Referral Procedures, for additional information. |

- (5) Prior to sending the return to SP, research IDRS CC TXMOD for an unreversed TC 971 AC 121/124. If a TC 971 AC 121/124/129 is present, reverse it by inputting a TC 972 AC 121/124/129.
- (6) To prevent the good return from unposting, edit the return with SPC “B” (in the right margin between the secondary TIN and Presidential Election Campaign Fund designation) per the instructions in IRM 3.12.2-4, Special Processing Codes. This will allow the return to bypass all the UPC 147 reason codes except RC 4. Notate “ITVA” in the upper left-hand corner. Also refer to IRM 21.5.2.4.23.7, Coding and Editing Procedures, for additional guidance that may be applicable when sending a return for processing. **All edits must be made in “Red” pen/pencil only.**

- (7) If there is a name line change, update ENMOD prior to sending the return to SP for processing (e.g., single to joint). This will allow the return to bypass the UPC 166. See IRM 3.12.179.64, UPC 166 Reason Code 0 Filing Status Code (FSC) Mismatch.

Exception: If there is a filing status change from Married Filing Joint to any other filing status and the valid return includes self-employment income for the secondary taxpayer, **do not** update ENMOD prior to sending the return to ICT for imaging. After the case is assigned, the assigned TE will forward to SP for processing.

Example: This can be identified by reviewing IDRS CC TXMOD. In the “Posted Return Information” section there will either be a TC 150 with a field labeled “SECND-SE-INCM” (this identifies a secondary taxpayer’s self-employment income was reported on the original return) or a subsequent adjustment (e.g., TC 290/300, TC 291/301) which will include Reason Code 044 and/or Item Reference Numbers 889 (SE tax), 879 (Secondary SE income), and 896 (Secondary Medicare income).

- (8) If IDRS CC TXMOD reflects a Masterfile status of “02” or “03” notate the appropriate TC 59X code in the left margin of the return. See IRM 25.23.2.6.5(3), Closing Identity Theft Cases with Tax Delinquency Inquires (TDI), for additional information.

25.23.10.4
(02-03-2022)
**MFT 32 with SFR
assessment**

- (1) If the MFT 32 return is invalid it does not need to be moved back to MFT 30, follow your functional guidance to resolve the SFR.
- (2) If the MFT 32 is valid, compare the total tax currently on the MFT 30 module to the amount of tax reported on the return that is posted to MFT 32 in error. If the total tax currently on the module is more than the tax reported on the return being considered, the assessment is not barred. Refer to the following table:

| If | And | Then |
|--|---|--|
| 1) The tax on the MFT 30 module is the same as the tax on the return moved to MFT 32 | It is the current and/or immediately preceding tax year | <ul style="list-style-type: none"> • Move the MFT 32 to the MFT 30, see IRM 25.25.6.7, MFT 32 Procedures - Moving Identity Theft Returns • Update the ASED if needed • Adjust other return information as needed (i.e. Entity) • Resolve credits |

| If | And | Then |
|--|--|--|
| 2) The tax on the MFT 30 module is the same as the tax on the return moved to MFT 32 | It is a module older than the immediately preceding tax year | <ul style="list-style-type: none"> • Refer the case to RICS, see IRM 25.23.4.15(2), MFT 32 Cases - Moved in Error • Once the return has been moved back to MFT 30 update the ASSED if needed • Adjust other return information as needed (i.e. Entity) • Resolve credits |
| 3) The tax on MFT 30 is more than the tax on the return moved to MFT 32 | It is the current and/or immediately preceding tax year | <ul style="list-style-type: none"> • Move the MFT 32 to the MFT 30, see IRM 25.25.6.7, MFT 32 Procedures - Moving Identity Theft Returns • Update the ASSED if needed • Adjust to the valid return figures • Resolve credits |
| 4) The tax on MFT 30 is more than the tax on the return moved to MFT 32 | It is a module older than the immediately preceding tax year | <ul style="list-style-type: none"> • Refer the case to RICS, see IRM 25.23.4.15(2), MFT 32 Cases - Moved in Error • Once the return has been moved back to MFT 30 update the ASSED if needed • Adjust to the valid return figures • Resolve credits |
| 5) The tax on MFT 30 is less than the tax on the return moved to MFT 32 | It is the current and/or immediately preceding tax year | <ul style="list-style-type: none"> • Move the MFT 32 to the MFT 30, see IRM 25.25.6.7, MFT 32 Procedures - Moving Identity Theft Returns • Update the ASSED if needed • Adjust to the valid return figures • Resolve credits |

| If | And | Then |
|---|--|---|
| 6) The tax on MFT 30 is less than the tax on the return moved to MFT 32 | It is a module older than the immediately preceding tax year | <ul style="list-style-type: none"> • Refer to IRM 25.23.2.5.2, Statute Protection - Multiple Returns - SSN owner's return has not posted, to determine if the valid return is statute imminent • Refer the case to RICS, see IRM 25.23.4.15(2), MFT 32 Cases - Moved in Error • Once the return has been moved back to MFT 30 update the ASED if needed • See IRM 25.23.4.9, Statute Processing Considerations, and its subsections to determine if there is a barred statute • If you determine there is a barred statute follow procedures in IRM 25.23.4.9.3.2, Resolving a Barred Assessment with Compliance Issues (IDTVA Specialty Functions Only), to correct the account • If you determine there is not a barred statute adjust to the valid return figures • Resolve credits |

- (3) See IRM 25.23.13.2, Income Related Identity Theft - General and its subsections to determine if the taxpayer is a victim of income related IDT.
- (4) If taxpayer maybe a victim of refund related IDT, see IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations to make a determination.
- (5) If you determine the taxpayer is not a victim of IDT, follow IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.
- (6) If the taxpayer will have a balance owed see IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions.

25.23.10.5
(11-23-2022)
Identity Theft Cases with Multiple Specialty Function Involvement

- (1) When research indicates a taxpayer is impacted by identity theft that requires resolution involving more than one IDTVA Specialty Function follow IRM 25.23.4-5 IDTVA Routing Matrix to determine which Specialty Function will resolve the case as a single point of contact.
- (2) This IRM section and its subsection provides specific guidance intended for Specialty Functions working cases with multiple specialty function involvement. For example:

- IDTVA Exam Specialty will follow IRM 25.23.10.5.1 Identity Theft Cases with AUR Involvement, IRM 25.23.10.5.2 Identity Theft Cases with ASFR Involvement, and IRM 25.23.10.5.3 Identity Theft Cases with Delinquency Inquiries (TDI) Involvement, etc.
- IDTVA AUR Specialty will follow IRM 25.23.10.5.2 Identity Theft Case with ASFR Involvement, and IRM 25.23.10.5.3 Identity Theft Cases with Delinquency Inquiries (TDI) Involvement, etc.

(3) When performing complete case analysis, if other years have AUR or ASFR involvement, it may be necessary to contact the appropriate IDTVA AUR or ASFR liaison when there is an open AUR or ASFR control. This action is necessary so the appropriate systems can be documented and properly closed out.

25.23.10.5.1
(03-09-2023)

**Identity Theft Cases with
AUR Involvement**

(1) When working accounts with Automated Underreporter (AUR) involvement, it is necessary to research the account to determine where the account is in the AUR process. This can be determined by reviewing the Underreporter Process Codes listed under the Transaction Code (TC) 922 on the account. The status of an Underreporter case will be determined by the last process code posted. The definitions of the Underreporter Process Codes can be found in Chapter 8, Section 19 of Document 6209, *IRS Processing Codes and Information*, and in IRM 4.19.3-4, AUR Process Codes

(2) Cases that are identified as **still open** in AUR will require an email be sent to the IDTVA-AUR IDT liaison at the campus the AUR account is located. This can be determined by the TC 922 DLN. A listing of AUR IDT liaisons can be found on SERP at *IDT Liaison listing*.

Note: Ogden AUR cases are referred to the IDTVA –C AUR team located in Philadelphia. Contact the IDTVA Specialties Philadelphia AUR liaison to assist with any open Ogden AUR cases.

Note: Process codes 30, 55, 57, 59, 75, 95, 97, and 98 indicate the case is an open AUR case.

Note: TXMOD control with open URP- or URPS.

(3) The email must contain the determination of the IDT allegation and the disposition of the AUR issue.

Example: A taxpayer receives a CP 2000 for underreported wages and interest income. The taxpayer alleges the W-2 income does not belong to him/her. It is determined that the taxpayer is a victim of IDT. The email would contain information that it has been determined that the W-2 does not belong to the taxpayer and should be deleted. The interest income was not addressed by the taxpayer. Delete the IR for the W-2 income and continue processing the case.

Example: A taxpayer received a CP 2000 for underreported social security benefits. The taxpayer alleges IDT and they do not have a filing requirement. After researching the IDT allegation, it is determined that the taxpayer is a victim of IDT. The email would state the taxpayer does not have a filing requirement. The TC 150 is a nullity; close the AUR issue as a no change. IDT resolves all AUR issues.

- (4) When working **AUR reconsiderations**, there is no need to contact the IDTVA AUR liaison.
- (5) There are instances in which case files may not be scanned into CII that were referred by AUR. These cases are discovered by working the ADR Report Blanks tab, see IRM 25.23.4-15, ITVA HQ AUR ADR Report. A CII case will be created. The case should contain CII note "Case created from ADR report, work using internal research." Attempt to make a determination and work the case using internal research. If a determination cannot be reached through internal research, follow the instructions in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain the necessary information from the taxpayer. In your out call or outgoing letter, acknowledge the lost response, and include an apology.

25.23.10.5.2
(10-01-2019)

Identity Theft Cases with ASFR Involvement

- (1) When working accounts with Automated Substitute for Return (ASFR) involvement, it is necessary to research the account to determine whether the account is open in the ASFR process or a reconsideration. This can be determined by reviewing TXMOD. Open ASFR cases can be identified by:
 - A TC 971 with action code 143 - ASFR selected the case and sent Notice 2566
 - A TC 150 .00 with a DLN containing a tax class and document code of 210 is posted 3 weeks prior to the default assessment.
 - "SFR" will be notated to the right of the TC 150 DLN
 - The TC 150 DLN will have a Julian date of 887
 - A corresponding TC 140 and
 - A TC 971 AC 141 with no TC 290 assessment
- (2) Cases that are identified as **still open** in ASFR will require an email be sent to an IDTVA ASFR IDT liaison. Liaisons can be located on SERP, using the following link *IDT Liaison listing*.
- (3) The email must contain the determination of the IDT allegation and the disposition of the ASFR issue.

Example: A taxpayer submits an IDT affidavit claiming they are a victim of identity theft and did not earn income in the year identified on the Form 14039, Identity Theft Affidavit. Upon researching IDRS, it is determined that the case is open in the ASFR program. Review IRPTR to determine if the income in question belongs to the taxpayer. It is determined that the taxpayer is a victim of IDT and all income does not belong to the taxpayer. The email would contain information that the ASFR income does not belong to the taxpayer and should be deleted and should contain verbiage such as "The ASFR case should be closed as the taxpayer is not liable, victim of IDT, no filing requirement".

Example: A taxpayer submits a Form 14039 claiming some of the income reported under his/her SSN was not earned by him/her. After researching the IDT allegation and IPRTR, it is determined that a portion of the income belongs to the taxpayer. The email would state the taxpayer is a victim of IDT and IR ABC only belongs to the taxpayer, all other income is a result of IDT.

- (4) An ASFR reconsideration will reflect the same information as an open ASFR but with a TC 290 assessment and a TC 599 with closing code 088 or 089.

Closing code 088 indicates the case was closed as a no response or disagreed. Closing code 089 indicates a return was secured.

- (5) When working **ASFR reconsiderations**, there is no need to contact the IDTVA ASFR liaison unless IRPTR information is unavailable, and a clear determination cannot be made.

Note: The ASFR Liaison will be able to provide all income items when IRPTR information is unavailable.

25.23.10.5.2.1
(10-01-2020)
Refund Hold Program

- (1) The Refund Hold Program was designed to hold individual income tax refunds is filed and the taxpayer’s account has at least one unfiled tax return within the five years prior to the current year. #

- (2) There may be instances when the taxpayer claims IDT because his/her refund is being held for another year.

Example: The valid taxpayer did not file for TY 2013 because they did not have a filing requirement. However, IRPTR shows enough wage income (that was earned by someone other than the valid taxpayer) to have a filing requirement and would result in a balance due. The valid taxpayer files a TY 2015 return expecting a refund. The refund is held because of the TDI issue created by the fraudulent income.

- (3) Refunds held by this program can be identified on IDRS by:
 - a. TC 971 AC 130.
 - b. A TC 570 with “999” in the Julian Date of the DLN.
 - c. Reason code “RF” displayed on the IDRS module of the refund year.
 - d. Freeze Code “-R” on the IDRS module for the year of the refund being held.

- (4) Refunds are released systemically under the following conditions:

#

- (5) Refund holds can be manually released inputting a TC 290 .00 with a priority code 08 and a reason code 085 to the refund hold module (tax year of refund being held) when one of the following criteria is met:
 - a. Liability determination has been made on all delinquencies related to the taxpayer and there are no balance due modules unless there are Compliance select codes present.
 - b. All delinquent return(s) are submitted and there are no balance due conditions.
 - c. The taxpayer is experiencing an economic hardship and supporting documentation has been provided by TAS on an OAR.

- d. The taxpayer is in a declared disaster area and has self-identified as an affected taxpayer.
- e. The taxpayer filed with a spouse and it has been verified there are no balance due conditions related to the taxpayer.
- f. The taxpayer is deceased.
- g. The taxpayer is in bankruptcy.
- h. The taxpayer is in a combat zone and there is no exit date present on IDRS CC IMFOLE.

Note: Do not release the refund if there are any other hold codes on the module, such as IVO, or CI.

- (6) See IRM 25.12, Delinquent Return Refund Hold Program, for additional information.

25.23.10.5.3
(03-09-2020)
**Identity Theft Cases with
Tax Delinquency
Inquiries (TDI)
Involvement**

- (1) See IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, and IRM 25.23.2.6.5, Closing Identity Theft Cases with Tax Delinquency Inquiries (TDI), for guidance on determining filing requirements and resolving TDI related issues.

25.23.10.5.4
(05-15-2018)
Bankruptcy

- (1) Identity Theft cases with Bankruptcy involvement require special handling. The Centralized Insolvency Operation (CIO) must be informed that the taxpayer is a victim of identity theft to ensure cases are resolved effectively without violating bankruptcy laws and procedures.

25.23.10.5.4.1
(10-01-2019)
**Bankruptcy with –V or
–W Freeze (TC 520 CC
6X or TC 520 CC 8X)**

- (1) When IDT allegations are received and the account has a –V or –W freeze (TC 520 CC 6X or CC 8X), review the account on Automated Insolvency System (AIS) to determine the current state of the bankruptcy claim. For joint account, it is important to review AIS to determine who filed the bankruptcy claim.
- (2) Review the account and documentation provided by the taxpayer to determine whether the taxpayer is a victim of IDT.
- (3) Coordination with the Centralized Insolvency Operation (CIO) is required prior to any adjustments being made. Contact the Bankruptcy Liaison by sending an email to *CIO Issues, requesting the case worker's contact information. CIO will respond via email with the case worker's contact information. The ID Theft examiner can then contact the case worker via email.
- (4) Inform the Insolvency Specialist (case worker) assigned to the case of the proposed IDT determination and required account adjustments. If a TC 604 is present on the account, request the case worker to reverse it prior to inputting any adjustment.
- (5) Perform all of the agreed upon account adjustments.
- (6) Prepare Form 4442, Inquiry Referral and provide an explanation of the IDT determination and the account resolution, including the tax, refundable credits, penalties and any potential refund or balance due.

Example: Taxpayer claimed IDT and did not file the TC 150, however, there is a TC 976 on the account which the taxpayer did file. The taxpayer is a

victim of IDT and the account has been corrected. There was an AUR assessment which included the SSN owner's income. The SSN owner's income was correctly reported on the TC 976 document. The AUR assessment is reversed when the account is corrected. Coordination with CIO is required in this case prior to adjustment. In addition, all changes to the account need to be communicated to CIO.

- (7) Email the Form 4442 to the Insolvency Specialist that is assigned to the case. Include a copy of the Form 4442 as part of the CII case.

Note: It is important that once the determination is made and the account adjusted, the final account resolution is shared with Insolvency. If the account resolution is not communicated with Insolvency the bankruptcy claim will be incorrect.

- (8) Close case following normal procedures.

25.23.10.5.4.2
(05-15-2018)

**Bankruptcy with no -V
or -W Freeze (TC 520
CC 6X or TC 520 CC 8X)**

- (1) Closed bankruptcy cases can be identified by a TC 521 CC 6X or a TC 521 CC 8X with no -V or -W freezes.
- (2) Accounts with TC 971 AC 031 indicate that the taxpayer completed the bankruptcy plan and the balances due were discharged.
- (3) Accounts with TC 971 AC 033 indicate that only penalties were abated.
- (4) Review and determine whether the taxpayer is a victim of IDT.
- (5) Perform all account adjustments. See IRM 21.6.8.5.2, Adjusting Accounts, for assistance with adjusting MFT 31 accounts.
- (6) Do not contact CIO unless:
 - a. The taxpayer is questioning why the liability was not discharged with the IDT resolution.
 - b. A TC 604 is on the account.
- (7) Close case following normal procedures.

25.23.10.5.5
(10-01-2019)

Innocent Spouse

- (1) When a taxpayer alleges IDT and there is also an innocent spouse (IS) claim, the IDT issue must be resolved before the IS claim can be worked. If Cincinnati Centralized Innocent Spouse Operation (CCISO) receives a Form 8857, Request for Innocent Spouse Relief, and a Form 14039, Identity Theft Affidavit, they will contact the taxpayer with Letter 3658C, Unprocessable Innocent Spouse Claim, to return the Form 8857, with an explanation that the IS claim is unprocessable, until after the IDT claim has been resolved. They will forward the Form 14039 to IDTVA.
- (2) If a Form 8857 is included with a Form 14039 assigned to IDTVA or included in a response to IDTVA, and there is no indication Letter 3658C was sent to the IS taxpayer, take the following actions:
 - a. Send a Letter 5064C to the taxpayer and include the following special paragraph or similar verbiage: "We received your Form 8857, Request for Innocent Spouse Relief; however, it cannot be processed until we

25.23 Identity Protection and Victim Assistance

consider your identity theft claim. You may submit the form again, if necessary, after you have been notified of the Identity Theft determination.”

- b. Document in a CII case note that the letter was sent acknowledging the Form 8857.
 - c. Continue normal identity theft processing.
 - d. When all actions have been completed, send the taxpayer a Letter 4674C with the following special paragraph or similar verbiage: “We have now finished processing your Identity Theft Claim. If it is still necessary, you may now resubmit a Form 8857, Request for Innocent Spouse Relief.”
- (3) If an ID theft claim is received in IDTVA and research identifies the tax account contains an unreversed TC 971 AC 065, review information available on IDRS CC ISTSR to determine which spouse filed the claim.
- a. Send an Email to the *Innocent Spouse IDT Liaison* to notify them that the taxpayer has made a claim of Identity Theft. CCISO will close the IS claim as non-qualifying.
 - b. Resolve the IDT issue and perform all account adjustments as necessary following normal procedures.
 - c. When all account actions have been completed, send the taxpayer a Letter 4674C with the following special paragraph or similar verbiage: “Now that your identity theft claim is resolved, you may resubmit a Form 8857, Request for Innocent Spouse Relief, if necessary.” In addition, send an email to *Innocent Spouse IDT Liaison*, informing them of the IDT determination. Inform CCISO of the action taken on the account and if there is a remaining balance due.
- (4) If an ID theft claim is received in IDTVA and the taxpayer claiming innocent spouse has already been moved to an MFT 31 account:
- a. Research the account using the IDRS CC ISTSR to determine which spouse filed the claim and what was the IS disposition.
 - b. Resolve the IDT issue and perform all account adjustments, including the MFT 31 account, if necessary, following normal identity theft procedures.
 - c. Close case following normal identity theft procedures.
- (5) Refer to the following sections when adjusting the MFT 31 side of the account:
- Note:** This list is not all inclusive, there may be other IRM sections that need to be referred to.

- IRM 21.6.8.4, What is MFT 31/MFT 65 Modules
- IRM 21.6.8.4.2.1, Mirrored Modules
- IRM 21.6.8.5, Inquiries/Claims
- IRM 21.6.8.5.2, Adjusting Accounts

25.23.10.5.6 (10-01-2023) Offer in Compromise (OIC)

- (1) When a taxpayer alleges IDT and there is also an Offer in Compromise (OIC), the IDT issue must be resolved before the Form 656, Offer in Compromise, or Form 656-L, Offer in Compromise (Doubt as to Liability), can be worked. If OIC receives a Form 656, and a Form 14039 or police report, OIC will forward the Form 14039, Identity Theft Affidavit or police report to IDTVA to resolve the IDT claim.

- (2) If a Form 656 is included with a Form 14039 or police report assigned to IDTVA or included in a response to IDTVA, take the following actions:

Note: It is urgent that Form 656 is forwarded to COIC as soon as it is discovered. COIC has strict timeframes they must meet.

- a. If the identity theft claim was made on Form 656, Offer in Compromise, immediately forward via EE-fax to the appropriate campus based on COIC mapping.

Exception: Mail the package, if there are payments and/or an original signature. Verify IRS received date is present.

- b. If the identity theft claim was made on Form 656-L, Offer in Compromise (Doubt as to Liability), immediately forward to Doubt as to Liability via EE-fax found in the *Offer in Compromise (OIC) Compliance Campus Locations for DATL*.
- c. Include the following special paragraph or similar verbiage in your acknowledgement letter: "We received your Form 656, Offer in Compromise/656-L, Offer in Compromise (Doubt as to Liability). We have forwarded it to the appropriate department for consideration. We will continue to process your Identity Theft claim." Include only the appropriate Form 656 or 656-L in the paragraph.
- d. If there is already an existing IDT(x) case, update the category code to IDI9 with a priority code of 2.
- e. Document the acknowledgement of the Form 656/656-L in a CII case note.
- f. Continue normal identity theft processing.
- g. When all actions have been completed, send the taxpayer a closing Letter 4674C and contact the appropriate campus based on COIC mapping with the determination.

- (3) An existing OIC can be identified by any of the following account conditions:

- Case is in Master File or Service Center Status 71
- There is a TC 480 or TC 780 on the account
- -Y Freeze
- OIC indicator on CC ENMOD or IMFOLI

- (4) If any of the above conditions exist, take the following actions:

| If | Then |
|---|---|
| <p>(1) The category code is any IDI category code besides IDI4 or IDI9,</p> | <ul style="list-style-type: none"> • Contact the appropriate campus based on COIC mapping to notify them that the taxpayer has made a claim of identity theft. • Continue normal identity theft processing. • Upon completion of the IDT case, contact the appropriate campus based on COIC mapping with the IDT determination and case closure results. |

| If | Then |
|--|---|
| (2) The category code is IDI4 or IDI9 with no priority code, | <ul style="list-style-type: none"> • Contact the appropriate campus based on <i>COIC</i> mapping to notify them that the taxpayer has made a claim of identity theft. • Continue normal identity theft processing. • Upon completion of the IDT case, contact the appropriate campus based on <i>COIC</i> mapping with the IDT determination and case closure results. |
| (3) The category code is IDI9 or IDI4 with a priority code 2, | <ul style="list-style-type: none"> • Input a TC 470 on impacted tax years not already containing a TC 470 or TC 480. • Continue normal identity theft processing. • Upon completion of the IDT case, contact the appropriate campus based on <i>COIC</i> mapping with the IDT determination and case closure results. |
| (4) There is no IDT claim and you have made an IRS identified determination (i.e., Invalid/valid scenario) | <ul style="list-style-type: none"> • Contact the appropriate campus based on <i>COIC</i> mapping to notify them that you have made an IDT determination. • Continue normal identity theft processing. • Upon completion of the IDT case, contact the appropriate campus based on <i>COIC</i> mapping with case closure results. |

25.23.10.6
(10-01-2023)
Post Function Referral Procedures

(1) Designated Identity Theft Adjustment (DITA) was established to address post function account adjustments to resolve IDT accounts. These cases require adjustment activity beyond the IRM or procedural scope of the referring function. Once a function has completed all of the actions for which they are procedurally responsible, the case is referred to DITA for the remaining actions needed to make the taxpayer whole. Referrals can be submitted on a:

- Form 3870, Request for Adjustment
- Form 4442, Inquiry Referral
- Form 4844, Request for Terminal Action to input the appropriate ID Theft indicators, such as TC 971 AC 522 and TC 972 AC 522.

Exception: The IDTVA-A teams that are cross-trained to work the specialty programs (e.g., AUR, Exam) do not refer cases to DITA. They perform their own post function account adjustments.

- (2) In general, DITA does not have direct contact with taxpayers. If additional information is needed from the taxpayer or the taxpayer requests to be contacted about the status of their case, the referring employee is responsible for making contact with the taxpayer. The DITA employee will send a secure e-mail to the referring employee and copy the recipient's manager. The email will include a detailed description of the information needed and/or details of the taxpayer's request for an update on the status of their case. The employee contacting the taxpayer will have 5 business days to meet all contact requirements. Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), and IRM 25.23.4.18.5, Taxpayer Calls on Identity Theft (IDT) Cases (IDTVA Paper Employees Only), for additional information.
- (3) All Field & Specialty Collection and IDTVA Specialties post function referrals will be routed to the DITA team located in Philadelphia. Contact information can be found at: *IDT Liaisons Listing*.
- (4) Field Examination and LB&I will forward cases requiring IDT adjustments to IDTVA Exam Specialty in Brookhaven for resolution per IRM 25.23.10.7.6, Field Exam IDT Account Resolution Referrals
- (5) SB/SE OIC cases will be forwarded to *IDTVA-CSCO* per IRM 25.23.10.7.1.1, IDTVA Specialties CSCO Initial Receipt Clerical Actions.
- (6) DITA is responsible for reassigning mixed entity and scrambled SSN cases upon resolution of the modules impacted by identity theft. Document your determination and research, including the other TIN identified for mixed entity cases, in a CII case note and functional specific system history (e.g., AUR, CEAS).
- (7) Prior to referring the case to the DITA, if a current year account, input a TC 971 AC 850 if entire credit is frozen on account or if conditions in IRM 21.4.1.5.7.1 (4), Direct Deposit of Refunds, are present. The input of the TC 971 AC 850 ensures any subsequent refund will not be direct deposited and will be issued as a paper check.
- (8) If the referral is incomplete, DITA will contact the referring operation and request that the missing information be provided or corrected. If DITA is unable to obtain the necessary information, the referral will be rejected.

Note: DITA will update the CII case data to reflect the referring function's information and will document in a case note the reason for rejection.

- (9) The referring employee is responsible for making a determination of Common Number (CN) ownership. To meet DITA criteria, at least one impacted year must require non-streamline resolution. All years, including those that meet streamline criteria, will be referred. Do not input any adjustments or transfer any credits on **ANY** tax module. DITA will complete all IDRS account actions to resolve all impacted years.

Exception: ASFR and SFR assessments must be resolved before the case can be referred to DITA.

- (10) The referring function is responsible for statute screening prior to referring to DITA following guidance in IRM 25.23.2.5, Statute Processing Considerations.
- (11) Referring functions will input a protective assessment on accounts within 180 days of the statute at the time of the referral. Update the CII case to priority code '7'. Indicate the case was statute cleared. Document the action taken in a case note, and attach the completed Form 2859, Request for Quick or Prompt Assessment to the case. See IRM 21.5.1.5.3(5), CII Source Documentation, for instructions on attaching documents to a case.
- (12) DITA does not issue Form 9409, IRS/SSA Wages Worksheet or Form 2209, Courtesy Investigation. The referring function will complete Form 9409 and/or Form 2209 before sending the referral to DITA.
- (13) The referring function will address any collection activity for all impacted years prior to making a referral to DITA. A case note will need to be input on the CII system documenting what collection actions were taken. See IRM 25.23.4.12, Collection Activity - Form 14394/13794, for additional information.
- (14) Unprocessed returns must be processed per IRM 25.23.10.3, Unprocessed/Secured Returns - General before referring to DITA. DITA will refer to Exam when meeting the DIF Bypass criteria on all campus referrals after the adjustments are input.
- (15) Referrals to DITA must provide information on the determination made and the adjustments needed to correct the account of Form 3870, Request for Adjustments or Form 4442, Inquiry Referral, as applicable. Include the following information:

Note: All specialty functions are required to include Form 4442 regarding account adjustments needed (i.e., TY 2013 needs to be moved to an IRSN; TY 2014 treat as a nullity). Attach the Form 4442 to the CII record.

- a. Tax Years impacted
- b. Determination made
- c. Indication of any statute issues
- d. Collection actions taken
- e. When easily identified the referral should include payments/credits by amount, date and where they should be moved, rather than refunded.
- f. Legible copies (marked as copies) of the identity theft claim, pertinent taxpayer correspondence and/or supporting documents.
- g. Notate on the referral that the EITC recertification needs to be completed.

Note: If further action is required on a case after DITA resolves the IDT issue, notate on the request to have the case returned to the referring function upon completion (e.g., AUR open cases).

- (16) IDRS Category Code IDI5 is designated for all IDTVA identity theft referrals to DITA from a Campus operation. IDRS Category Code IDI6 is designated for all IDTVA identity theft referrals to DITA from a Field operation.
- (17) The referring campus will reassign the case through the CII system to employee number 1176064055. The following Case Data information will need to be updated before the case is reassigned:

- Activity code (*optional*) may be updated to (Function)2DITA

Example: AUR2DITA, CSCO2DITA etc.

- Category code will be updated to IDI5
- Verify Case History status is active (A)

- (18) DITA will create additional CII cases, as needed, to address all impacted modules.

Reminder: All related CII cases must be linked. Refer to IRM 25.23.4.3.1, CII and IDRS Case Controls, for CII and IDRS case control requirements.

- (19) TAS and AM IPSU – will only route identity theft TAS referrals to DITA if the issue is the length of time to resolve the account and there is an existing open control assigned to IDRS groups 1189X. The referring specialized team is responsible for resolving all functional TAS issues.

- (20) When referring cases closed as TAS to DITA, the referring team will leave a notation of ‘OAR’ in a case note.

- (21) Field & Specialty Collection and LB&I Operations are not required to open IDRS controls. Upon receipt of a case from Field & Specialty Collection or LB&I, DITA/BITER will send the case documents to ICT to be scanned. The IRS received date will be the date the referral was received in DITA, in accordance with IRM 21.5.1.4.7, Taxpayer Inquiry Referred from Other Functions. Open an IDRS control base using category code IDI6 and one of the following activity field codes:

- Specialty Collection - SPCLCOLL
- Field Collection - FLDCOLL
- Field Exam - FLDEXAM
- LB&I - LBI

25.23.10.7
(10-01-2023)
**Compliance Case
Processing**

- (1) This IRM section and all subsequent sections provide specific guidance for IDTVA cases involving Compliance issues which includes CSCO, ACSS, AUR, EXAM and DITA.
- (2) IDTVA Specialty employees must document all pertinent information regarding IDT determinations in any functional system(s) they use, including determinations of NOIDT, mixed entity, or scrambled SSN cases.
- (3) In addition to any specific instructions included in the functional guidance, mixed entity and scrambled SSN cases will be reassigned using the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* after resolution of all modules impacted by IDT.
- (4) The category code must be updated with the appropriate IDI category code, see IRM 25.23.2-16, IDTVA IDRS Category Controls by Function. Determine and update the correct Doc Type, priority code, etc.
- (5) IDT cases will have the activity code updated when specific case actions occur. Suspense dates will be indicated using Julian date format. Refer to IRM 25.23.4-11, IDRS Activity Codes and Definitions, for recommended activity codes.

- (6) Perform research to determine the impact of the IDT on all tax years, see IRM 25.23.4.6.1, Required Research and IRM 25.23.4.6.4, Complete Case Analysis. Create CII cases for additional impacted years identified through complete case analysis (CCA) using the date of identification as the IRS received date, see IRM 25.23.4.3.1, CII and IDRS Case Controls, for more information.

25.23.10.7.1
(10-01-2019)
**IDTVA Specialties CSCO
Identity Theft Case
Processing**

- (1) This IRM section provides specific guidance for Identity Theft Victim Assistance (IDTVA) cases involving Automated Substitute for Return (ASFR) and Compliance Services Collection Operation (CSCO) issues.

25.23.10.7.1.1
(11-23-2021)
**IDTVA Specialties CSCO
Initial Receipt Clerical
Actions**

- (1) The instructions in this section should be used in conjunction with the instructions in IRM 25.23.4.3.4, IDTVA Specialties Case Referrals from Compliance Functions and IRM 25.23.10.2, Case Batching.

Note: Refund Hold cases should be batched with the appropriate doc type and Priority Code 1. Be sure to use the appropriate doc type for Spanish cases.

Note: (Fresno Only) OIC referrals will be received from *W&I IDT:Fresno:SPEC-CSCO with a subject indicating the case is an OIC. The referrals will include Form 4442 with Form 14039. These cases will be batched with the appropriate doc type, Priority Code 2, and category IDI9/IDI4. These cases are not limited to CSCO cases as they are generated from SB/SE OIC and may be any type of identity theft.

- (2) If there is already an existing IDT(x) case, attach the response using the CII Association sheet and update the category code to IDI9 with a priority code of 2.
- (3) If there is already an existing IDI(x) case, attach the response using the CII Association sheet. If the current priority code is "3" or "N/A", update the priority code to priority code 2.
- (4) Upon receipt of potential IDT correspondence, the Identity Theft Victim Assistance Compliance, Services Collection Operation (IDTVA Specialties CSCO) group should:
- Verify that appropriate documentation was received (Form 14039, Identity Theft Affidavit, a police report or Form 14157, Return Preparer Complaint). If none is present return to Compliance for them to take actions to obtain the appropriate form.
 - Ensure that TC 971 AC 522 UNWORK is on the account per IRM 25.23.2.4.2, Tracking IMF Tax-Related Identity Theft Inventory. For BMF see IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
 - Suspend collection and input TC 470 with no closing code.
 - Send the appropriate acknowledgement letter per IRM 25.23.4.18.1, General IDTVA Letter Procedures, to the address on the documentation unless a better address is available.

25.23.10.7.1.2
(03-09-2023)
**Automated Substitute
for Return (ASFR) Case
Processing**

- (1) The ASFR program made significant changes to processing that were implemented in July 2018. Section 25.23.10.7.1.2 is impacted by the changes.
 - Prior to July 2018 ASFR posted a dummy TC 150 on IDRS when a case was selected and notices were issued. Effective in July 2018 the posting the dummy TC 150 will be moved to the end of the process, directly before the default assessment is made. TC 971 with AC 143 will post to indicate ASFR selected a case and letters were sent.
 - The change will allow ASFR to forward returns received before a default assessment to Submission Processing, rather than adjusting them with a TC 290.
 - Procedures for defaulted cases (Reconsiderations) will remain the same. They should not be removed from tables or changed.
 - Cases in process prior to July 2018 with a dummy TC 150 will take approximately 10 months to clear the system. Employees will see instances of both types of cases during that period

- (2) The taxpayer has claimed IDT, but the income has been TIN perfected (The IRPTR document Payee Entity Data line will state "Valid Perfected SSN," if TIN perfected):

| If | Then |
|---|--|
| 1) A 30-day or 90-day Letter was issued | <ul style="list-style-type: none"> • Update to ASFR status 071 • Input a TC 590 cc 088 |
| 3) There is a default assessment posted to IDRS | Abate the ASFR assessment and penalties, as applicable |

- Follow NOIDT instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations.

Exception: In place of paragraph in IRM 25.23.4.10.15(2), send the taxpayer a Letter 4674C . Include an open paragraph informing the taxpayer that the issue was due to an IRS error.

- (3) The tables below provides actions taken when an ASFR account has been identified as involving Identity Theft. If unable to determine the appropriate amount of tax balance based on the information provided, skip to paragraph (3) below:

| <p>If it is determined the taxpayer is a victim of Identity Theft, they made a valid IDT claim, a valid return has not been filed, and removal of the income results in a tax balance that is</p> | <p>Then</p> |
|--|---|
| <p>1) TC 971 AC 143 is posted to the account with no TC 150</p> | <ul style="list-style-type: none"> • Remove the Identity Theft income from ASFR and update the case major. • Choose menu #28 on the ASFR Entity screen to input a history on the module showing partial income was removed due to Identity Theft. • If a 30-day letter was issued, update the module to Status 032 to issue a corrected letter. • If a 90-day letter was issued, update the module to Status 031 to issue a corrected letter. • Follow steps (c) - (e) below. <p>Exception: If the correspondent is an Individual Taxpayer Identification Number (ITIN) taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525. Retain Identity Theft verification to be associated with the ASFR default.</p> |
| <p>2) A TC 150 .00 SFR is present and the default assessment has not posted, Note: Modules selected for ASFR beginning in July 2018 may have a posted TC 150 .00 SFR without a TC 290 assessment on the module. The TC 290 assessment will post 3 weeks after the TC 150 .00 SFR does. Exception: Accounts with an ASFR failed condition will not post within 3 weeks. Refer to IRM 5.18.1.6.11, ASFR Statuses, for additional information when it has been more than 3 weeks and the TC 290 has not posted.</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools, input a TC 590 CC 088 and TC 291 adjustment to correct the assessment (including appropriate reference amounts, withholding, and estimated penalty). If the assessment has not posted, include a Post Delay Code in the adjustment to prevent unpostables. • Input a TC 495 with STN 90 if a TC 494 is present on the module. • Follow steps (a) - (e) below. • Update ASFR to Status 101. <p>Exception: If the correspondent is an ITIN taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525.</p> |

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| | | |
|--|--|---|
| <p>If it is determined the taxpayer is a victim of Identity Theft, they made a valid IDT claim, a valid return has not been filed, and removal of the income results in a tax balance that is</p> | <p>Then</p> | # |
| <p>3) And there is a default assessment,</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools, input a TC 291 adjustment to correct the assessment (including appropriate reference amounts, withholding, and estimated penalty). Post delay the adjustment, if necessary. • Follow steps (a) - (e) below. <p>Exception: If the correspondent is an ITIN taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525. Retain Identity Theft verification to be associated with the ASFR default.</p> | |

| | | |
|--|---|---|
| <p>If it is determined the taxpayer is a victim of Identity Theft, they provide the required IDT claim, a valid return has not been filed, and removal of the income results in a tax balance</p> | <p>Then</p> | # |
| <p>1) TC 971 AC 143 is posted to the account with no TC 150</p> | <ul style="list-style-type: none"> • Input a TC 590 CC 088. • Input a TC 495 with STN 90 if a TC 494 is present on the module. • Follow steps (a) - (e) below. • Update ASFR to Status 076. <p>Exception: If the correspondent is an ITIN taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525.</p> | |

| If it is determined the taxpayer is a victim of Identity Theft, they provide the required IDT claim, a valid return has not been filed, and removal of the income results in a tax balance | Then |
|--|--|
| <p>2) A TC 150 .00 SFR is present and the default assessment has not posted,</p> <p>Note: Modules selected for ASFR beginning in July 2018 may have a posted TC 150 .00 SFR without a TC 290 assessment on the module. The TC 290 assessment will post 3 weeks after the TC 150 .00 SFR does.</p> <p>Exception: Accounts with an ASFR failed condition will not post within 3 weeks. Refer to IRM 5.18.1.6.11, ASFR Statuses, for additional information when it has been more than 3 weeks and the TC 290 has not posted.</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools, input a TC 590 CC 088 and TC 291 adjustment to correct the assessment (including appropriate reference amounts, withholding, and estimated penalty). If the assessment has not posted, include a Post Delay Code in the adjustment to prevent unpostables. • Input a TC 495 with STN 90 if a TC 494 is present on the module. • Follow steps (a) - (e) below. • Update ASFR to Status 101. <p>Exception: If the correspondent is an ITIN taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525.</p> |
| <p>3) And there is a default assessment posted on IDRS,</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools back out the ASFR assessment. • Follow steps (a) - (e) below. <p>Exception: If the correspondent is an ITIN taxpayer see IRM 25.23.2.8.5, Employment-related Identity Theft-TC 971 AC 525.</p> |

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| If it is determined the taxpayer is a victim of Identity Theft, the required IDT claim has been provided, and a valid return has been filed, | Then |
|--|--|
| <p>1) TC 971 AC 143 present with no TC 150</p> | <ul style="list-style-type: none"> • Update ASFR Status <ol style="list-style-type: none"> a. For a return with zero tax, use Status 101. b. For a return showing tax and no TC 494 is present, use Status 103. c. For a return showing tax and a TC 494 is present, use Status 105. • Input a TC 495 with STN 90 if a TC 494 is present. • Input TC 599 CC 094 if a taxable return is received. • Input TC 599 CC 096 if a non-taxable return (.00 tax) is received. • Follow steps (a) - (e) below. • Forward the return to Submission Processing. |

| | |
|---|---|
| <p>2) A TC 150 .00 SFR is present and the default assessment has not posted,</p> <p>Note: Modules selected for ASFR beginning in July 2018 may have a posted TC 150 .00 SFR without a TC 290 assessment on the module. The TC 290 assessment will post 3 weeks after the TC 150 .00 SFR does.</p> <p>Note: Accounts with an ASFR failed condition will not post within 3 weeks. Refer to IRM 5.18.1.6.11, ASFR Statuses, for additional information when it has been more than 3 weeks and the TC 290 has not posted.</p> | <ul style="list-style-type: none"> • Input a TC 599 CC 089 to set the ASED. • Utilizing the appropriate IAT tools input an adjustment to the verified return figures, as allowable. See IRM 25.23.4.6.2, IDTVA-Additional Research and Required Actions, procedures. <ul style="list-style-type: none"> a. Use Blocking Series 54 (no TC 494 present), or 32 (TC 494 present) unless following Math Error or Disallowance Procedures. b. Include Priority Code 2, Hold Code 3, and Reason Code 139. c. If the assessment has not posted, include a Post Delay Code in the adjustment to prevent unpostables. • Follow steps (a) - (e) below. |
| <p>3) There is a default assessment posted on IDRS,</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools, input a TC 291 adjustment to correct the assessment (including appropriate reference amounts, withholding, and estimated penalty). Post delay the adjustment, if necessary. • Follow steps (a) - (e) below. |

| | |
|---|---|
| <p>If it is determined the taxpayer is a victim of Identity Theft, the required IDT claim has been provided, and they state they filed a MFJ return (as the secondary spouse)</p> | <p>Then</p> |
| <p>1) If verified and a 30-day or 90-day letter was issued, but the default assessment has not yet occurred,</p> | <ul style="list-style-type: none"> • Use Option 09 to update the module to include the spouse's TIN. • Update ASFR to status 108. Enter the amount of tax from the joint return when prompted. See IRM 5.18.1.6.11.57, Status 108: Filed Jointly, Post 30-day Letter. <p>Note: ASFR will systemically post the necessary transactions.</p> <ul style="list-style-type: none"> • Follow steps (a) - (e) below. |

| | |
|--|---|
| <p>2) If verified, a TC 150 .00 SFR is present, and the default assessment has not posted,</p> <p>Note: Modules selected for ASFR beginning in July 2018 may have a posted TC 150 .00 SFR without a TC 290 assessment on the module. The TC 290 assessment will post 3 weeks after the TC 150 .00 SFR does.</p> <p>Exception: Accounts with an ASFR failed condition will not post within 3 weeks. Refer to IRM 5.18.1.6.11, ASFR Statuses, for additional information when it has been more than 3 weeks and the TC 290 has not posted.</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tools, back out the ASFR assessment. If the assessment has not posted, include a Post Delay Code in the adjustment to prevent unpostables. • Input TC 594 CC 084 if it is not present. • Follow steps (a) - (e) below. |
| <p>3) If not verified and a 30-day letter was issued,</p> | <ul style="list-style-type: none"> • Continue ASFR processing. • Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired update ASFR to Status 030 using the expired follow-up date. Refer to IRM 5.18.1.6.15, ASFR Follow-Up or Action Dates. • Follow steps (b) - (d) below. • Per local procedures, close or update IDRS control. Input activity that ASFR processing will continue. • Notify Taxpayer that ASFR processing will continue. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. |
| <p>4) If not verified and a 90-day letter was issued,</p> | <ul style="list-style-type: none"> • Continue ASFR processing. It is not necessary to update the ASFR system unless the module is in a failed condition status or any other status that suspends the case. See IRM 5.18.1.6.11, ASFR Statuses, for a list of status codes. • Follow steps (b) - (d) below. • Per local procedures, close or update IDRS control. Input activity that ASFR processing will continue. • Notify Taxpayer that ASFR processing will continue. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. |

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| <p>5) If not verified, a TC 150 .00 SFR is present, and the default assessment has not posted,</p> <p>Note: Modules selected for ASFR beginning in July 2018 may have a posted TC 150 .00 SFR without a TC 290 assessment on the module. The TC 290 assessment will post 3 weeks after the TC 150 .00 SFR does.</p> <p>Exception: Accounts with an ASFR failed condition will not post within 3 weeks. Refer to IRM 5.18.1.6.11, ASFR Statuses, for additional information when it has been more than 3 weeks and the TC 290 has not posted.</p> | <ul style="list-style-type: none"> • Utilizing the appropriate IAT tool, input a TC 291 adjustment to correct the assessment (including appropriate reference amounts, withholding, and estimated penalty). If the assessment has not posted, include a Post Delay Code in the adjustment to prevent unpostables. • Follow steps (b) - (d) below. • Per local procedures, close or update IDRS control. Input activity that ASFR processing will continue. • Notify the taxpayer that the MFJ return has not been received and the account has been adjusted to remove the income they did not earn. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. |
|--|--|

- a. Resolve credits. Refer to IRM 21.5.8, Credit Transfers.
 - b. Complete Form 9409, IRS/SSA Wage Worksheet for any wages that the valid taxpayer did not earn. See IRM 25.23.13.3.1, Form 9409 Procedures-IRS/SSA Wages Worksheet, for additional information.
 - c. Input TC 971 AC 501 to CC ENMOD. See IRM 25.23.2.6, Closing Identity Theft Issues.
 - d. If there is an Identity theft associated TC 470, reverse it with a TC 472 when the valid taxpayer will have a balance due. Send Form 14394 to IDTVA-ACSS to resume collections, see IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions.
 - e. Document CII and close the case.
- (4) When the taxpayer does not provide sufficient information and a determination cannot be made through internal research, see IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain the necessary information from the taxpayer.

| If the taxpayer does not provide the requested information by the date provided | Then |
|---|--|
| 1) And a 30-day Letter was issued | <ul style="list-style-type: none"> • Continue ASFR processing. • See IRM 25.23.4.10.16, No Reply. • Update ASFR to Status 030 if the follow-up date has not expired. If the follow-up date has expired update ASFR to Status 030 using the expired follow-up date. Refer to IRM 5.18.1.6.15, ASFR Follow-Up or Action Dates. • Per local procedures, close or update IDRS control. Input activity that ASFR processing will continue. • Notify Taxpayer that ASFR processing will continue. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. |
| 2) And a 90-day Letter was issued | <ul style="list-style-type: none"> • Continue ASFR processing. • See IRM 25.23.4.10.16, No Reply. • If the module was in Status 90 before the response was received and the 90-day follow-up date has not expired, update ASFR status to 90 with the correct 90-day letter date. • If the module was in Status 90 before the response was received and the 90-day follow-up date has expired, update ASFR status to 104. • Per local procedures, close or update IDRS control. Input activity that ASFR processing will continue. • Notify Taxpayer that ASFR processing will continue. • Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures. |

| If the taxpayer does not provide the requested information by the date provided | Then |
|---|---|
| 3) And there is a default assessment posted to IDRS | <ul style="list-style-type: none"> • Input a CII case note stating the taxpayer's response was insufficient. • See IRM 25.23.4.10.16, No Reply. |

Note: The SECONDARY-DT field on TC 972 is a required field. The tax year claimed as Identity Theft should be input using the format MMDDYYYY. See IRM 25.23.2-11, IMF Only TC 972 AC 522 - Reversal of TC 971 AC 522.

- (5) If your case does not fit any of the table scenarios listed above, contact your *ITVA ASFR Headquarter Analyst* for instructions on how to proceed with the case by emailing a completed Form 4442, Inquiry Referral.
- (6) If you have determined the taxpayer is a victim of identity theft and correction of the account results in a zero tax liability, request to abate the Lien Fee if there is a TC 360 (lien fee assessment) present. If there is a TC 582, see guidance in IRM 25.23.4.12.2, Collection Activity-Form 13794 Additional Actions Required – LIEN.

Reminder: If OIC is indicated on the account, contact the assigned OIC employee or locate case using SERP Who/Where to coordinate next case action with OIC.

25.23.10.7.1.3
(10-01-2020)
**Return Delinquency
Identity Theft**

- (1) When an allegation of Identity Theft is made, you must determine if the taxpayer has a filing requirement. For procedures on determining liability, appropriate closing codes, and additional account actions, see IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions. Disregard instructions to complete Form 2209 , Courtesy Investigation.
- (2) Input the appropriate identity theft indicators per IRM 25.23.2.6, Closing Identity Theft Issues.
- (3) Inform the taxpayer in writing the identity theft issue has been resolved. Include information for any other unresolved delinquencies. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for additional information.

25.23.10.7.2
(10-01-2019)
**IDTVA Specialties ACSS
Identity Theft Case
Processing**

- (1) This IRM section provides specific guidance for Identity Theft Victim Assistance (IDTVA) cases involving Automated Collection System Support issues.

25.23.10.7.2.1
(10-01-2019)
**IDTVA Specialties ACSS
Receipt Procedures**

- (1) When cases are received into ACSS IDTVA, they go through a clerical and technical screening process. Follow the subsequent instructions in this section for this process.

25.23.10.7.2.1.1
(03-09-2023)

**IDTVA Specialties ACSS
Initial Receipt Clerical
Actions**

- (1) The instructions in this section should be used in conjunction with the instructions in IRM 25.23.4.3.4, IDTVA Specialties - Case Referrals from Compliance Functions and IRM 25.23.10.2, Case Batching
- (2) Upon receipt of potential IDT correspondence, the IDTVA Specialties, Automated Collection System Support (IDTVA Specialties ACSS) group should:
 - a. Verify that appropriate documentation was received (Form 14039, Identity Theft Affidavit, police report or Form 14157, Return Preparer Complaint). If none is present return to ACSS for them to take actions to obtain the appropriate form.
 - b. Ensure that TC 971 AC 522 UNWORK is on the account per IRM 25.23.2.4.2, Tracking IMF Tax-Related Identity Theft Inventory. For BMF see IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
 - c. Suspend collection and input TC 470 with no closing code.
 - d. Refer to screener for review. See IRM 25.23.10.7.2.1.2, IDTVA Specialties ACSS Screener Procedures, for details.
- (3) Upon return from the screener, the clerk should:
 - a. Update Account on ACS to appropriate function code with 180-day follow-up "TOXX,180,IDT".
 - b. Send appropriate acknowledgement letter per IRM 25.23.4.18.1, General IDTVA Letter Procedures, to the address on the documentation unless a better address is available.
 - c. If the taxpayer has requested an installment agreement with the documentation, send case to the screener to review for input of the TC 971 AC 043 and mark the case with a tag to identify "IA Requested" for additional actions later.

Note: If the taxpayer has requested an IA, input TC 971 AC 043 when the request meets pending IA criteria, see IRM 5.19.1.6.4.7, Pending IA Criteria, and the clerk will complete Letter 5064C, *ID Theft In-Process Letter*, with the IA notification paragraph if referred out. "We have received your installment request; however, we cannot setup the installment agreement until the Identity Theft issue has been resolved. If you believe you will have a balance due after those actions, you may continue to make voluntary payments to reduce the balance due while we resolve your identity theft issue. Once that is completed, we will set up the installment agreement for you."

25.23.10.7.2.1.2
(10-01-2019)

**IDTVA Specialties ACSS
Screener Procedures**

- (1) A screener is being utilized to identify the appropriate place for the case to be resolved and identify any levy issues.
- (2) Determine if a levy is active on the account. Release the levy, if applicable. See IRM 25.23.10.7.2.6.1, Active Levies, for additional information.

Caution: Levies must be released by GS-06 or higher employees.

- (3) Research to identify the appropriate IDTVA function to work the case and document with the appropriate category code for the clerk. Proceed with IRM 25.23.10.7.2.1.1, IDTVA Specialties ACSS Initial Receipt Clerical Actions.

25.23.10.7.2.1.3
(10-01-2020)
**Form 3870 Received
from Field Collection -
IDTVA Specialties
Kansas City Only**

- (1) Provide Forms 3870 received from Field Collection to the IDTVA Specialties ACSS screener for determination of the category code for batching. These cases should be batched with Priority Code 2. No other batching action is required (i.e., no acknowledgement letters should be issued).

25.23.10.7.2.2
(10-01-2023)
**IDTVA Specialties ACSS
Preliminary Research
Needed for Determining
Identity Theft on Cases
Meeting ACS IDT Criteria**

- (1) In some instances, taxpayers legitimately believe they are a victim of Identity Theft but are not. By thoroughly researching the account, you will be able to determine if this is the case. These situations are generally the result of a taxpayer error, a tax return preparer error, or an Internal Revenue Service (IRS) processing error. This is more common with taxpayers who share their name with a relative.
- (2) Account must be well documented prior to reaching a final determination of Identity Theft as well as determining the identities of the victim and of the perpetrator.
- (3) Research using Command Codes (CC) ENMOD, IMFOL, RTVUE, NAMES, INOLE, DFAST, DUPOL, FFINQ, REINF, and IRPTR, etc., if applicable.

Note: Use of the IAT aMend tool is mandatory when resolving IDT cases. See IRM 21.2.2-2, ACCOUNTS MANAGEMENT MANDATED IAT TOOLS, for a list of tools required for IDTVA.

Exception: In situations where the aMend tool will not perform the necessary account adjustment, the XClaim tool may be used.

- (4) Research for a different TIN, using spouse and dependent information whenever available and applicable.
- (5) Research to see if the taxpayer was previously assigned an ITIN using the ITIN RTS database. In some situations, individuals use another taxpayer's SSN for employment purposes. These individuals may have already been assigned an ITIN, under which they have filed a tax return. Do not input the TC 971 AC 522 when the ITIN taxpayer reports the misuse of the SSN. Make no contact with the SSN owner.

Example: An individual responds to the LT11 and states this is not my SSN but does file using an ITIN number. The individual states they are using the SSN for employment purposes only. No information is received from the owner of the SSN indicating Identity Theft. In the example above, a TC 971 AC 522 will not be input. If the TC 971 AC 522 has already been input, reverse using TC 972 AC 522 with source code "IRSERR". This will not be considered tax-related Identity Theft per IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators and IRM 25.23.13, Income Related Identity Theft. Cases where another person's SSN is used for employment purposes and the user files tax returns under an ITIN are not considered IDT. If there is an Identity Theft associated TC 470, reverse it with TC 472.

- (6) Compare all documents and return information for similarities and differences. Research any inconsistencies for a possible TIN.

- (7) Always research valid and invalid sides of the TIN in question. This may lead to indications of a mixed entity or scrambled SSN issue, which are not deemed to be Identity Theft. Refer to IRM 25.23.4.6.1, Required Research, to determine if the case meets this criterion.
- (8) After determining a mixed entity or scrambled SSN exists, resolve all identity theft impacted years following normal procedures. Then use the *IDTVA Specialty CII Reassignment Guide for Non-IDT Cases* to reassign the tax years identified as a mixed entity or scrambled SSN. Document your determination and research, including the other TIN identified for mixed entity cases, in a CII case note. Reassign the case on ACS "TOR1,120,MXEN or SCRM", depending on the case type.
- (9) IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft, and IRM 25.23.4.6.1, Required Research, also contain additional guidance necessary to reach a final determination.
- (10) There may be cases received with prior IVO (Integrity and Verification Operation) involvement. IVO/RICS involvement can be recognized by the following indicators:
 - a. TC 971(s) with AC 134/617 and or CP 05/05A present on the TXMOD.
 - b. A Letter 4464C/4115C/418C has been issued on ENMOD.
 - c. IVO control present: IDRS # organizational range 14810-14868 and Category Codes – NCAT, ECAT, NRAM, and ERAM.

Note: If the IVO control is open, close the control base and forward the case to the controlling function. Be sure to attach all correspondence received and document CII. Reassign the case on ACS "TOO6,90,IVO".
- (11) Although an IVO indicator may be present on the account, additional actions may still need to be taken to resolve the taxpayer's issue.
- (12) Complete all necessary adjustments on the case. If cases cannot be resolved through nullification procedures, and must be resolved with an IRSN, refer cases to DITA, per IRM 25.23.10.6, Post Function Referral Procedures. Cases meeting the nullity criteria (refund scheme or IRPTR/IDRS Decision Tree) should be resolved/nullified. For an account to be nullified, the case must meet specific criteria of a Refund Scheme or IRPTR/IDRS Decision Tree. See also IRM 25.23.4.8.1, Streamline Identity Theft (IDT) Case Identification and Processing.
- (13) Cases with deceased indicators can be identified on CC INOLET or IMFOLE with the actual date of death (DOD) displayed on IDRS. Fraudulent activity on a deceased taxpayer's account usually occurs very early in the tax year, prior to normal processing time frames, and involves only originally filed returns such as TC 150, TC 976 or TC 977. These may also be identified with a TC 971 AC 524 on CC ENMOD.
- (14) A list of current Refund Schemes can be found at *SERP - Fraud Refund Scheme Listing - Job Aids (irs.gov)*. The list of Schemes will be used to make determinations of fraudulent filings. If one of the returns has any of the characteristics listed, the return should be deemed fraudulent if no substantiation can be found on IRPTR. See IRM 25.23.4.8.1.3, Identity Theft (IDT) with IRP Data, Refund Scheme or Schedule C Involvement.

- (15) If the fraudulent return has the characteristics of a Refund Scheme, and no wage/withholding substantiation can be found on IRPTR, consider the return as a “nullity” and process accordingly.
- (16) If unable to determine if the fraudulent return is based on a Refund Scheme, utilize the IRPTR/IDRS Decision Tree to determine TIN ownership.
- (17) The IRPTR/IDRS Decision Tree criteria is listed in IRM 25.23.4.8.1.3, Identity Theft (IDT) with IRP Data, Refund Scheme or Schedule C Involvement. A three-year look back period for data is available on IRPTRL and/or IDRS to determine the Common Number (CN) ownership. At least three items from the criteria list must be consistent before making a final determination of the CN owner. Once three items from the listing have been verified, proceed with resolving the case. If there is not three years’ worth of IRP data, but research supports CN ownership, lead/manager must approve the decision to nullify before proceeding with case resolution.
- (18) When a prior determination has been made, consider the taxpayer identified as the CN owner to be the owner of the SSN, unless additional research indicates otherwise.
- (19) Ownership of the CN must be determined before contacting a taxpayer for additional information. As a starting point, follow guidance in IRM 25.23.4.6.1, Required Research, which includes a list of common characteristics on IDT cases, a link to most common IDT schemes, and information related to mixed entity and scrambled SSN conditions.
- (20) If a different TIN is found and is an IRSN, this is an indication of Identity Theft on another year. Continue with the determination process to prepare case for resolution. IRM 25.23.4.6.1, Required Research has additional information.
- (21) If a different TIN is not located and IDT is indicated, determine if there is more than one return present. If more than one return is present, follow guidance in IRM 25.23.4.6.1, Required Research.
- (22) If no explanation or appropriate document on how the tax account is affected was received, consider internal sources IRM 25.23.4.6.1, Required Research. If a determination cannot be made, follow the guidance in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain the necessary information.
- (23) If there is any question as to the validity of the submitted documentation, consult your manager, lead, and/or IDT Coordinator/Liaison. Additional contact with the submitter of the documentation may be necessary.

25.23.10.7.2.3
(10-01-2020)

**Processing Identity
Theft Correspondence**

- (1) ACS Support will receive taxpayer/perpetrator correspondence which should include substantiation previously requested.
- (2) Ensure cases are in the O2 inventory on ACS with a 120-day follow-up (i.e., TOO2,120,CORR).
- (3) Verify the case has been batched on CII under OFP 40231 with doc/sub code 1 for IMF IDT and OFP 10412 for BMF IDT. If the case was not identified as an ID theft correspondence or was mis-batched, have the case re-batched as stated above.

- (4) Use internal sources to make a determination. If a determination cannot be made, see IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain the necessary information.
- (5) After the Form 14039 and/or police report was received IDTVA Specialties ACSS employees will verify a TC 971 AC 522 UNWORK was input on ENMOD. Specific guidance on the Identity Theft tracking indicators can be found in IRM 25.23.2.4.2, Tracking IMF Tax-Related Identity Theft Inventory, and IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
- (6) Research the tax years identified on the Form 14039 to determine the source of the assessment related to the identity theft. If, for the tax years identified on the Form 14039 the taxpayer:
 - Disputes an assessment(s) made by another function, follow the guidance in (7) through (9) below.
 - Does not dispute an assessment made by another function and meets ACSS criteria (Status 22/24 and/or TDI -03), follow the guidance starting at (10) below.
 - Meets ACSS criteria and disputes an assessment made by another Compliance function, follow the guidance in IRM 25.23.4-5, IDTVA Routing Matrix.
- (7) If, based on the Form 14039 and any additional information, the taxpayer disputes an assessment made by another function (e.g., AUR, ASFR, Exam, SFR etc.):

Note: Do not follow Complete Case Analysis procedures when referring a case to another area or function.

- a. Refer the case to the appropriate IDTVA function, see IRM 25.23.4.3.2, Case Transfer within IDTVA. If the case is on CII reassign the case to the appropriate function. If the case is not on CII, then batch to the appropriate function.

Note: If there are multiple years and multiple functions involved, see (8) - (10) below for case routing guidance.

- b. Release all levies for the impacted tax modules.
- c. Reassign the account on ACS to the appropriate "O" inventory function based on the area the case is referred to with a 90-day follow-up: O4 will be used to house all referrals to ASFR/ (e.g., TOO4,90,IDTASFR). O5 will be used to house all referrals to AUR (e.g., TOO5,90,IDTAUR). O6 will be used to house all referrals to other functions (e.g., TOO6,90,IDTxxxx - "xxxx" = the function or operation the case was referred to such as RPM, CAWR, FUTA, FRIV, AM, CIB, etc.). O7 will be used to house all referrals to Exam (e.g., TOO7,90,IDTEXAM).
- d. Document CII history with all actions taken, including the referring of the documentation to the specific function.
- e. Use Letter 5064C, ID Theft In-Process Letter, to communicate any other information to the taxpayer, such as acknowledgment that we have received their IA request.
- f. Maintain a complete copy of the IDT case file (original if faxed or copy if mailed) until the account is resolved. If this is a NON-TDI account, the case file can be destroyed after all actions have posted.

Note: Refer to IRM 25.23.10.7.2.7.4, 04 Inventory-IDTVA Specialties ASFR Referrals through IRM 25.23.10.7.2.7.7, 07 Inventory – IDTVA Specialties Examination Referrals, for additional guidance on referring cases to appropriate functions.

- (8) All Compliance functions cannot address or reverse an assessment made by another function. Therefore, a matrix was developed to outline the functions, authority, and where cases will be transferred. See IRM 25.23.4.3.2, Case Transfer within IDTVA.
- (9) When an IDT claim involves multiple years and same functions but different service centers, the case will be referred to the service center based on the most current IDT year.

Example: For 2008 tax year, Exam FSC made the assessment and for 2009 tax year, Exam BSC made the assessment. The case will be referred to Exam BSC based on the 2009 tax year.

- (10) If, based on the Form 14039 and any additional information, the taxpayer disputes an assessment made by another function and meets ACS criteria (Status 22/24 and/or TDI -03), the case will be worked by IDTVA Specialties ACS Support. Some examples of cases IDTVA Specialties ACS Support would retain and resolve are original filing issues, subsequent return processing, wrongful levies, TDI issues, etc.

Note: Send amended returns to IDTVA-A via CII.

- a. Case will remain in O2 inventory with a follow-up date of 120 days.
 - b. Release all levies for impacted tax modules.
 - c. Send an acknowledgment letter to the taxpayer/victim within 30 days when IDTVA Specialties ACS Support receives the IDT claim. Follow guidance as established in IRM 25.23.4.18.1, General IDTVA Letter Procedures.
- (11) After determining that the case meets ACS criteria and that more than one Compliance function is involved for the tax years listed on the Form 14039 and/or police report, follow the guidelines outlined in IRM 25.23.4-5, IDTVA Routing Matrix.
 - (12) Research should be performed and documented prior to reaching a final determination of Identity Theft as well as determining the identities of the victim and of the perpetrator. Follow guidance in IRM 25.23.10.7.2.2, IDTVA Specialties ACSS Preliminary Research Needed for Determining Identity Theft on Cases Meeting ACS IDT Criteria.
 - (13) If complete research indicates Identity Theft did not occur, do not accept the IDT claim or adjust the account based on the IDT claim. Follow the guidance listed below:
 - a. Send Letter 4674C/SP to explain why the claim is not accepted and that collection action will proceed within 30 days (60 days for International) from the date of the letter. Provide the balance due in the letter. Suspend case for 40 days (70 days for international cases).

25.23 Identity Protection and Victim Assistance

Note: If the taxpayer made an additional request to resolve the account, take the necessary case actions.

- b. Reassign the case on ACS to the next appropriate function with a 45-day follow-up (75 days for international cases), see IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues.
 - c. Treat the case as NOIDT. Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations
- (14) If complete research indicates identity theft did occur, the IDT claim will be accepted. At this time make the necessary address and/or name changes, if warranted. Be sure the updated address is in CII narratives.
 - (15) Once the determination is made that Identity Theft exists on the tax periods listed on the Form 14039, additional research must be performed to determine if additional years were impacted as well. This is referred to as Complete Case Analysis. See IRM 25.23.4.6.4, Complete Case Analysis.
 - (16) If the taxpayer requests the NFTL be withdrawn, ask the taxpayer to complete Form 12277, Application for Withdrawal of Filed Form 668(y), Notice of Federal Tax Lien (as based on IRC 6323(j)), or otherwise submit a written request for the withdrawal. Forward the request to Collection Advisory with an explanation regarding the withdrawal situation. Collection Advisory will determine whether to grant such a request on a case-by-case basis. See IRM 25.23.4.12.2, Collection Activity-Form 13794 Additional Actions Required – LIEN, for lien release information.
 - (17) Review the account and once IDT is confirmed, if needed, complete Form 9409, IRS/SSA Wages Worksheet, for wage income only. See IRM 25.23.13.3.1, Form 9409 Procedures-IRS/SSA Wages Worksheet, for Form 9409 details. Update CII history with the invalid income sources and record that Form 9409 has been completed.
 - (18) CII documentation is required, see IRM 25.23.2.3.4, Required Case and History Notes, for documentation requirements.

Note: Be sure to include the dates and discussions of all telephone contacts relating to the Identity Theft issue. Also include information used to ensure the person contacted is the same person submitting the IDT claim. All other actions, resolutions, and future next case actions must be documented. When making an outgoing call, document the phone number called, who you spoke with, and/or if a message was left for the taxpayer.

- (19) For IMF ID theft taxpayer correspondence use OFP 40231 and for BMF ID theft taxpayer correspondence use OFP 10412 (10413 – International use). Report hours and volume for each case resolved or referred.

25.23.10.7.2.4
(10-01-2020)
**Identity Theft Balance
Due Return (TC 150) Not
Resulting from
Additional Assessment**

- (1) IRM 25.23.2.3, Identity Theft Claims - General Guidelines, outlines the TC 971 AC 522 source code and secondary date that is to be input on the account at different stages of process from initial ID Theft claim to closure dependent upon case specifics.
- (2) Determine if the ID Theft is related to the tax year with the balance due:
 - a. Check the Alerts section of AMS to see if there is an open CII control for ID Theft.

- b. If a TC 971 AC 522 "UNWORK" does not already exist for the tax year in question, input TC 971 AC 522 "UNWORK", and
- c. Use the following chart:

| If | And | Then |
|--|---|---|
| 1) The taxpayer provided an IDT claim, | Their ID Theft claim will eliminate the entire balance due, | Document CII with actions taken. Follow account adjustment procedures in: <ul style="list-style-type: none"> • IRM 25.23.4, IDTVA-Paper Process. • IRM 25.23.4.6.2, IDTVA-Additional Research and Required Actions. • IRM 25.23.10.7.2.3, Processing Identity Theft Correspondence. |
| 2) The taxpayer provides an IDT claim, | Their ID Theft claim will not eliminate the entire balance due, | <ul style="list-style-type: none"> • Document CII on all actions taken. • Send Letter 4674C informing the taxpayer of the remaining balance due. • Take next collection action per IRM 25.23.10.7.2.5, Next case Actions - IDT Remaining Collection Issues. Follow account adjustment procedures in: <ul style="list-style-type: none"> • IRM 25.23.4.6.2 ,IDTVA-Additional Research and Required Actions. • IRM 25.23.10.7.2.3, Processing Identity Theft Correspondence. |

| If | And | Then |
|---|--|---|
| <p>3) The taxpayer provides an IDT claim,</p> | <p>The research does not support the ID Theft claim,</p> | <ul style="list-style-type: none"> • If the taxpayer will be submitting the required documents, input history code with a parameter of 30 days past the deadline date. 60 days past the deadline date on international cases. • Reassign case <i>TOV1,45</i>, "DOCREQ". • If the taxpayer drops the ID Theft claim or does not submit the required documents, continue with collection activity and take next appropriate action. • Inform the taxpayer of the "NOIDT" determination. See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Document CII on all accounts with actions taken. • Move to next appropriate ACS function for further collection actions. |

25.23.10.7.2.5
(10-01-2018)

**Next Case Actions,
Remaining Collection
Issues**

(1) If a balance due remains after the IDT issue is resolved and the closing letter has been sent, use the table below.

Caution: If prior to closing the IDT case you are waiting for TC 472 to post or you input an adjustment which affects the balance due, send the case to R1,21,IDTFIXD and update AMS for next case action (i.e.; TOE3 then LT16 or LT11 if no final notice). If an IDTVA closing letter which included a balance due computation was issued, do not issue a LT16 as noted in the table below. If there is a pending TC 472 or one is required for input send the case to R1,14,PND472 and update AMS for next case action per the table below

Note: For Tolerance cases see IRM 5.19.1.2.6.1, Tolerance and Deferral - All Employees.

| If | And | Then |
|----------------------------------|---|--|
| <p>1) Levy Source is present</p> | <p>FNL NOT date is present for all TDA modules on ACS MOD screen (this means a TC 971 AC 069 has posted).</p> | <p>Issue LT16. Assign "TOE4,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOXX,30,IDTFIXD", "TOXX,30,NOIDT", "TOXX,30,NORPLY").</p> <p>Note: If LT16 previously sent xx=01 day.</p> <p>Caution: DO NOT reassign the case to E3 for systemic levy processing.</p> |
| <p>2) Levy Source is present</p> | <p>FNL NOT date is not present for all TDA modules on ACS MOD screen (this means a TC 971 AC 069 has not posted).</p> | <p>Issue LT16. Assign "TOE2,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOXX,30,IDTFIXD", "TOXX,30,NOIDT", "TOXX,30,NORPLY").</p> <p>Note: If LT16 previously sent xx=01 day.</p> <p>Caution: DO NOT reassign the case to E3 for systemic levy processing.</p> |

| If | And | Then |
|------------------------------|---------------------------------|--|
| 3) No Levy Source is present | Telephone number is present. | Issue LT 16. Assign "TOCn,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOXX,30,IDTFIXD", "TOXX,30,NOIDT", "TOXX,30,NORPLY"). Note: If LT16 previously sent xx=01 day. |
| 4) No Levy Source is present | No telephone number is present. | Issue LT16. Assign "TOI2,xx" xx=30 days (60 days for International).(This includes accounts with a foreign address or CLC=35.). Input on ACSWeb (e.g., "TOXX,30,IDTFIXD", "TOXX,30,NOIDT", "TOXX,30,NORPLY"). Note: If LT16 previously sent xx=01 day. |

Note: If the account is still on ACS but there is no longer a balance due or a return delinquency or if penalties and interest will be eliminated once the adjustment posts, then update the ACS follow-up date with "OADT,30,IDTFIXD". This will allow time for the account to fall off ACS.

- (2) If an Installment Agreement or CNC is being requested or reinstated reassign TOS4,30,XXXX as noted below and forward Form 4442 to ACSS.

| If | Then |
|---|--------------------------|
| 1) The taxpayer is requesting an IA or reinstatement | Reassign: TOS4,30,IAPND. |
| 2) The taxpayer is requesting an CNC or reinstatement | Reassign: TOS4,30,CNCPND |

- (3) If there is a return delinquency only, do the following:
 - If a telephone number is present, assign the account "TOCN,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOCN,30,IDTFIXD", "TOCN,30,NOIDT", "TOXX,30,NORPLY").

- If a telephone number is not present, assign the account "TOI2,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOI2,30,IDTFIXD", "TOI2,30,NOIDT", "TOXX,30,NORPLY").

Note: After IDT worked and closing letter was sent, issue a "LT26" before assigning to the appropriate function.

- (4) If there is an IRS Campus address on ENMOD do the following:
 - If a telephone number is present, assign the account "TOCN,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOCN,30,IDTFIXD", "TOCN,30,NOIDT", "TOXX,30,NORPLY").
 - If a telephone number is not present, assign the account "TOI2,xx" xx=30 days (60 days for International). Input on ACSWeb (e.g., "TOI2,30,IDTFIXD", "TOI2,30,NOIDT", "TOXX,30,NORPLY").
- (5) Close the monitoring IDRS control bases.
- (6) Update CII with all actions taken (deleted levy source information, telephone contact attempt/made, ACS actions, etc.).
- (7) Report time and volume under the appropriate OFP: 40231 (IMF), 40232 (International IMF), 10412 (BMF) or 10413 (International BMF).
- (8) File copy should be destroyed as classified waste.

25.23.10.7.2.6
(10-01-2018)
Levies

- (1) This section addresses levy issues.
- (2) If tax related identity theft causes the Service to issue a levy against an innocent victim, take the victim/taxpayer's case seriously and exercise sensitivity in handling the case.

25.23.10.7.2.6.1
(09-08-2017)
Active Levies

- (1) If an active levy:
 - When the taxpayer claims to be a victim of ID Theft and the Form 14039 and/or police report has been received, the levy should be released only for the tax modules affected by the ID Theft.
 - Follow IRM 5.19.4.4.10, Levy Release: General Information, for full and partial levy release procedures.

Note: Consider a release of a levy based on prior indication of ID Theft TC 971 AC 501 or AC 506 on IDRS.

25.23.10.7.2.6.2
(10-01-2019)
Addressing Outstanding Levies

- (1) If there is a balance due not attributable to Identity Theft, collection activities, including the appropriate use of enforced collection action, are not prohibited when a taxpayer has established that they were a victim of Identity Theft.
 - Be sensitive to the adverse impact that being a victim of Identity Theft may have upon a taxpayer and his/her ability to pay.
 - Consider temporarily suspending the account until the Identity Theft incident is resolved in cases where you determine the Identity Theft will have an adverse impact on the taxpayer's ability to pay.
- (2) If the taxpayer claims financial hardship as a result of a tax-related Identity Theft issue:

- a. Prepare and submit Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order). If the taxpayer requests to contact Taxpayer Advocate Service directly, advise the taxpayer to call 1-877-777-4778 toll-free, or go to <http://www.irs.gov/advocate/>.

Exception: If IRS can provide relief or take a substantive action towards providing relief within 24 hours, do not send the case to TAS, unless the taxpayer requests TAS assistance and the case meets TAS criteria

- b. If the taxpayer is an individual, refer to IRM 25.23.2.2.1, Taxpayer Interaction.
 - c. If the ID Theft situation involves a business, refer to IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
- (3) Review the case history for outstanding enforcement activity that may need to be corrected, (i.e., levies, liens).
 - (4) A levy attaching the assets of the victim in a mixed entity case must be immediately released. Refer to IRM 25.23.10.7.2.2(8), IDTVA Specialties ACSS Preliminary Research Needed for Determining Identity Theft on Cases Meeting ACS IDT Criteria for guidance on mixed entity cases.
 - (5) A levy attaching to assets of non-owner of the TIN for which:
 - a. The Service assessed the liability in the name of the non-owner of the TIN,
 - b. The Service issued all pre-levy notices properly to non-owner of the TIN,
 - c. The Service assessed the liability under the TIN/SSN of the victim,
 - d. The assessment is based solely on the income of the non-owner of the TIN, and
 - e. There are no credits (payment offset, etc.) attributable to the victim for the assessment listed on the levy, may remain in effect unless a circumstance outlined in IRM 5.11.2.3.1, Legal Basis for Releasing Levies, is present. The assessment is not invalid for the sole reason that it was made under the victim's TIN/SSN.

Note: If unable to determine if the liability of the non-owner of the TIN is satisfied then release the levy until the account can be adjusted to ensure the levy is not enforced on a satisfied liability.

Reminder: To prevent re-issuance of levy, change levy source to "INFO ONLY".

25.23.10.7.2.6.3
(09-08-2017)
Addressing ACS Paper Levies

- (1) When the taxpayer claims to be a victim of ID Theft and the Form 14039 and/or police report has been received, the levy should be released only for the tax modules affected by the ID Theft.
- (2) Follow IRM 5.19.4.4.10, Levy Release: General Information, for full and partial levy release procedures.

Note: Consider a release of a levy based on prior indication of ID Theft TC 971 AC 501 or AC 506 on IDRS.

25.23.10.7.2.6.4
(10-01-2023)

**Addressing Outstanding
Federal Payment Levy
Program (FPLP) Levies**

- (1) A thorough review of the account must be conducted to ensure that all tax years affected by tax related Identity Theft are blocked from the FPLP program.
- (2) When a TC 971 AC 501 or AC 506 has not posted to the entity for tax administrative ID Theft, employees must take steps to block outstanding FPLP levies.
 - a. When a module has been selected for FPLP (unreversed TC 971 AC 060) it may be necessary to input a manual block. Refer to IRM 5.19.9.4.7, FPLP Levy Release: General.
 - b. When a FPLP account is matched with a Federal payment or FPLP account (unreversed TC 971 AC 062) and the disbursement of the Federal payment is imminent, an immediate FPLP release through the FPLP coordinator may be necessary, see IRM 5.19.9.4.7.1, Immediate Release Through the FPLP Coordinator.
- (3) All manual blocks expire after 52 cycles regardless of the actions on the case. If you want the block to remain beyond the allowed cycles, you will have to re-input the TC 971 AC 061 (and have it post to the MF) before the end of the expiration cycle.
- (4) When a TC 971 AC 501 or AC 506 is posted, FPLP will automatically block the tax modules entered into the secondary date field. However, depending on when the TC 971 AC 501 or AC 506 was input, there may be a need for an immediate release where the disbursement of the Federal payment is imminent. Follow the procedures in IRM 5.19.9.4.7.1, Immediate Release Through the FPLP Coordinator.

Caution: Do not manually block the case from levy if the assessment is not a result of the Identity Theft.

25.23.10.7.2.6.5
(10-01-2018)

**Identity Theft and
Disposition of Levy
Proceeds**

- (1) This section was developed to provide guidance for cases that involve ID Theft issues where the individual calling was levied and levy proceeds have been sent to the Service. The caller may be the owner or non-owner of the TIN. Ensure the levy has been released.

Note: There may be instances that involve ID Theft issues when the non-owner of the TIN does not contact the Service regarding levy proceeds. In these instances, the non-owner levy proceeds should be moved off the owner of the TIN's account. Move payments following current Erroneous Refund and/or Excess Collection procedures.

- (2) The IRC distinguishes between "wrongful" levies and other types of improper or "erroneous" levies.
 - a. A "wrongful" levy is one that improperly attaches property belonging to a third party in which the taxpayer has no rights. (See IRC 6343(b)) The Code specifically authorizes the IRS to return property wrongfully levied upon (or an amount of money equal to the amount levied upon). See IRM 5.11.2.3.2.1, Wrongful Levy, for wrongful levy procedures.
 - b. An "erroneous" levy is one that properly seeks to capture a taxpayer's property (rather than a third party's property), but nevertheless is served prematurely or otherwise in violation of an administrative procedure or law. (See IRC 6343(d).) See IRM 5.11.2.3.2.3, Erroneous Levies, for erroneous levy procedures.

Note: Do not confuse this situation with one where the taxpayer (SSN owner) does not owe a liability. See IRM 25.23.10.7.2.6.7, Returning Proceeds from Wrongful Levy (Non-Owner).

25.23.10.7.2.6.6
(10-01-2018)
**Returning Levy
Proceeds to ID Theft
Victims (SSN Owner)**

(1) These procedures address cases where the owner of the SSN claims the Service levied on property they had an interest in to satisfy the tax liability that does not belong to them.

Caution: Because the assessment and levy were for the taxpayer/victim, rather than an assessment for a taxpayer and a levy on a third party, this is not a wrongful levy. Therefore, the wrongful levy rules do not apply.

(2) When the SSN owner is claiming a refund (i.e., levy proceeds), because of an assessment not belonging to the taxpayer, the limitations for returning the payments falls under normal statute procedures and time frames (2 years from the payment date). However, if the SSN owner is claiming a refund after more than 2 years from the payment date, follow the chart in IRM 25.6.1.10.2.7, Claims for Credit or Refund - General Time Period for Submitting a Claim.

| If the claim date is | Then |
|---|---|
| Less than 2 years from the payment date | The limitations for returning the payment falls under normal RSED procedures. |
| More than 2 years from the payment date | Follow the chart in IRM 25.6.1.10.2.7, Claims for Credit or Refund - General Time Period for Submitting a Claim |

Note: A claim for refund can be a formal claim for refund or an informal claim for refund. Seek assistance from Counsel if you have questions.

Caution: Only move on to (3) below if the conditions in (2) are met.

- (3) Under the following circumstances, the levy proceeds should be returned to the SSN owner:
- a. An ID thief (non-owner of the SSN) has filed a return in the taxpayer's name.
 - b. The SSN owner (taxpayer) did not have a filing obligation or at least didn't file a return, which delayed discovery of the ID Theft.
 - c. The ID Theft return either was audited or reviewed and there is an assessed balance on the victim (SSN owner) account that the IRS is attempting to collect (defaulted deficiency or summary assessment of overstated withholding).
 - d. The IRS has used its levy authority to collect against the assessment.
 - e. The IRS determines it should abate the assessments created as a result of the return filed by the non-owner of the SSN. The taxpayer's account will have a zero liability and a credit balance equal to the amount of levy proceeds.

25.23.10.7.2.6.7
(05-15-2018)
**Returning Proceeds
from Wrongful Levy
(Non-Owner)**

- (1) The non-owner of the TIN may file a wrongful levy claim for return of levy proceeds (from the assets of the non-owner of the TIN) already received and processed by the Service. See IRM 25.23.10.7.2.6.5, Identity Theft and Disposition of Levy Proceeds, for definition of "wrongful" levy.
- (2) A "wrongful" levy claim may be appropriate when:
 - a. The assessment is based solely on the SSN owner's income, since the levy improperly attaches to property belonging to a third party (the non-owner(s) of the TIN).
 - b. The assessment is based on the combined income of the non-owner(s) of the TIN and the owner's, since the levy may have improperly attached to property belonging to a third party (the non-owner of the TIN).
 - c. The assessment is based on the combined income of multiple non-owners, since the levy may have improperly attached to property belonging to the third parties.
- (3) When speaking with the caller, secure information to determine that the individual requesting the return of levy proceeds is the non-owner of the SSN and not the owner of the original SSN. Verify the following:

- a. Name, address and SSN/ITIN.
- b. The levy issued was to a source belonging to the non-owner of the SSN based on the taxes assessed under the SSN of the rightful owner or assessed in the name of the victim based on the earnings of the non-owner of the SSN.

Example: The non-owner proves use of the SSN via pay stubs or any other substantiating document and has rent/utility receipts where current name/address is the name/address on CC IRPTR print out and pay stubs show use of that SSN.

- c. The non-owner must provide substantiation to show ownership of the levy payments.
- d. Taxes were assessed on the account of the rightful owner of the SSN or assessed based on the earnings of the non-owner of the SSN.
- e. The true owner's account (SSN) is being used by the owner and the non-owner (not merely by the non-owner to work).
- f. Written contact from non-owner must be within 9 months (If the date of levy was on or before March 22, 2017) or two years (If the date of levy was on or after March 23, 2017) of the date of the levy and must be given to the appropriate office listed in Publication 4235, Collection Advisory Group Numbers and Addresses. See also IRM 5.11.2.3.2.1 (3), Wrongful Levy.

Caution: A request for the return of property wrongfully levied is not effective if it is sent to the wrong office. Advise the caller to carefully read Publication 4235.

Note: If IRS is contacted more than 9 months (If the date of levy was on or before March 22, 2017) or two years (If the date of levy was on or after March 23, 2017) after the date of the levy, we have no authority to return the wrongful levy payments. See also IRM 5.11.2.3.2.1 (3), Wrongful Levy.

- (4) See IRM 5.11.2.3.2.1, Wrongful Levy, for appropriate action. Contact Collection Advisory to determine if the non-owner of the TIN would qualify for wrongful levy claim consideration.
- a. Collection Advisory will evaluate a properly filed claim. If the claim is disallowed, Collection Advisory should notify the third party in writing of the reason for disallowing the claim and of the right to bring suit against the government. If the claim is disallowed because it was not made within nine months from the date of the levy, Collection Advisory should send Letter 3973, Wrongful Levy Claim Rejection Letter - Untimely Claim, via certified mail.

Note: Disallowance of the claim may be appealed through the Collection Appeals Program (CAP).
 - b. If the claim is disallowed for another reason, Collection Advisory should send the claimant Letter 3974, Wrongful Levy Claim Rejection Letter, via certified mail. Disallowance of the claim may be appealed through the Collection Appeals Program (CAP).
- (5) If a levy is served where the Service:
- Assessed the liability in the name of the non-owner of the SSN,
 - Issued all pre-levy notices properly to non-owner of the SSN,
 - Assessed the liability under the TIN of the SSN owner,
 - The assessment is based solely on the income of the non-owner, and
 - There are no credits (payment, offset, etc.) attributable to the SSN owner for the assessment listed on the levy, the levy may remain in effect unless there is an independent basis for releasing it. See IRM 5.11.2.3.1, Legal Basis for Releasing Levies. The assessment is not invalid for the sole reason that it was made under the victim's TIN/SSN.

Reminder: To prevent re-issuance of levy, change levy source to "INFO ONLY".

25.23.10.7.2.6.8
(09-08-2017)

Follow-up Actions on ID Theft Accounts Involving Wrongful Levy

- (1) IRM 5.11.2.3.2.1, Wrongful Levy, and IRM 25.23.10.7.2.6, Levies, provides guidance for cases that involve ID Theft issues and wrongful levies.

25.23.10.7.2.7
(09-08-2017)

Oscar "O" Inventory

- (1) The "O" function has been designated for Identity Theft (IDT) cases in ACS.

Note: The O1 Inventory is reserved for future use.

- (2) Function inventories may be processed either by next case processing or from a list.
- a. In next case processing the ACS system brings each case up in priority sequence with an expired follow-up date.
 - b. List(s) obtained through Query Management Facility (QMF) identifies accounts which may not have expired follow-up dates.

Note: Either process is necessary to ensure proper follow-up actions are taken. This includes moving cases to the appropriate function.

Caution: Review cases carefully when working from a list to avoid taking premature actions

25.23.10.7.2.7.1
(09-08-2017)

**O0 Inventory –
Managerial/ACSS CII
Referrals**

- (1) O0 inventory contains ACS accounts awaiting managerial approval. This inventory must be functioned out weekly.
- (2) ACSS CII referrals received from V1 work. This inventory must be functioned out weekly.

25.23.10.7.2.7.2
(10-01-2019)

**O2 Inventory – IDTVA
Specialties ACSS IDT
Correspondence**

- (1) The O2 inventory is for IDTVA Specialties ACSS Correspondence cases received with the required Form 14039 and/or police report.
- (2) This inventory will also include faxed IDT documents forwarded from the ACS Call-sites currently in the V1 inventory. The case should be batched on CII to OFP 40231 (IMF) or OFP 10412 (BMF) and reassigned "TOO2,120,CORR".
- (3) See IRM 25.23.10.7.2.8, Expired O Inventories, for guidance on processing the expired follow-ups.

25.23.10.7.2.7.3
(03-09-2020)

**O3 Inventory - IDTVA
Specialties BMF**

- (1) The IDTVA Screener will review incoming cases in O3 to ensure they meet the conditions for O3. If they do not meet O3 conditions, the screener will request IDTVA move the case to the proper Oscar inventory or return the case to ACS Compliance for appropriate action.
- (2) After the Screener in (1) above confirms the correct placement of the case in O3, IDTVA ACSS will refer BMF cases using guidance in IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
- (3) BMF cases are assigned to the O3 inventory with a 90-day follow-up. (e.g., TOO3,90,IDTBMF)
- (4) Expired O3 cases follow IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventories.

25.23.10.7.2.7.4
(03-09-2020)

**O4 Inventory – IDTVA
Specialties ASFR
Referrals**

- (1) The O4 inventory is for cases not meeting IDTVA Specialties ACSS criteria that are referred to IDTVA Specialties ASFR due to an ASFR assessment that needs an IDT determination by that function.
- (2) The cases are reassigned to the O4 inventory with a 90-day follow-up (e.g., TOO4,90,IDTASFR).
- (3) See IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventory, for additional information on cases meeting this criteria.

25.23.10.7.2.7.5
(03-09-2020)

**O5 Inventory – IDTVA
Specialties AUR
Referrals**

- (1) The O5 inventory is for cases not meeting IDTVA Specialties ACSS criteria that are referred to IDTVA Specialties AUR due to an AUR assessment that needs an IDT determination by that function.
- (2) The cases are reassigned to the O5 inventory with a 90-day follow-up (e.g., TOO5,90,IDTAUR).
- (3) See IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventory, for additional information on cases meeting this criteria.

- 25.23.10.7.2.7.6
(03-09-2020)
O6 Inventory – Other Functional Referrals
- (1) The O6 inventory is for cases not meeting IDTVA Specialties ACSS criteria that are referred to another functional area (other than IDTVA Specialties ASFR, SFR, AUR, or Exam) to make the IDT determination (e.g., RPM, CAWR, FUTA, FRIV, AM, CIB, etc.).
 - (2) The cases are reassigned to the O6 inventory with a 90-day follow-up (e.g., TOO6,90,IDTxxxx - “xxx” = the function or operation the case was referred to such as RPM, CAWR, FUTA, FRIV, AM, CIB, etc.).
 - (3) See IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventory, for additional information on cases meeting this criteria.
- 25.23.10.7.2.7.7
(03-09-2020)
O7 Inventory – IDTVA Specialties Examination Referrals
- (1) The O7 inventory is for cases not meeting IDTVA Specialties ACSS criteria that are referred to IDTVA Specialties Exam due to an Exam assessment that needs an IDT determination by that function.
 - (2) The cases are reassigned to the O7 inventory with a 90-day follow-up (e.g., TOO7,90,IDTEXAM).
 - (3) See IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventory, for additional information on cases meeting this criteria.
- 25.23.10.7.2.7.8
(03-09-2020)
O8 Inventory – Referrals to Designated Identity Theft Adjustment (DITA)
- (1) If an IRSN is required to resolve the case, refer to DITA. Reassign to the O8 inventory with a 90-day follow up (e.g.,TOO8,90,DITA).
- 25.23.10.7.2.7.9
(09-08-2017)
O9 Inventory - Referrals from ACS Compliance
- (1) O9 inventory is for cases referred from ACS Compliance. Cases include but are not limited to H7, V1, cases identified with CII images.
 - (2) The cases are reassigned to O9 with a 1-day follow up (e.g., TOO9,01,XXXX).
 - (3) See IRM 25.23.10.7.2.8.1.2, Processing Expired O3-O7 & O9 Inventory, for additional information on cases meeting this criteria.
- 25.23.10.7.2.8
(09-08-2017)
Expired O Inventories
- (1) This section addresses expired O inventories.
- 25.23.10.7.2.8.1
(11-23-2022)
General Guidelines
- (1) If research indicates no Identity Theft involvement and/or the case may have been erroneously reassigned to an O Inventory, update to the appropriate ACS function for next case action.
 - (2) Document CII. It is imperative/critical that thorough documentation is completed on these cases. Please be sure to include dates of all contacts with other functional areas, as well as documenting the discussion(s), any actions and/or resolutions taken on the account and future next case actions.
 - (3) If you find a module belongs to IDTVA Specialty, update to the appropriate IDI category code.
 - (4) Use OFP 40237 when taking next case actions or working O inventory listings. Count each entity processed.

25.23.10.7.2.8.1.1
(03-09-2020)

Processing Expired O2 Inventory

- (1) If the substantiation relating to an original/subsequent return filing (ACS criteria) or return delinquency has been received but the issues have not been resolved, proceed with the actions in the following If/And/Then table:

| If | And | Then |
|---|---|--|
| (1) The substantiation relating to an original/subsequent return filing (ACS criteria) or return delinquency has been received but the issues have not been resolved, | There is an open control base to an IDTVA Specialties ACSS employee only, | Extend the follow-up date an additional 60 days, "OADT,60,FLWUP". |
| (2) The substantiation relating to an original/subsequent return filing (ACS criteria) or return delinquency has been received but the issues have not been resolved, | There is an open control base to the ACS Suspense wall, | Extend the follow-up date an additional 60 days, "OADT,60,FLWUP". |
| (3) The substantiation relating to an original/subsequent return filing (ACS criteria) or return delinquency has been received but the issues have not been resolved, | There are multiple control bases open to an IDTVA Specialties ACSS employee in "M" status and a Designated Identity Theft Adjustment (DITA) employee, | The case will be re-assigned to the O8 inventory with a 60-day follow-up using the appropriate literal "DITA". |

- (2) If there is indication the case has been resolved (e.g., TC 971 AC 501/506), proceed with the actions in the following If/And/Then table:

| If | And | Then |
|---|------------------------|---|
| (1) There is indication the case has been resolved (e.g., TC 971 AC 501/506), | A balance due remains, | Take the next appropriate action (see IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues) and move the case to the next appropriate ACS function (e.g., "TOXX,30,IDTFIXD"). |

| If | And | Then |
|---|---|--|
| (2) There is indication the case has been resolved (e.g., TC 971 AC 501/506), | There is a return delinquency with a filing requirement still open, | Take the next appropriate action (see IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues and move the case to the next appropriate ACS function. |
| (3) There is indication the case has been resolved (e.g., TC 971 AC 501/506), | There is a return delinquency and the filing requirements are closed, | Follow guidelines as outlined in IRM 5.19.2.5, Return Delinquency Research, for closing action. |
| (4) There is indication the case has been resolved (e.g., TC 971 AC 501/506), | There is no balance due or return delinquency, | Update the ACS follow-up date with "OADT,30,IDTFIXD". |

- (3) Document CII. It is imperative/critical that thorough documentation is completed on these cases. Please be sure to include dates of all contacts with other functional areas and to document the discussion(s), any actions, and/or resolutions taken on the account including future next case actions.

25.23.10.7.2.8.1.2
(10-03-2022)

**Processing Expired
03-07 & 09 Inventories**

- (1) If the case is an IRSN with a Service Center Address send to H9.
- (2) If research indicates a TC 972 with AC 522, 523, 524, or 525 posted, this indicates no IDT issue or no IDT claim was received or no response to a request for additional information/documents. Follow IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Document CII/AMS with the research and actions taken. Be sure to indicate no IDT issue or IDT claim was received or no response received- TC 972 AC 52x posted (x = 522, 523, 524, or 525). If there is an Identity Theft associated TC 470, reverse it with TC 472.
- (3) If TC 971 AC 522 is posted with the literal MISC>PPDSOPIP and there is no Form 14039 return to ACSS Compliance per IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues.
- (4) If there is an unreversed TC 971 AC 522 PNDCLM and no CII documents then reverse TC 971 AC 522 with TC 972 AC 522 NORPLY (see IRM 25.23.4.10.16, No Reply, for further instructions) and return to ACSS Compliance per IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. If there is an Identity Theft associated TC 470, reverse it with TC 472.
- (5) If research indicates a TC 971 AC 504 or 505 or 525 on CC ENMOD is posted, verify that no other IDT TC 971 (5XX) action codes posted to on CC ENMOD. These TCs 971 usually do not have IDT involvement and enforcement can continue, follow IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Document AMS with the research and actions taken. If there is an Identity Theft associated TC 470, reverse it with TC 472. If other TC 971 IDT (5XX) action codes posted on CC ENMOD be sure to indicate the IDT

issue has been resolved and closed with the applicable TC 971 AC 501 or TC 971 AC 506.

- (6) If research shows TC 971 AC 524 and there is no indication of identity theft reassign ACS case TOR4,01,NOIDT. If there is a liable spouse continue with IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Document AMS with the research and actions taken. If there is an Identity Theft associated TC 470, reverse it with TC 472. If research indicates IDT, process as normal.

Note: Deceased Taxpayers: If research shows TC 971 AC 524 check for any unusual activities after taxpayer's date of death (For example filed tax returns, SFR and Exam assessments etc.). If needed seek guidance from unit lead or manager. If research show IDT issues have been resolved, reassign ACS case TOR4,01,IDTFIXD. If there is a liable spouse continue with IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Document AMS with the research and actions taken. If there is an Identity Theft associated TC 470, reverse it with TC 472.

- (7) If there is a TC 971 AC 522 IRSID and you are unable to identify the ID Theft and there are no documents or narratives then reverse TC 971 AC 522 with TC 972 AC 522 IRSERR and return to ACSS Compliance per IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. If you are able to identify ID Theft then create a CII case with the appropriate category code using the corporate holding number, using the current date and leave a case note on CII/AMS. Update the priority code to 1.
- (8) If the IDT claim is determined invalid but there are allegations of return preparer misconduct, provide information on filing a claim (Form 14157, Return Preparer Complaint or Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit) and required documents when sending the IDT determination letter. If a TC 971 AC 522 is present reverse it with TC 972 with tax administration source OTHER. If there is an Identity Theft associated TC 470, reverse it with TC 472. Return to ACSS Compliance per IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues.
- (9) If there is an open IDT control to another function, move the ACS case to the correct Oscar inventory and extend with a 90-day follow-up by assigning the ACS case TOXX,90,FLWUP. Input TC 971 AC 522 UNWORK on TP identified cases (Do Not input UNWORK on IRSID cases) if it is not already on the account. Update CII/AMS history accordingly. If the age from IRS received date is more than 90 days update the priority code to 1. Input a TC 470, block FPLP, release levies if applicable.
- (10) If the 90-day follow-up has expired with no action taken, email the function's IDT Liaison indicating the following information: Date of initial referral and reason why initially referred (e.g., TC 922/290, TC 300, TC 150 SFR/ASFR assessed, TC 290 BS 55, etc). Update the activity code to OSINV (Oscar Inventory) and update the priority code to 1. Update ACS case OADT,30,FLWUP.
- (11) If there is no open IDT control to another function and research indicates a TC 971 with AC 522 UNWORK has not been reversed and CII/AMS narratives indicate the IDT documents were forwarded to another function for their determination, create a CII case using priority code 1, linking Form 14039 if available on CII with the appropriate category code, using the corporate

25.23 Identity Protection and Victim Assistance

holding number. Use the Form 14039 received date if available which corresponds to the tax year in question, otherwise use current date. Update the activity code to OSINV. Input TC 971 AC 522 UNWORK if it is not already on the account. Input a TC 470, block FPLP, release levies if applicable. Document case notes on CII with actions taken and that the time frame was extended for 90 days.

Note: Be sure to input "TOXX,90,IDTxxxx" on ACS (xxxx = AUR, Exam, SFR, ASFR, CAWR, RPM, FUTA, FRIV, AM, CIB etc.).

- (12) If there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT", proceed with the actions in the following If/And/Then table:

Note: Be sure to indicate the IDT issue has been resolved with the applicable TC 971 AC 50x. (x = 501 or 506). If TC 971 AC 50x is not present and determination is made that IDT is resolved input applicable TC 971 AC 50X. If there is an Identity Theft associated TC 470 reverse it with TC 472.

| If | And | Then |
|--|--|--|
| 1) there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT" | a balance due remains | See IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues Input on ACSWeb "TOXX,30,IDTFIXD", "TOXX,30,NOIDT". |
| 2) there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT" | an LT16 has been previously issued | See IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Input on ACSWeb, TOXX,01,IDTFIXD or TOXX,01,NOIDT. |
| 3) there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT" | there is a return delinquency with a true filing requirement | reassign to CN (phone number present) or I2 (no phone number). See IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. Input on ACSWeb (e.g., "TOXX,30,IDTFIXD", "TOXX,30,NOIDT"). |

| If | And | Then |
|--|--|--|
| 4) there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT" | there is an open TDI and the taxpayer does not have a filing requirement | Refer to the following IRMs for appropriate TDI closing actions: See IRM 25.23.2.6.5, Closing Identity Theft Cases with Tax Delinquency Inquiries (TDI), when the TDI was created by fraudulent income and the taxpayer does not have a filing requirement. Input TC 590 AC 020 using CC FRM49. See IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, for other TDI closing actions. |
| 5) there is indication all the IDT issues have been resolved (e.g., TC 971 AC 501 or 506) or closed as "NOIDT" | the account is still on ACS but there is no longer a balance due or a return delinquency or if penalties and interest will be eliminated once the adjustment posts | update the ACS follow-up date with "OADT,30,IDTFIXD". This will allow time for the account to fall off ACS. Reverse any TC 971 AC 522 with TC 972 AC 522 IRSERR. |

- (13) If the IDT issue has not been resolved and there is no indication a referral was sent/received in the appropriate IDTVA Specialties (Compliance function), and the case is not open/active on CII, create a CII case using priority code 1, linking Form 14039 if available on CII with the appropriate category code, using the corporate holding number. Use the Form 14039 received date if available which corresponds to the tax year in question, otherwise use current date. Update the activity code to OSINV. Input TC 971 AC 522 UNWORK if it is not already on the account. Document case notes on CII/AMS. Reassign ACS case to the appropriate ACS function. Update ACS with a 90-day follow-up e.g., TOXX,90,IDTxxxx (xxxx = AUR, Exam, SFR, ASFR, CAWR, RPM, FUTA, FRIV, AM, CIB etc.). Input a TC 470, block FPLP, release levies if applicable.

Note: An acknowledgement letter is NOT required if the IRS received date is more than 120 days old when creating a case working the O9 inventory.

- (14) If a case was worked in IDT and all actions were not taken correctly, (e.g., unresolved credit, unpostable, lost refund, credit transfer etc), take action to correct the case if possible and follow procedures in IRM 25.23.4.3.1(5), CII and IDRS Case Controls. Do not create a case.

- (15) If ACSS cannot resolve case, create a CII case using priority code 1, linking Form 14039 if available on CII with the appropriate category code, using the corporate holding number. Follow the procedures in IRM 25.23.4-5, IDTVA Routing Matrix, to determine the correct category code. Use the Form 14039 received date if available which corresponds to the tax year in question, otherwise use current date. Update the activity code to OSINV. Input TC 971 AC 522 UNWORK if it is not already on the account. Document case notes on CII/AMS. Update case with 30-day follow-up on ACS e.g., TOXX,30,IDTxxxx (xxxx = AUR, Exam, SFR, ASFR, CAWR, RPM, FUTA, FRIV, AM, CIB etc.). Input a TC 470, block FPLP, release levies if applicable.

Note: CII/AMS must be documented with the action taken and that the time frame was extended for 30 days. Be sure to input "TOXX,30,IDTxxxx" on ACS (xxxx = AUR, Exam, SFR, ASFR, CAWR, RPM, FUTA, FRIV, AM, CIB etc.).

Note: An acknowledgement letter should NOT be issued.

- (16) If the case meets multiple function criteria and there is no indication a referral was sent, follow procedures in IRM 25.23.4-5, IDTVA Routing Matrix. If the case is not open/active on CII, create a CII case using priority code 1, linking Form 14039 if available on CII with the appropriate category code, using the corporate holding number. Use the Form 14039 received date if available which corresponds to the tax year in question, otherwise use current date. Update the activity code to OSINV. Input TC 971 AC 522 UNWORK if it is not already on the account. Document case notes on CII/AMS. Reassign case to appropriate ACS function. Update ACS with a 90-day follow up e.g., TOXX,90,IDTxxxx (xxxx = AUR, Exam, SFR, ASFR, CAWR, RPM, FUTA, FRIV, AM, CIB etc.). Input a TC 470, block FPLP, release levies if applicable.

Note: An acknowledgement letter is NOT required if the IRS received date is more than 120 days old when creating a case working the O9 inventory.

- (17) Document CII/AMS. It is critical that thorough documentation is completed on these cases. Please be sure to include dates of all contacts with other functional areas and to document the discussion(s), any actions, and/or resolutions taken on the account including future next case actions.

25.23.10.7.2.9
(10-01-2023)

Processing Identity Theft/Return Preparer Misconduct (RPM) Collection Alert Forms (Form 14394) - Notification of Balance Due IDT Case

- (1) Form 14394, Identity Theft/RPM Case Collection Alert Instructions will be received from other IDT Functions. The form must be completed within ten business days of receipt. Results of any action taken should be documented.
- (2) The account will be reviewed based on the boxes checked for potential collection activity.
- Update Account on ACS to appropriate function code with 180-day follow-up "TOXX,180,IDTXXX".
 - Input a TC 470 with no closing code.
 - Input a TC971-061 to block the FPLP- (TC 971 AC 662/060/062). See IRM 25.23.10.7.2.6.4 (3), Addressing Outstanding Federal Payment Levy Program (FPLP) Levies, for more information.
 - Determine if a levy is active on the account and release the levy if applicable. Follow IRM 5.19.4.4.10, Levy Release: General Information, for full and partial levy release procedures.

Caution: Levies must be released by GS-06 or higher employees.

- (3) All Form 14394 received and processed must be recorded in the weekly IDT Report.
- (4) Forms may be destroyed after 90 days.
- 25.23.10.7.2.9.1
(09-08-2017)
Processing Identity Theft/RPM Collection Alert Forms (Form 14394) – Actions Taken Balance Due Still Identified
- (1) Form 14394, Identity Theft/RPM Case Collection Alert Instructions will also be returned when a different function has completed resolution of the IDT issues and there is still a balance due condition involved
- (2) Review the account to ensure that closing actions of the IDT issue have been completed.
- (3) Cases should be updated to the next appropriate function based on IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues, CII should be documented with “IDT issue resolved, to ACS XX for next case action”.
- 25.23.10.7.2.10
(09-08-2017)
Back-End Process on Referrals Returned from Designated Identity Theft Adjustment (DITA)
- (1) If applicable, send the completed Form 9409, IRS/SSA Wages Worksheet, to SSA. The form(s) should already be completed and found in the file copy of the case. Document CII that Form 9409 has been sent to SSA.
- (2) For cases remaining on ACS (balance due and/or delinquent return(s) required) and the applicable TC 971 (AC 501/506) has been input, take the following actions:
- a. Review all levy sources and delete any that do not belong to the taxpayer.
 - b. Follow IRM 25.23.10.7.2.5, Next Case Actions, Remaining Collection Issues. - IDT Resolved Remaining Collection Issues, for balance due accounts (includes combo accounts) and for delinquent return accounts.
- (3) Close the monitoring IDRS control bases.
- (4) Update CII with all actions taken (deleted levy source information, telephone contact attempt/made, ACS actions, etc.).
- (5) Report time and volume under OFP 40231.
- (6) File copy should be destroyed as classified waste.
- 25.23.10.7.3
(10-01-2019)
IDTVA Specialties AUR Identity Theft Case Processing
- (1) This IRM section provides specific guidance for Identity Theft Victim Assistance (IDTVA) cases involving Automated Underreporter (AUR) issues. Guidance dealing with non IDTVA AUR issues can be found in the IRM 4.19.3, IMF Automated Underreporter Program.
- 25.23.10.7.3.1
(02-03-2020)
IDTVA Specialties AUR IDTVA Clerical Procedures
- (1) Identity theft correspondence will be received through the AUR clerical units. AUR cases will then be referred to the IDTVA unit by the AUR IDT Coordinator.
- (2) In most instances, IDTVA will only accept cases (Open or Recon) from AUR that have a Form 14039, Identity Theft Affidavit or police report included with the correspondence. See IRM 25.23.4.3.4, IDTVA Specialties - Case Referrals from Compliance Functions, for guidance on acceptable case referrals.
- (3) If cases are referred by AUR to IDTVA not fitting the criteria listed in IRM 25.23.4.3.4, IDTVA Specialties - Case Referrals from Compliance Functions an

IDTVA designated individual will reject the case back to the referring AUR IDT Coordinator or referring function. The contact for each AUR site can be found using the link below.

Exception: Ogden AUR IDT cases will be sent to the Philadelphia IDTVA AUR Team. Sites will return cases originating from Ogden AUR back to the Ogden AUR Coordinator.

AUR IDT Coordinator Listing (ITVA Use Only)

- (4) Research all open AUR referrals from AUR on the AUR system to ensure that a PC “SI” was input. If the last PC code entered on the AUR system is not PC “SI”, notify the appropriate AUR IDTVA coordinator to have the process code input.

Note: RPM cases should also be referred to IDTVA with a PC “SI” input.

- (5) All correspondence received from AUR must be controlled on CII. Refer to IRM 25.23.10.2, Case Batching for instructions to ensure correspondence is properly controlled.
- (6) After tax examiners have completed all case actions, open cases will be given to a designated individual who will notify the appropriate AUR site of the closure. For open cases, notification will be in the form of a Form 3210, Document Transmittal listing all SSNs and tax year(s) that are being returned. Return the Form 3210 to the appropriate AUR IDT Coordinator as indicated in (3) above.
- (7) See IRM 25.23.10.7.3.2.1, Technical - Initial Handling Procedures, for additional initial action requirements.

25.23.10.7.3.2
(10-01-2023)

**IDTVA Specialties AUR
Technical Procedures**

- (1) This section provides general guidance to IDTVA Tax Examiners who work IDT cases with AUR involvement. These procedures are standard for all cases.

25.23.10.7.3.2.1
(10-01-2023)

**IDTVA Specialties AUR
Technical Research and
Initial Handling
Procedures**

- (1) All IDT cases, both Open and Recon, require a control base to be opened on all tax year accounts (modules) impacted by identity theft. See IRM 25.23.4.3.1, CII and IDRS Case Controls for additional information. AUR IDT modules should be opened with a Category Code IDI2, including additional impacted years that do not contain an AUR issue.

Exception: There is an IDT impacted module with Exam involvement, see IRM 25.23.10.5(1), Identity Theft Cases with Multiple Specialty Function Involvement, and update the category code to IDI1.

- (2) When cases are assigned, verify that any open AUR case has a process code “SI” input on the AUR system. If a process code “SI” is not present on the AUR system, have the IDTVA Liaison contact the AUR IDT Coordinator to ensure that a process code “SI” is input on the case. Do not suspend the case waiting for the PC **SI**, continue processing.
- (3) IDTVA AUR is allowed up to 120 days from the date the PC “SI” was input to return open cases back to AUR. If the case cannot be resolved within 120 days, the IDTVA Functional Liaison will contact the AUR IDT Liaison to request

up to an additional 40 days. If within 160 days the case has not been completed, AUR will close the case with a PC 17. Document the request for additional time in a CII case note.

Note: On cases that Philadelphia receives from Ogden AUR, the 120 days will start 5 days after the PC “SI” was input to allow for the transshipment of the cases.

Note: If the IDTVA AUR team does not receive the case within two business days of the PC “SI” being input, document in a case note the date the case was actually received. The 120-day time frame will begin on the date the case was actually received.

Caution: AUR will close the case if they are not contacted before the 120-day time frame has expired.

- (4) IDTVA-I and IDTVA-A will send referrals to IDTVA Specialties functions directly rather than through their compliance counterparts. If a referral is received on an open AUR case that is not currently assigned to IDTVA inventory, the IDTVA Liaison should contact the AUR IDT Coordinator to ensure that a process code “SI” is input on the case.
- (5) If AUR did not input a TC 971 AC 522 UNWORK upon referral, do not reject the referral. Refer to IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft – IMF Identity Theft Indicators, to determine if a TC 971 AC 522 is required to be input.
- (6) In order to ensure the taxpayer is not harmed by collection actions, if the account reflects a balance due on Service Center or Master File, ensure a TC 470 CC 90 is present to prevent balance due notices from generating and offsets into the module. See IRM 25.23.4.12, Collection Activity - Form 14394/13794, for further instructions on the suspending of enforcement actions.
- (7) An acknowledgement or determination letter must be issued within 30 days of receipt into the function if one has not been issued previously. Follow the instructions in IRM 25.23.4.18.1, General IDTVA Letter Procedures, to send an acknowledgement letter. Upon receiving cases in inventory the time remaining in the initial acknowledgement letter should be verified and interim letter issued if applicable.
- (8) There are instances in which case files may not be scanned into CII that were referred by AUR. These cases are discovered by working the ADR Report Blanks tab, see IRM 25.23.4-15, ITVA HQ AUR ADR Report. A CII case will be created. The case should contain CII note “Case created from ADR report, work using internal research,” or similar verbiage. Attempt to make a determination and work the case using internal research. If a determination cannot be reached through internal research, follow the instructions in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain the necessary information from the taxpayer. In your out call or outgoing letter, acknowledge the lost response, and include an apology.

25.23.10.7.3.2.1.1
(10-01-2023)

Cases Screened in Error

- (1) As a general rule, IDTVA does not review the AUR case for accuracy. However, there may be times you discover an AUR case was screened in error. Income being included on a CP2000 that should not have been pursued can be confusing to the taxpayer and lead them to believe they are a victim of IDT. Examples include:
 - Notices issued based on Information Returns in a name other than the taxpayer
 - Income pursued on the notice was reported on the return
 - Income paid to an EIN meeting certain criteria
 - Questionable IRs which appear to be erroneous and may or may not be marked with Payer Agent Information
 - Identical IRs (SSN/EIN, name, amount, account number, income type, etc.) pursued
 - Wages pursued that meet the 25% rule (see IRM 4.19.3.8.1.1(6)(a), Wages - Analysis, for more information) and
 - Income pursued is not taxable income; etc
- (2) If the taxpayer is claiming IDT on income that should not have been included in the CP2000 notice, follow the instructions in the table below.

| If | Then |
|---|--|
| <p>1) All of the U/R issues should not have been pursued.</p> | <ul style="list-style-type: none"> • Open cases: Leave a case note, on the AUR system, advising AUR to remove the issue and close the case. Include the IRM reference of the guidance used to make the decision. • Recon cases: Abate the AUR assessment and penalties, as applicable. • Follow the NOIDT instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. Note: Use the special paragraph below in place of the paragraph in IRM 25.23.4.10.15(2). • Send the taxpayer a Letter 4674C. Include a special paragraph informing the taxpayer that the unreported issue was due to an IRS error and that they are not a victim of Identity Theft, (or similar verbiage). Exception: Do not include the special paragraph, if there are other tax years determined to be impacted by identity theft. |

| If | Then |
|--|---|
| 2) Some of the U/R issues should not have been pursued | <ul style="list-style-type: none"> • Open cases: Leave a case note, on the AUR system, advising AUR to remove any issues that are attributed to IDT or should not have been pursued and to continue processing the case. Include the IRM reference of the guidance used to make the decision for any IRs that should not have been pursued. • Recon cases: Abate the AUR assessment and penalties, as applicable. Removing only the income that is attributed to IDT or should not have been pursued. • Follow normal IDT procedures for resolving the case based on the determination made. <p>Note: Any income determined to be screened in error should not be considered when making the IDT determination.</p> |

Reminder: Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions.

(3) If the taxpayer is claiming IDT and the IR(s) is an EIN, consider the EIN IR as screened in error, and follow paragraph (2) above, if the following apply:

- The payer EIN or name on the income document matches the payee EIN or name on the IR in question.
- Schedule E contains a Partnership or Small Business Corporation with the same EIN or name as the payee EIN or name on the IR(s) in question, UNLESS the payer on the IR is the partnership or small business corporation shown on Schedule E.
- The payee name line(s) is obviously not the taxpayer (i.e., government agencies, schools, charitable/tax-exempt organizations, Pension Profit Sharing Plan name line(s) with the words such as "trustee for" or "trustee.")

25.23.10.7.3.2.2
(10-01-2023)
**Document Requirements
for Cases with AUR
Involvement**

- (1) To determine when additional documentation is needed to support an ID Theft claim, see IRM 25.23.2.3.6, When to Request Additional Information to Support an Allegation of Identity Theft.
- (2) Identity theft claims made on cases that have AUR involvement have an additional document requirement. On cases with AUR involvement the taxpayer **must** also identify in a statement which AUR issues they are **disagreeing** with.

#

mation, include the following special paragraph or similar verbiage: “Although you indicated that you are a victim of identity theft, you have not stated which items reflected on the Notice CP 2000 , previously issued for the tax period stated above, were attributable to identity theft. Please send us a signed statement indicating which items or tax returns are results of identity theft.”

Example: AUR issues a CP2000 notice to our ID Theft victim. The notice contains underreported WAGES Issues: WAGES IR A, WAGES IR B, WAGES IR C and WAGES IR D. Taxpayer submits a statement that they disagrees with WAGES IRs A and B and makes no comment regarding WAGES IRs C and D. Create an AUR case note. Instruct AUR to remove the IRs the taxpayer is disputing and to continue processing the case. See IRM 25.23.10.7.3.3(3), Closing Procedures for additional information.

- (3) Use the following table to determine when additional information must be requested from the taxpayer.

| If | And | Then |
|---|--|--|
| 1) There is a single AUR issue | | Do not request the statement. |
| 2) The taxpayer does not submit the statement indicating which AUR issues are a result of identity theft. | A determination cannot be made that the IRs do not belong to the taxpayer, based on: <ul style="list-style-type: none"> • Research of internal resources. • Geographical location. | Request any required information (e.g., missing returns, forms/schedules, etc.) from the taxpayer that is still needed, following the instructions in IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written) and paragraph (2) above. Reminder: The team’s EE-fax number should be provided to the taxpayer. |
| 3) The taxpayer does not submit the statement indicating which AUR issues are a result of identity theft. | A determination can be made that the IRs do not belong to the taxpayer, based on: <ul style="list-style-type: none"> • Research of internal resources. • Geographical location. | Do not request additional documentation. Continue processing the case. |

Caution: Credits, taxable income and/or tax changes (e.g., SE tax, EITC, taxable Social Security Benefits, etc.) directly impacted by the addition of other underreported income do not have to be disputed in a statement.

Example: The taxpayer received a CP 2000 recalculating their income tax and credits as the result of wages that were not included on the return filed. The calculations include addition of wages, a tax increase, and removal of the EITC originally claimed, resulting in a balance owed. The taxpayer files Form 14039. Do not request a breakdown of the issues. The disallowance of the EITC originally claimed is directly related to the addition of wage income. The only issue is the wage income.

25.23.10.7.3.2.3
(10-01-2023)
Income Related Identity Theft with AUR Involvement

(1) If the taxpayer’s response indicates they filed the TC 150 return and indicates that some or all of the AUR issue(s) are the result of identity theft, follow the table below:

Note: The scenarios below are based on your research supporting the taxpayer’s claim that they are a victim of IDT. See IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations , if you have determined the taxpayer is not a victim of IDT.

Reminder: If Married Filing Joint and both taxpayers are victims, both taxpayers must make an ID theft claim.

| If | And | Then |
|---------------------------------|-----|--|
| 1) There is a single AUR issue, | | <ul style="list-style-type: none"> • Open cases: Leave a case note on the AUR system advising AUR to remove the issue and close the case. • Recon cases: Abate the AUR assessment and penalties, as applicable. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |

| If | And | Then |
|--|---|---|
| <p>2) There are multiple AUR issues,</p> | <p>The taxpayer has indicated they disagree with all of the AUR issues.</p> | <ul style="list-style-type: none"> • Open cases: Leave a case note on the AUR system advising AUR to remove the issues associated with the impacted taxpayer. If there are no remaining issues, advise AUR to close the case or if there are remaining issues, advise AUR to remove the IRs the taxpayer is disputing and to continue processing the case. • Recon cases: Abate the tax and any applicable penalties associated with the income being removed. • Refer to IRM 25.23.10.7.3.3 ,Closing Procedures for instructions on required closing actions. |

| If | And | Then |
|--|--|--|
| <p>3) There are multiple AUR issues,</p> | <p>The taxpayer indicates that they disagree with some of the AUR issues</p> | <ul style="list-style-type: none"> • Open cases: Leave a case note on the AUR system advising AUR to remove the issues that the taxpayer disagrees with. Advise AUR to remove the IRs the taxpayer is disputing and to continue processing the case. • Recon cases: Abate the tax and any applicable penalties, associated with the income being removed. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |

(2) When the IRs are TIN Perfected, refer to the table below:

| If | Then |
|--|--|
| <p>(1) All underreported information returns for the victim(s) for all impacted tax years are TIN Perfected</p> <p>Note: If the IR is TIN perfected, the IRPTR document Payee Entity Data line will state "Valid Perfected SSN," an asterisk will appear in the "TIN PERFECTION IND" field of the AUR Information Return window, and an asterisk will also appear in the "TP" field on the AUR Case Analysis screen.</p> | <ul style="list-style-type: none"> • Open cases: Leave a case note on the AUR system advising AUR to remove the issue and close the case. • Recon cases: Abate the AUR assessment and penalties, as applicable. • Follow the NOIDT instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT). Note: Use the special paragraph below in place of the paragraph in IRM 25.23.4.10.15(2). • Send the taxpayer a Letter 4674C. Include a special paragraph informing the taxpayer that the unreported issue was due to an Internal Revenue Service error and that they were not a victim of Identity Theft, (or similar verbiage). Exception: Do not include the special paragraph, if there are other tax years determined to be impacted by identity theft. |

| If | Then |
|---|---|
| <p>(2) Not all of the underreported information returns for the victim(s) for all impacted tax years are TIN Perfected</p> <p>Note: If the IR is TIN perfected, the IRPTR document Payee Entity Data line will state "Valid Perfected SSN," an asterisk will appear in the "TIN PERFECTION IND" field of the AUR Information Return window and an asterisk will also appear in the "TP" field on the AUR Case Analysis screen.</p> <p>Example: A W-2 for the same payer exists on two tax years. One year is TIN perfected, the other year is not. The taxpayer disputes earning the wages and the income is determined not to belong to the CN owner.</p> | <ul style="list-style-type: none"> • Open cases: Leave a case note on the AUR system advising AUR to remove the IRs the taxpayer is disputing and to continue processing the case. • Recon cases: Abate the tax and any applicable penalties, associated with the income being removed. |

Reminder: Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions.

(3) If the taxpayer responds and only disagrees with the amount of the underreported income, take one of the following steps below:

| If | And | Then |
|-------------------------------------|--|--|
| <p>(1) The case is Open in AUR,</p> | <p>It can be determined that the underreported amount could be due to a payroll, typographical, or clerical error, the taxpayer provides an amount that they earned, and the taxpayer included the income agreed with on the return filed.</p> | <ul style="list-style-type: none"> • Treat the case as NOIDT. Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Close the CII case and return the AUR case to the referring AUR function. • Leave a case note on the AUR system informing them of the reason for the discrepancy. |

| If | And | Then |
|------------------------------|--|--|
| (2) The case is Open in AUR, | It can be determined that the underreported amount could be due to a payroll, typographical, or clerical error, the taxpayer provides an amount that they earned, and the taxpayer DID NOT include the income agreed with on the return filed. | <ul style="list-style-type: none"> • Treat the case as NOIDT. Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Close the CII case and return the AUR case to the referring AUR function. • Leave a case note on the AUR system informing them of the reason for the discrepancy, and instruct them to adjust the U/R amount and continue processing. |
| (3) The case is Open in AUR, | It can be determined that the taxpayer did not earn the underreported income and the amount reported is due to an act of fraud or IDT, the taxpayer included the income agreed with on the return filed. | <ul style="list-style-type: none"> • Input a TC 971 AC 504. • Close the CII case and return the AUR case to the referring AUR function. • Leave a case note on the AUR system informing them of the reason for the discrepancy. • If the U/R income is for wages, complete Form 9409, IRS/SSA Wage Worksheet. In Section B, select Box 6, and input the amount the taxpayer reported for the wage amount. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |

| If | And | Then |
|--|---|--|
| (4) The case is Open in AUR, | It can be determined that the taxpayer did not earn the underreported income and the amount reported is due to an act of fraud or IDT, the taxpayer provides an amount that they earned, and the taxpayer DID NOT include the income agreed with on the return filed. | <ul style="list-style-type: none"> • Input a TC 971 AC 504. • Close the CII case and return the AUR case to the referring AUR function. • Leave a case note on the AUR system informing them of the reason for the discrepancy, and instruct them to adjust the U/R amount and continue processing. • If U/R income is for wages, complete Form 9409. In Section B, select Box 6, and input the amount the taxpayer reported for the wage amount. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |
| (5) The case is Closed in AUR (RECON), | It can be determined that the underreported amount could be due to a payroll, typographical, or clerical error, the taxpayer provides an amount that they earned, and the taxpayer included the income agreed with on the return filed. | <ul style="list-style-type: none"> • Abate the AUR assessment. • Treat the case as NOIDT. Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • In addition to the special paragraph mentioned in IRM 25.23.4.10.15, inform the taxpayer we were able to resolve the underreported income discrepancy based on the information they provided. |

| If | And | Then |
|--|--|--|
| (6) The case is Closed in AUR (RECON), | It can be determined that the underreported amount could be due to a payroll, typographical, or clerical error, the taxpayer provides an amount that they earned, and the taxpayer DID NOT include the income agreed with on the return filed. | <ul style="list-style-type: none"> • Do a partial abatement, removing the disputed amount. Recompute tax, credits, penalties, etc., as necessary. • Treat the case as NOIDT. Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • In addition to the special paragraph mentioned in IRM 25.23.4.10.15, inform the taxpayer we were able to resolve the underreported income discrepancy based on the information they provided and have adjusted their account to reflect the correct figures. Advise them if there is a balance owed as a result of the adjustment input. |
| (7) The case is Closed in AUR (RECON), | It can be determined that the taxpayer did not earn the underreported income, the amount is due to an act of fraud or IDT, the taxpayer provides an amount that they earned, and the taxpayer included the income agreed with on the return filed. | <ul style="list-style-type: none"> • Abate the AUR assessment. • Input a TC 971 AC 501. • If the U/R income is for wages, complete Form 9409. In Section B, select Box 6, and input the amount the taxpayer reported for the wage amount. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |

| If | And | Then |
|--|--|---|
| (8) The case is Closed in AUR (RECON), | It can be determined that the taxpayer did not earn the under-reported income, the amount is due to an act of fraud or IDT, the taxpayer provides an amount that they earned, and the taxpayer DID NOT include the income agreed with on the return filed. | <ul style="list-style-type: none"> • Do a partial abatement, removing the disputed amount. Recompute tax, credits, penalties, etc., as necessary. • Input a TC 971 AC 501. • If the U/R income is for wages, complete Form 9409. In Section B, select Box 6, and input the amount the taxpayer agreed to for the wage amount. • In the Letter 4674C, include a special paragraph informing the taxpayer that we have removed the disputed amount, but they are still responsible for the taxes due on the amount they earned, and they will be receiving a separate letter regarding the amount of tax owed. • Refer to IRM 25.23.10.7.3.3, Closing Procedures for instructions on required closing actions. |
| (9) The taxpayer does not provide an amount that they earned. | | <ul style="list-style-type: none"> • Refer to IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written), to obtain a dollar amount that they agree to earning. • If you can obtain a dollar amount, proceed to the appropriate scenario above. • If you are unable to contact the taxpayer, or the taxpayer cannot give you an amount to which they agree to, proceed to the box below. |
| (10) Your case does not fit any of the scenarios listed above. | | Contact your <i>ITVA AUR Headquarters Analyst</i> for instructions on how to proceed with the case by emailing a completed Form 4442, Inquiry Referral. |

Note: Situations involving AUR Closed cases - Due to the income already being assessed, there is no tolerance amount to consider.

Example: CP 2000 was issued for underreported wage income from ABC company for \$80,000. Taxpayer responds stating that their W-2 from ABC company shows that they earned \$8,000 for the tax year in question. Since the taxpayer is stating they worked for the company in question, the incorrect amount that was listed in their CP 2000 notice is likely due to a payroll or typographical error. This is a Compliance issue; therefore, the case will be treated as a NOIDT case.

Example: CP 2000 was issued for underreported NEC income from XYZ company for \$75,000. Taxpayer responds that they believe they are a victim of identity theft, because they only worked for XYZ company for two weeks and only earned \$600 during that period. Due to the taxpayer's SSN being used to report erroneous income that they did not earn, the taxpayer would be considered a victim of identity theft. The account would be abated. The taxpayer would be assessed on the portion of income they are agreeing to along with applicable tax, credits, and penalties. The taxpayer's account would be marked with a Tc 971 AC 501.

Example: CP 2000 was issued for underreported wage income from XYZ company for \$65,000. Taxpayer states they quit working for the company in March 2019 and began working at ABC company for the remainder of the year. Taxpayer sends in a year-to-date check stub showing that as of March 2019 they earned \$4,000 with XYZ company. Based on the taxpayer statement and IRPTR research showing they did in fact work for ABC company in 2019, we would make the determination that someone else continued to work at XYZ company using the taxpayer's SSN after they left the company and that they are a victim of identity theft. The AUR assessment would be abated, removing the amount the taxpayer did not earn. The taxpayer's account would be marked with a TC 971 AC 501 and a Form 9409 would be completed using Box 6 of Section B. The \$4,000 earned by the taxpayer would be input on the wage line for Box 6.

(4) If the taxpayer is claiming possible BMF ID theft (i.e., the taxpayer claims to have no affiliation with the business/EIN) on a Form 14039 or Form 14039-B, follow IRM 25.23.2.4.3(8), Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.

25.23.10.7.3.2.4

(10-01-2023)

Identity Theft Involving an Invalid Return with AUR Involvement

(1) When correcting AUR tax assessments made on accounts subsequently determined to involve identity theft (employment or a fraudulent tax return), determine if any overpayment previously offset is refundable. Adjust the transactions posted on the module to reflect the identity theft victim's tax return as allowable including all line items (such as tax, AGI, TXI, W/H, and credits). For more information see IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions.

Note: Credits transferred to a balance due module are refundable for two years from the corresponding date of the cycle in which the transfer occurred. Refer to IRM 25.6.1.7.2 (5), Time When Payments and Credits Are Consid-

25.23 Identity Protection and Victim Assistance

ered to be Made and IRM 25.6.1.10.2.5, Claims for Credit or Refund - Processing Directions, for additional information.

Caution: When applicable follow IRM 21.5.4, General Math Error Procedures, for applying Math Errors and Unallowable procedures when posting the legitimate taxpayer's return. Also, when applicable see IRM 21.5.3.4.6, No Consideration and Disallowance of Claims and Amended Returns.

(2) If the taxpayer has submitted a unprocessed return with their response, process it as filed following these instructions.

- Follow the procedures in IRM 25.23.10.3, Unprocessed/Secured Returns - General, to process the taxpayer's good return.

Reminder: Ensure the account ASED is adjusted to reflect the appropriate date based on the new valid return. When the ASED on the impacted module is expired, a transaction date one day prior to the expiration must be used when inputting the TC 560 to prevent Unpostable Code 178-2.

Note: Input a TC 560 with a DLN-CD of 70 or 99 to prevent Unpostable Code 178-2. Use DLN-CD 70 when correcting the ASED to a later date than the posted ASED. Use DLN-CD 99 when correcting the ASED to an earlier date than the posted ASED.

Caution: If the valid taxpayer has filed two returns, and the second return is intended to be superseding, the ASED will be calculated using the received date of the first return. The account will be adjusted to the correct figures on the second return, as allowable.

Example: For TY 2015, the timely filed TC 150 return is determined to be fraudulent and will be nullified. The valid taxpayer files his original return (posted TC 976) on 6/1/2016 reporting income from 2 employers. The valid taxpayer files a second return (posted TC 976) on 7/15/2016 reporting income from 3 employers. This income is verifiable on CC IRPTR. The ASED will be set based on the valid taxpayer's original return on 06/01/2019. The account will be adjusted to the allowable figures on the TC 976 return dated 7/15/2016.

- If the posted return needs to be moved to an IRSN account, refer the case to DITA using the instructions in IRM 25.23.10.6, Post Function Referral Procedures.

(3) When the taxpayer submits a return but has not submitted a statement addressing which AUR issues they disagree with, take the following actions:

- Request the required information from the taxpayer by following IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written) **and** IRM 25.23.10.7.3.2.2(2), Document Requirements for Cases with AUR Involvement as appropriate.

Note: When making an outgoing call, document the phone number called, who you spoke with, and/or if a message was left for the taxpayer.

| If | And | Then |
|--|--|--|
| <p>1) There are AUR issues not included on the submitted</p> | | <ul style="list-style-type: none"> • Open cases: Notate in a case note on the AUR system for AUR to close the case. • Process the taxpayer’s return following the instructions in IRM 25.23.10.3, Unprocessed/Secured Returns - General. |
| <p>2) There are AUR issues not included on the submitted</p> | <p>The taxpayer agrees some of the remaining issues are attributed to ID Theft by requesting the required information from the taxpayer following IRM 25.23.4.18.2, Requests for Additional Information (Telephone and/or Written) and IRM 25.23.10.7.3.2.2(2), Document Requirements for Cases with AUR Involvement as appropriate.</p> | <p>Follow the instructions in (2) above for the handling of the unprocessed return. When the Unprocessed Return procedures have been satisfied then:</p> <ul style="list-style-type: none"> • Open cases: Notate in a case note on the AUR system whether or not the original return was determined to be the result of IDT and if a new return was processed. The case note should also contain information regarding which IR(s) do not belong to the taxpayer. • Recon Cases: Adjust the account as appropriate following IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations. Abate the portion of income and tax the taxpayer is disagreeing with or is included on the return from the AUR assessment including any applicable penalties. <p>Follow any other IDT procedures applicable to resolve the taxpayer’s account of any IDT issues.</p> |

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| If | Then |
|---|--|
| <p>It is determined the taxpayer has a filing requirement</p> | <ul style="list-style-type: none"> • Adjust the account as appropriate following IRM 25.23.4.8, Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations. If an IRSN is needed, , send the case to DITA per IRM 25.23.10.6(7), Post Function Referral Procedures. • Recon cases: Abate the AUR assessment. • Open cases: Notify AUR to close the case no change. • Prepare Form 2209, Courtesy Investigation, as instructed by IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions. • Issue a Letter 4674C as a closure letter and include a paragraph reminding the taxpayer of their obligation to file a federal tax return. • After all actions required in IRM 25.23.10.7.3.3, Closing Procedures have been completed, close the CII case. |

| If | Then |
|---|--|
| It is determined the taxpayer has NO filing requirement. | <ul style="list-style-type: none"> • Adjust the account as appropriate following IRM 25.23.4.8 , Identity Theft (IDT) Common Number (CN) Ownership and Case Processing Determinations. If an IRSN is needed, send the case to DITA per IRM 25.23.10.6(7) , Post Function Referral Procedures. • Recon cases: Abate the AUR assessment. • Open cases: Notify AUR to close the case no change. • After all actions required in IRM 25.23.10.7.3.3, Closing Procedures have been completed, close the CII case. |

25.23.10.7.3.3
(10-01-2023)
**IDTVA Specialties AUR
Closing Procedures**

- (1) In addition to the procedures outlined in this section, tax examiners are also responsible for any closing actions that may be contained in IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing, and IRM 25.23.4, IDTVA Paper Process , and IRM 25.23.13 , Income Related Identity Theft. These IRMs contain guidance on information such as: (this list is not all inclusive)
- IRM 25.23.2.3.4, Required Case and History Notes
 - IRM 25.23.2.6, Closing Identity Theft Issues
 - IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases
 - IRM 25.23.4-21, Input, Annotations and Action Requirements for Streamline/Non-Streamline Case Processing
 - IRM 25.23.13.3, Closing Income Related Identity Theft Accounts
 - IRM 25.23.13.3.1, Form 9409 Procedures - IRS/SSA Wage Worksheet
 - IRM 25.23.4.12.3, Collection Activity - Resume Collection Actions
- (2) Before taking action on an account, research must be completed to review the pending and posted transactions, status, and controls on Master File. All impacted modules must be reviewed including modules associated with the account by credit transfers and refund offsets. All information must be considered to resolve the case thoroughly and accurately.
- (3) Input RC 139 on the appropriate adjustment or TC 290 .00. when closing Speciality IDTVA AUR cases (IDI2). Use HC 3. If there is a credit on the module that should not be refunded, use HC 4 instead. Use Blocking Series (BS) 05, unless another BS is specified in applicable adjustment procedures.
- (4) When all account actions have been finalized, open AUR cases will need to be referred back to AUR. Information regarding the determination must be communicated to the AUR function via the AUR system. This will be accomplished

via AUR Case Notes. In addition to the requirements in IRM 25.23.2.3.4, Required Case and History Notes, case notes should include:

- Information regarding which Information Returns to delete, if any
- What follow up action is required (i.e., Continue Processing, or Case Closure)

Caution: Provide AUR with general guidance on how to process the IDT issue. AUR’s instructions are subject to change; therefore avoid using specific AUR directions, such as which process code to use.

Note: Whenever possible, use the standardized case notes on the AUR system to aid communication between AUR and IDTVA. Edit them to add information as needed. A list of the standardized case notes available to be used by IDTVA can be found in Exhibit 25.23.10-1, AUR Standardized Case Notes for IDTVA (AUR Open Cases Only).

- (5) After all case actions have been completed, return the case to a designated individual who will notify AUR of the closure.
- (6) Do not return AUR Recon cases to AUR.
- (7) If during the processing of the case, AUR updated the open AUR tax year with a closure process code (i.e.; PC 17), do not send the case back to AUR. For cases closed PC 17 follow the table below:

| If | Then |
|------------------------|---|
| 1) NOIDT determination | <ul style="list-style-type: none"> • Follow the instructions in IRM 25.23.4.10.15, No Identity Theft (NOIDT) Determinations. • Inform the taxpayer that no additional assessment has been made based on the previous CP 2000, to the tax year in question. • If there is still UR income that belongs to the valid TP that is not included on the original return, inform the TP that if there is income you earned that was not reported on your original return, you may file a Form 1040X, Amended U.S. Individual Income Tax Return. |

| If | Then |
|----------------------|---|
| 2) IDT determination | <ul style="list-style-type: none"> • Input the appropriate IDT indicator, TC 971 AC 5XX. • Adjust the account or input a TC 290 .00 with RC 139 as appropriate. • Inform the taxpayer that no additional assessment has been made based on the previous CP 2000, to the tax year in question. • If there is still UR income that belongs to the valid TP that is not included on the original return, inform the TP that if there is income you earned that was not reported on your original return, you may file a Form 1040X, Amended U.S. Individual Income Tax Return. |

25.23.10.7.3.4
(10-01-2019)
**IDTVA Specialties AUR
Functional Liaison
Responsibilities**

- (1) Guidance for the roles and responsibilities of an IDTVA Functional liaison can be found in IRM 25.23.2.15, Identity Theft Liaison Responsibilities, and IRM 25.23.2.15.1, Functional Responsibilities in Receipt of Global Review (GRVW) Referrals
- (2) In addition, an IDTVA AUR functional liaison is responsible for:
 - a. Releasing IDTVA cases, both Open and Recon, to other functional areas when requested.
 - b. Coordinating actions when there are open AUR cases in more than one Campus.
 - c. Communicating with the AUR IDT Coordinator regarding any necessary case information or actions. This includes contacting them regarding the input of a PC "SI", when required on AUR open cases.
 - d. Contacting the AUR IDT Liaison to request up to an additional 40 days to complete the IDT Review on AUR open cases.
 - e. Facilitating the transfer of cases between IDTVA and AUR.
 - f. After tax examiners have completed all case actions, open cases will be given to a designated individual who will notify the appropriate AUR site of the closure. For open cases, notification will be in the form of a Form 3210, Document Transmittal listing all SSNs and tax year(s) that are being returned. Return the Form 3210 to the appropriate AUR IDT Coordinator. See *AUR IDT Coordinators* for a list of the AUR IDT Coordinators by site.

25.23.10.7.4
(02-03-2020)

**IDTVA Specialties Exam
Identity Theft Case
Processing**

- (1) This IRM provides specific guidance for IDTVA specialty cases involving identity theft and Examination (both Campus and Field) or Tax Equity and Fiscal Responsibility Act (TEFRA) issues. Guidance dealing with non-IDTVA-Exam issues can be found in IRM 4, Examining Process, IRM 4.19, Liability Determination, and IRM 4.31, Pass-through Entity Handbook.
- (2) IDT allegations received on TEFRA cases will be processed at the IDTVA-Exam Brookhaven site. All TEFRA cases will remain open on AIMS while referred to IDTVA for the IDT determination and account resolution. TEFRA cases are open in PBCs 295 and 398, and EGCs 54XX and 58XX. TEFRA cases will be worked as priority. Any reference to Exam cases in these procedures includes TEFRA program cases.
- (3) IDT allegations received on SBSE and W&I Campus Exam cases will be closed on AIMS prior to routing to IDTVA. The W&I cases will be closed on AIMS as a disposal code 12 with no assessment. The SBSE cases will be closed on AIMS as a disposal code 37 with no assessment.
- (4) IDT cases with Exam involvement may be referred directly from AM without Exam aware there is an IDT allegation. Cases received directly from AM or through CII where AIMS is open will require contact with Exam to request the AIMS closure.

Exception: If a case will be worked within five (5) days of assignment, do not request AIMS to be closed. Contact Exam when a final determination is made.

- (5) IDT cases received in the following Exam campuses will refer any IDT claims meeting the criteria outlined below to the Brookhaven IDTVA-Exam team. All other campuses will refer IDT claims to the co-located IDTVA teams:
 - Cincinnati
 - Memphis
 - Ogden
 - Philadelphia
- (6) Cases worked in IDTVA-Exam will be granted appeal rights for the Exam issues only by the Exam function as outlined in IRM 4.13.6, Appeals, and IRM 4.19.13.16.2, Transfer to Appeals.

25.23.10.7.4.1
(10-01-2020)

**IDTVA Specialties Exam
General Procedures**

- (1) IDTVA Specialty Exam will be responsible for reviewing identity theft claims for most accounts open in Exam (-L freeze present on the account) or previously worked in Exam (TC 300 present on the account).
- (2) Identity theft correspondence received in the Exam function will be referred to an IDTVA Exam team by Exam. For W&I campuses, the referrals will be sent to the co-located IDTVA-Exam team. For SBSE campuses, the referrals will be sent to the Brookhaven IDTVA-Exam team.
- (3) Exam will complete the following for taxpayer driven or IRS-Identified IDT cases prior to referring to IDTVA-Exam:

- a. Input TC 971 AC 522 UNWORK or IRSID if not already present,

Note: Always verify that IDRS indicators are input for the correct taxpayer. If the secondary taxpayer is the victim, the IDT indicator must be input on the secondary SSN and not input on the primary taxpayer's account.

25.23 Identity Protection and Victim Assistance

- b. Document the factors for determining IRS-identified IDT or the taxpayer IDT allegation on AMS history and in the Correspondence Examination Automation Support (CEAS) notes.
 - c. See IRM 4.19.13.27, Campus Exam Identity Theft, for further information.
- (4) New receipts will be referred from Identity Protection Specialized Unit (IPSU), AM or any other function and assigned directly to IDTVA-Exam on CII rather than routing through the Exam function. If a referral is received for an open AIMS (-L freeze on master file) Exam case, IDTVA-Exam will contact the Exam functional coordinator as appropriate and attach the sent email to the CII record. Review the CCA 4243 or HQ -L freeze listing weekly to verify all open AIMS accounts are addressed.
- a. W&I Exam case (PBC 190-194) - Send an email to the AIMS coordinator found on the Servicewide Electronic Research Program (SERP) Who/Where tab at *Exam Employee Group Code (EGC) Contacts*. with the SSN and tax year(s) to request AIMS be closed.
 - b. SBSE Exam case (PBC 295-299) - Send an email to the appropriate *SBSE Campus Identity Theft (IDT) and Return Preparer Misconduct (RPM) POC* with the SSN and tax year(s) to request AIMS be closed.
- (5) Field Exam reconsideration cases where a taxpayer alleges IDT will also be transferred to IDTVA-Exam. Field Exam reconsideration cases are centralized in the IDTVA-Exam Brookhaven (BSC) team.
- (6) All IDTVA-Exam IDT accounts, including any additional years impacted, will be controlled following the guidance in IRM 25.23.4.3.1, CII and IDRS Case Controls. This includes tax years identified during the research and determination review of the IDT claim. When creating CII cases for additional years, use the appropriate category code, priority code, and document type.

Reminder: When opening additional years due to CCA use the current date as the IRS received date.

- (7) Upon receipt, IDTVA-Exam will review all new referrals per IRM 25.23.10.7.4.1.1, IDTVA Specialties Exam Clerical Procedures, and send the referrals to the Image Control Team (ICT) batching to assign to the corporate number per IRM 25.23.10.2, Case Batching. The update and acknowledgment to the referring team will be completed within 5 business days of receipt into IDTVA-Exam.
- (8) Telephone contact with the taxpayer or representative will be attempted whenever possible. When in telephone contact with the taxpayer, document the pertinent information in a CII case note for each contact attempted or completed, including the date and time. For example, if the taxpayer clarifies what was stated in the documentation or confirms the receipt of a refund, this should be included in the case notes. During any telephone contact, verify the taxpayer's phone number on IDRS for all account related calls in which disclosure verification has occurred. Add or update phone numbers on IDRS and specify the type of number, (i.e., home, cell, etc). If contact information is provided on correspondence and it is determined to be from the valid TIN owner, add or update the phone number(s) on IDRS. Include any revised or new phone numbers(s) in CII notes. If IDRS is currently unavailable, perform follow-up action when the system is available.

- (9) CII case notes will be used to clearly identify research completed, analysis of documentation, determination and action completed. Case documentation must include sufficient information to support the determination and information used to justify the determination. Refer to IRM 25.23.2.3.4, Required Case and History Notes, for additional requirements.
- (10) Case notes should include any pertinent information from the Exam/AUR case information available from AIMS, CEAS, and/or AUR. Refer to IRM 25.23.2.3.4, Required Case and History Notes, and IRM 4.19.13.6, Workpapers for All Cases, for additional guidelines.
 - Pertinent Exam information may include the AIMS, disposal code, technique code, project code, and summary of any Exam action or response to Exam, including cross-reference TINs.
 - Pertinent AUR information may include the process code and AUR issues.

| At a minimum, CII case notes must include: |
|---|
| (1) Compliance issues being reviewed, e.g., project code with the issues identified. |
| (2) Whether the RPM issues include/address the compliance issues. |
| (3) Basis of the assessment, if applicable, e.g., disposal code, technique code, process code. (Closed Compliance issue) |
| (4) Specialized system research information, e.g., include information from CEAS/AUR used to make a determination such as taxpayer statements that may be used to support or contradict the RPM claim. Note: Attaching the CEAS work papers and/or report is an option. |

- (11) There may be instances when sufficient information is unavailable on CEAS or there is no CEAS record. The TC 300 documents may need to be requested when there is an indication the taxpayer responded to Exam with the documents needed or to review the workpapers and case notes. Use CC ESTABS so the document(s) will be scanned to the CII case to create a record. If the document is scanned into a new CII case, link the case to your existing case.
- (12) Any time Form 3210, Document Transmittal, is prepared and sent to Exam the full SSN will be input on the form. The Form 3210 may be secure emailed to the Exam contact. Attach any Form 3210 and email sent to Exam to the CII record.
- (13) For all accounts filed during the current year, input TC 971 AC 850 upon receipt of the ID theft allegation or claim.

25.23.10.7.4.1.1
(10-01-2020)
**IDTVA Specialties Exam
Clerical Procedures**

- (1) The instructions in this section should be used in conjunction with the instructions in IRM 25.23.4.3.4, IDTVA Specialties - Case Referrals from Compliance Functions and IRM 25.23.10.2, Case Batching.
- (2) Identity theft correspondence received in Campus Examination will be referred to IDTVA-Exam by the Exam IDT Coordinator. For W&I campuses, the referrals

25.23 Identity Protection and Victim Assistance

will be sent to the co-located IDTVA-Exam team. For SBSE campuses, the referrals will be sent to the Brookhaven IDTVA-Exam team.

- (3) Upon receipt of potential IDT correspondence, IDTVA-Exam will verify that appropriate claim documentation was received.
- (4) If cases are referred by Exam to IDTVA-Exam not fitting the criteria listed in IRM 25.23.4.3.4, IDTVA Specialties - Case Referrals from Compliance Functions, IDTVA-Exam will return the case to the referring Exam site. A listing of functional coordinators may be found on the Servicewide Electronic Research Program (SERP) Who/Where tab at *SBSE Campus Identity Theft (IDT) or Return Preparer Misconduct (RPM) POC or AIMS Coordinator* for the W&I campus Exam AIMS coordinator.
- (5) It is important to review CC AMDISA, ENMOD/IMFOLE, and IMFOLT/TXMODA to determine if there was prior IDT resolution and the examination was reopened post-IDT resolution. Duplicate identity theft claims will be closed following procedures in IRM 25.23.4.10.13, Identity Theft (IDT) - Previous Action. Indicators of previous action are:
 - a. AMDISA tracking code 990 and/or ARC 14
 - b. ENMOD/IMFOLE TC 971 AC 501/506 closing or TC 972 AC 522 reversal
 - c. IMFOLT/TXMODA TC 290 adjustment with reason code 139
 - d. CII record with duplicate IDT claim documents and CII notes determination
- (6) For any cases rejected or returned to Exam, prepare Form 3210, Document Transmittal, listing all social security numbers (SSN) and tax year(s) that are being returned. Return any cases and the Form 3210 to the appropriate functional coordinators as indicated in (4) above. The full SSN will be input on the Form 3210 provided to Exam. The Form 3210 may be emailed to the Exam contact.

Note: For CII cases - indicate on Form 3210 next to the SSN that the case information and documents are available on CII/AMS.
- (7) All correspondence received must be controlled on CII. Refer to IRM 25.23.10.2, Case Batching, for instructions to ensure correspondence is properly controlled.
- (8) Attach any Form 3210 or secure email sent to Exam to the CII record or to documents sent for ICT batching.
- (9) Send the appropriate acknowledgement letter per IRM 25.23.4.18.1, General IDTVA Letter Procedures, to the address on the documentation unless a better address is available. Save the letter to the existing CII record or print the letter and attach to paper documents sent for ICT batching.
- (10) If multiple year or multiple function referrals include open AUR issues, research the AUR system to ensure that a PC "SI" was input. If the last PC code entered on the AUR system is not PC "SI", notify the appropriate AUR IDTVA coordinator to have the process code input. See IRM 25.23.10.7.3.2.1, Technical - Initial Handling Procedures, for additional AUR initial action requirements.

25.23.10.7.4.2
(10-01-2023)

**Technical Procedures
for IDTVA Specialties
Exam Cases**

- (1) This section provides specific guidance to IDTVA-Exam examiners who work IDT cases with Exam involvement.

25.23.10.7.4.2.1
(10-01-2023)

**IDTVA Specialties Exam
Technical Research and
Initial Handling
Procedures**

- (1) All Exam IDT cases require a control base to be opened on all tax year accounts (modules) impacted by identity theft. See IRM 25.23.4.3.1, CII and IDRS Case Controls for additional information. Exam IDT modules should be opened with a Category Code IDI1, including additional impacted years that do not contain an Exam issue.
- (2) IDT cases will have the activity code updated when specific case actions occur. Suspense dates will be indicated using Julian date format. Refer to IRM 25.23.4-11, IDRS Activity Codes and Definitions, for recommended activity codes.
- (3) Refer to IRM 25.23.2.4.4, Initial Allegation or Suspicion of Tax-Related Identity Theft - IMF Identity Theft Indicators, to determine if a TC 971 AC 522 is required to be input.
- (4) It is critical that the taxpayer is not harmed by the Service's actions once it has been determined that the taxpayer is a victim of IDT. To ensure that the taxpayer is not being harmed from a collection action, if the account reflects a balance due on Service Center or Master File, ensure a TC 470 CC 90 is present to prevent balance due notices from generating and offsets into the module. See IRM 25.23.4.12, Collection Activity - Form 14394/13794, for further instructions on suspending enforcement actions.

Reminder: Copies of the Form 14394/13794 must be included with the package sent to ICT and scanned to CII or attached to the CII record.

- (5) An acknowledgment or determination letter must be issued within 30 days of receipt into IDTVA-Exam. Follow the instructions in IRM 25.23.4.18.1, General IDTVA Letter Procedures, to send an acknowledgment letter if one has not already been issued.
- (6) All statute year receipts will be reviewed for potential statute issues. See IRM 25.23.2.5, Statute Protection.
- (7) If multiple year or multiple function referrals include open AUR issues, research the AUR system to ensure that a PC "SI" was input. If the last PC code entered on the AUR system is not PC "SI", notify the appropriate *AUR IDTVA Coordinator* to have the process code input. If no access to the AUR system, contact the appropriate AUR IDTVA coordinator for assistance. See IRM 25.23.10.7.3.2.1, Technical - Initial Handling Procedures, for additional initial action requirements.
- (8) At any time during the account review, if there is evidence the taxpayer has a filing requirement but has not filed a return, solicit and encourage the taxpayer for a signed return. This applies to any years reviewed and impacted by the IDT incident. Follow guidance in IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions is used to determine if the TP has a tax liability. Form 2209, Courtesy Investigation, will be completed at case closure if no return has been submitted per IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions.

Reminder: Do not solicit for returns for tax years older than 6 years.

- (9) Field Exam will work all cases where IRS employee(s) allege IDT and the tax year(s) are currently open or closed in Exam. Return or forward any IDT claims to the site where the audit is in process or was completed. If the exam issue is open in the Field, forward any documents directly to the Field Exam liaison. If the exam issue is closed, refer the claim to the co-located Exam function for referral to Field Exam per IRM 4.19.11.2.22, Employee Returns.
- (10) When ICT is unable to determine the correct TIN, the CII case is assigned to all zeros. If:
 - A TIN cannot be located using all available resources and there is sufficient mailing information on the complaint, issue Letter 5064C to the taxpayer requesting the taxpayer's TIN and any other required IDT documentation.
 - No Response is received, issue a Letter 4674C to advise the taxpayer no action can be taken since we have no record of a response being received and close the case no action.
 - Correspondence cannot be issued, leave a CII case note stating insufficient information to issue correspondence and close the case no action.

See IRM 25.23.4.6.1, Required Research, for additional information.

25.23.10.7.4.2.2
(10-01-2023)
**IDTVA Specialties Exam
Technical – IDT Claim
Consideration**

- (1) Do not assume that the taxpayer filing the IDT claim is the true owner of the TIN. The examiner who reviews the case must consider all information received and available through research to determine the legitimate taxpayer and resolve the case thoroughly and accurately.
 - (2) Use all available research tools to determine the validity of the IDT claim.
- Note:** Examiners are not trained handwriting experts. Do not base your determination solely on the comparison of handwriting and signatures on documents.
- (3) Perform research to determine the impact of the IDT on all tax years. See IRM 25.23.4.6.4, Complete Case Analysis. Creation of CII cases for additional impacted years identified through complete case analysis (CCA) will use the current date as the IRS received date.
 - (4) When working multi-functional or multiple tax years that include AUR, SFR or ASFR involvement, follow guidance in, IRM 25.23.10.5.1, Identity Theft Cases with AUR Involvement, IRM 25.23.10.5.2, Identity Theft Cases with ASFR Involvement, and IRM 25.23.10.5.2.1, Refund Hold Program.
 - (5) While resolving accounts, especially compliance-related accounts, other unique circumstances may affect the account resolution.
 - a. Appeals - IRM 25.23.4.13, Request for Appeals, provides guidance on contacting and referring IDT claims for Appeals consideration. There are no appeal rights for IDT claims, but taxpayers may request review of non-IDT determinations. This type of reconsideration would be reviewed by the manager.
 - b. Bankruptcy - IRM 25.23.10.5.4, Bankruptcy, provides guidance on researching, contacting, and referring IDT claims to bankruptcy. The IDT claim and resolution may impact the bankruptcy claim filed on behalf of the IRS. If AIMS is open in campus Exam and has bankruptcy indicators,

- we will not request the AIMS closure. Contact the Campus Exam bankruptcy coordinator, found on the Area and Campus Program Contacts under *AIMS/ERCS Contacts* for the site to coordinate the IDT claim referral and resolution. Be very aware that bankruptcy court cases affect the account statute and should be closely monitored.
- c. Frivolous Return Program (FRP) - IRM 25.23.4-5, IDTVA Routing Matrix, provides guidance on referring only the tax year with FRP indicators.
 - d. Innocent Spouse - IRM 25.23.10.5.5, Innocent Spouse, provides guidance on identifying and referring IDT claims with Innocent Spouse claims.
- (6) For closed Exam accounts with assessments we must be careful to not reverse the Exam TC 300 until we determine the validity and impact of the IDT claim. If the taxpayer claims IDT on the TC 150 return but their unprocessed/ secured return claims the same dependents, exemptions, adjustments to income, Schedule A items, or credits, they will not be allowed when resolving the account. IDT does not make determinations on Exam issues. Exam will be notified of the IDT claim and issues for reconsideration after the IDT account resolution.
- (7) Questionable Refund Program (QRP) and other Exam programs often lend themselves to false claims of identity theft to avoid re-payment of refundable credits. It is imperative that each IDT claim is researched and reviewed to determine the validity of the claim. It is necessary to review the AIMS project code definition using the Exam Project Code Search tool found on the SERP IRM Supplement tab in addition to IDRS research and viewing CEAS notes.
- (8) Non-filer or Substitute for Return may identify income related identity theft issues. It is important to review all payer documents on CC: IRPTRL, the taxpayer filing history and address to determine the correct income for the SSN owner. In addition to determining income ownership, the following factors may need consideration:
- a. MFT 32 – the taxpayer’s valid return may be posted to an MFT 32 account. IRM 25.23.2.7.2.2, MFT 32 - Overview, IRM 25.23.4.4.15, MFT 32 Cases – Moved in Error, and IRM 25.25.6.7, MFT 32 Procedures, provide guidance on identifying and adjusting accounts when the valid return was moved to an MFT 32 account in error.
 - b. Tax Related IDT or Non-Tax Related IDT - Refer to IRM 25.23.4.10, Resolving Identity Theft (IDT) Cases, for scenario specific procedures.
 - c. Income Related IDT - Follow IRM 25.23.13, Income Related Identity Theft
 - d. Complete Form 9409 - Follow IRM 25.23.13.3.1, Form 9409 Procedures - IRS/SSA Wages Worksheet, to notify Social Security Administration of changes to taxpayer income.
 - e. Non-Compliance - For any year the taxpayer has not filed a tax return, use the Compliance Suite IAT tool to determine filing requirements. Follow guidance in IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions, to determine the tax liability. This applies to any years reviewed and impacted by the IDT incident. Encourage the taxpayer to submit a signed return when requesting additional information or at closure. Form 2209, Courtesy Investigation, will be completed at case closure if no return has been submitted per IRM 25.23.4.17, Determining Tax Liability/Form 2209 Instructions.

25.23.10.7.4.2.3
(10-03-2022)

**IDTVA Specialties Exam
Case Closure**

- (1) Follow IDT account resolution guidance found in IRM 25.23.4, IDTVA Paper Process.
- (2) If the taxpayer asked specific questions about the IDT claim, the examination, or other issues that will not be answered by the CP01, Letter 4674C is required to fully respond to the taxpayer. Do not include Pub 5 with the Letter 4674C or any letters issued on identity theft claims.
- (3) Unprocessed or secured returns will be considered and assessed following IRM 25.23.4.6.5, Documentation Requests, Return Processing and Missing Information. A TRDBV or MeF return can be substituted for the original paper return.
- (4) Once a decision is made that the IDT allegation is valid and there is an unprocessed return, the return requires screening per IRM 21.5.2.4.23.6, DIF Score or CLASSIFICATION "Send Return(s) to Examination for Review." All account adjustments must be completed prior to routing for DIF score bypass review.
- (5) If the return filed by the taxpayer contains the same issues included in the examination adjustment, do not reverse the TC 300 as part of the nullification process. The TC 150 will be nullified, and if necessary, the TC 300 adjusted based on the valid return. A referral will be sent to Exam if the taxpayer provided new information for reconsideration.
- (6) Hold Code (HC) 4 will be input with any adjustment when there is a need to freeze or continue to freeze any credits and not release a refund on the account. This will be required when referring cases back to Exam to continue the examination.
- (7) HC 3 will be input on any account adjustment not requiring the refundable credits held.
- (8) If a recertification indicator posted on the account, determine whether the recertification indicators originated from the IDT tax year(s) and whether they need to be reversed. Recertification indicators are found on CC ENMOD and IMFOLE. Refer to IRM 4.19.14.7, Recertification, for additional guidance. If the IDT claim is allowed and the recertification issues were fully addressed by the taxpayer's valid return, reverse the indicator(s). The indicator reversal is still required if the taxpayer qualifies for the credits based on different dependents/exemptions than those originally disallowed. Do not reverse the recertification indicators if the taxpayer is claiming the same dependents/exemptions, credits, or adjustments disallowed in the examination.
 - a. Earned Income Tax Credit (EITC) - input TC 971 AC 056.
 - b. Child Tax Credit/Additional Child Tax Credit (CTC/ACTC) – input TC 971 AC 161.
 - c. American Opportunity Credit (AOTC) –there is no IDRS programming to reverse the AOTC indicator; **do not** input TC 971 AC 160.
- (9) Reason Code 139 is required on any account closed through IDT resolution and a CII/IDRS control was established.
- (10) The TC 971 AC 5XX closing indicators are required on all resolved accounts. Input appropriate TC 501/506/504 ITVAC closing literals per IRM 25.23.2.6 , Closing Identity Theft Issues.

25.23.10.7.4.3
(10-01-2020)
Returning Cases to Exam

- (1) Cases received from Exam where the case was closed as a DC 12/37 or AIMS is still open may be returned to Exam in the following situations:
 - a. IDT allegation is deemed invalid; or
 - b. IDT allegation is deemed valid and the valid return contains the same examination issues; or
 - c. IDT allegation is income only and the TC 150 return is valid with original unresolved exam issues remaining,
AND
 - d. There is more than 12 months left on the statute (ASED).
- (2) When returning cases to Exam, the case must be referred to the originating campus. Use the following BOD specific guidance for all IDT determinations:
 - a. W&I Exam case (PBC 190-194) - prepare and send Form 3210 to the *AIMS Coordinator* with the SSN and tax year and the determination.
 - b. SBSE Exam case (PBC 295-299) - Send an email to the *SBSE Identity Theft (IDT) and Return Preparer Misconduct (RPM) Campus POC*. Include the SSN and tax year and the determination.

Note: Attach a copy of the Form 3210 or email to the CII record. Ensure all documents received are available to view on CII. Any documents added to CII as attachments cannot be viewed through AMS. If there are documents that will assist Exam in the resolution of their case, they will need to be sent to ICT for CII association.
- (3) Documents included with the IDT claim that meet reconsideration criteria must be forwarded to Exam using the procedures above.

25.23.10.7.4.4
(09-08-2017)
Field Exam Reconsiderations

- (1) Any Field Exam reconsiderations where the taxpayer is alleging IDT will be routed to the IDTVA-Exam Brookhaven team for a determination and worked on CII.
- (2) Field Exam reconsiderations are cases that were worked in PBC 201-207. Cases worked in PBC 315 are Large Business and International (LB&I) cases. Any LB&I cases are referred directly to the LB&I Reconsideration team located at:
2970 Market Street
Philadelphia, PA 19106
Mail Stop 4-E08.200
- (3) Cases may be received from Exam Centralized Reconsideration Unit or directly from AM through CII.
- (4) Field reconsideration IDT allegations will follow normal IDT procedures, including issuing an acknowledgment letter, requesting additional information, adjusting accounts, if applicable.

25.23.10.7.4.4.1
(02-03-2020)
Field Exam Reconsideration Evaluations

- (1) Follow all normal IDT research paths to determine whether the taxpayer is a victim of IDT.
- (2) Field Exam CEAS documents must be reviewed to determine whether the IDT allegation was addressed during the original audit. It may be necessary to request the closed Exam administrative file. Once reviewed, determine whether the case should be retained or returned to the appropriate Field Exam.

- (3) Cases that were no shows/no response in the Field Exam will be retained and worked in the campus.
- (4) Cases will be transferred back to the Field Exam if:
 - a. It cannot be determined if IDT was considered during the original audit from the work papers/case notes,
 - b. The issue is outside the scope of the examiner, or
 - c. The taxpayer responded to the IDT evaluation with documentation to prove the audit issues.
- (5) In cases where the IDT issues was resolved, do not return the case to the Field Exam. Follow normal procedures to resolve the taxpayer's correspondence.
- (6) In cases where there is taxpayer contact and the IDT was addressed but the account was not corrected properly, (i.e., the refund issued due to the identity theft return was not moved to the GL 1545 account), do not return to the Field Exam, resolve the account.
- (7) Document CII with the reason the case is/is not being transferred back to the Field Exam (i.e., CEAS notes input by the Field Exam indicate the revenue agent (RA) or tax compliance officer (TCO) had contact with the taxpayer or the taxpayer submitted documentation during the audit).

25.23.10.7.4.4.2

(02-03-2020)

Returning Cases to the Field Exam

- (1) When it is determined a case will be referred to the Field Exam due to an IDT allegation, the following information must be included as part of the case file:
 - a. Form 3210 completed with the name and address of the appropriate Field Exam IDT Coordinator found on SERP>WHO/WHERE Exam Contacts - AIMS/ERCS Contacts - Area and Campus Program Contacts. Include the taxpayer's full SSN, tax year(s), and the reason for the referral.
 - b. Form 14039, Identity Theft Affidavit, or police report, and all other documents submitted by the taxpayer.
 - c. The TC 30X administrative file. Two (2) attempts must be made to obtain the administrative file. The first attempt should be a CC ESTABS, so the admin file will be sent directly to ICT scanning and saved to the CII record. If scanned as a new CII case, link to the IDT CII case. If no response in 7 calendar days, the second attempt will be made using Form 2275, Records Request, Charge and Request. If the administrative file cannot be obtained, include copies of the Form 2275, Records Request, Charge or Recharge, showing the results of the search.
- (2) Contact the appropriate PSP Contact found on SERP>WHO/WHERE AIMS/ERCS Contacts - Area and Campus Program Contacts to request permission to re-open or re-establish AIMS. The Field Exam coordinator will provide the PBC, SBC, EGC, and status for the AIMS transfer.
- (3) Once permission from the Field Exam coordinator is received, forward an email with the Form 3210, Document Transmittal, to the co-located Campus Exam AIMS coordinator who will re-open or re-establish AIMS and transfer the AIMS base. Attach the email and the Form 3210 to the CII record. Suspend the case for 15 days and monitor. If no response or action, follow-up and suspend an additional 5 days. If still no response or action, elevate to ITVA HQ and copy IDTVA P&A.

25.23.10.7.5
(10-01-2023)
**Post Function DITA
Procedures**

- (4) Once AIMS is re-opened and transferred, mail the IDT package to the IDT coordinator at the applicable Area PSP Office.
- (1) Cases will be assigned to DITA on CII by the referring function. Field cases will be scanned in accordance with IRM 25.23.10.2, Case Batching.
- (2) Field and Specialty Collection will not control cases on IDRS or refer through CII. RPM claims received from the field will be scanned to CII with document type DITA RPM and category code IDII.
- (3) For field BMF incoming referrals, follow IRM 25.23.2.4.3, Tracking Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft.
- (4) New referrals received in DITA must be screened to determine if the collection activity has been addressed by the referring function for all referred years. Verify TC 470 was input, if required. Determine if the taxpayer is being impacted by enforcement activity. See IRM 25.23.4.12, Collection Activity - Form 14394/13794, for screening criteria. If the referring function did not address the collection activity for all referred years, return the case by updating the case data to reflect the information of the referring function and reassigning it back to the referring employee number. Leave a case note such as collection activity not addressed or similar verbiage.

Note: Any collection activity forms that are sent to ACSS by the referring function should be available for viewing on the CII System.

Exception: If the case was referred by ACS Support the Form 14394, Identity Theft/RPM Case Collection Alert should not be completed.

- (5) DITA employees generally will not have direct contact with taxpayers. Requests for additional information and call backs to provide the taxpayer with the status of their case are to be completed by the referring employee. Requests for this type of contact must be sent via secure email to the referring employee within 2 business days of determining taxpayer contact is needed. The recipient's manager must be copied on the email. The recipient has 5 business days to meet all contact requirements.
- (6) DITA examiners are responsible for ensuring interim letters are issued, as required. Refer to IRM 25.23.4.18.1, General IDTVA Letter Procedures, for specific instructions.
- (7) DITA examiners are responsible for verifying the requested actions are appropriate and completing the corrective adjustments to remove transactions/assessments related to the identity theft incident from impacted accounts. The referring functions are responsible for making the ID theft determination prior to referring the adjustment request. DITA will generally not review the determinations made by the referring function for accuracy. Claims are worked in accordance with multiple IRMs, depending on the facts and circumstances of the case. References include but are not limited to:
- IRM 25.23.2, Identity Protection and Victim Assistance - General Case Processing
 - IRM 25.23.3, IMF Non-Tax-Related IDT and Specialized Programs
 - IRM 25.23.4, IDTVA Paper Process
 - IRM 25.23.13, Income Related Identity Theft

- IRM 21.4, Refund Inquiries
 - IRM 21.5, Account Resolution
- (8) Cases referred to DITA in error (i.e., not requiring non-streamline resolution for at least one impacted year) will be returned to the originating employee. Add a case note indicating the reason the referral is being returned.
- (9) DITA employees may identify the ID theft referral was incomplete. DITA will contact the referring operation and request that the missing information be provided or corrected. If DITA is unable to obtain the necessary information, then the referral will be rejected through CII back to the referring employee number. The DITA liaison will document the request for information in a CII Case Note.
- Rejected Field referrals will be faxed back to the originator with the reject reason clearly identified on the referral document. If a fax number is not available, contact the originator via telephone or email to obtain a fax number.
- (10) DITA will only resolve identity theft cases. Any case determined to be a mixed entity or scrambled SSN will be reassigned using the *IDTVA Specialty CII Re-assignment Guide for Non-IDT Cases* after resolution of the modules impacted by identity theft. Document your determination and research, including the other TIN identified for mixed entity cases, in a CII case note.
- (11) On cases that are statute imminent the referring operation will update the priority code to “7”. Assign the case to an employee and ensure these cases are worked as priority inventory.
- (12) DITA will be responsible for completing all actions up to the manual interest computation and completing the subsequent required actions. When manual interest computation is necessary, refer to the IDTVA Restricted Interest Desk Guide available on the IDTVA HUB.
- (13) Field & Specialty referrals will be received in DITA. DITA is responsible for inputting all IDT indicators for Field & Specialty Collection referrals. The IDT indicators must be input within two (2) days of receiving the Form 4844, Request for Terminal Action.
- (14) DITA is not restricted from addressing accounts with Exam and/or AUR involvement.
- (15) If Form 4442 has a notation that EITC Recertification is needed, follow the instructions in IRM 25.23.4.6.2, IDTVA - Additional Research and Required Actions.
- (16) OARs received from the functions are worked as a priority by the DITA team.
- (17) In certain instances, a request to expedite a case may be received. Additional Compliance work can continue after DITA removes the bad information from the account. In addition to the priorities in IRM 25.23.4.3.5, Priority Codes for IDTVA Specialty Functions CII Cases, the following must be worked as priority:
- a. The Revenue Agent/Officer notates “Expedite” at the top of the Form 4442, Inquiry Referral or Form 3870, Request for Adjustment.
 - b. Open TEFRA cases
 - c. Open L freeze cases

- d. Open AUR cases
- e. Counsel Cases

- (18) After all account actions have been taken, input the appropriate TC 971 AC 501 or AC 506. See IRM 25.23.2.6.1, Closing Taxpayer Initiated Identity Theft Affecting Tax Administration - TC 971 AC 501, or IRM 25.23.2.6.3, Closing IRS Determined Identity Theft Affecting Tax Administration - TC 971 AC 506, for additional information. The DITA employee will also document the case actions taken on CII and close the CII case.

Note: When a TC 971 AC 501 or AC 506 is input, DITA will use the BOD and Program Name of the referring function in the MISC section. See IRM 25.23.2-2, IMF Only TC 971 AC 501 — Taxpayer Initiated Identity Theft Case Closure (Tax-Related) - TC 971 AC 501, for more information.

Example: If DITA received the referral from IDTVA - AUR and the taxpayer did not have a filing requirement, then "ITVAC AUR NOFR" would be entered into the MISC field.

Exception: DITA will not close the CII Case if the referring employee has requested it to be returned.

- (19) Upon closing all field Exam cases, DITA is required to inform the referring field examiner of the case closure via email or fax. See IRM 25.23.10.7.6, Field Exam IDT Account Resolution Referrals, for additional information

25.23.10.7.5.1
(10-01-2023)
**Processing TC 150
Returns to an IRSN**

- (1) For cases that do not meet streamline criteria, the invalid taxpayer's information must be moved to an IRSN to make the SSN owner "whole" unless the account can be corrected using the procedures in IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved.

Exception: If it is determined "No Move" procedures are appropriate after following procedures in IRM 25.23.4.9.1, Determining When Specific Year Account Information Must Be Moved, an IRSN will be assigned, but the invalid return information will not be moved to the IRSN module

- (2) An IRSN is a temporary number issued by the IRS and is always on the invalid side of Master File. It is in 9NN-NN-NNNN* format, with the 4th and 5th digit ranges of 01-03, 04-10, 17-19, 28, 29, 37-39, 49, 66 and 89. See IRM 3.13.5.23, Internal Revenue Service Number (IRSN) Format, for more information regarding the 4th and 5th digit ranges.
- (3) IDRS CC TMSSN automates the process of assigning an IRSN when another valid TIN cannot be located for a taxpayer who files a verifiable return using another person's SSN. The invalid taxpayer's entity information is entered in TMSSN; this assigns an IRSN to the invalid taxpayer. See Exhibit 2.4.59-1, IMF Input Format for CC TMSSNI.
- (4) Document the IRSN in a CII note. Once you exit the TMSSNI screen, the IRSN number can't be retrieved.
- (5) For all non-streamline cases, refer to IRM 25.23.4.7, Non-Streamline Identity Theft (IDT) Case Processing.

- (6) If the ASED has expired or is within 180 days of expiring, also refer to IRM 25.23.4.9, Statute Processing Considerations, and its subsections.

25.23.10.7.6
(08-24-2023)
**Field Exam IDT Account
Resolution Referrals**

- (1) SB/SE Field Exam and LB&I will route referrals requesting IDT account resolution action for IMF taxpayers to the Brookhaven (BSC) Specialty-Exam team. This process will be referred to as Brookhaven Identity Theft Exam Referral (BITER).

Note: Field Collection cases must have Exam involvement to be worked by BITER. For Field Collection cases that need to be referred to DITA, see IRM 25.23.10.6.

- (2) SB/SE Field Exam referrals will be worked as a priority before IDI1 inventory with the exception of priority code 1 (TAS) and priority code 2 (statute) inventory, or as otherwise directed by management.
- (3) SB/SE Field Exam will make the requests using Form 4442. The Location box will be notated "Field Exam" with PBC. The Form 4442 will include instructions for the account resolution (including treatment of all credits such as payments, credit elects, etc.) and include necessary documents, such as Form 14039, taxpayer letters, unprocessed returns, etc.
- (4) The Form 4442 referrals will be emailed/EE-faxed to **SBSE CCS BSC EXAM IDT*.
- (5) BSC Specialty-Exam will review the email box daily. New referrals will be screened. Screening will include:
- Reviewing the Form 4442/3870 instructions,
 - Reviewing the specific IDRS modules for freeze code conditions, IVO indicators, etc.
 - Suspending collection activity, Form 14394. If no Form 14394, see (9) below.
 - Review for Form 872, if applicable.
- (6) Return any referrals not accepted by email, to the originator, detailing issues with the referral.
- (7) If the referral is complete and accepted, create CII record(s) and email a receipt acknowledgment with the CII number(s) within 3 business day of receipt. Include the following information when creating the CII record:
- Category Code IDI6
 - Priority Code 3
 - Document Type Field Exam IDT
 - and Program Code 710-40262
- (8) Forward accepted referrals to ICT to be batched. Complete the CII Association Sheet with all the required information. All documents sent with the referral will be included for scanning to the CII record.
- (9) An acknowledgement Letter 5073C is not required.
- (10) Complete necessary collection action per IRM 25.23.4.12, Collection Activity - Form 14394/13794.

- (11) Complete the required account resolution per normal IDT procedures in IRM 25.23.2, IRM 25.23.4, IRM 25.23.10, IRM 25.23.13, and related IRMs.
- (12) When referrals are required to complete specific account resolution, BITER will complete the referral and suspend the case until the action is completed. The following actions may require referral. This list is not all inclusive:
 - a. MFT 32 moved in error

Exception: There are instances that Field Exam will send MFT 32 cases to RIVO not BITER, see IRM 25.25.6.2.3, Exam/Collection/Compliance Office Employees - Procedures for Cases with Taxpayer Protection Program (TPP) Involvement, for more information.
 - b. IRSN required
 - c. Mixed Entity/Scrambled SSN
 - d. TOP Offset
 - e. Unnumbered/Unprocessed return
 - f. Restricted Interest
 - g. Quick and prompt assessment requests, if statute imminent
- (13) Do not review the CEAS case and determination made by the Field Exam employee for accuracy. If there are account indicators that contradict the action requested, the BITER Manager will contact the originator by email and copy the *ITVA headquarters analyst*.
- (14) Complete case analysis is required for the account resolution, see IRM 25.23.4.6.4 for more information. Before adjusting any years other than specified on the referral contact the originator by email with the analysis. Adjusting other years may impact the overall audit plan.
- (15) Recertification reversal of Earned Income Tax Credit (EITC) and Child Tax Credit/Additional Child Tax Credit (CTC/ACTC) with TC 971 AC 056 and 161 are required actions.
- (16) When adjusting a return and all information was not provided such forms, schedules, etc.; email the originator for missing information. If unable to secure the needed information continue normal processing, such as setting a math error, etc. Including issuing a Letter 474C.

Note: Follow up with the originator after 45 days, if the missing information has not been received. Do not suspend the case more than twice.

Note: If following barred assessment procedures, send the appropriate letter 105C/106C.
- (17) Input appropriate TC 501/506 SBSE FLDEXAM or LBI LBI XXXX closing literals per IRM 25.23.2.6 , Closing Identity Theft Issues.

Note: Cases identified through CCA, use category code IDI6 and closing literals SBSE FLDEXAM or LBI LBI.
- (18) Do not issue a closing letter, unless specified in (15) above. Field Exam will notify the taxpayer of the outcome of their claim. Respond to Field Exam by completing Section C of Form 4442 with all actions taken and the actions needed to be taken by Field Exam, including advising the taxpayer that the

identity theft found on the account has been resolved. Provide any IRM required IDT special paragraphs (e.g., unemployment, etc).

- (19) Close the CII record and provide the originator the TXMODA pdf with the pending adjustment when all actions are completed.

Exhibit 25.23.10-1 (09-08-2017)**AUR Standardized Case Notes for IDTVA (AUR Open Cases Only)**

- 20 - IDTVA - Close case no change.
- 21 - IDTVA - Delete IR(s) (Fill in IR #(s)). Continue processing.
- 22 - IDTVA - Case was determined not to be IDT. Continue processing.
- 25 - IDTVA - Letter was issued to the taxpayer requesting additional information. Follow-up date has expired with no response from the taxpayer. IDT claim will be closed, continue processing the case.
- 27 - IDTVA - Case was referred to EXAM. Close case no change.

