



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.23.11

AUGUST 26, 2025

EFFECTIVE DATE

(10-01-2025)

PURPOSE

- (1) This transmits revised IRM 25.23.11, Business Master File (BMF) Identity Theft Procedures for Accounts Management

MATERIAL CHANGES

- (1) IRM 25.23.11.1.3 - Updated title to **Roles and Responsibilities** from **Responsibilities**. (3) and (4) added for improved understanding and clarity.
- (2) IRM 25.23.11.1.4 - Added new subsection, **Program Management and Review**, outlining requirements.
- (3) IRM 25.23.1.5 - Added new subsection, **Program Controls**, outlining requirements. Remaining subsections renumbered.
- (4) IRM 25.23.11.1.4 - Updated title from "Acronyms/Definitions" to "Key Business Master File Identity Theft (BMF IDT) Terminology and Acronyms" and reorganized for clarity and understanding. IPU 25U3333 issued 05-23-2025
- (5) IRM 25.23.11.4.1(3) - Updated the blocking series range from 200-299 to 200-209 for TC 130 and included additional information in the chart for TC 400 with blocking series 99. IPU 25U3333 issued 05-23-2025
- (6) IRM 25.23.11.5 - (3) Clarified input of TC 971 AC 524 with Tax Administration Code EINFAB is limited to IPSO and RICS and generates TC 020. Added new row for Action Code (AC) 524 with new Tax Administration Code ENTLOK and its definition. (4) and (5) Updated to include MISC code EINFAB. IPU 24U1216 issued 12-13-2024
- (7) IRM 25.23.11.5 - Updated throughout to provide clarity regarding input of BMF IDT indicators.
- (8) IRM 25.23.11.6.3 - Moved (5) to new (4), and subsequent paragraphs renumbered.
- (9) IRM 25.23.11.6.3 - (5) Updated category code "TPPI" to "BIDT." (6) New paragraph to list the activity codes and definitions used by RICS for Letter 6042C responses. Reorganized from a bullet list into a table. Added new RICS category code (6042) to indicate a response was received to Letter 6042C.
- (10) IRM 25.23.11.6.3 - (8) Updated table throughout to clarify TC 971 AC 711 is reversed with TC 972 AC 711. Updated Row 5 to include information about TC 971 AC 123 BMF IDT RP used by RICS.
- (11) IRM 25.23.11.6.3 - (9) New paragraph linking to new subsections. Prior (8) through (10) deleted and moved into new subsections.
- (12) IRM 25.23.11.6.3.1 - Added new subsection, "Responding to Online Business Tax Account Inquiries with RICS and/or IDT Involvement", with information previously found in IRM 25.23.11.6.3 (8). Moved prior subsection information to new subsection, IRM 25.23.11.6.3.4, "BMF Accounts with RICS and/or IDT Involvement – AM BMF Identity Theft Teams Only."
- (13) IRM 25.23.11.6.3.2 - Added new subsection "Responding to Taxpayer Phone Calls with RICS and/or IDT Involvement" with information previously found in IRM 25.23.11.6.3 (9).

- (14) IRM 25.23.11.6.3.3 - Added new subsection, "Responding to Taxpayer Paper Inquiries with RICS and/or IDT Involvement" with information previously found in IRM 25.23.11.6.3 (10).
- (15) IRM 25.23.11.6.3.4 - Renumbered from prior IRM 25.23.11.6.3.1, "BMF Accounts with RICS and/or IDT Involvement – AM BMF Identity Theft Teams Only." (4) Added new Row 6 to clarify procedures for when there is no freeze and the account shows RICS involvement.
- (16) IRM 25.23.11.6.4 - Added new paragraphs (2) through (6) to include information about entity locks.
- (17) IRM 25.23.11.6.4.1 - Added new subsection, "BMF Transcripts and Identity Theft - Paper Inquiry Made to a BMF AM CSR," to provide guidance for transcript requests received in inventory.
- (18) IRM 25.23.11.6.5 - (1) Added new bullet regarding requests for transcripts and an identity theft indicator is present. (2) Removed specific reference to paragraph (6) in link to IRM 21.1.3.2.3, Required Taxpayer Authentication. IPU 24U1216 issued 12-13-2024
- (19) IRM 25.23.11.6.5 - Added new paragraphs (6) through (9) to include information about entity locks.
- (20) IRM 25.23.11.6.5.2 - Added new subsection, "BMF Transcripts and Identity Theft" to provide guidance when the taxpayer requests a transcript and identity theft indicators are present on the account. IPU 24U1216 issued 12-13-2024
- (21) IRM 25.23.11.6.5.2 - Updated title from "BMF Transcripts and Identity Theft" to "BMF Transcripts and Identity Theft - Phone Inquiry Made to a BMF AM CSR."
- (22) IRM 25.23.11.6.6.1 - (8) Added information regarding the removal of the sole proprietor link to the cross-reference SSN.
- (23) IRM 25.23.11.6.6.3 - Added new subsection, "BMF Transcripts and Identity Theft - AM BMF Identity Theft Teams Only," to provide guidance to AM BMF IDT employees when a transcript request is received on phones or paper.
- (24) IRM 25.23.11.6.9 - Updated throughout for clarity. (5) New information to specify CMODE is required when using CC IDT48 and CC IDT58.
- (25) IRM 25.23.11.6.10 - Updated title from "Reversing TC 130" to "Reversing TC 130 – AM BMF IDT Employees Only" and added new paragraphs (3) and (4) to provide additional information regarding TC 130 and requirement to email the Non-Master File (NMF) team to confirm there are no outstanding debit balances. Subsequent paragraphs have been renumbered. (5) Added requirement to include the confirmation email from the NMF team when forwarding a case to the manager or lead for approval to reverse TC 130. (6) Changed case message to case note. IPU 25U3333 issued 05-23-2025
- (26) IRM 25.23.11.6.10 - Added new subsection "Erroneous Refund - SBSE Recapture CARE Credit Cases - AM BMF Identity Theft Teams Only."
- (27) IRM 25.23.11.6.11 - Added new subsection, "No Identity Theft (NOIDT) Determinations - AM BMF Identity Theft Teams Only," to outline procedures for NO IDT determinations. Remaining subsections renumbered.
- (28) Exhibit 25.23.11-2 - New exhibit to provide information regarding RICS and BMF IDT account indicators.
- (29) Various editorial changes have been made throughout the IRM. Reviewed and updated grammar, web addresses, form names, organizational terms, and IRM references where applicable. IPU 24U1216 issued 12-13-2024

EFFECT ON OTHER DOCUMENTS

IRM 25.23.11, Business Master File (BMF) Identity Theft Procedures for Accounts Management, dated October 9, 2024 and effective October 1, 2024, is superseded. The following IRM Procedural Updates (IPUs) issued on December 13, 2024 and May 23, 2025 have been incorporated into this IRM: 24U1216, IPU 25U3333.

AUDIENCE

The provisions in this manual apply to all Accounts Management employees working BMF identity theft cases.

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25.23.11

Business Master File (BMF) Identity Theft Procedures for Accounts Management

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- 25.23.11-1 Accounts Management Form 14566 Instructions
- 25.23.11-2 Quick Reference Guide to BMF IDT for Account Management BMF Employees

25.23.11.1
(05-14-2024)
Program Scope and Objectives

- (1) **Purpose:** This manual provides case procedures for use when working Accounts Management (AM) Business Master File (BMF) identity theft inventory and providing assistance to victims of identity theft.
- (2) **Audience:** The primary users of the IRM are all Accounts Management employees who are in contact with taxpayers by telephone, correspondence, or in-person with business-related identity theft.
- (3) **Policy Owner:** Director, Customer Account Services.
- (4) **Program Owner:** Identity Protection Strategy and Oversight (IPSO) is the internal organization responsible for the administration, procedures, and updates related to Accounts Management Business Master File identity theft.
- (5) **Program Goals:** This IRM aims at quickly and effectively resolving Business Master File (BMF) accounts where identity theft is claimed or identified. This IRM outlines the steps to provide relief to those taxpayers whose accounts have been affected by identity theft.

25.23.11.1.1
(10-01-2020)
Background

- (1) Business Master File (BMF) Identity Theft can involve the use of identifying information about a business to file fraudulent returns to support Individual Master File (IMF) identity theft or to obtain refunds from BMF accounts. An individual's stolen personal information can also be used to obtain an Employer Identification Number (EIN) which is used to file false BMF tax returns and income documents. BMF accounts includes the following entity types: sole proprietorship, corporation, partnership, estate, trust, exempt organization, or government entity.

25.23.11.1.2
(10-01-2024)
Authority

- (1) 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 www.irs.gov/taxpayer-bill-of-rights.
- (2) Policy Statement 10-1, *Assisting Taxpayers who Report they are Victims of Identity Theft* See IRM 1.2.1.17, Policy Statements for Security, Privacy and Assurance Activities.
- (3) The statutory authority for the Fraudulent Return Request (FRR) is IRC 6103(e), *Disclosure to Persons Having Material Interest*, which provides a listing of persons who may generally request and receive returns and return information. IRC 6103(e)(1)-(6) and IRC 6103(e)(10) concern disclosure of returns. IRC 6103(e)(7) through (e)(9) as well as (e)(11) refer to disclosure of "return information."
- (4) The *Taxpayer Advocate Service* (TAS) is an **independent** organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their

rights under the *Taxpayer Bill of Rights*. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

25.23.11.1.3
(10-01-2025)

Roles and Responsibilities

- (1) All AM employees who take phone calls or work paper cases, where the taxpayer states they are a victim of BMF ID theft or the employee identifies BMF ID theft, are responsible for following the procedures set forth in this IRM.
- (2) Additional information is found in IRM 1.1.13.6.3, Accounts Management, and IRM 21.1.1, Accounts Management and Compliance Services Overview.
- (3) Managers and leads ensure compliance with the guidance and procedures in this IRM.
- (4) Employees not specialized in the BMF IDT program will be responsible for identifying BMF IDT and referring/routing inquiries and cases for BMF IDT resolution.

25.23.11.1.4
(10-01-2025)

Program Management and Review

- (1) Program Reports: For reports concerning quality, inventory, aged listing, refer to IRM 1.4.16, Accounts Management Guide for Managers. To ensure work is resolved timely and inventory reports reflect the correct data, each AM campus MUST download the Case Control Activity (CCA) 4243, IDRS Overage Report, and CCA 4244, IDRS Multiple Case Control Report, from Control-D WebAccess (CTDWA).
- (2) Program Effectiveness: Program effectiveness is measured and controlled through:
 - a. Managerial Reviews
 - b. Quality Reviews

25.23.11.1.5
(10-01-2025)

Program Controls

- (1) Goals, measures and operating guidelines are provided in the yearly Program Letter. Quality data and guidelines for measurement is referenced in IRM 21.10.1, Embedded Quality (EQ) Program for Accounts Management, Campus Compliance, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Compliance Services (RICS) and Electronic Products and Services Support.

25.23.11.1.6
(05-23-2025)

Key Business Master File Identity Theft (BMF IDT) Terminology and Acronyms

- (1) Key BMF IDT terminology used throughout this guidance is defined below.
- (2) **Business Identity Theft:** Business identity theft (BMF IDT) is defined by the filing of a business tax return when someone creates, uses, or attempts to use a business's or individual's identifying information without authority to obtain tax benefits.
- (3) **Fraud:** Fraud is when a true owner of the EIN or authorized party attempts to file false tax documents to receive a refund, reduce a tax liability, or receive other tax benefits to which they are not entitled.
- (4) **Fabricated EIN:** A fabricated EIN is an EIN established for a business that does not exist. The sole purpose of the fabricated EIN is to defraud the government through the filing of fraudulent tax returns (BMF or IMF) or income documents. They can also be used for other illicit activities not related to the

filing of federal tax returns or other forms. The associated Personally Identifiable Information (PII) may be stolen personal data. **This is considered identity theft.**

Example: An EIN is established and used to report false information on an IMF return to obtain a refund. The fabricated EIN may be found on Schedule C, Schedule F, Schedule H, etc.

- (5) **Tax-Related Impact:** The ID theft has caused a direct effect to the taxpayer's account. This can include the filing of tax returns or income documents.
- (6) **Non-Tax Related Impact:** The business's information has been stolen, but currently there is no direct effect on the taxpayer's account.

Example: A credit card is opened using a business's information; there is no impact to the taxpayer's tax account.

- (7) **Account Clean Up:** RICS makes a determination the EIN is fabricated and will send Form 14566 to clean up the account only if there is a debit or credit balance. Adjustments are only required if it is necessary to resolve any balances due, credits, or payments on the account.
- (8) Refer to the table below for a list of acronyms used throughout this guidance.

| Acronym | Definition |
|---------|-------------------------------------------|
| ACSS | Automated Collection System Support |
| AM | Accounts Management |
| AMS | Accounts Management Services |
| AUR | Automated Underreporter |
| BITR | BMF ID Theft Research Tool |
| BMF | Business Master File |
| BOD | Business Operating Division |
| CC | Command Code |
| CII | Correspondence Imaging Inventory |
| CSCO | Compliance Services Collection Operations |
| CSR | Customer Service Representative |
| DOD | Date of Death |
| EIN | Employer Identification Number |
| FRR | Fraudulent Return Request |
| IAT | Integrated Automation Technologies |

| Acronym | Definition |
|---------|---------------------------------------------|
| IDRS | Integrated Data Retrieval System |
| IDT | Identity Theft |
| IDTVA | Identity Theft Victim Assistance |
| IMF | Individual Master File |
| IPSO | Identity Protection Strategy and Oversight |
| IRM | Internal Revenue Manual |
| IRS | Internal Revenue Service |
| LLC | Limited Liability Company |
| NMF | Non-Master File |
| PII | Personally Identifiable Information |
| RICS | Return Integrity and Compliance Services |
| RIVO | Return Integrity and Verification Operation |
| RPM | Return Preparer Misconduct |
| SERP | Servicewide Electronic Research Program |
| SFR | Substitute for Return |
| SSN | Social Security Number |
| TAS | Taxpayer Advocate Service |
| TC | Transaction Code |

25.23.11.1.7
(10-01-2020)

Related Resources

- (1) Conduct thorough research when resolving account issues. While not all inclusive, the following resource list may be helpful when researching account issues:
- IRM Part 21, Customer Account Services
 - IRM 25.23.9, BMF Identity Theft Processing
 - IRM 20.1, Penalty Handbook
 - IRM 20.2, Interest
 - IRM 25.6.1, Statute of Limitations Processes and Procedures
 - IRM 1.2.1.2.36, Policy Statement 1-236, Fairness and Integrity in Enforcement Selection
 - Pub 1, Your Rights as a Taxpayer
 - IAT BTR Tool, Integrated Automation Technologies Business Identity Theft Research Tool

25.23.11.1.8
(01-22-2020)
**Business Master File
(BMF) Identity Theft
Overview**

- (1) This IRM provides procedural guidance for BMF Accounts Management (AM) personnel authorized to research and process BMF Identity Theft (IDT) phone and paper inquiries.
- (2) BMF IDT inquiries are complex and require extensive research. IRM 25.23.9, BMF Identity Theft Processing, provides Servicewide guidance for working cases. BMF taxpayers are often not aware their identities have been compromised until a notice is received from the IRS. The taxpayer may contact IRS after receiving an unexpected notice regarding an inactive employer identification number (EIN), a recently-established EIN they have no knowledge about, or a balance due notice for a BMF form they never filed with the IRS.

Caution: What appears to be a BMF IDT case may actually be an inadvertent misuse of the EIN (e.g., mixed entity, tax return preparer error, etc.) or fraudulent filing by the EIN owner. This is why thorough research must be completed prior to inputting the ID theft indicator or referring the case to another inventory.

- (3) Generally, individual identity theft victims contact the IRS as they attempt to file the current year income tax return and discover that someone else has already filed a return using their taxpayer identification number. However, it may be several years before a business victim becomes aware of criminal activity and contacts the IRS.

25.23.11.2
(10-01-2022)
**What is Business Master
File (BMF) Identity Theft
(IDT)?**

- (1) BMF identity theft (IDT) is defined as creating, using, or attempting to use a business's identifying information to obtain a tax benefit without authority.

Caution: There must be a federal tax related impact (e.g., balance due, fraudulent refund issued, Taxpayer Delinquency Investigation (TDI), etc.) before BMF IDT can be considered. Examples of tax related impact include (this list is not all inclusive)

1. Fraudulent returns filed. This includes original or amended returns
2. Fraudulent income documents filed by an unauthorized party. This would include Form W-2, Form 1099, etc.

Note: The taxpayer stating, "I did not make this income" does not always mean the case is identity theft. Complete research must be performed per IRM 25.23.9.4, Business Master File (BMF) Identity Theft Research (Inquiry Received via Paper or Phones) and Exhibit 25.23.9-7, Business Master File (BMF) Identity Theft Research Requirement.

If there is no tax related impact, see IRM 25.23.11.6.1, Non-tax Related ID Theft.

- (2) The Service has identified potential ID theft scenarios (this list is not all inclusive):
 - ID thief files a fraudulent return to obtain a refund or
 - ID thief files fraudulent return or returns to support fraudulent individual identity theft filings

Note: Be careful to watch for taxpayers who may claim BMF IDT to avoid paying taxes. This is not ID theft.

- (3) The following scenarios provide examples of BMF IDT:

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25.23.11.3
(10-01-2023)
**Fraud vs Business
Master File (BMF)
Identity Theft**

(1) The fraudulent filing of a return or document allowing the filer to receive a refund on an existing account when the filer has the authority to file a tax return on behalf of the business is **not** considered BMF identity theft (IDT). Making the distinction between BMF IDT and fraud by an authorized party can be very difficult.

- (2) Scenario with example of fraud - The filing of a corporate income tax return with refundable credits by an authorized party may be considered fraudulent activity.

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- (3) Scenario with example of fraud - The filing of an unsubstantiated corrected Form W-2, *Wage and Tax Statement*, to report additional withholding by someone with the authority to file Forms W-2 on behalf of the business may be considered fraudulent activity.

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- (4) If the determination is that the fraudulent return has been filed by an authorized party and it is not a case of ID theft, complete Form 14566, BMF Identity Theft Referral, and e-mail to the AM BMF liaison mailbox, **TS AM BMF IDT*, to be forwarded to the Frivolous Return Misconduct Program (FRP) for review. Make sure to include the rationale behind the determination. Do not close the case until the review is complete.

25.23.11.4
(10-01-2023)
**Business Master File
(BMF) ID Theft Research**

- (1) It is essential to complete all account research prior to taking any account actions, transferring a call or reassigning a case. The initial Customer Service Representative (CSR) is responsible for researching the account to eliminate any routine account issues and placing a potential BMF IDT inquiry into the appropriate work stream. The *Integrated Automation Technologies (IAT) BMF Identity Theft Research (BITR) Tool* should be used for research when possible.
- (2) Complete all research to rule out the potential mixed entity/period or other account situations. Use IRM 25.23.9.4, BMF Identity Theft Research (Inquiry received via paper or phones) and Exhibit 25.23.9-7, BMF Identity Theft Research Requirement, as a research guide.
- (3) Document the findings on CII or AMS that support the suspected ID theft claim.
- (4) The examples below are possible research paths that may need to be considered prior to making a BMF IDT determination:
- a. **Example 1:** The taxpayer received an unexpected balance due notice and claims no knowledge of the tax return and/or business account. The balance due may have been created by an inadvertent tax return filing,

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return preparation error, IRS processing error, or another entity using the same employer identification number (EIN). An explanation of the balance due may need to be provided to the taxpayer. Review the entity section of the documents and determine who signed the returns. If the taxpayer signed the returns, forward copies of these documents to the taxpayer for review.

- b. **Example 2:** The taxpayer has an active or inactive business but did not file the return generating the balance due or refundable credit. The balance due may have been created by an inadvertent tax return filing, return preparation error, 6020(b) submission, Substitute For Return (SFR) submission, IRS processing error, or another entity using the same EIN.
- c. **Example 3:** The account only has one or two Form 941, Employer's Quarterly Federal Tax Return, modules in balance due status without any payments. The taxpayer claims no knowledge of the business and did not request an EIN. Use Command Code IRPTR with definer I to determine whether Forms W-2 were filed for the business. One or two Form 941 modules in balance due (no payments) with matching Form W-2 data may be a sign of BMF IDT.

(5) Research should include (this list is not all inclusive):

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- b. Research any payments on the account. This might provide additional information. Utilize RTR to research for paper checks and CC EFTPS for electronic payments. If the taxpayer states they did not make the payment and it cannot be determined where the payment belongs, do not leave the payment on the account. Move the payment to excess if unable to determine where it belongs. On continuous payments that the taxpayer claims they did not make, review CC RFINK for current reporting agent. It may be necessary to contact Ogden EFTPS group to determine which batch filer made the payments if there are no reporting agents on CC RFINK.
- c. Review all case histories on CII and AMS for prior taxpayer contacts. This includes a review of prior closed CII IMF and BMF cases for the EIN.

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f. If available use Google Maps or Accurint as a potential tool for determining if address listed on the account is a valid address.

(6) After research is complete and mixed entity/period and routine account issues have been ruled out, refer to IRM 25.23.11.6, Business Master File (BMF) Identity Theft Inquiries, to determine if the case should remain in AM or be referred to another area for resolution.

25.23.11.4.1
(05-23-2025)

Accounts Containing TC 130

- (1) If there are balances owed resulting from BMF ID theft, research for BMF ID theft to determine the effects it has had on the IMF side of the X-REF SSN owner.
- (2) This would involve reviewing the account to determine if there is a TC 130 on the IMF entity. The posting of a TC 130 stops any overpayments from offsetting or refunding from the account. A V- freeze (outstanding liability freeze) will be set and there may be refunds being held on the account.
- (3) Research all associated accounts for outstanding balances. Balance due accounts can also reside on the Non-master File (NMF) accounts as well. Indications that there is a NMF account are:
 - a. TC 130 in blocking series (BS) 200-209.
 - b. M- freeze. The module balance will appear to be zero. This is caused by the posting of the TC 400 with a false credit which brought the balance to zero. The balance was then moved to NMF.

| TC 400 with BS of | Indicates |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 00 | A transfer from MF to NMF |
| 05 | Offer in compromise, MF to NMF |
| 09 | A transfer from MF to NMF but is a special project |
| 99 | An overflow account necessitating a move to NMF. See IRM 3.17.46, Automated Non-Master File Accounting, for additional information on overflow accounts. |

- (4) If the resolution of the ID theft issue will alleviate the balance on the BMF account, research the IMF Non-master File (NMF) account to determine if there any other possible balances are owed by the taxpayer. Use CC TXMOD, SUMRY and ENMOD with definer "N" after the TIN to research the NMF.

- (5) If the determination is made that this is a fabricated EIN and the SSN owner has no association with the business, the TC 130 relating to the business must be reversed.
- (6) If dealing with a legitimate business but BMF ID theft did occur, ensure there are no outstanding liabilities for the business prior to reversing the associated TC 130.
- (7) For procedures to reverse any TC 130 relating to the ID theft, see IRM 25.23.11.6.12, Reversing TC 130 - AM BMF IDT Employees Only. IRM 25.23.11.6.12

25.23.11.5
(10-01-2025)
**Business Master File
(BMF) Identity Theft
Indicators**

- (1) BMF ID theft indicators are used to track the progress of an ID theft claim.
- (2) BMF ID theft indicators, unlike those used in IMF, are applied to all MFTs and tax periods affected by identity theft.
- (3) Upon recognition of a case as a potential IDT case, the indicator should be input.

Note: Since BMF IDT indicators can only be input on TXMOD, if there is no TXMOD available for the specific MFT and tax year, you must leave a clear case note to document the receipt of the IDT case and the case resolution.

Example: Form 14566 is received from a taxpayer phone call, and there is no filing history on the account, so there is no module available to input the IDT indicator. Leave a case note to document receipt of the taxpayer's IDT claim. Use the following suggested verbiage (or something similar): *Form 14566 received. Taxpayer claiming IDT.* When the case is resolved, leave a second case note to indicate the outcome of the IDT claim.

Example: Form 14039-B is received in inventory, and there is no filing history on the account, so there is no module available to input the IDT indicator. Leave a case note to document receipt of the taxpayer's IDT claim. Use the following suggested verbiage (or something similar): *Form 14039-B received. Taxpayer claiming IDT.* When the case is resolved, leave a second case note to indicate the outcome of the IDT claim.

- (4) To input the ID theft indicator, use *IAT BTR Tool* and Command Code (CC) REQ77 initiated from TXMODA, when BTR Tool is unavailable. The BMF indicators differ from IMF indicators as the BMF IDT TCs 971 AC 522 do not appear on the entity. Ensure the secondary date and "MISC" sections are correctly input. Indicators must be input on all MFTs and tax periods where ID theft is suspected and/or confirmed.

Note: The Secondary Date field will reflect the IRS receive date or the date of the taxpayer's inquiry. (Due to a programming issue if using today's date and you receive an error message, use the prior day's date). If the identity theft issue was internally identified, use the date you recognized the taxpayer was a victim of identity theft. The ID theft indicators are only input on the TXMODA not the entity section.

Exception: RICS systemic selections for potential BMF IDT review do not contain a secondary date.

Business Master File (BMF) Identity Theft Procedures for Accounts Management 25.23.11

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Note: MISC- In the MISC field enter WI AM XXXXXX. See below for the definitions of the tax administration codes to be used. See IRM 25.23.9-1, TC 971 AC 5XX - MISC Codes, for additional information.

| | Action Code | Tax Administration Code | Definition |
|----|-------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 522 | IDTCLM | <p>Taxpayer makes a claim of identity theft, but no taxpayer documentation provided.</p> <p>The indicator is input on taxpayer asserted BMF ID theft accounts and IRS Identified BMF ID theft accounts.</p> <p>See IRM 25.23.9.6.1 , <i>Allegation or Suspicion of BMF Identity Theft - TC 971 AC 522 IDTCLM</i>, for additional information.</p> <p>Example: Form 14566 is received from a taxpayer phone call. TC 971 AC 522 should be input with IDTCLM in the MISC field.</p> <p>Note: The taxpayer may still need to complete Form 14039-B if additional information is needed.</p> |

| | Action Code | Tax Administration Code | Definition |
|----|-------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | 522 | IDTDOC | Taxpayer provided a Form 14039, Identity Theft Affidavit or Form 14039-B, Business Identity Theft Affidavit, or taxpayer supporting documentation. See IRM 25.23.9.6.2, Taxpayer Supporting Documentation-TC 971 AC 522 IDTDOC, for additional information. If a loose Form 14039-B is received and no TC 971 AC 522 IDTCLM is on the module, input only the TC 971 AC 522 IDTDOC to indicate the ID theft claim was received from taxpayer. |
| 3. | 522 | CLSIDT | BMF ID theft case resolved and was confirmed IDT. See IRM 25.23.9.6.3, Closing BMF Identity Theft Issues - TC 971 AC 522 CLSIDT, for additional information. |
| 4. | 524 | EINFAB | EIN is fabricated and the account has been locked. Send Form 14566, BMF Identity Theft Referral, to the AM BMF liaison mailbox, <i>*TS AM BMF IDT</i> , if it is determined the entity is fabricated. Note: Input of MISC code EINFAB is limited to IPSO and RICS and generates TC 020 on the entity. |

| | Action Code | Tax Administration Code | Definition |
|----|-------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | 524 | ENTLOK | EIN is legitimate, identity theft confirmed, and the entity locked to prevent name, address, and responsible party updates. Note: Input of MISC code ENTLOK is limited to IPSO and RICS and does not generate TC 020 on the entity. |

- (5) When the input of the TC 971 AC 524 with MISC code EINFAB posts, it will generate the posting of the TC 020 on the entity and lock the account. The TC 020 will post one cycle after the TC 971 AC 524 and is only visible on CC BMFOLE. A TC 020 generated by a TC 971 AC 524 will not delete the entity but will prevent the posting of returns and payments to a tax module that is not already established on BMF. Refer to IRM 25.23.9-1, Transaction Code (TC) 971 Action Code (AC) 5XX - Misc Codes, for additional tax administration source codes and their descriptions that may be used for locking EIN accounts.
- (6) For the input of the TC 971 AC 524 with MISC code EINFAB, send the completed referral form and e-mail to the AM BMF liaison mailbox, **TS AM BMF IDT*. On the subject line enter: TC 971 AC 524, and CII Case ID if available. Refer to IRM 25.23.9.8.4, Referrals to Lock the Account. Be certain to include on the referral all appropriate research completed. Document the sending of the referral on AMS along with the details of the request. If working a CII case, attach the referrals to the CII case. If the account has been locked in error, send a referral to the AM BMF liaison mailbox, **TS AM BMF IDT*, to have the TC 971 AC 524 reversed.
- (7) If a TC 971 AC 522 indicator has been placed on the account and after research it is determined that ID theft does not exist, reverse the indicator per IRM 25.23.9.6.5, Reversing BMF Identity Theft Indicators, and IRM 25.23.11.6.13, Reversing BMF Identity Theft Indicators.
- (8) Cases determined not to be identity theft may require additional actions to resolve outstanding issues (i.e., amended return, duplicate return, etc.). See IRM 25.23.11.6.11, No Identity Theft (NOIDT) Determinations - AM BMF Identity Theft Teams Only, for additional information.

25.23.11.6
(05-14-2024)
**Business Master File
(BMF) Identity Theft
Inquiries**

- (1) Once the required research is completed and ID theft is confirmed or there is a high probability ID theft exists, it is necessary to determine whether the case should remain in AM inventory or be referred to another function.

25.23 Identity Protection and Victim Assistance

- (2) Use the table below to determine whether the case will remain in AM or be transferred to another function. This initial step is vital to ensure the case is placed in the appropriate identity theft treatment stream as soon as possible.

Reminder: All referrals will go liaison to liaison. All AM referrals will go through the AM BMF ID theft liaison first. The AM BMF ID theft liaison will forward to the appropriate referring function. To find a list of the functional liaisons, see the *Identity Theft - BMF Liaison Contacts* located under SERP Who/Where or on the BMF ID Theft Website on SERP.

| | If... | Then... | Additional Information... |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | If a case is closed in AM with a BMF IDT indicator (TC 971 AC 522, with IDTCLM, IDTDOC, CLSIDT, NORPLY, NOIDT, IRSERR, FALSE, or OTHER) on the tax module | Reassign or refer the case to the assigned or closing CSR. AM only cases | |
| 2. | One or more of the account modules are in Status 22 and completed research indicates potential ID theft | Forward the case to the team leadership for case review and referral approval. If the referral is approved, refer the case to the AM BMF IDT Liaison. Prepare Form 14566, BMF Identity Theft Referral, and send it by secure e-mail to *TS AM BMF IDT. See Exhibit 25.23.11-1, Accounts Management Form 14566 Instructions , for completion details. | <i>Doc 6209 Section 8A-3, MF and IDRS Collection Status Codes</i> |
| 3. | One or more of the account modules are in Status 26 and completed research indicates potential ID theft | Forward the case to the team leadership for case review and referral approval. If the referral is approved, refer the case to the AM BMF IDT Liaison. Prepare Form 14566, BMF Identity Theft Referral, and send it by secure e-mail to *TS AM BMF IDT. See Exhibit 25.23.11-1, Accounts Management Form 14566 Instructions , for completion details. | If there are tax periods in notice status 21 or 58, in addition to the status 26 module(s), input CC STAUP 22 01 to accelerate those tax periods to Status 26. See IRM 21.3.3.4.8.2(4), Campus Collection Function Correspondence/Inquiry/Notice, and <i>Doc 6209 Section 8A-3, MF and IDRS Collection Status Codes</i> for additional information. |

Business Master File (BMF) Identity Theft Procedures for Accounts Management 25.23.11

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| | If... | Then... | Additional Information... |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | There is an open or closed audit, and completed research indicates there is potential ID theft relating to the audit | Forward the case to the team leadership for case review and referral approval. If the referral is approved, refer the case to the AM BMF IDT Liaison. Prepare Form 14566, BMF Identity Theft Referral, and send it by secure e-mail to *TS AM BMF IDT. See Exhibit 25.23.11-1 , Accounts Management Form 14566 Instructions, for completion details. | Prior to forwarding to Exam, input TC 470 to prevent erroneous balance due notices from being issued while the case is under review. Refer to <i>Doc 6209 Section 8A-3, MF and IDRS Collection Status Codes</i> for additional information. |
| 5. | The module shows Combined Annual Wage Reporting (CAWR) function activity and completed research indicates there is potential ID theft relating to the CAWR issue | Forward the case to the team leadership for case review and referral approval. If the referral is approved, refer the case to the AM BMF IDT Liaison. Prepare Form 14566, BMF Identity Theft Referral, and send it by secure e-mail to *TS AM BMF IDT. See Exhibit 25.23.11-1 , Accounts Management Form 14566 Instructions, for completion details. | Prior to forwarding to CAWR, input TC 470 to prevent erroneous balance due notices from being issued while the case is under review. Refer to <i>Doc 6209 Section 8A-3, MF and IDRS Collection Status Codes</i> for additional information. |
| 6. | The module shows Federal Unemployment Tax Act (FUTA) activity, and completed research indicates there is potential ID theft relating to the FUTA issue | Forward the case to the team leadership for case review and referral approval. If the referral is approved, refer the case to the AM BMF IDT Liaison. Prepare Form 14566, BMF Identity Theft Referral, and send it by secure e-mail to *TS AM BMF IDT. See Exhibit 25.23.11-1 , Accounts Management Form 14566 Instructions, for completion details. | Prior to forwarding to FUTA, input TC 470 to prevent erroneous balance due notices from being issued while the case is under review. Refer to <i>Doc 6209 Section 8A-3, MF and IDRS Collection Status Codes</i> for detailed information. |
| 7. | RICS See IRM 25.23.11.6.3, BMF Returns Selected For RICS Review | 1. For paper cases: Refer to IRM 25.23.11.6.3 for procedures before forwarding the case to the team leadership for case review and referral approval. If the referral is approved, forward the case to RICS Unit, OSC Stop 9002. 2. For phones: Refer to IRM 25.23.11.6.3 for procedures. | Do not advise them to submit a Form 14039-B |

| | If... | Then... | Additional Information... |
|----|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 8. | None of the conditions above are met, | The case will remain in AM and extensive research must be performed to rule out other account issues. If there is a high probability of ID theft and you are untrained in ID theft, contact your team lead to complete a Form 14566 and forward to the appropriate AM ID theft unit per IRM 25.23.11.6.4, BMF Identity Theft Paper Inquiry or IRM 25.23.11.6.5(9)(1), BMF Identity Theft Phone Inquiry Made to a BMF AM CSR. | |

Do not refer the case if the ID theft issue is not related to the function's issue.

Example: There is a closed audit and a TC 300 on the account creating a balance due. An amended return comes in requesting a large refund from refundable credits. The ID theft issue is not related to the audit. The case should not be referred to Exam just because there is a TC 300 on the module. Review the ID theft claim and determine if it is related to an issue in another function prior to referring it.

25.23.11.6.1
(10-01-2022)

Non-Tax Related Identity Theft

- (1) If the taxpayer states they are a victim of ID theft and research determines there is no tax related impact, provide the following guidance as applicable.
- (2) If the taxpayer states they were alerted that their Personally Identifiable Information (PII) was breached, refer to IRM 25.23.1.7, Taxpayers who are Victims of a Data Breach, for additional information.
- (3) If the business has experienced a breach of employee or client data, and the taxpayer is seeking assistance for their employees or clients, see IRM 25.23.1.6, Data Breach- Business Entities Whose Employees or Clients PII was Breached, for information to provide the taxpayer.
- (4) If the taxpayer is seeking advice about the data breach of the business, ask the taxpayer about the type of information breached.
 1. If a business or payroll company contacts the Service to report a data loss relating to Forms W-2 information, advise them to go to IRS.gov and search using key word, "Identity Theft". Click on "Identity Protection: Prevention, Detection and Victim Assistance". Click on "Taxes. Security. Together." In the section under "How Businesses Can Help," click on "Form W-2/SSN Data Theft: Information for Businesses and Payroll Service Providers". This link provides the information on various agencies and how to contact them to report the loss.
 2. If a business or payroll company contacts the Service to report a theft in their office that could lead to a data breach but does not include W-2 information, advise them to contact their local stakeholder liaison. The stakeholder liaison listing can be found on IRS.gov, search keywords "Stakeholder Liaison" then click on "Stakeholder Liaison Local Contacts".

The liaisons are listed by state. The liaison will notify CI and other functions on their behalf. Advise the caller that they need to contact the liaisons as quickly as possible so the IRS can take steps to prevent the filing of fraudulent returns.

3. Advise the taxpayer they may want to contact the Federal Trade Commission or the Social Security Administration at:

| Contact | Web Address | Contact Number |
|--------------------------------------|----------------------------------------------------------------------|----------------|
| Federal Trade Commission (FTC) | www.ftc.gov/idtheft | 877-438-4338 |
| Social Security Administration (SSA) | www.ssa.gov search "Identity Theft" | 800-772-1213 |

4. Advise the caller they may want to contact one of the major credit bureaus. They may be able to assist them in obtaining information needed to pursue issue relating to the loss of the businesses PII information.

| Credit Bureau | Web Address | Contact Number |
|---------------|---------------------------------------------------------------------------------------|----------------|
| Equifax | https://www.equifax.com/business | 800-525-6285 |
| Experian | https://www.experian.com/business | 888-397-3742 |
| Transunion | https://www.transunion.com/business | 800-680-7289 |

5. Advise the taxpayer they may want to file a report with their local or state police and contact their state Attorney General's office. Provide the web site information for a list of state Attorney General, <https://www.naag.org>
6. Provide the taxpayer the irs.gov website advising them to search for "business identity theft," to obtain additional ID theft information.

25.23.11.6.2 (10-01-2023) Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft

- (1) There will be times when a taxpayer contacts the Service advising they have no association with a business but have received a CP 575, Employer Identification Number (EIN) Assignment Notice confirming the assignment of an EIN. It is possible that an ID thief used someone's PII to obtain an EIN for a business.
- (2) If a Form 14039, Identity Theft Affidavit is received stating the taxpayer has no knowledge or association with the business, a referral must be sent to the BMF functional liaison. The BMF IDT SME's will send the Letter 5316C, BMF Identity Theft Documentation Acknowledgment Letter (Form 14039B and required documentation), if deemed a valid BMF IDT. If the contact is by phone, do not advise them to submit a Form 14039 or Form 14039-B, Business Identity Theft Affidavit.

25.23 Identity Protection and Victim Assistance

Exception: The acknowledgement letter is not necessary if it is clear the case can be resolved within 30 days of receipt into BMF IDT inventory. Letter 5317C, BMF Identity Theft Request for Information or Closing Letter will serve as an acknowledgement. If work schedules do not allow for time to make this determination, or it is not clear then the 5316C should be sent to acknowledge receipt.

- (3) Research the IMF side to determine if there is any past association with the EIN. This will include schedule C, Schedule H or possible wages utilizing the EIN in question. See IRM 25.23.9.4.2, Individual Taxpayers Reporting to be Victims of Business Related Identity Theft, for additional information if needed.
- (4) If you are not trained in working ID theft, contact your team lead and refer to the appropriate BMF ID theft unit per IRM 25.23.11.6.4, BMF Identity Theft Paper Inquiry or IRM 25.23.11.6.5, BMF Identity Theft Phone Inquiry Made to a BMF AM CSR, using Form 14566, BMF Identity Theft Referral. For instruction on how to complete the form see Exhibit 25.23.11-1, Accounts Management Form 14566 Instructions.
- (5) If trained to work BMF ID theft cases and it is determined ID theft exists, research utilizing the *IAT BITR Tool* and CC IMFOLE, when BITR is unavailable, to determine if there is an existing TC 971 AC 504 MISC SPCL2. This marker on the IMF side identifies the association of BMF ID theft to the SSN owner. If there is currently no ID TC 971 AC 504 SPCL2 marker, the SSN entity must be marked on CC ENMOD using CC REQ77. Overlay the SSN ENMOD and complete the fields as follows:
 1. TC> 971
 2. Secondary Date> The related tax year
 3. TC 971/151-CD> 504
 4. XREF-TIN>EIN
 5. MISC>SPCL2
- (6) See IRM 25.23.2.8.1.2, TC 971 AC 504- Miscellaneous Field Code SPCL1, SPCL2, RPM1, RPM2, RPM3, RPM4, and EAFAIL, for additional information.

25.23.11.6.3
(10-01-2025)
**BMF Returns Selected
for RICS Review**

#####

- (4) RICS sends the Letter 6042C, Entity Verification for Business, to verify the business entity. If a TC 971 AC 711 posted, the return will be suspended for up to three years (156 cycles) from the TC 973 posted cycle. If the return has not been validated within those three years, it will be deleted from the suspense file.
- (5) There will be an open control assigned to 1481055555 with a category code of BDT and an activity code showing potential IDT (POTENTIALIDT).
- (6) RICS uses the following IDRS activity codes with category code 6042 to indicate a response was received from the taxpayer:

(7) If a TC 971 AC 711 posted suspending the return and a second return is filed that does not hit the filters, it will post as a TC 150. If a second return is filed

and it also hits the filters, a second TC 973 will post to the account. There can be more than one TC 973 on the module.

- (8) The following table illustrates the codes and actions RICS will take based on the determination:

| | If the selected return is determined to be: | And | Then: |
|----|----------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Not IDT | No questionable frivolous or fraudulent items are present | <p>RICS will take appropriate actions as follows:</p> <ul style="list-style-type: none"> Reverse the TC 971 AC 711 if present with TC 972 AC 711, and input TC 971 AC 712 with corresponding DLN of the TC 973 to allow that return to post. If a TC 971 AC 522 is present, RICS will reverse as applicable. |
| 2. | Not IDT | Frivolous items are present | <p>RICS will take appropriate actions as follows:</p> <ul style="list-style-type: none"> Refer the case to FRP for further review and will update activity to 'NOTIDT_FRP'. Reverse the TC 971 AC 711 if present with TC 972 AC 711, and input TC 971 AC 713 with corresponding DLN of the TC 973 to allow that return to post and freeze any refund with a TC 810 (-Q freeze) RC 4. If a TC 971 AC 522 is present, RICS will reverse as applicable and notate case referred to other area for review. |

| | If the selected return is determined to be: | And | Then: |
|----|---------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Not IDT | Fraudulent items are present | <p>RICS will take appropriate actions as follows:</p> <ul style="list-style-type: none"> • Refer the case to SBSE for further review and will update activity to 'REF2SBSE'. • Reverse the TC 971 AC 711 if present with TC 972 AC 711, and input TC 971 AC 717 with corresponding DLN of the TC 973 to allow that return to post and freeze any refund with a TC 810 (-Q freeze) RC 8. • If a TC 971 AC 522 is present, RICS will reverse as applicable and notate case referred to other area for review. |
| 4. | Not IDT | the return was deleted from the suspense file | <p>RICS will take appropriate actions as follows:</p> <ul style="list-style-type: none"> • Reverse the TC 971 AC 711 with TC 972 AC 711. • Send the return for processing using the original received date. <p>Reminder: The original DLN will be crossed out on the return for processing to assign a new DLN.</p> |

| | If the selected return is determined to be: | And | Then: |
|----|---------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | IDT or Fabricated EIN | | <p>RICS will post a TC 971 AC 522 CLSIDT, and/or document AMS notes with the determination.</p> <p>RICS may also input TC 971 AC 123 with BMF IDT RP in the MISC field. The 'RP' in the MISC field stands for 'release plan,' and indicates the account was researched and deemed identity theft through a bulk process. TC 971 AC 123 BMF IDT RP will be seen along with the TC 971 AC 522 CLSIDT.</p> <p>If EIN is deemed fabricated, RICS will also:</p> <ul style="list-style-type: none"> • Update the entity with "POTENTIAL FAB EIN" on the sort name line. • Input on CC ENMOD a TC 971 AC 524 containing EINFAB in the MISC field to lock the EIN. <p>Reminder: If the EIN is deemed fabricated, BMF AM not specialized in IDT casework, should not make any adjustments on the account. Refer to specific guidance in IRM 21.7.2.4.4.13, Forms 94XX with Return Integrity and Compliance Services (RICS), Return Integrity Verification Operations (RIVO), or Identity Theft (IDT) Involvement, for referral to BMF IDT.</p> |

- (9) Refer to the appropriate IRM section for procedures specific to BMF returns selected for RICS review:

- IRM 25.23.11.6.3.1, Responding to Online Business Tax Account Inquiries with RICS and/or IDT Involvement
- IRM 25.23.11.6.3.2, Responding to Taxpayer Phone Calls with RICS and/or IDT Involvement
- IRM 25.23.11.6.3.3, Responding to Taxpayer Paper Inquiries with RICS and/or IDT Involvement
- IRM 25.23.11.6.3.4, BMF Accounts with RICS and/or IDT Involvement – AM BMF Identity Theft Teams Only

25.23.11.6.3.1

(10-01-2025)

**Responding to Online
Business Tax Account
Inquiries with RICS
and/or IDT Involvement**

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| | If | Then |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINFB2 in the MISC field</p> <p>Note: TC 971 AC 524 containing EINFAB in the MISC field deemed fabricated by RICS will include 'POTENTIAL FAB EIN' in the sort name line. TC 971 AC 524 containing EINFB2 deemed fabricated by RICS may or may not include 'POTENTIAL FAB EIN' in the sort name line.</p> | <ul style="list-style-type: none"> • Include in the subject line of the secure email 'BTA Access Reconsideration' and the last 4 digits of the EIN (i.e., 'BTA Access Reconsideration 8765'). • Advise the taxpayer their account will need to be referred to another area for review and the timeframe for review is up to 60 days. <p>After the 60 day timeframe has passed, continue to follow the instructions above every 60 days (as needed) if the taxpayer does not receive a response.</p> <ul style="list-style-type: none"> • Include in the subject line of the secure email 'BTA Access Reconsideration: X Request', where 'X' is the request number (i.e., second, third, etc.), and the last 4 digits of the EIN (i.e., 'BTA Access Reconsideration: Second Request 8765'). • Advise the taxpayer their account will need to be referred to another area for review and the timeframe for review is up to 60 days. |

#

| | If | Then |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | <p>There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINFB2 in the MISC field and 'Identity Theft' is present in the sort name line</p> <p>Note: AM BMF Identity Theft always includes 'Identity Theft' in the sort name line when deeming an account fabricated.</p> | <ul style="list-style-type: none"> • Send a Form 14566, BMF Identity Theft Referral, by secure email to the AM BMF IDT liaison at <i>*TS AM BMF IDT</i>. In the referral, explain the taxpayer is attempting to access BTA and/or ECO and the account needs reconsideration. • Include in the subject line of the secure email 'BTA Access Reconsideration' and the last 4 digits of the EIN (i.e., 'BTA Access Reconsideration 8765'). • Advise the taxpayer their account will need to be referred to another area for review and the timeframe for review is up to 120 days. • Correspondence will be sent to the taxpayer to let them know the results of the review. |

25.23.11.6.3.2
(10-01-2025)

Responding to Taxpayer Phone Calls with RICS and/or IDT Involvement

- (1) RICS sends the Letter 6042C, Entity Verification for Business, to verify the business entity. Taxpayers may contact the IRS to inquire about the letter or to follow-up after documentation has been submitted. There may also be times when the taxpayer contacts the IRS and is unaware the return is being reviewed and has not received the letter.
- (2) If the taxpayer **calls** and the return is being held for (or pending) RICS review, follow the If/Then chart below:

| | If the taxpayer calls and | Then |
|----|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Claims they have no knowledge of the business referenced on the notice/letter | <ol style="list-style-type: none"> 1. Advise the taxpayer to submit a signed statement with a copy of their Letter 6042C via fax or to the address provided on the letter. 2. Advise the taxpayer it can take up to 9 weeks to review and complete account actions from the received date of their letter response. |
| 2. | Questions the notice/letter or is asking for assistance | <ol style="list-style-type: none"> 1. Advise the taxpayer they must reply to the Letter 6042C and provide the requested information via fax or to the address provided on the letter. 2. Advise the taxpayer it can take up to 9 weeks to review and complete account actions from the received date of their letter response. |

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| | If the taxpayer calls and | Then |
|----|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | The taxpayer states they did not receive a Letter 6042C and RICS has not made a final determination of ID theft | <p>1. Send an e4442 referral to</p> <p>Section B of the e4442, request RICS re-issue the letter and include additional information the taxpayer provides</p> <p>Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information.</p> <p>2. Explain to the taxpayer their tax return is under review and they must respond to the letter providing the requested information.</p> <p>3. Advise the taxpayer they should receive the reissued letter within 30 days.</p> <p>Reminder: Do not reissue the letter to the taxpayer. Only RICS can reissue the letter.</p> |

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| | If the taxpayer calls and | Then |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | <p>The taxpayer states they did not receive a Letter 6042C and RICS has made a final determination of ID theft. For example, research may show any of the following (this is not all-inclusive):</p> <ul style="list-style-type: none"> • Closed RICS control with IDRS activity code of IDTCON-FRMD • An unreversed TC 971 AC 522 containing CLSIDT posted to tax module • A previous request to reissue the letter and AMS/IDRS history indicates RICS has made a final IDT determination, and the letter will not be reissued <p>Note: RICS does not send determination letters for Entity Fabrication (EF) or ID theft programs. If RICS has made a determination of ID theft, they do not communicate with or respond back to the individual. Refer to actions taken on AMS/IDRS to see the case determination made by RICS.</p> | <ol style="list-style-type: none"> 1. Advise the taxpayer after review of their account, the return was determined to be an invalid filing. The return will not be processed, and a refund will not be issued or overpayments applied. 2. Advise the taxpayer if they have additional information to support the return filed, please fax that supporting documentation to 844-201-5531. |

| | If the taxpayer calls and | Then |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | <p>If the taxpayer responded to the Letter 6042C , Entity Verification for Businesses, and calls back claiming they did not receive a refund or their return did not complete processing due to RICS review, no confirmed BMF IDT TC posted to the account and 9 weeks have passed from the taxpayer's letter response received date</p> <p>Note: If 9 weeks have not passed from the date the taxpayer's response was received, advise the taxpayer it can take up to 9 weeks to review.</p> | <p>1. Send an e-4442 using</p> <p>Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information.</p> <p>2. Advise the taxpayer actions will be completed within 30 days.</p> |
| 6. | <p>If the taxpayer responded to Letter 6042C and did not receive a refund or their return did not process due to RICS review, and a confirmed BMF IDT transaction code posted to the account</p> <p>Note: RICS does not send determination letters for Entity Fabrication (EF) or ID theft programs. If RICS has made a determination of ID theft, they do not communicate with or respond back to the individual. Refer to actions taken on AMS/IDRS to see the case determination made by RICS.</p> | <p>1. Advise the taxpayer after review of the response to letter 6042C, the return was determined to be an invalid filing. The return will not be processed, and a refund will not be issued or overpayments applied.</p> <p>2. Advise the taxpayer if they have additional information to support the return filed, please fax that supporting documentation to 844-201-5531.</p> |

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| | If the taxpayer calls and | Then |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | <p>The taxpayer submitted additional information to support the return filed and states they did not receive a refund or their return was determined to be an invalid filing due to RICS review, and 9 weeks have passed from the taxpayer's response received date with no update to the IDT determination. For example, research may show any of the following (this is not all-inclusive):</p> <ul style="list-style-type: none"> • Closed RICS control with IDRS activity code of NOTIDT • TC 971 AC 522 containing CLSIDT reversed with TC 972 AC 522 containing NOTIDT posted to the tax module • TC 971 AC 711 reversed with TC 971 AC 712, TC 971 AC 713, or TC 971 AC 717 with corresponding DLN on TC 973 to allow the return to post • AMS narrative indicating no IDT and actions taken <p>Note: If 9 weeks have not passed from the date the taxpayer's response was received, advise the taxpayer it can take up to 9 weeks to review.</p> | <p>1. Send an e-4442 using</p> <p>Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information.</p> <p>2. Advise the taxpayer actions will be completed within 30 days.</p> |

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| | If the taxpayer calls and | Then |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8. | <p>If the taxpayer submitted additional information to support the return filed and states they did not receive a refund or their return was determined to be an invalid filing due to RICS review, and RICS has confirmed the final determination of ID theft</p> <p>Note: RICS does not send determination letters for Entity Fabrication (EF) or ID theft programs. If RICS has made a determination of ID theft, they do not communicate with or respond back to the individual. Refer to actions taken on AMS/IDRS to see the case determination made by RICS.</p> | <p>1. Advise the taxpayer after review of the additional information submitted, the return was determined to be an invalid filing. The return will not be processed, and a refund will not be issued or over-payments applied.</p> <p>2. Advise the taxpayer if they have additional information to support the return filed, please fax that supporting documentation to 844-201-5531.</p> |

Note: The taxpayer does NOT need to file a Form 14039 or Form 14039-B; RICS will ensure all appropriate actions to protect the taxpayer's account will be taken.

- (3) If the taxpayer is calling in response to Letter 5263C, Entity Fabrication, or your research indicates Letter 5263C was sent by RICS, see IRM 25.23.11.6.6.1, Fabricated EINs, for additional information.

25.23.11.6.3.3
(10-01-2025)

Responding to Taxpayer Paper Inquiries with RICS and/or IDT Involvement

- (1) RICS sends the Letter 6042C, Entity Verification for Business, to verify the business entity. Taxpayers may contact the IRS to inquire about the letter or to follow-up after documentation has been submitted. There may also be times when the taxpayer contacts the IRS and is unaware the return is being reviewed and has not received the letter.
- (2) If a **paper** case is received that meets the criteria outlined in IRM 25.23.11.6.3, BMF Returns Selected for RICS Review, follow the chart below:

| | If the case is | The tax module may show | Then |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | A response to Letter 6042C, Entity Verification for Businesses | | Forward the case to RICS Unit, Ogden Service Center, Stop 9002 OR fax the response to 844-201-5531. Note: The fax number is only to be used for responses to Letter 6042C. |
| 2. | A response to a CP notice requesting a return to be filed (e.g., CP 80 or CP 259) but original return is being held pending RICS review | | Forward the case to RICS Unit, Ogden Service Center, Stop 9002 Note: Responses to CP notices must be routed to Stop 9002. There is no other method of delivery available. |
| 3. | A duplicate/amended return but there is no posted TC 150 because the original return is being held pending RICS review and it has been 23 weeks since RICS selected the original return (TC 973) Note: The 23 weeks is figured from the TC 973 posted cycle. See <i>SERP - 6209 - IRM Supplements (irs.gov)</i> , and select Section 16, Julian Date, Cycle and Notice Calendars. Select the applicable TIF Processing Cycles chart to determine if the timeframe has been met. | <ul style="list-style-type: none"> • TC 971 AC 711 • TC 973 • Open control assigned to 1481055555 • IDRS activity code POTENTIDT | Send a referral (e-4442 or fax if e-4442 is not available) using to RICS requesting RICS review the case for a determination. Upon RICS determination, continue processing per the applicable scenarios below. |

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| | If the case is | The tax module may show | Then |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | <p>A duplicate/amended return but there is no posted TC 150 because the original return is being held pending RICS review and it has not been 23 weeks since RICS selected the original return (TC 973)</p> <p>Note: The 23 weeks is figured from the TC 973 posted cycle. See <i>SERP - 6209 - IRM Supplements (irs.gov)</i>, and select Section 16, Julian Date, Cycle and Notice Calendars. Select the applicable TIF Processing Cycles chart to determine if the timeframe has been met.</p> | <ul style="list-style-type: none"> • TC 971 AC 711 • TC 973 • Open control assigned to 1481055555 • IDRS activity code POTENTIDT | <p>Suspend the case and monitor for RICS to make a determination.</p> <p>If the 23 week timeframe passes with no determination from RICS, send a referral as indicated in Box 3 above.</p> <p>Upon RICS determination, continue processing per the applicable scenarios below.</p> <p>Exception: You must continue to monitor for a RICS determination. If there is any indication the TP responded to Letter 6042C (example: AMS history shows taxpayer responded and no 4442 has been sent, or RICS IDRS control activity shows a response received) and it has been 9 weeks since the TP response was received by RICS, send an e-4442 to RICS requesting they review the case for a determination.</p> |

| | If the case is | The tax module may show | Then |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | A duplicate/amended return, there is a TC 150 posted, RICS determination is Not IDT and the return was not referred to another area for review of questionable frivolous or fraudulent items claimed on the return. | <ul style="list-style-type: none"> • TC 971 AC 711 reversed with TC 972 AC 711 • TC 971 AC 712 with corresponding DLN of the TC 973 to allow the return to post • RICS IDRS control is closed • IDRS activity code indicates NOTIDT | <p>Do not refer to BMF IDT and process using normal procedures as found in IRM 21.7.9 , BMF Duplicate Filing Conditions.</p> <p>Reminder: Follow IRM procedures for any applicable freeze codes on the module. There may be instances where a freeze code should not be released.</p> |
| 6. | A duplicate/amended return, there is a TC 150 posted, RICS determination is Not IDT and the return was referred to another area for review of questionable frivolous or fraudulent items claimed on the return. | <ul style="list-style-type: none"> • TC 971 AC 711 reversed with TC 972 AC 711 • TC 971 AC 713 or AC 717 with corresponding DLN of the TC 973 to allow the return to post • RICS IDRS control is closed • Refund frozen with a TC 810 (-Q freeze) • AMS/IDRS history notes will indicate the return is not IDT and referred to other area for review. | <p>Do not refer to BMF IDT and process using normal procedures as found in IRM 21.7.9 , BMF Duplicate Filing Conditions.</p> <p>Reminder: Follow IRM procedures for applicable freeze codes on the module (i.e., -Q) and the control base histories. There will be instances where a freeze code should not be released.</p> |

| | If the case is | The tax module may show | Then |
|----|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | A duplicate/amended return and RICS determination is IDT or a Fabricated EIN determination has been made | <ul style="list-style-type: none"> Unreversed TC 971 AC 522 MISC CLSIDT and/or AMS/IDRS indicates IDT determination 'POTENTIAL FAB EIN' on the sort name line if the EIN is determined to be fabricated Unreversed TC 971 AC 524 input on ENMOD containing EINFAB in the MISC field | <p>Prepare Form 14566, BMF Identity Theft Referral, and send by secure email to the AM BMF IDT liaison at <i>*TS AM BMF IDT</i>. In the subject line of the secure email, include the tax year of the case that is being referred.</p> <p>Note: If the BMF case involves a CARES Act COVID-19 related credit, include in subject line of the secure email the specific COVID related credit, as well as the tax year of the case (i.e., 'Sick and Family Leave 202103 - Form 14566,' or 'ERC 202103 - Form 14566').</p> <p>Note: If the BMF case includes CI involvement (-Z freeze, etc.), the referral must include the account has CI involvement.</p> <p>The account will be reviewed to confirm the original determination is still valid.</p> |
| 8. | Any other case type (penalty abatement, correspondence, etc.) | | Advise the taxpayer Letter 6042C has been issued and they need to respond to the letter. |

- (3) If the taxpayer is writing in response to Letter 5263C, Entity Fabrication, or your research indicates Letter 5263C was sent by RICS, see IRM 25.23.11.6.6.1, Fabricated EINs, for additional information.

25.23.11.6.3.4
(10-01-2025)
**BMF Accounts with
RICS and/or IDT
Involvement - AM BMF
Identity Theft Teams
Only**

- (1) This subsection provides guidance for AM BMF IDT SMEs when a claim is received and there is ID theft or RICS involvement on the tax module or account.
- (2) AM BMF employees will submit referrals to the AM BMF IDT Liaison when claims are received and there is IDT, or the EIN has been determined to be fabricated. The cases will be assigned to the AM BMF IDT SMEs for resolution.

Note: RICS initial determination does not need confirmation from RICS unless the taxpayer provides additional information, or the SME identifies additional in-

formation that RICS did not take into consideration. If a referral must be sent to RICS, send Form 14566, BMF Identity Theft Referral, via secure email to the AM BMF IDT Liaison. The referral must include the reason for RICS to reconsider their initial determination and all supporting documentation provided by the taxpayer, if applicable.

- (3) Form 14039, Identity Theft Affidavit/Form 14039-B, Business Identity Theft Affidavit, may also be received from the taxpayer claiming ID theft.
- (4) Follow the chart below to resolve BMF accounts with RICS and/or IDT involvement:

| | If account shows | And | Then |
|----|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | E- Freeze (TC 150 is not posted, and account shows RICS involvement) | Closed RIVO control, TC 971 AC 711, or TC 973 on module, AMS/IDRS indicates IDT determination made or unreversed TC 971 AC 522 (MISC CLSIDT) is present on the module or Sort name line includes 'POTENTIAL FAB EIN,' and TC 971 AC 524 is present on the module | <p>Do not process the amended/duplicate return.</p> <p>Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record.</p> <p>If the sort name line includes "Potential Fab EIN," remove it from the letter prior to transmitting. (Do not update the sort name line on the account.)</p> <p>Do NOT update the address of record if it differs from the address on the amended/duplicate return.</p> <p>Include the following language when sending the letter to the taxpayer:</p> <p><i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531.</i></p> <p>Input TC 971 AC 002 to release the E- freeze.</p> |

| | If account shows | And | Then |
|----|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | -A Freeze (TC 150 is posted) and a Fabricated EIN determination has been made by RICS | AMS/IDRS indicates a Fabricated EIN determination was made Sort name line includes 'POTENTIAL FAB EIN,' and TC 971 AC 524 is present on the module | Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. Do NOT update the address of record if it differs from the address on the amended/duplicate return. If the sort name line includes "Potential Fab EIN," remove it from the letter prior to transmitting. (Do not update the sort name line on the account.) Include the following language when sending the letter to the taxpayer: <i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531.</i> Input TC 290 for .00 to release the -A freeze, if applicable. |

| | If account shows | And | Then |
|----|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | -A Freeze (TC 150 is posted) and a prior Fabricated EIN determination was made by AM BMF IDT | AMS/IDRS indicates a Fabricated EIN determination was made Sort name line includes 'IDENTITY THEFT,' and TC 971 AC 524 is present on the module | Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. If the sort name line includes "Identity Theft," remove it from the letter prior to transmitting. (Do not update the sort name line on the account.) Do NOT update the address of record if it differs from the address on the amended/duplicate return. Include the following language when sending the letter to the taxpayer: <i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have additional information to verify the above EIN is valid, please submit the documentation with a copy of this letter.</i> Input TC 290 for .00 to release the -A freeze, if applicable. |

| | If account shows | And | Then |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | <p>-A Freeze (TC 150 is posted) and an IDT determination has been made by RICS. The account has not been deemed fabricated and is not locked. Research must be conducted to determine if the TC 150 that is posted to the account is the taxpayer's valid return. For example (this list is not all-inclusive):</p> <ul style="list-style-type: none"> • The return was submitted by the taxpayer • A return was not sent for processing in error (research CII for prior cases, etc.) | <p>AMS/IDRS indicates IDT determination made or unreversed TC 971 AC 522 (MISC CLSIDT) is present on the module and TC 971 AC 711 MISC field does not match the TC 150 DLN</p> | <p>Reject the referral back to the originator and advise them the identity theft issue has been resolved and the TC 150 appears to be valid. They can follow normal procedures to process the amended/duplicate return.</p> |

| | If account shows | And | Then |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | <p>-A Freeze (TC 150 is posted) and an IDT determination has been made by RICS. The account has not been deemed fabricated and is not locked. Research must be conducted to determine if the TC 150 that is posted to the account is the taxpayer's valid return. For example (this list is not all-inclusive):</p> <ul style="list-style-type: none"> • The return was submitted by the taxpayer • A return was not sent for processing in error (research CII for prior cases, etc.) | <p>AMS/IDRS indicates IDT determination made or unreversed TC 971 AC 522 (MISC CLSIDT) is present on the module and TC 971 AC 711 MISC field does not match the TC 150 DLN and You determine the TC 150 return is not the taxpayer's valid return</p> | <p>Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. Do NOT update the address of record if it differs from the address on the amended/duplicate return. Include the following language when sending the letter to the taxpayer: <i>Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531.</i> Input TC 290 for .00 to release the -A freeze, if applicable.</p> |

| | If account shows | And | Then |
|----|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. | No freeze (TC 150 is not posted, and account shows RICS involvement) | Closed RIVO control, TC 971 AC 711, or TC 973 on module, AMS/IDRS indicates IDT determination made or unreversed TC 971 AC 522 (MISC CLSIDT) is present on the module or Sort name line includes 'POTENTIAL FAB EIN,' and TC 971 AC 524 is present on the module | Do not process the amended/duplicate return. Send the taxpayer Letter 916C, Claim Incomplete for Processing; No Consideration, to the address of record. If the sort name line includes "Potential Fab EIN," remove it from the letter prior to transmitting. (Do not update the sort name line on the account.) Do NOT update the address of record if it differs from the address on the amended/duplicate return. Include the following language when sending the letter to the taxpayer: Your original return was determined to be an invalid filing. Your amended return will not be processed, and a refund will not be issued, or overpayments applied. If you have any additional information to support the return filed, please fax supporting documentation to 844-201-5531. |

| | If account shows | And | Then |
|----|------------------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Form 14039/Form 14039-B is submitted by the taxpayer claiming ID theft | | Resolve the taxpayer's claim of ID theft following normal ID theft procedures. Send the taxpayer Letter 5317C, BMF Identity Theft Request for Information or Closing Letter. |

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| | If | And | Then |
|----|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | The account indicates RICS deemed the account fabricated | There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field and 'Potential Fab EIN' is present in the sort name line | Return the referral to the originator and advise them to send a Form 4442 to RICS per IRM 25.23.11.6.3 , BMF Returns Selected for RICS Review, so that RICS can reconsider the determination. |

| | If | And | Then |
|----|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | The account indicates AM BMF IDT deemed the account fabricated | There is an unreversed TC 971 AC 524 input on ENMOD or BMFOLE containing EINFAB or EINF2 in the MISC field and 'Identity Theft' is present in the sort name line | <p>Perform all research detailed in IRM 25.23.9.4, BMF Identity Theft Research, and Exhibit 25.23.9-7, BMF Identity Theft Research Requirement, to reconsider the validity of the EIN.</p> <p>Reminder: Check AMS, CII, etc. for prior TP inquiries reporting they did not request the EIN or stated they had identity theft on the EIN (phone calls, CII cases, etc.).</p> <p>1. If, through research, you determine the EIN is not fabricated and the account should be unlocked:</p> <ul style="list-style-type: none"> • Document your findings on Form 14566, BMF Identity Theft Referral • Include all appropriate research completed on the referral and explain why the account needs to be unlocked. • On the subject line of the referral, enter: TC 972 AC 524 BTA Access and CII Case ID if applicable. • Research CII for the original case and, if available, attach the PDF print of the original entity (CC ENMOD) to the secure e-mail. If the original case does not have a PDF print of the original entity attached, notate in the referral that the information was not available. |

| | If | And | Then |
|--|----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | <ul style="list-style-type: none"> • Send the completed referral to your AM BMF Identity Theft liaison by secure e-mail using the <i>*TS AM BMF IDT</i>, referral to IP, Entity Fabrication (EF) Team in RICS, and CI. • Document the sending of the referral on AMS along with the details of the request. If working a CII case, attach the referral to the case. • Once IP confirms the account has been unlocked, monitor the case until the TC 012 and TC 972 AC 524 are posted. • Update the entity to remove 'Identity Theft' from the sort name line. • If the account is a sole proprietorship, input the sole proprietor link to the cross-reference SSN. |

| | If | And | Then |
|--|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | <ul style="list-style-type: none"> Send the taxpayer Letter 5317C using an open paragraph with the following language: <i>After review of your account, we unlocked this employer identification number (EIN). Access to Business Tax Account is now available.</i> <p>Note: If the EIN is for a sole proprietorship, also include the following language: <i>We restored all references to your name and Social Security number (SSN) in association with this employer identification number.</i></p> <p>2. If, through research, you determine the EIN is fabricated and the account should remain locked:</p> |

| | If | And | Then |
|--|----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | <ul style="list-style-type: none"> Send the taxpayer Letter 5317C and include the following verbiage in two open paragraphs: <i>After review of your account, we have determined the above employer identification number (EIN) should remain locked at this time. If you have additional information to verify the above EIN is valid, please submit the documentation with a copy of this letter. If a Sole Proprietor, provide two of the following: valid U.S. Federal or State government issued identification with your signature, and documentation to support your business operation (i.e., utility bill or invoice). If a Partnership or Limited Liability Company, provide one or more of the following: articles of incorporation, articles of organization, or other supporting documentation.</i> |

25.23.11.6.4
(10-01-2025)
BMF Identity Theft Paper Inquiry

- (1) The taxpayer may submit a paper inquiry after receiving an unexpected notice regarding an inactive or active employer identification number (EIN), a recently-established EIN they have no knowledge about, or a balance due notice for a BMF form they never filed with IRS. Since the contact is unexpected, the taxpayer's correspondence may indicate they are a victim of business identity theft (BMF IDT).

Note: If there is an unreversed TC 971 AC 522 already on the module and/or an open ID theft control, see IRM 25.23.11.6 (2), BMF Identity Theft Inquiries, to determine if the case needs to be referred. If the case needs to be referred see IRM 25.23.11.6.6, BMF Identity Theft Referrals - AM BMF Identity Theft Teams Only, for referral procedures.

- (2) In January 2025, TC 971 AC 524 was expanded to lock the entity of an EIN impacted by identity theft.
- (3) The entity lock only prevents updates to the name, address, and responsible party from posting to the account.
- (4) Input of MISC code ENTLOK is limited to IPSO and RICS and does not generate TC 020 on the entity. Depending upon which area locked the entity, one of the following literals will appear in the MISC field:
 - BMF IP ENTLOK
 - BMF RICS ENTLOK
- (5) Once the entity lock is input, the taxpayer will be notified that the account was locked and requests for updates to the entity must be made in writing. RICS will issue Letter 6217C to the taxpayer; AM BMF IDT will issue Letter 5317C.
- (6) If a paper case is received requesting an update to the name or address, and the account contains the indicators listed above, non-specialized IDT teams should prepare Form 14566, BMF Identity Theft Referral, and send by secure email to the AM BMF IDT liaison at *TS AM BMF IDT. In the subject line of the secure email, include the subject line: ENTLOK Entity Change Request. Include the CII ID in the subject line, if available. Suspend the case until a response is received from AM BMF IDT.
- (7) After research has been performed to rule out potential mixed entity/period or other account situations, and there is potential identity theft, non-specialized IDT teams follow the chart below:

| Step | Action |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Review the table under IRM 25.23.11.6, BMF Identity Theft Inquiries, to determine if the account needs to be placed in another function's BMF IDT inventory. If the table indicates a referral is necessary, take the following action: |
| 2 | Do not reassign or close the control base. |
| 3 | Do not input a TC 971 AC 522. The receiving function will input the ID theft indicator after the referral is accepted in their inventory. |
| 4 | Initiate the Form 14566, BMF Identity Theft Referral. See Exhibit 25.23.11-1, Accounts Management Form 14566 Instructions. |

| Step | Action |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | <p>After review by a lead, send the Form 14566 by secure e-mail to the applicable liaison per IRM 25.23.11.6, BMF Identity Theft Inquiries. If Form 14039 or Form 14039-B is present, attach the form to the secure e-mail when referring the case. In the subject line of the secure e-mail, include the tax year of the case that is being referred.</p> <p>a. If the case requires referral to BMF AM IDT inventory, send the Form 14566, BMF Identity Theft Referral, by secure e-mail to the appropriate site per your location:</p> <p>b. If the case requires referral to another function's BMF IDT inventory, send the Form 14566, BMF Identity Theft Referral by secure e-mail to <i>*TS AM BMF IDT</i>.</p> |
| 6 | <p>Update the CII History Notes to show: Potential BMF IDT - Case referral to [insert the function's name].</p> <p>Example: Potential BMF IDT - Case referral to Field Collection</p> |
| 7 | <p>Once the case is accepted by the referring function, close the control.</p> |

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Reminder: If there is a balance due on the account relating to the ID theft issue, input a TC 470.

- (8) If the case is to remain in AM IDT inventory, SMEs will take the following steps:

| Step | Action |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | If a control is not open, open the control |
| 2 | <p>If the taxpayer sent the Form 14039 or 14039-B, send Letter 5316C, to acknowledge claim receipt.</p> <p>Exception: The acknowledgement letter is not necessary if it is clear the case can be resolved within 30 days of receipt into BMF IDT inventory. Letter 5317C, BMF Identity Theft Request for Information or Closing Letter will serve as an acknowledgement. If work schedules do not allow for time to make this determination, or it is not clear then the 5316C should be sent to acknowledge receipt.</p> |

| Step | Action |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Input TC 971 AC 522 IDTCLM on all MFTs and tax periods involved in the ID theft when the taxpayer claims ID theft but no documentation is sent. |
| 4 | Input the TC 971 AC 522 IDTDOC if the Form 14039 or 14039-B is received. If there is no previous TC 971 AC 522 IDTCLM present and a Form 14039/14039-B received, just input the TC 971 AC 522 IDTDOC |
| 5 | Update CII notes providing facts behind ID theft determination. |
| 6 | Once the research is completed and ID theft is established, the case must be reviewed by Manager or Lead, prior to taking any account actions. Follow local procedures for the review process. |
| 7 | Once the review process is completed and ID theft is well established, see IRM 25.23.11.6.7, Account Actions - AM BMF Identity Theft Teams Only, for steps to correct the account. |
| 8 | Review the account to determine if there are any other outstanding issues that need to be addressed. (For example, collection issues, defaulted installment agreement, offsets or missing returns.) (This list is not all inclusive.) |
| 9 | Once account has been corrected and all issues addressed send Letter 5317C, BMF Identity Theft Interim & Post Resolution Letter and input TC 971 AC 522 CLSIDT. |

Note: Paragraphs 4-5 below are for BMF IDT SMEs only

- (9) If ID theft cannot be established through internal research and additional information is needed, send the taxpayer Form 14039-B, Business Identity Theft Affidavit using Letter 5317C, BMF Identity Theft Interim & Post Resolution Letter. See IRM 25.23.9.7, Form 14039-B, Business Identity Theft Affidavit, for additional information. Give the taxpayer 30 days to respond to the notice. Suspend the case for 45 days to allow the taxpayer time to respond.
- If a response has not been received within that time frame, close the case and reverse the ID theft indicator with TC 972 AC 522 NORPLY. Reverse the TC 470 if one was placed on the account. Send Letter 5317C, BMF Identity Theft Interim & Post Resolution Letter, using the appropriate paragraphs.
 - If the taxpayer provides the needed information review it for completeness, legibility and determine whether all required information has been included. If the claim is complete, input a TC 971 AC 522 IDTDOC to indicate receipt of the Form 14039-B and send the Letter 5316C to acknowledge receipt of the claim and take all necessary account actions to resolve the ID theft issue. See IRM 25.23.11.6.7, Account Actions, for the steps to correct the account.

Exception: The acknowledgement letter is not necessary if it is clear the case can be resolved within 30 days of receipt into BMF IDT

inventory. Letter 5317C, BMF Identity Theft Request for Information or Closing Letter will serve as an acknowledgement. If work schedules do not allow for time to make this determination, or it is not clear then the 5316C should be sent to acknowledge receipt.

- c. If there are missing documents, attempt to call the taxpayer if there is a contact number provided. Document the CII case notes with dates, times of the calls, the name of the contact and what information was requested from the taxpayer. If phone contact cannot be made within three business days or no number is provided, issue a Letter 5317C to the taxpayer requesting the needed information. In both cases, provide a 30-day time frame for submission of any missing information. If the follow-up response is not received within the 45 days, follow the procedures in (a) to close the case.
 - d. If, after receipt of the 14039-B, ID theft still cannot be established, send Letter 5317C using the appropriate paragraphs to provide taxpayer a complete explanation as to why the Non-IDT determination was made.
- (10) If a Form 14566 is received and the case is not on CII, follow normal procedures for sending the case to be scanned with the activity code **BMF IDT** and appropriate category code:
- BID1 - Employment Tax
 - BID2 - Corporation Income Tax
 - BID3 - All other BMF IDT (i.e., Partnerships, Estates, etc.)
- (11) Once the case is scanned into CII, send Letter 5316C if not already sent and input TC 971 AC 522 IDTCLM if not already on the module(s), then follow the procedures stated above.

Exception: The acknowledgement letter is not necessary if it is clear the case can be resolved within 30 days of receipt into BMF IDT inventory. Letter 5317C, BMF Identity Theft Request for Information or Closing Letter will serve as an acknowledgement. If work schedules do not allow for time to make this determination, or it is not clear then the 5316C should be sent to acknowledge receipt.

25.23.11.6.4.1
(10-01-2025)
**BMF Transcripts and
Identity Theft - Paper
Inquiry Made to a BMF
AM CSR**

- (1) As outlined in IRM 21.2.3.5.9, Transcripts and Identity Theft for Businesses, Transcript Delivery System (TDS) is programmed to restrict the delivery of transcripts to external users when certain identity theft indicators are present for the tax year requested. These external users include tax professionals accessing TDS via e-Services and business taxpayers using Business Tax Accounts (BTA) online.
- (2) Assistors must be aware of the following identity theft markers when a transcript request is received:

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- (3) BMF AM assistors working paper cases involving any of the following when identity theft markers are present should refer the case to the AM BMF IDT liaison to determine if account information can be provided:
- Requests for copies of tax returns
 - Requests for income documents
 - Requests for transcripts
 - Request for transcript of a fraudulent return
 - Taxpayer indicates receipt of a transcript they did not request
 - Taxpayer indicates receipt of a transcript they requested containing incorrect information due to possible identity theft
- (4) Follow the steps below to prepare Form 14566, BMF Identity Theft Referral:

| Step: | Action: |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>Complete Form 14566 and include all required information below:</p> <ul style="list-style-type: none"> a. Business Information: EIN, Business Name, and Address b. Claimant Information: Must be completed with the caller's SSN, name, title (position in the company), address, and phone number. c. Action requested: Choose "Other" and indicate the transcripts requested and the delivery method requested. d. In the "Explanation" field provide detailed information of the call contents regarding the taxpayer's request, including the MFT(s) and tax period(s) of the transcripts being requested. Provide the identity theft markers on the account. If any identifying information is different from what was captured as Business name or Claimant name, you must include that information. <p>Note: If POA (Form 2848) or Form 8821 is included in the case that is not on file, attach to the Form 14566 referral.</p> |
| 2. | <p>Forward the case to your team leadership for case review and approval. Once approval is received send the referral via secure email to <i>*TS AM BMF IDT</i>. Include in subject line, "BMF IDT Transcript Issue".</p> |

25.23.11.6.5
(10-01-2025)
BMF Identity Theft
Phone Inquiry Made to a
BMF AM CSR

- (1) The taxpayer may contact a BMF phone application claiming to be a victim of business identity theft (BMF IDT) when they suspect the name and EIN of their business entity, estate, trust, or exempt organization was used without consent to file tax returns or income documents. Other common reasons for taxpayer contact include the following (this list is not all-inclusive):

- Receiving an unexpected notice regarding an inactive EIN
- Receiving a balance due notice for a BMF form they never filed with the IRS
- Receiving a rejection notice for an electronically filed return because the IRS already has a return on file for that same tax period and MFT
- The taxpayer/caller never applied for an EIN but is receiving notices for a business in their name. Send Form 14566, BMF Identity Theft Referral, to the appropriate BMF ID theft unit. See IRM 25.23.11.6.2, Individual Taxpayers Reporting to be Victims of Business-Related Identity Theft, for additional information.
- The business, estate, trust or exempt organization experienced a data breach with no tax-related impact to the business entity. For example, a business reports a breach of their computer system and after thorough research of the account, there is no evidence of a fraudulent tax return or income documents being filed. If the taxpayer/caller is seeking advice about the data breach of their business entity, ask the taxpayer/caller about the type of information that was breached. See IRM 25.23.11.6.1, Non-Tax Related Identity Theft, for additional information.
- Requests for transcripts and an identity theft indicator is present. See IRM 25.23.11.6.5.2, BMF Transcripts and Identity Theft, for additional information.

- (2) Follow the normal telephone and authentication requirements under IRM 21.1.1.4, Communication Skills, and IRM 21.1.3.2.3, Required Taxpayer Authentication.

Caution: If there is an ID theft indicator on the module, high risk disclosure authentication must be completed to ensure you are speaking to an authorized party. Refer to IRM 21.1.3.2.4, Additional Taxpayer Authentication.

Note: When the caller claims to be an identity theft victim and is unable to pass disclosure authentication, we will accept the taxpayer's statement and not provide any account information. Update the history with the caller's contact information and a brief explanation of the potential identity theft. The documentation must include the statement: **Potential BMF IDT; caller unable to pass disclosure.** Proceed with the required research to determine ID theft potential. If the taxpayer states they have no knowledge of the business, they may be unable to pass BMF disclosure. Utilize the information under the caller's TIN to verify identity prior to disclosing any information.

Reminder: IMF disclosures requirements are:

1. SSN/ITIN
2. Name(s) as they appear on the last return filed
3. Current address
4. DOB
5. For additional information see IRM 21.1.3.2.3, Required Taxpayer Authentication. If taxpayer cannot answer these questions, see IRM 21.1.3.2.4, Additional Taxpayer Authentication .

- (3) When the caller indicates no knowledge of the EIN or business account, there are several reasons a third party may have requested an EIN on the taxpayer's behalf for a legitimate business purpose. You **must** expand the normal probe questions to determine if the EIN is legitimate or if there is a high probability of identity theft. Ask the caller the following questions:

25.23 Identity Protection and Victim Assistance

- Did a family member take over a previously-owned business and request an EIN in your name or continue to use an inactive EIN assigned to you several years ago?
- Did you join a partnership or participate in the creation of a company where you provided your taxpayer identification number (TIN)?
- Did you provide your TIN to a community association or accountant to prepare tax returns on your behalf or a third party?
- Did you create a trust or other fiscal entity through a bank or executor?
- Have you received any home care services while enrolled in a program administered by a Federal, state, or local government agency that provides funding for the home care services? If yes, a 3rd party Agent may be authorized to act on behalf of the home care recipient to report and pay Federal employment taxes which requires an EIN.

Note: This list is not all inclusive and additional probes can be found at IRM 25.23.9.4(3), BMF Identity Theft Research.

- (4) Complete all initial research to rule out normal account issues and determine if the potential for ID theft exists. See IRM 25.23.11.4, Business Master File (BMF) ID Theft Research, for additional information.

Note: If an account related issue has created the problem and no ID theft exists, follow normal procedures to resolve the problem.

- (5) In January 2025, TC 971 AC 524 was expanded to lock the entity of an EIN impacted by identity theft.
- (6) The entity lock only prevents updates to the name, address, and responsible party from posting to the account.
- (7) Input of MISC code ENTLOK is limited to IPSO and RICS and does not generate TC 020 on the entity. Depending upon which area locked the entity, one of the following literals will appear in the MISC field:
 - BMF IP ENTLOK
 - BMF RICS ENTLOK
- (8) Once the entity lock is input, the taxpayer will be notified that the account was locked and requests for updates to the entity must be made in writing. RICS will issue Letter 6217C to the taxpayer; AM BMF IDT will issue Letter 5317C.
- (9) If a phone call is received from the taxpayer or their authorized representative to request an update to the name or address, and the account contains the indicators above, non-specialized IDT teams should advise the caller the change cannot be done over the phone. They must submit Form 8822-B, Change of Address or Responsible Party - Business, to update the entity information. Refer to IRM 21.1.3.20, Oral Statement Authority, and IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes, for additional information.
- (10) If the required research has been completed, and **additional information is still needed to determine if ID theft exists**, only request the taxpayer complete Form 14039-B, Business Identity Theft Affidavit, if the case is going to remain within AM for resolution. Form 14039-B can be found at *IRS.gov*. Advise the taxpayer they need to return the Form 14039-B within 30 days. If there is a balance due on the account and additional information is needed, input a 6 cycle STAUP to provide the taxpayer time to send in the information.

Do not open a control. A control will be opened in CII, Correspondence Imaging Inventory, when the taxpayer submits the requested information. If the taxpayer requests assistance completing Form 14039-B, see IRM 25.23.11.6.5.1, CSR Telephone Guidance for Form 14039-B, for additional information.

- (11) Once it has been determined identity theft exists, refer to IRM 25.23.11.6, BMF Identity Theft Inquiries, to assist with determining if the inquiry should be transferred or remain in AM.
- (12) Update AMS with the information that supports the ID theft determination or request for additional information.
- (13) If the inquiry is going to be referred to another function:

| Step | Action |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Complete Form 14566, BMF Identity Theft Referral, and forward the case to the team leadership for case review and approval to refer. Once the referral is approved, refer to IRM 25.23.11.6, Business Master File (BMF) Identity Theft Inquiries, for additional referral information. |
| 2 | Do not input a TC 971 AC 522. The function that will be resolving the ID theft issue will input the indicator and open the control. |
| 3 | If it is determined there is potential ID theft on an account with a balance due, input a TC 470 on all involved modules, if appropriate, to prevent the account from moving through the collection stream. |
| 4 | Advise the taxpayer that due to the complexity of ID theft, their case will need to be referred to the ID theft area and to allow 120 days for resolution. Advise the taxpayer a hold has been placed if there was a balance owed relating to the ID theft issue. Note: If the balance due is the taxpayer's true liability or there are other outstanding account issues, follow normal procedures after handling the ID theft issue. |

- (14) If, after research, a potential for ID theft is determined and the case will remain in the BMF AM inventory:

| Step | Action |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Complete a Form 14566. Forward the referral to the appropriate site via secure e-mail advising the case needs to be scanned into CII and moved into the BMF ID Theft inventory. In the subject line of the secure e-mail, include the tax year of the case that is being referred. The contacts for the sites are: |

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| Step | Action |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | <p>Input TC 971 AC 522 IDTCLM with the Secondary date being the date of the call.</p> <p>Exception: Input one day prior to the date of the call if today's date does not work.</p> <p>See IRM 25.23.9-2, BMF ID Theft Indicators- TC 971 AC 522 IDTCLM-Initial Allegation or Suspicion of BMF ID Theft, for additional information. In the MISC field enter WI AM IDTCLM, see IRM 25.23.9-1, TC 971 AC 5XX-MISC Codes, for additional information.</p> |
| 3 | <p>Open the control with activity code "BMFIDT-REF" and the appropriate category code: BID1-Employment Tax, BID2-Form 1120 or BID3-Other. The case will be recontrolled once it is received into AM BMF IDT inventory.</p> |

25.23.11.6.5.1
(10-01-2024)
**CSR Telephone
Guidance for Form
14039-B**

- (1) After completing all initial research to rule out normal account issues, and additional information is still needed to determine if ID theft exists, the taxpayer should complete Form 14039-B if the case is going to remain in AM for resolution.
- (2) Form 14039-B can be found on [irs.gov](https://www.irs.gov). If the taxpayer requests assistance completing Form 14039-B, see the guidance in the table below to help the taxpayer complete the form:

| | Section | Line Instruction |
|----|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | A - Select One Box | <p>1. Box 1 is checked when the taxpayer is not a business owner and has not applied for an EIN. The taxpayer is receiving notices for an unknown business in their name with an assigned EIN.</p> <p>Note: If Box 1 is checked, the taxpayer should provide the 9-digit EIN being reported and complete Sections C, D, and F.</p> <p>2. Box 2 is checked when the taxpayer suspects the business entity, estate, trust, or exempt organization listed in Section B is a victim of identity theft.</p> <p>Note: If Box 2 is checked, the taxpayer should complete Sections B, C, D, E, and F.</p> |

| | Section | Line Instruction |
|----|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | B - My Business Information | <p>1. Legal name of entity: Provide the legal name of the business entity, estate, trust, or exempt organization.</p> <p>2. Approx. date entity established: Provide month/day/year, month/year, or year of establishment.</p> <p>3. EIN: Employer Identification Number</p> <p>4a-4d. Current business address: Provide the current address of the business including city, state and zip code.</p> <p>5. Tax forms affected: List the tax form(s) affected by identity theft (i.e., Form 1120, Form 940, Form 1041, Form 990).</p> <p>6. Tax year(s)/quarter(s) affected: List any year or quarter affected by identity theft (i.e., 2021, 202106).</p> <p>7. Previous names this entity was known by (if applicable): Provide any other names this entity was known by.</p> <p>8. Check only ONE of the following boxes:</p> <ul style="list-style-type: none"> • This EIN is currently Active (in business) • This EIN is currently Not Active - if operation ceased, provide the tax year/quarter of the final return filed in the space provided. <p>9. Check the box if the business was not required to file a tax return for the year/quarter they are reporting identity theft.</p> |

| | Section | Line Instruction |
|----|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Section C – Information of Individual Submitting This Form | <p>1. What is your position with the business entity/exempt organization shown below: Provide your position with the business entity (i.e., officer, director, sole member, executor, trustee, etc). The individual submitting the form must have the legal authority to act for the entity and to receive return information per IRC 6103.</p> <p>Note: If the taxpayer selected Box 1 in Section A, they should choose, 'Not applicable, I checked box 1 in Section A.'</p> <p>2. Your name: The name of the individual completing this form.</p> <p>3. Your Taxpayer Identification Number: Provide the 9-digit SSN or ITIN of the individual completing this form.</p> <p>4. Your mailing address: Provide the address of the individual completing this form, if different from Section A, Lines 4a-4d.</p> <p>5. Your Telephone number: Provide the phone number (including area code) of the individual completing the form. Indicate if the phone number is a home, work, or cell phone by checking the appropriate box.</p> <p>6. Best time(s) to call you: Indicate the best time for IRS to call, if necessary, and include time zone.</p> |
| 4. | Section D - Reason for Filing this Form (Required) | Provide a detailed explanation of the identity theft incident, including relevant dates. The explanation does not need to be lengthy, but it should include all pertinent information as to why the taxpayer believes identity theft has occurred. If needed, attach additional information and/or pages to the form. |

| | Section | Line Instruction |
|----|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Section E – Supporting Documentation | <p>1. If known, provide any information you have regarding the person(s) misusing your EIN or your name (i.e., provide the alleged perpetrator's name or address, or copy of a police report). Attach an additional sheet if necessary.</p> <p>2. Supporting Documents: Submit the completed form and a legible photocopy of the document(s) selected below to verify your identity. Check the box next to the documents being submitted. The documentation required is dependent upon the type of entity:</p> <ul style="list-style-type: none"> • Sole Proprietor (Two documents are required): Provide one document from box 'a' (passport, driver's license, or other valid U.S. Federal or State government issued identification with your signature and one document from box 'b' (copy of a utility bill, invoice, mortgage/rent receipt or other documentation to support business operation). <p>Note: Remind the caller not to submit photocopies of federally issued identification where prohibited by 18 U.S.C. 701 (i.e., official badges designating federal employment).</p> <ul style="list-style-type: none"> • Corporation, Partnership, Limited Liability Company, Exempt Organization, Estate or Trust: Provide one or more of the documents listed in this section (Articles of Incorporation, Articles of Organization, Trust or Estate document, or a statement signed by an officer or director (not the same person in Section C) on corporate letterhead stationery stating that the person in Section C has authority to legally bind the corporation). |

| | Section | Line Instruction |
|----|-----------------------|-----------------------------------------------------------------------------------|
| 6. | Section F - Signature | The form is signed and dated by the individual completing this form in Section C. |

Note: Remind the caller that failure to provide required documentation with a signed Form 14039-B may delay processing.

- (3) If the taxpayer is submitting the Form 14039-B in response to a notice or letter received from the IRS, advise the taxpayer to send the completed Form 14039-B and any required documentation with a copy of the notice or letter to the address provided in that notice or letter.

Note: If the taxpayer is responding to a notice or letter from the IRS and it provides a fax number, advise the taxpayer to send the completed Form 14039-B and any required documentation with a copy of the notice or letter to the fax number shown on the notice or letter.

- (4) If the taxpayer did NOT receive a notice or letter from the IRS, advise the taxpayer to submit the form per the instructions on the Form 14039-B.

25.23.11.6.5.2
(10-01-2025)

**BMF Transcripts and
Identity Theft - Phone
Inquiry Made to a BMF
AM CSR**

- (1) As outlined in IRM 21.2.3.5.9, Transcripts and Identity Theft for Businesses, Transcript Delivery System (TDS) is programmed to restrict the delivery of transcripts to external users when certain identity theft indicators are present for the tax year requested. These external users include tax professionals accessing TDS via e-Services and business taxpayers using Business Tax Accounts (BTA) online.
- (2) Assistors must be aware of the following identity theft markers when a transcript request is received:

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- (3) BMF AM assistors receiving calls involving any of the following when identity theft markers are present should follow the chart below to determine if account information can be provided or Form 14566, BMF Identity Theft Referral, should be sent:

- Requests for copies of tax returns
- Requests for income documents
- Requests for transcripts
- Request for transcript of a fraudulent return
- Taxpayer indicates receipt of a transcript they did not request

- Taxpayer indicates receipt of a transcript they requested containing incorrect information due to possible identity theft

| | If Account Contains: | Then: |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <ul style="list-style-type: none">• Sort Name displays POTENTIAL FAB EIN and• Unreversed TC 971 AC 524 EINFAB on ENMOD/BMFOLE or• Unreversed TC 971 AC 524 EINF2 on ENMOD/BMFOLE | <ul style="list-style-type: none">• Advise the taxpayer after a review of their account, a determination was made that their EIN was not valid. If they have documentation supporting the validity of the EIN, please fax the supporting documentation to 844-201-5531.• No account information can be provided verbally or in writing at this time. <p>Note: Regardless of the type of transcript requested, if the account is determined to be fabricated, no account information can be provided and no transcripts can be issued.</p> |

| | If Account Contains: | Then: |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | <ul style="list-style-type: none"> TC 971 AC 711 and no subsequent TC 972 with corresponding DLN of the TC 973 in the MISC code field and matching transaction date, or any indication the return is being held for RICS review, including: <ul style="list-style-type: none"> TC 973 Open control assigned to 14810555555 IDRS activity code POTENTEF 6042C issued BMFOLE may contain TC 971 AC 715 MISC code POTENTEF with no subsequent TC 971 AC 715 with MISC code VALID EIN Identity Theft Indicator - 1 on ENMOD/BMFOLE | <ul style="list-style-type: none"> Explain to the taxpayer their tax return is under review and they must respond to the letter providing the requested information. No account information can be provided verbally or in writing at this time. <ul style="list-style-type: none"> If the taxpayer states they did not receive the 6042C, then send an e4442 referral to RICS <p>Section B of the e4442, request RICS re-issue the letter and include additional information the taxpayer provides.</p> <p>Note: If the taxpayer states their address has changed, do not update the address on the account. Notate the address change on the referral and advise the taxpayer to submit Form 8822-B. Refer to IRM 21.1.3.20.1, IMF and BMF Oral Statement Address Changes for additional information.</p> |

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| | If Account Contains: | Then: |
|----|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | | <ul style="list-style-type: none"> Advise the taxpayer the transcript request needs to be referred to another area for review. Prepare a Form 14566, BMF Identity Theft Referral, to AM BMF Identity Theft. Refer to (4) below. |

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(4) Preparation of Form 14566, BMF Identity Theft Referral

| Step: | Action: |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>Complete Form 14566 and include all required information below:</p> <ol style="list-style-type: none"> Business Information: EIN, Business Name, and Address Claimant Information: Must be completed with the caller's SSN, name, title (position in the company), address, and phone number. Action requested: Choose "Other" and indicate the transcripts requested and the delivery method requested. In the "Explanation" field provide detailed information of the call contents regarding the taxpayer's request, including the MFT(s) and tax period(s) of the transcripts being requested. Provide the identity theft markers on the account. If any identifying information is different from what was captured as Business name or Claimant name, you must include that information. <p>Note: If POA (Form 2848) or Form 8821 is received that is not on file, attach to the Form 14566 referral.</p> |
| 2. | <p>Forward the case to your team leadership for case review and approval. Once approval is received send the referral via secure email to <i>*TS AM BMF IDT</i>. Include in subject line, "BMF IDT Transcript Issue".</p> |
| 3. | <p>Advise the taxpayer that we are unable to process their information request over the phone. We will prepare a referral to the appropriate function for review. They will contact the taxpayer if additional information is needed.</p> |

25.23.11.6.6
(10-01-2023)
**BMF Identity Theft
Referrals - AM BMF
Identity Theft Teams
Only**

- (1) All the required research must be completed prior to referring the case to another function. This is to ensure that confirmed ID theft cases and cases with the high probability of ID theft can be placed in the correct inventory as quickly as possible.
- (2) Due to the potential complexity of a BMF ID theft, it may be necessary to refer the case to another function for either resolution or assistance. All functions have established BMF ID theft Liaisons to assist in the working of ID theft cases. To find a list of the functional liaisons, see the *BMF ID Theft Liaisons* located on the BMF ID Theft Website.
- (3) If working a paper case and the entire case is being referred to another function:
 - a. **DO NOT** close the control until the case has been accepted by the receiving function. This is to prevent the case from slipping through the cracks when moving the case from one function to another. Once the referral is accepted by the receiving function and all account actions are completed close the control.
- (4) All referrals will move from one functional liaison to another functional liaison. See IRM 25.23.9.3, BMF Identity Theft Liaisons, for additional information.
- (5) If the contact is received by phone, all of the required research is completed and the case is being referred, annotate the Form 14566 with "phone contact" so the liaison will be aware that no control will be open.
- (6) When assistance is needed from another function the control will remain open until the response is received. The receiving function must respond to the request within 30 days of receipt. See IRM 25.23.9.8, BMF ID Theft Referrals, for additional information. If no response is received within 30 days of receipt by receiving function, follow-up should be elevated to the *BMF ID Theft Liaison*.

25.23.11.6.6.1
(10-01-2025)
Fabricated EINs

- (1) A fabricated EIN is an EIN established for a business that does not exist. The sole purpose of the fabricated EIN is to defraud the government through the filing of fraudulent BMF or IMF returns or income documents.
- (2) AM BMF IDT may lock an EIN suspected of being fabricated, often because of taxpayer contact (i.e., phone call stating they did not request the EIN or submitting Form 14039-B). There will be a posted TC 971 AC 524 on CC ENMOD containing BMF IP EINFAB in the MISC field. The taxpayer's entity will also be updated to include 'Identity Theft' in the sort name line.

Note: AM BMF Identity Theft always includes 'Identity Theft' in the sort name line when deeming an account fabricated.

- (3) RICS may lock an EIN suspected of being fabricated and issue Letter 5263C, Entity Fabrication, requesting additional information to verify the entity. There will be an open control assigned on CC ENMOD to 1481400000 with a category code of TPPI and activity code showing potential entity fabrication (POTENTEF). There will also be a posted TC 971 AC 524 on CC ENMOD containing EINFAB2 in the MISC field.

Note: TC 971 AC 524 containing BMF RICS EINFAB in the MISC field deemed fabricated by RICS will include 'POTENTIAL FAB EIN' in the sort name line.

TC 971 AC 524 containing BMF RICS EINFB2 deemed fabricated by RICS may or may not include 'POTENTIAL FAB EIN' in the sort name line.

- (4) If the taxpayer submits a paper inquiry or a phone call is received, and the account contains the indicators listed above, non-specialized IDT teams follow the If/Then chart below:

| | If | Then |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | An inquiry is received via paper or phone and a Fabricated EIN determination has been made | Prepare Form 14566, BMF Identity Theft Referral, and send by secure email to the AM BMF IDT liaison at <i>*TS AM BMF IDT</i> . In the subject line of the secure email, include the tax year of the case that is being referred. |
| 2. | An inquiry is received via paper or phone and a Fabricated EIN determination has been made and the account includes CI involvement (-Z freeze, etc.) | Prepare Form 14566, BMF Identity Theft Referral, and send by secure email to the AM BMF IDT liaison at <i>*TS AM BMF IDT</i> . Note: The referral must include the account has CI involvement. |

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- (6) If the taxpayer calls about their EIN where a letter 5263C was issued and account contains the indicators listed above, all AM BMF CSRs should follow the If/Then chart below.

| | If | Then |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Taxpayer claims they have no knowledge of the business referenced on the letter, questions the letter, or is asking for assistance related to the letter | Advise the TP they must reply to the 5263C letter and provide the requested information via FAX or to the address provided on the letter. |
| 2. | Taxpayer states they did not receive the 5263C letter | <p>2. Explain to the TP they must respond to the letter providing the requested information.</p> <p>3. Advise the TP they should receive the re-issued letter within 30 days</p> |

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Note: The remainder of the procedures below are only for AM BMF CSRs trained in BMF Identity Theft.

- (7) If a referral is needed to lock an account due to a fabricated EIN, only one referral is required.
- (8) If a fabricated EIN is a sole proprietorship, remove the sole proprietor link to the cross-reference SSN as outlined in IRM 3.13.2.7.3.2, CC ENREQ/BNCHG.
 - 1. Overlay CC ENMOD with CC ENREQ to generate CC BNCHG.
 - 2. To remove the Sole Proprietor SSN, input 000-00-0001 in the 'SOLE-PROP-SSN' field.
- (9) Refer to IRM 25.23.9.8.1, Fabricated or Inactive Employer Identification Number (EIN) Procedures, for the required account actions needed prior to requesting the account be locked.

| Step | Action |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Document all of your findings on the Form 14566, BMF Identity Theft Referral. |
| 2 | Be certain to include all appropriate research completed on the referral form and explain any IMF implications if applicable. |
| 3 | On the subject line of the referral enter: TC 971 AC 524 and CII Case ID if available. |
| 4 | Send the completed referral to your AM BMF Identity Theft liaison by secure e-mail using the <i>*TS AM BMF IDT</i> mailbox, for referral to IP, the Entity Fabrication (EF) Team in RICS, and CI. The email must also contain a PDF print of the original entity (CC ENMOD), including filing requirements, when submitting the referral to the AM BMF Identity Theft liaison. Reminder for EO employees working IDT: If an EO account is being locked, the EO subsection must be removed from the entity prior to the account being locked. The referral would first be sent to your liaison per the <i>Identity Theft - BMF Liaison Contacts</i> located under SERP Who/Where or on the BMF ID Theft Website on SERP. |
| 5 | Document the sending of the referral on AMS along with the details of the request. If working a CII case, attach the referral and the PDF print of the original entity (CC ENMOD) to the case. |

- (10) If an account previously deemed fabricated by AM has been locked in error, or an inactive account needs to be unlocked, send a referral to the AM BMF ID Theft liaison by secure e-mail using the **TS AM BMF IDT* mailbox to have the TC 971 AC 524 reversed.

| Step | Action |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Document your findings on the Form 14566, BMF Identity Theft Referral. |
| 2 | Include all appropriate research completed on the referral and explain why the account needs to be unlocked. |
| 3 | On the subject line of the referral, enter: TC 972 AC 524 and CII Case ID if applicable. |
| 4 | Research CII for the original case and, if available, attach the PDF print of the original entity (CC ENMOD) to the secure e-mail. If the original case does not have a PDF print of the original entity attached, notate in the referral that the information was not available. |

| Step | Action |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | Send the completed referral to your AM BMF Identity Theft liaison by secure e-mail using the <i>*TS AM BMF IDT</i> mailbox, for referral to IP, Entity Fabrication (EF) Team in RICS, and CI. |
| 6 | Document the sending of the referral on AMS along with the details of the request. If working a CII case, attach the referral to the case. |
| 7 | Once IP confirms the account has been unlocked, monitor the case until the TC 012, TC 971 AC 524, and the corrected sort name line are posted. |

- (11) There will be times when the fraudulent Forms W-2 have been filed under a valid business's EIN. An additional referral may be needed to the Combined Annual Wage Reporting (CAWR) group. See the following IRM for these procedures:

- IRM 25.23.9.8.5, Referrals to Combined Annual Wage Reporting (CAWR)

- (12) RICS may make a determination that the EIN is fabricated and send a Form 14566 to clean up the account.

- RICS inputs 'Potential FAB EIN' on the sort name line when they make the determination and then locks the EIN with a TC 971 AC 524.
- RICS will complete a separate Form 14566 for each EIN with the request to back out the account.
- BMF IDT SME's will follow the guidance on the Form 14566 and back out account, resolving any balance dues, credit or payments on the account.

Note: No other actions are required unless specifically stated on the Form 14566 (for example, input of TC 971 AC 504 on the XREF SSN or removal of the sole proprietor link to the XREF SSN).

- If Z freeze is present, input all adjustments as requested.
- After the adjustments have been input, if there is a Z freeze present, respond to the e-mail and include the IDT liaisons for BMF Refund Crimes and RICS in the response (*BMF IDT Liaison*). Include in the body of the e-mail for CI to force post the adjustment. Monitoring for the posting is not required.

Note: If CI doesn't force post, and the unpostable is deleted then they will send an e-mail to re-input the adjustments. Follow same procedures above.

25.23.11.6.6.2
(05-04-2022)

**Collection Activity -
Form 13794 Additional
Actions Required - Lien
- AM BMF Identity Theft
Teams only**

- (1) If there is a TC 582 (Lien Indicator) or TC 360 (Lien Fee Assessment) posted and a full abatement will reverse the tax liability to zero, prepare Form 13794, Request for Release or Partial Release of Notice of Federal Tax Lien. Form 13794 should be completed and forwarded to the Collection Advisory.

Note: Only Collection Advisory has the authority to reverse lien fees (TC 360) on accounts impacted by IDT.

(2) Take the following actions when completing the Form 13794:

- a. Input as much information as possible regarding the abatement

Note: Include specific instruction for the lien and/or lien fee reversal on the Form 13794 in section "Date lien satisfied or resolved (e.g., payment date, adjustment posting date, discharge date)". For example, *Request IDRS input TC 583 & TC 361 \$X.XX for MFT/Tax period.*

- b. Include the Serial Lien Identification (SLID) Number from the Notice of Federal Tax Lien, if available
- c. Check box 9 indicating "Erroneous Lien"
- d. Include "ID Theft" in the "Reason" box
- e. Fax/EE-Fax or e-mail Form 13794 to the Collection Advisory Unit for the state where the taxpayer currently resides. Include the specifics of your request as mentioned above also in the body of the Fax/EE-Fax, so it appears on the cover sheet.

Note: If you do not have access to the Automated Lien System (ALS), include a note asking Advisory to complete the SLID and TSIGN.

- f. Attach completed Form 13794 to the CII case and leave a case note with the date the form was faxed and to which Advisory.

(3) Collection Advisory contacts can be found under the Who/Where tab on the SERP Home Page on the *Advisory Units Contact List*.

Reminder: When adjusting an IDT account where a NFTL was filed on the account (TC 582 posted) and a tax liability remains after the account has been adjusted the NFTL will remain in place. The NFTL will be systemically released when the account balance is satisfied (zero).

(4) The Advisory Unit will review the Notices of Federal Tax Lien (NFTL) filed against the taxpayer using the Automated Lien System (ALS). If all modules on the NFTL are satisfied, Advisory will request the release of the NFTL as an erroneously filed NFTL per IRC 6326(b). The release of the NFTL will reverse the TC 582. Advisory will abate the TC 360 associated with the NFTL filing and issue Letter 544, Letter of Apology - Erroneous Filing of Federal Tax Lien, to the taxpayer.

Note: Routing of the Form 13794 is required to be documented in a CII or AMS case note.

(5) If it has been more than 30 days since the lien release posted and the taxpayer has any issue with requests for the Notice of Federal Tax Lien (NFTL) to be released, refer the taxpayer to Publication 1450, Instructions for Requesting a Certificate of Release of Federal Tax Lien, to submit a written request for Certificate of release of erroneously filed Notice of Federal Tax Lien. The release date can be calculated based on the posting of the reversal of the TC 582 and TC 360.

25.23.11.6.6.3
(10-01-2025)

**BMF Transcripts and
Identity Theft - AM BMF
Identity Theft Teams
Only**

- (1) This subsection provides guidance for AM BMF IDT SMEs when a request for transcripts is received and there is ID theft or RICS involvement on the tax module or account.
- (2) AM BMF employees will submit referrals to the AM BMF IDT Liaison when a call or paper case is received requesting transcripts and there is IDT, or the EIN has been determined to be fabricated, or the entity has been locked.
- (3) Follow the chart below to determine if a transcript request should be fulfilled:

| | If account shows | And | Then |
|----|----------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | EIN was previously deemed fabricated by AM BMF IDT | Review of the account shows the EIN is valid (account should be unlocked) | <ul style="list-style-type: none"> • Prepare Form 14566 and send via secure email to the AM BMF IDT liaison. Be sure to include all information regarding the determination to unlock the account on the referral. • Send Letter 5317C to the taxpayer and advise them their transcripts will be sent under separate cover. • Send transcripts through TDS. |

| | If account shows | And | Then |
|----|----------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | EIN was previously deemed fabricated by AM BMF IDT | Review of the account shows the EIN is not valid (account should remain locked) | <ul style="list-style-type: none"> Send Letter 5317C to the taxpayer and include the following verbiage: <i>We reviewed your transcript request and determined you have no known relationship with the EIN listed above. If you have documentation supporting your business relationship with the EIN, please submit the documentation with a copy of this letter. If a Sole Proprietor, provide two of the following: valid U.S. Federal or State government issued identification with your signature, and documentation to support your business operation (i.e., utility bill or invoice). If a Partnership or Limited Liability Company, provide one or more of the following: articles of incorporation, articles of organization, or other supporting documentation.</i> |
| 3. | EIN was previously deemed fabricated by RICS | | <ul style="list-style-type: none"> Send Letter 5317C to the taxpayer and include the following verbiage: <i>We reviewed your transcript request and determined you have no known relationship with the EIN listed above. If you have documentation supporting your business relationship with the EIN, please submit the documentation with a copy of this letter to 844-201-5531.</i> |

| | If account shows | And | Then |
|----|--------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Identity theft claim received | The case is open/unresolved | <ul style="list-style-type: none"> • Work the IDT claim to completion • Send Letter 5317C and include the following verbiage: <i>We reviewed your transcript request and the transcript(s) will be sent under separate cover.</i> • Send transcripts through TDS. |
| 5. | Identity theft claim received | The case is resolved | <ul style="list-style-type: none"> • Verify the request for transcripts is from the taxpayer or authorized representative. • Send transcripts through TDS. |
| 6. | Transcript request is from an unauthorized party | | <ul style="list-style-type: none"> • Close the request as no contact. • Leave an AMS history/ Case Note that the request was from an unauthorized party and transcripts will not be sent. |

25.23.11.6.7
(10-01-2023)

**Account Actions - AM
BMF Identity Theft
Teams Only**

- (1) Once ID theft has been established and the case reviewed by the manager or lead, it will be necessary to correct the account.

- (2) **If the invalid return has posted first and valid return posted as a “DUPF”:**

1. Determine if ASER needs to be added prior to inputting any adjustment. On duplicate returns it may be necessary to update the ASER to reflect the correct received date of the valid return. The ASER will need to be updated if it is different from the date posted on the original return on the module. The ASER will need to be updated to the received date plus 3 years. Input the ASER with a TC 560 using CC REQ77 as appropriate. See IRM 25.6.1.6.14, Criteria for Establishing a Statute of Limitations Period, for additional information.

Example: The return due date is 04-15-2020 and the ID Theft original return posted 04-14-2020. The ASER for this return would be 04-15-2023. The true taxpayer had filed an extension on 04-10-2020. The valid return was received on 08-14-2020, the ASER for the valid return would be updated to 08-14-2023.

2. Completely back out (nullify) the invalid return first. This is to have the adjustment notice reflect the adjustment to the taxpayer's figures. **Do not** net the returns. Input the adjustment with a HC 4 to hold the notice and any credit that may be on the module.

3. Reverse any offsets in or out of the module if appropriate. Always input a secondary TC 570 on any credit transfers being moved into the ID theft module. This will hold the credit if necessary.
4. If any refund was lost as a result of the filing of the ID theft return additional procedures will need to be completed in order to balance the valid taxpayer's account. If the refund has already been released to the invalid TP the backing out of the return will create a debit on the module. To balance the account, credit from the 1545 account will need to be moved into the account once the invalid return is backed out. Input command code IDT48 (to reverse a fraudulent refund to the taxpayer affected by IDT) or IDT58 (to reverse a partial refund to the taxpayer affected by IDT) and suspend the case until the TC 841 posts back to the account. See IRM 25.23.9.9.6, Lost Refund, for input procedures. The credit will be returned to the module as a TC 841- entire refund lost, TC 700 partial refund lost. Monitor the case until the TC 841/700 posts back to the account.
5. If the refund was lost, input a TC 470 with a post delay of 1 cycle. This will prevent the issuance of any collection notices until the credit is moved in from the 1545 account.
6. Math verify the valid return to ensure there are no errors. If there is a math error, follow normal adjustment math error procedures.
7. Once the TC 841/700 posts back to the account, adjust the account to reflect the valid taxpayer's return. If the return is a refund or isn't going to result in a balance due, use HC 0 to allow the adjustment notice to generate to the taxpayer. If the valid taxpayer's return is going to result in a balance due:
 1. Determine if the return was timely filed. If the return was late you will need to manually calculate and assess any applicable failure to file (FTF) penalty. See IRM 20.1.2.2.1, When Timely mailing Equals Timely Filing or Paying (Received Date vs. Filing /Payment Date).
 2. Input adjustment using PC 2. This allows the computer to recognize the need to compute the FTP back to the return due date.
 3. Input the adjustment with the appropriate IRN 871 amount. The amount listed for the IRN 871 is the tax shown on the taxpayer's valid return.
 4. For more details on the procedures, see IRM 25.23.11.6.8, Invalid Return Posted First and the Valid Return is a Balance Due.
8. Determine if the address is correct. If address was changed as a result of the ID theft return, correct it back to the taxpayer's correct address.
9. Once the TC 841/700 posts, review the account to ensure all account issues have been corrected or addressed with the taxpayer.
10. Input TC 971 AC 522 CLSIDT.
11. Send Letter 5317C to explain to the taxpayer all actions taken.

(3) Only the invalid return is posted:

1. Back out the invalid return. Use HC 4 to hold the notice.
2. Reverse any offsets in or out of the module if appropriate. Always input a secondary TC 570 on any credit transfers to hold any credits being moved into the ID theft module.
3. If the refund was lost, Input a TC 470 with a post delay of 1 cycle. This will prevent the issuance of any collection notices until the credit is moved in from the 1545 account.

4. If any refund was lost as a result of the filing of the ID theft return additional procedures will need to be completed in order to balance the valid taxpayer's account. Input command code IDT48 (to reverse a fraudulent refund to the taxpayer affected by IDT) or IDT58 (to reverse a partial refund to the taxpayer affected by IDT) and suspend the case until the TC 841/700 posts back to the account. See IRM 25.23.9.9.6, Lost Refund, for procedures. Monitor the case until the TC 841/700 posts back to the account.
5. If there are payments on the account, research the payments to ensure they are not misapplied. If they are, move them to the correct account. If you are unable to determine where a payment should be applied, move the payments to the Unidentified Remittance File or Excess Collection File per IRM 21.5.7.3.5, Researching Unidentified Remittances and Excess Collection File.
6. Determine if the address is correct. If address was changed as a result of the ID theft return, correct it back to the taxpayer's correct address.
7. Review the account to ensure all account issues have been corrected or addressed with the taxpayer.
8. Input TC 971 AC 522 CLSIDT.
9. If EIN is active but there are no filing requirements or the taxpayer has no filing requirements for that specific form, close the appropriate filing requirements.
10. Send Letter 5317C to explain to the taxpayer all actions taken.

(4) ID theft return is an amended return:

1. Reverse the adjustment input for the amended return. Use a HC 3 to hold the notice.
2. Reverse any offsets in or out of the module if appropriate. Always input a secondary TC 570 on any credit transfers to hold any credits being moved into the ID theft module.
3. If the refund was lost, input a TC 470 with a post delay of 1 cycle. This will prevent the issuance of any collection notices until the credit is moved in from the 1545 account.
4. If any refund was lost as a result of the filing of the ID theft return additional procedures will need to be completed in order to balance the valid taxpayer's account. Input command code IDT48 (to reverse a fraudulent refund to the taxpayer affected by IDT) or IDT58 (to reverse a partial refund to the taxpayer affected by IDT) and suspend the case until the TC 841 posts back to the account. See IRM 25.23.9.9.6, Lost Refund, for procedures. Monitor the case until the TC 841 posts back to the account.
5. Determine if the address is correct. If address was changed as a result of the ID theft return, correct it back to the taxpayer's correct address.
6. Review the account to ensure all account issues have been corrected or addressed with the taxpayer.
7. Input TC 971 AC 522 CLSIDT.
8. Send Letter 5317C to explain to the taxpayer all actions taken.

- (5)** In all cases where it has been determined the EIN is fabricated and the account needs to be locked, see IRM 25.23.11.6.6.1, Fabricated EIN Referrals, for procedures. Using CC ENREQ, input "Identity theft" on the second name line (sort name) to identify this account as fabricated.

25.23.11.6.8
(10-01-2023)

Invalid Return Posted First and the Valid Return is a Balance Due

- (1) There will be situations where an ID theft return posted first and the valid taxpayer's return is a balance due and the tax was paid late or still unpaid. In these situations, failure to pay (FTP) penalties must be charged.

#

- (3) If the valid taxpayer's return was filed late, it will still be necessary to manually compute the FTP penalty.
- (4) Math verify the return.
- (5) It is important the correct information is entered on the adjustment to ensure the correct charging of the FTP penalty.

| Step | Action |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Back out the invalid return. DO NOT net the returns. Back out any associated penalties with the exception of bad check penalty (TC 280) or the FTP penalty charged on the TC 150. The FTP will automatically recompute once the back out adjustment posts. Exception: Netting can be done if the ASER is imminent. |
| 2 | Follow procedures in IRM 25.23.11.6.7 (2), Account Actions - AM BMF Identity Theft Teams Only, for all other needed account actions. The only difference in working the balance due returns where FTP penalty needs to be assessed is on the REQ54 input for the valid return. The new aspects of the adjustments are: 1. The use of priority code (PC 2) on the adjustment- PC 2 advises the computer that the FTP needs to be computed back to the RDD. 2. The IRN 871- The amount of the IRN 871 represents the "tax shown" on the valid return minus refundable credits. The IRN 871 amount tells the computer to compute the FTP based on the lesser of the IRN 871 amount (what the taxpayer expected to owe) or the tax assessed (290 amount) on the return from the due date of the return. In the computation of FTP penalty, the computer will recognize FTD and ES payments and refund reversals (TC 841/700) and calculate the FTP penalty appropriately. |
| 3 | Use HC 0 to allow the adjustment notice to generate. |

| Step | Action |
|------|------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | If multiple account actions are being taken, post delay the adjustment for 1 cycle to allow all actions to post prior to the adjustment. |

Example: Invalid return posted first. The taxpayer's valid return shows a balance owed of \$1,000. However, after the valid return was math verified the true balance owed is \$1,500. The adjustment would be a TC 290 for \$1,500 using the IRN 871 for \$1,000 (tax shown on the valid return) and PC 2. The computer will determine the lesser of the tax assessed (\$1,500) and the "tax shown" (\$1,000). The computer will compute the FTP on the IRN 871 amount of \$1,000 back to the return due date. Since the taxpayer was not aware of the additional \$500 owed the taxpayer has the 21 days from the 23C date to pay before FTP is assessed.

Example: The taxpayer made ES payments totaling \$5,000. The invalid return posts claiming a \$4,000 refund. With the ES payments made, a refund is issued for \$9,000 to the identity thief. After the return is backed out and the \$9,000 is credited from the 1545 account, there will be a \$5,000 credit on the module. There is \$7,000 "tax shown" on the valid return with no refundable credits. Since there is no math error on the return the IRN 871 will be \$7,000 also. The adjustment will be a TC 290 \$7,000 with, IRN 871 \$7,000 with PC 2 HC 0. The computer will recognize the \$5,000 in ES payments and charge FTP on \$2,000 from the RDD to the date the account is paid in full.

- (6) For additional information, see IRM 25.23.9.9.4, Invalid Return Posted First and the Valid Return is a Balance Due.

25.23.11.6.9
(10-01-2025)
Lost Refund

- (1) If an ID theft return (original or amended) has been processed and as a result a refund was issued to the Identity thief, the refund needs to be moved off the valid taxpayer's account. This must be done to ensure the account reflects only the valid taxpayer's information.
- (2) CC IDT48 and CC IDT58 must be used to move refunds lost from the account. These CCs credit the EIN account and move the refund to the General Ledger 1545 account. See IRM 2.4.64 , Command Code IDT48/IDT58/RPM48/RPM58/CSO48/CSO58/ELP45 for more information.
- (3) Use CC IDT48 to move an entire refund (TC 84X). TC 841 posts to the account with document code 48.
- (4) Use CC IDT58 to move the unrecoverable portion of a partially recovered refund. TC 700 posts to the account with document code 58. **Input a secondary TC 570 on your credit transfer to freeze the credit.**
- (5) Use CMODE to direct the request to the correct service center. See IRM 2.4.61.1.6, Terms and Acronyms. To determine the correct service center, use the 8th and 9th position of the Refund Schedule Number (RSN). See Exhibit 3.17.79-4, Refund Schedule Number Format.
- (6) Prior to inputting CC IDT48 or CC IDT58, reverse all available offsets that occurred.

- (7) If part of the refund was offset and the credit is being returned to the module, only the portion of the refund that is unrecoverable will be credited to the taxpayer's account.
- (8) To input the reversal using command codes IDT48 or IDT58:
 - See IRM 2.4.61.4, Command Code IDT48 - Request Formatted Input Screen
 - See IRM 2.4.61.5, Command Code IDT58 - Request Formatted Input Screen
- (9) Suspend case and monitor for the posting of the TC 841/TC 700. This is usually 2-4 weeks.
- (10) The preparation and posting of the TC 841 should be completed prior to backing out the return if possible.

25.23.11.6.10

(10-01-2025)

**Erroneous Refund -
SBSE Recapture CARE
Credit Cases - AM BMF
Identity Theft Teams
Only**

- (1) SBSE Recapture program identifies accounts where the taxpayer claimed Care Credits on an original return or an amended return that exceeded the amount to which they were entitled. SBSE corresponds using Letter 6577 when ERC is involved. If the taxpayer responds and indicates identity theft, SBSE inputs the adjustment to partially reverse or fully reverse the credit and sends BMF IDT a Form 14566 referral.

Note: As of 02/07/2025, SBSE will be inputting a TC 298 interest free adjustment on cases prior to referring them to IDT. The interest computation date used is the date of the response.

- (2) BMF IDT SMEs will review the response and determine whether identity theft occurred following normal procedures. The following examples are not all inclusive:
 - Taxpayer did not authorize the filing of an amended return claiming the credits.
 - Taxpayer received a bill from an ERC promoter for a return they did not authorize.
 - Taxpayer received a notice or refund from an ERC claim they did not authorize.
- (3) If no identity theft has occurred, (i.e., mixed period or mixed entity) reject the referral and provide explanation of no IDT. The referral should be sent back to the AM BMF IDT liaison, who will forward the reason for rejection to the SBSE Recapture liaison.
- (4) If identity theft did occur and a refund was issued and it has not been returned by the taxpayer then we must determine who received the refund. Research Treasury Check Information System (TCIS)/Payments Claims and Enhanced Reconciliation (Pacer) to view the paper check.
- (5) Follow the chart below:

| | If | And | Then |
|----|----------------------------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | No refund issued or refund has been returned | | <ul style="list-style-type: none">• Review account to determine whether an additional adjustment is required. For example, if SBSE only removed a portion of the ERC and the taxpayer states they did not file the amended return then the additional credit would need to be reversed.• Input TC 971 AC 522 to indicate an IDT claim was received, and TC 971 AC 522 to close the IDT claim, as required.• Send closing letter. |

| | If | And | Then |
|----|--------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Refund issued and not returned | TCIS shows the check was issued to the Entity Address of Record | <ul style="list-style-type: none"> • Review account to determine whether an additional adjustment is required. For example, if SBSE only removed a portion of the ERC and the taxpayer states they did not file the amended return then the additional credit would need to be reversed. • Follow Category C erroneous refund procedures per IRM • Input TC 971 AC 522 to indicate an IDT claim was received, and TC 971 AC 522 to close the IDT claim, as required. • Send closing letter. |

| | If | And | Then |
|----|--------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Refund issued and not returned | TCIS shows the check was issued to an address other than the Entity Address of Record | <ul style="list-style-type: none"> Review account to determine whether an additional adjustment is required. For example, if SBSE only removed a portion of the ERC and the taxpayer states they did not file the amended return then the additional credit would need to be reversed. Follow lost refund procedures as outlined in IRM 25.23.11.6.9, Lost Refund. Input TC 971 AC 522 to indicate an IDT claim was received, and TC 971 AC 522 to close the IDT claim, as required. Send closing letter. |

25.23.11.6.11
(10-01-2025)

**No Identity Theft
(NOIDT) Determinations
- AM BMF Identity Theft
Teams Only**

- (1) When the taxpayer is not a victim of identity theft, the TC 971 AC 522 **must** be reversed, and AMS/CII must be documented with the reasoning behind the determination that no ID theft exists. See IRM 25.23.9.6.7, Reversing Business Master File (BMF) Identity Theft Indicators - Transaction Code (TC) 972 Action Code (AC) 522 NOIDT, for additional information.

- (2) When you have determined the taxpayer is **not** a victim of identity theft, take the following actions:

| Step | Action |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Send Letter 5317C to advise the taxpayer of the NOIDT determination. The letter must include the specific reason(s) for the determination. |
| 2. | <p>a. Use IDRS command code REQ77 initiated from command code TXMOD to input a TC 972 AC 522 reflecting a Tax Administration Source Code of NOIDT in the MISC field. See Exhibit 25.23.9-5, Reversing Business Master File (BMF) Identity (ID)Theft Indicators - Transaction Code (TC) 972 Action Code (AC) 522, for additional information.</p> <p>Note: If, at the time of case closure, you find the TXMOD was not flagged with a TC 971 AC 522 IDTCLM/ IDTDOC, you must enter a TC 971 AC 522 with the appropriate MISC code to be reversed by TC 972 AC 522 NOIDT. When the TC 971 AC 522 IDTCLM/ IDTDOC is input, the TC 972 AC 522 NOIDT must be post delayed one cycle to allow the TC 971 AC 522 to post first.</p> <p>b. If there is no TXMOD to input the TC 972 AC 522 NOIDT, AMS/CII must be documented with the reason for the NOIDT determination. See the examples below for additional information.</p> |
| 3. | If a TC 470 was input to freeze collection notices, input a TC 472 to reverse the hold and resume the issuance of systemic balance due notices. |
| 4. | <p>When the account requires additional actions to fully resolve the module (i.e., duplicate return, amended return, mixed entity, mixed period, etc.), follow normal procedures to resolve the module.</p> <p>If the case is being resolved as a mixed entity, update the case data to Priority Code 3 before closing the case.</p> |

Example: The taxpayer receives a balance due notice from the IRS and submits Form 14039-B to claim identity theft. After performing the required research, you determine the balance due was not a result of identity theft but rather a result of a return processed to an incorrect account. This is not identity theft. The account must be marked with a TC 971 AC 522 IDTDOC to document receipt of the Form 14039-B, and then reversed with TC 972 AC 522 NOIDT.

Example: The taxpayer applies for an EIN and receives notification an EIN is already assigned and calls the IRS to report IDT, stating they never had an EIN. After performing required research, you determine the taxpayer filed a Schedule H on their individual return and the EIN belongs to the taxpayer. Since the EIN has no prior returns filed, there is no module

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available to input TC 971 AC 522 IDTCLM and the TC 972 AC 522 NOIDT. AMS/CII must be documented with the reason for the NOIDT determination.

25.23.11.6.12

(05-23-2025)

Reversing TC 130 - AM BMF IDT Employees Only

- (1) AM BMF employees trained in working ID Theft cases can reverse a TC 130 and will follow guidance below.
- (2) If identity theft is confirmed, thoroughly research all related accounts for legitimate outstanding balances prior to reversing any TC 130 on the account. Ensure there are no balances on the IMF, BMF or NMF account. See IRM 25.23.11.4.1, Accounts Containing TC 130 for research steps.
- (3) Automated Non-Master File (ANMF) places TC 130 for debit account balances greater than \$50 on related Non-Master File (NMF) taxpayer modules which have DLNs with blocking series 200-209. Input of a subsequent TC 131 will reverse all prior TC 130.
- (4) If a TC 130 should be reversed, do not input TC 131 until confirmation has been received from the Non-Master File team there is no outstanding ANMF debit balance. Email the NMF team at **TS KCSPC Non-Master File Team* prior to forwarding the case to the manager or lead for approval to reverse the TC 130.
- (5) Prior to inputting the TC 131, forward the case to your manager or lead for approval, and include the confirmation email received from the NMF team stating there are no outstanding ANMF debit balances.
- (6) The manager or lead will review the case information and determine if the reversal is appropriate. The manager or lead will leave a CII note on the case with the facts that back up the decision to allow or disallow the reversal of the TC 130.
- (7) If no liabilities remain on IDRS or NMF, after you have received manager or lead approval, input the TC 131 to ENMOD using CC REQ77.

25.23.11.6.13

(10-01-2019)

Reversing BMF Identity Theft Indicators

- (1) If a BMF identity theft (IDT) indicator (TC 971 AC 522) was erroneously entered on an account, subsequent research determines no ID theft has occurred or the taxpayer doesn't respond to the request for additional information, reverse the ID theft indicator. Reverse using a TC 972 AC 522. Use the appropriate MISC code to reflect the reason for the reversal.
 - NOIDT- After researching the account it is determine no ID theft exists. Document on AMS/CII why ID Theft is not indicated
 - NORPLY- Taxpayer does not respond to the request for additional information
 - IRSERR- Indicator input incorrectly
 - FALSE- It is determined the taxpayer is falsely claiming ID theft
 - OTHER- Any reason not listed above. Document AMS/CII with reason for reversal
- (2) For additional information see exhibit in IRM 25.23.9-5, Reversing BMF Identity Theft Indicators-TC 972 AC 522.

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Exhibit 25.23.11-1 (10-01-2023)

Accounts Management Form 14566 Instructions

The table below will assist the Accounts Management Customer Service Representative with initiating the Form 14566, BMF Identity Theft Referral. The Accounts Management *BMF IDT Liaison* will review the form, complete the remaining fields, and forward to the appropriate functional BMF IDT Liaison.

| Form 14566 Field Name | Field Data |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liaison Name | Enter the name of the liaison where the referral is being sent |
| Liaison Function | Select function where referral is being sent from the drop down menu options. |
| Business Information | Include Business EIN, Name and Address. |
| Claimant Information | Include Claimant SSN, Name/Title, Address and Phone number. |
| Account Information | Include CII number (when applicable), MFT and Tax period/s. |
| Actions Requested | Check all actions being requested. Note: There are only 2 actions listed under “IMF Actions”. All other actions are BMF. |
| Explanation for ID Theft Determination (Required Field) | It is very important to provide a detailed explanation to the receiving function of what was found that this case was determined as IDT and what specific actions you are requesting. Attach documents that prove your determination when available, and if Form 14039 or Form 14039-B is present, attach the form to the secure e-mail. Note: It is helpful to also indicate whether the <i>IAT BTR Tool</i> was used to make the IDT determination. |
| Employee Name and Function | Full name of person submitting the Form 14566 and the function they belong to. |
| Telephone Number | Phone number of initiator in case contact needs to be made. |
| Date | Date the Form 14566 is prepared and/or sent. |

Exhibit 25.23.11-2 (10-01-2025)**Quick Reference Guide to BMF IDT for Account Management BMF Employees**

(1) The table below provides the Accounts Management BMF employees with additional information regarding TC 971 action codes seen on accounts with RICS and IDT involvement.

Note: See IRM 25.23.11.6.3, BMF Returns Selected for RICS Review, for additional information and procedural guidance.

| | TC 971 Action Code | Seen on Command Code | Definition |
|----|--------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 711 | TXMOD BMFOLT | Identifies the suspense of a potential identity theft return, and causes the return to post as a TC 973 instead of a TC 150. Letter 6042C is issued. |
| 2. | 712 | TXMOD BMFOLT | Used by RICS to allow a return deemed not IDT to post. |
| 3. | 713 | TXMOD BMFOLT | Used by RICS to allow a return deemed not IDT to post, and freezes any refunds with TC 810 RC 4, generating a -Q freeze. The return will be reviewed for potentially frivolous items. The DLN of the TC 973 selected for posting will be seen in the MISC field. |
| 4. | 715 | ENMOD BMFOLE | Used by RICS to indicate if an EIN is fabricated or valid. The MISC field will show the determination made by RICS. Fabricated EINs will show the literal 'FAB EIN' in the MISC field. Valid EINs will show the literal 'VALID EIN' in the MISC field. |
| 5. | 717 | TXMOD BMFOLT | Used by RICS to allow a return deemed not IDT to post, and freezes any refunds with TC 810 RC 8, generating a -Q freeze. The return will be reviewed for potentially fraudulent items. The DLN of the TC 973 selected for posting will be seen in the MISC field. |

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Exhibit 25.23.11-2 (Cont. 1) (10-01-2025)

Quick Reference Guide to BMF IDT for Account Management BMF Employees

| | TC 971 Action Code | Seen on Command Code | Definition |
|----|--------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. | 123 | TXMOD BMFOLT | Used by RICS to indicate a return was research and deemed identity theft through a bulk process. There will be 'BMF IDT RP' in the MISC field and the account will also have a corresponding TC 971 AC 522 CLSIDT. |

(2) The table below provides Accounts Management BMF employees with additional information regarding TC 971 AC 524 seen on accounts with RICS and IDT involvement. TC 971 AC 524 is seen on the entity (CC ENMOD and BMFOLE), and is input to lock an account.

| | TC 971 AC 524 MISC Field Literal | Account will show |
|----|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | EINFAB | <ul style="list-style-type: none">• 'Potential FAB EIN' in the sort name line if determination was made by RICS• 'Identity Theft' in the sort name line if determination was made by AM BMF IDT• TC 020 on BMFOLE to deactivate the account |
| 2. | EINFB2 | <ul style="list-style-type: none">• May or may not show 'Potential FAB EIN' in the sort name line if determination was made by RICS• 'Identity Theft' in the sort name line if determination was made by AM BMF IDT• TC 020 on BMFOLE to deactivate the account |
| 3. | ENTLOK | <ul style="list-style-type: none">• No TC 020 on ENMOD/BMFOLE• Entity is locked, but entire account is not deactivated |

Reminder: A full listing of BMF Tax Administration Source Codes is found in Exhibit 25.23.9-1, Transaction Code (TC) 971 Action Code (AC) 5XX- MISC Codes. With the exception of 'ENTLOK,' TC 971 AC 524 will lock the EIN and deactivate the account with TC 020.

