



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

25.25.1

SEPTEMBER 13, 2023

EFFECTIVE DATE

(09-13-2023)

PURPOSE

- (1) This transmits a revision to IRM 25.25.1, Revenue Protection, Return Integrity and Verification Operation Business Master File Procedures.

MATERIAL CHANGES

- (1) Grammatical updates, form/IRM title additions, and link corrections throughout
- (2) 25.25.1.3.4(2) Updated IRM 3.12.279.164 to the correct IRM 3.12.279.81
- (3) IRM 25.25.1.3.4(3) Updated IRM 3.12.279.118 to the correct IRM 3.12.279.50.1
- (4) IRM 25.25.1.5.2.4(2) Updated IRM 25.23.11..6.1 to the correct IRM 25.23.11.6.6.1
- (5) IRM 25.25.1.6(5) Updated IRM 25.25.2.23 to the correct IRM 25.25.2.22
- (6) IRM 25.25.1.3.2.1 Grammatical updates
- (7) IRM 25.25.1.3.2.2 Grammatical updates and (5) corrected broken IRM link in box 5
- (8) IRM 25.25.1.3.2.3 Grammatical updates
- (9) IRM 25.25.1.3.2.7 Modified table size
- (10) IRM 25.25.1.3.4 Grammatical updates
- (11) IRM 25.25.1.5.2.1 Grammatical updates and modified table size
- (12) IRM 25.25.1.1(3) Provided the definition for the acronym RIVPM.
- (13) IRM 25.25.1.1.6 Updated CIS, Correspondence Imaging System to CII Correspondence Imaging Inventory, IPU 22U1050 issued 10-27-2022
- (14) IRM 25.25.1.1.6 Updated the definition of WOW to Withholding Only Work. IPU 23U0783 issued 06-29-2023
- (15) IRM 25.25.1.1.7 Removed the exception.
- (16) IRM 25.25.1.3.2(3) Updated note.
- (17) IRM 25.25.1.3.1(3) Added the IRM link to the W&I SLA Addenda, IPU 22U1221 issued 12-19-2022
- (18) IRM 25.25.1.3.2 (3) Added inputting a note in BMFIC with research results leading to the Entity Fabrication determination, IPU 23U0350 issued 03-06-2023
- (19) IRM 25.25.1.3.2(4) Added 4442 to the expedited case determination note, IPU 22U1050 issued 10-27-2022
- (20) IRM 25.25.1.3.2 (4 Note) Defined the timeframe EF has to complete a 4442 from receipt, IPU 23U0783 issued 06-29-2023

- (21) IRM 25.25.1.3.2.1(3) Updated IRM reference in the If and Then chart, IPU 22U1050 issued 10-27-2022
- (22) IRM 25.25.1.3.2.1(3) Added to the correspondence statement in the If and Then chart to include IDRS, ensuring all correspondence received is updated appropriately in both BMFIC and IDRS, IPU 22U1221 issued 12-19-2022
- (23) IRM 25.25.1.3.2.1 (3) Added a reminder that prior to taking actions the case must be reviewed by the Technical Lead for accuracy. Updated the order of actions to ensure correspondence is updated prior to closing the control base and removed "REF2SBSE" in the Business Phone Type field for case details in BMFIC & updated closing action to Referral SBSE, IPU 23U0783 issued 06-29-2023
- (24) IRM 25.25.1.3.2.1 (4) Clarified conditions when referring a case to SBSE, IPU 23U0783 issued 06-29-2023
- (25) IRM 25.25.1.3.2.2(5) Updated IRM reference in the If and Then chart and added TC 810 input, IPU 22U1050 issued 10-27-2022
- (26) IRM 25.25.1.3.2.2(5) Added to the correspondence statement in the If and Then chart to include IDRS, ensuring all correspondence received is updated appropriately in both BMFIC and IDRS, IPU 22U1221 issued 12-19-2022
- (27) IRM 25.25.1.3.2.2 (5) Added a reminder that prior to taking actions the case must be reviewed by the Technical Lead for accuracy. Updated the order of actions to ensure correspondence is updated prior to closing the control base and removed "REF2SBSE" in the Business Phone Type field for case details in BMFIC & updated closing action to Referral SBSE, IPU 23U0783 issued 06-29-2023
- (28) IRM 25.25.1.3.2.2 (6) Clarified conditions when referring a case to SBSE, IPU 23U0783 issued 06-29-2023
- (29) IRM 25.25.1.3.2.7 (1) Updated d) to correct the Document 6209 broken link, IPU 23U0783 issued 06-29-2023
- (30) IRM 25.25.1.3.2.7 (4) Updated dates and added a caution stating returns meeting the criteria in box must be statute cleared, IPU 23U0783 issued 06-29-2023
- (31) IRM 25.25.1.3.3.1 Removed Form 3699 and replaced it with Form 14219, IPU 22U1050 issued 10-27-2022
- (32) IRM 25.25.1.3.3.2 Updated CIS, Correspondence Imaging System to CII Correspondence Imaging Inventory, IPU 22U1050 issued 10-27-2022
- (33) IRM 25.25.1.3.3.2(3) Added information to check for statute conditions and a link to the Statute IRM, IPU 22U1221 issued 12-19-2022
- (34) IRM 25.25.1.3.3.2(3) Correcting added information to check for statute conditions and a link to the Statute IRM, IPU 23U0055 issued 01-06-2023
- (35) IRM 25.25.1.3.3.2 (4) Added a link to the OCSC 0839 ESTAB job aid, IPU 23U0783 issued 06-29-2023
- (36) IRM 25.25.1.3.3.2(7c) Added guidance regarding actions to take if the return sent to be reprocessed does not post.
- (37) IRM 25.25.1.3.3.2(9) Added a link to the Statute IRM, IPU 22U1221 issued 12-19-2022
- (38) IRM 25.25.1.3.3.2(9) Correcting added a link to the Statute IRM, IPU 23U0055 issued 01-06-2023

- (39) IRM 25.25.1.5.1 Added additional guidance pertaining to 4442 Inquiry Referrals and OARs, IPU 22U1050 issued 10-27-2022
- (40) IRM 25.25.1.5.2 Added additional guidance when account is determined to be Fabricated, IPU 22U1050 issued 10-27-2022
- (41) IRM 25.25.1.5.2 (1) Added a bullet for command code BMFOLL and additional information to DDBMFI, IPU 23U0783 issued 06-29-2023
- (42) IRM 25.25.1.5.2.1 (2) Updated actions regarding BMFIC check boxes, IPU 23U0783 issued 06-29-2023
- (43) IRM 25.25.1.5.2.2 (1) Updated the suspense period from 60 says to 180 days, IPU 23U0783 issued 06-29-2023
- (44) IRM 25.25.1.5.2.2 (3) Updated actions regarding BMFIC check boxes, IPU 23U0783 issued 06-29-2023
- (45) IRM 25.25.1.5.2.4 Update the IRM reference.
- (46) IRM 25.25.1.5.2.4 Added additional guidance pertaining to 4442 Inquiry Referrals and OARs, IPU 22U1050 issued 10-27-2022
- (47) IRM 25.25.1.5.2.4 Added guidance pertaining to necessary actions when working 4442 inquiry referrals and OARs, IPU 22U1221 issued 12-19-2022
- (48) IRM 25.25.1.5.2 (4) Added reviewing case notes and correspondence to assist with research and when an Entity Fabrication determination is not made the TC 971-524 checkbox must be deselected as part of the closing actions, IPU 23U0350 issued 03-06-2023
- (49) IRM 25.25.1.5.2.4 Corrected formatting errors, IPU 23U0350 issued 03-06-2023
- (50) IRM 25.25.1.5.2.4 (1) Updated actions regarding BMFIC check boxes, IPU 23U0783 issued 06-29-2023
- (51) IRM 25.25.1.5.2.4 (2) Updated EFDS and BMFIC actions, IPU 23U0783 issued 06-29-2023
- (52) IRM 25.25.1.5.2.4 (3) Updated actions regarding BMFIC check boxes, IPU 23U0783 issued 06-29-2023
- (53) IRM 25.25.1.5.3 Removed Form 3699 and replaced it with Form 14219, IPU 22U1050 issued 10-27-2022
- (54) IRM 25.25.1.6(5) Updated the IRM reference.
- (55) IRM 25.25.1.8 Removed Form 3699 and replaced with Form 14219 and added guidance pertaining to electronic letter responses, IPU 22U1050 issued 10-27-2022
- (56) IRM 25.25.1.9 Added a new IRM section, Business Master File External (BMF) Lead Referrals
- (57) Exhibit 25.25.1-2 Removed X from Filter ID D7, Form 1065, IPU 23U0783 issued 06-29-2023
- (58) Exhibit 25.25.1-3 Removed the sentence - All cases must be reviewed by the lead or manager before the MOC can be changed to “**Suspicious**” or “**No Employees**” from the note. IPU 23U0350 issued 03-06-2023
- (59) Exhibit 25.25.1-3 Made updates and clarifications to standard notes and actions for EFDS and AMS, IPU 23U0783 issued 06-29-2023

- (60) Exhibit 25.25.1-4 Updated closing action descriptions and added new types, Referral - LB&I, Referral - SBSE, and Referral - TEGE, IPU 23U0783 issued 06-29-2023

EFFECT ON OTHER DOCUMENTS

IRM 25.25.1 dated 09-16-2022 is superseded. This IRM also incorporates the following IRM Procedural updates IPU 22U1050, issued 10-27-2022, IPU 22U1221 issued 12-19-2022, IPU 23U0055 issued 01-06-2023, IPU 23U0350 issued 01-06-2023, IPU 23U0783 issued 06-29-2023

AUDIENCE

Campus employees in Return Integrity and Verification Operations (RIVO), Return Integrity and Compliance Services (RICS)

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25.25.1

Return Integrity and Verification Operation Business Master File Procedures

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25.25.1.1
(09-13-2023)
**Program Scope and
Objectives**

- (1) Purpose and Program Goals: This IRM section provides guidance for Return Integrity Verification Operations (RIVO) employees when screening Business Master File (BMF) returns for possible identity theft and Entity Fabrication. BMF returns are scored through the Dependent Database (DDB) or through the Return Review Program (RRP) system. These scoring processes identify potential fraud criteria including made up Employer Identification Number(s) (EINs) that do not exist or EINs that are tied to an existing legitimate business.
- (2) Audience: The procedures in this IRM apply to RIVO employees.
- (3) Policy Owner: Return Integrity Verification Program Management (RIVPM) is the policy owner of this program.
- (4) Program Owner: RIVPM is the program office responsible for oversight over this program.

25.25.1.1.1
(10-01-2019)
Background

- (1) RIVO strengthens the integrity of the tax system by:
 - Protecting the public interest by improving IRS's ability to detect and prevent improper refunds
 - Serving the public interest by taking actions fairly and appropriately to identify, evaluate and prevent the issuance of improper refunds
 - Helping taxpayers understand the refundable tax credits for which they are eligible

25.25.1.1.2
(09-13-2023)
Authority

- (1) Refer to the following:
 - IRM 1.2.1, Servicewide Policies and Authorities, Servicewide Policy Statements
 - IRM 1.1.13, Organization and Staffing, Wage and Investment Division
 - Various Internal Revenue Code (IRC) sections including but not limited to:
 - IRC 6402(a), Authority to make credits or refunds
 - IRC 6401, Amounts treated as overpayments
 - IRC 6404, Abatements
 - IRC 6213, Restrictions Applicable To Deficiencies; Petition To Tax Court

25.25.1.1.3
(09-13-2023)
Responsibilities

- (1) RIVPM is responsible for information in this IRM. Information is published in the IRM on a yearly basis.
- (2) The Director of RIVPM is responsible for the policy related to this IRM.
- (3) The Chief of the RIVPM Policy and Analysis is responsible for ensuring this IRM is timely submitted to publishing each year.
- (4) More information can be found in IRM 1.1.13.5, Return Integrity and Compliance Services (RICS).

25.25.1.1.4
(12-03-2020)
**Program Management
and Review**

- (1) The program has reports to track the inventory, including receipts and closures.

- (2) A quality control program is in place to review all processes to ensure accuracy and effectiveness.

25.25.1.1.5
(02-19-2021)

Program Controls

- (1) Revenue Protection, Integrity & Verification Identity Theft Return area will administer program controls, including but not limited to, overall program administration, income verification, notification to potential identity theft victims, reports to track inventory, and a quality control program in place to review all processes, which ensures accuracy and effectiveness. Access to the program information stored on the SharePoint site, Electronic Fraud Detection System (EFDS), Business Master File Identity Check (BMFIC), and Account Management Services (AMS) is protected by limiting access to those individuals that manage the program and specified employees. The following activities help ensure program success:
- Conducting annual policy reviews
 - Protecting the public interest by improving IRS's ability to detect and prevent improper refunds
 - Serving the public interest by taking actions fairly and appropriately to identify, evaluate and prevent the issuance of improper refunds
 - Maintaining related IRMs
 - Supplying training, as needed

25.25.1.1.6
(09-13-2023)

Acronyms

- (1) The acronyms below are utilized in the Return Integrity Verification Operations (RIVO) Programs:

Acronym	Definition
AC	Action Code
ACH	Automated Clearing House
AIMS	Audit Information Management System
ALC	Account Locator Number
AM	Accounts Management
AMS	Account Management Services
AOTC	American Opportunity Tax Credit
AQC	Automated Questionable Credit Program
ARAP	Accelerated Refund Assurance Program
ARG	Frivolous Argument Codes
ASFR	Automated Substitute for Return
AT	Abusive Transactions
ATAT	Abusive Tax Avoidance Transactions
AUR	Automated Underreporter

Acronym	Definition
BFS	Bureau of the Fiscal Service
BKL/BKLD	Bank Lead
BMF	Business Master File
BMFIC	Business Master File Identity Check
BOD	Business Operation Division
BS	Blocking Series
CADE	Customer Account Data Engine
CAP	Collection Appeals Program
CAS	Customer Account Services
CC	Command Code
CCC	Computer Condition Code
CCP	Centralized Check Process
CD	Code
CDP	Collection Due Process
CE	Contact Employer
CEAS	Campus Exam Automation Support
CFC	Campus Fraud Coordinator
CI	Criminal Investigation
CIR	Collection Information Repository
CII	Correspondence Imaging Inventory
CP	Computer Paragraph
CSR	Customer Service Representative
CWSD	Centralized Workload Selection and Delivery
CY	Calendar Year
DD	Direct Deposit
DDB	Dependent Database
DISCL	Disclaimer
DLN	Document Locator Number
DM	Data Mining

Acronym	Definition
DMAS	Data Management and Analysis Support
DOJ	Department of Justice
DSL	Dynamic Selection List
EF	Entity Fabrication
EFDS	Electronic Fraud Detection System
EIC	Earned Income Credit
EIN	Employer Identification Number
EL	External Leads
ELF	Electronic Filing System
ELP	External Leads Program
EUP	Employee User Portal
FEMA	Federal Emergency Management Agency
FFC	Federal Fraud Case
FMS	Financial Management Service
FOIA	Freedom of Information Act
FRE	Fraud Referral and Evaluation
FRP	Frivolous Return Program
FTA	Fraud Technical Advisor
FTC	Fuel Tax Credit
FTD	Federal Tax Deposit
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade
HC	Hold Code
HHS	Health and Human Services
HQ	Headquarters
HSH	Household Help
IA	Installment Agreement
IAT	Integrated Automation Technologies
IDOC	Income Document
IDRS	Integrated Data Retrieval System

Acronym	Definition
IDT	Identity Theft
ILO	In Lieu Of
IMF	Individual Master File
IPSU	Identity Protection Specialized Unit
IRA	Information Returns Acceleration
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRP	Information Reporting Program
IRS	Internal Revenue Service
ITAR	Identity Theft Assistance Request
ITIN	Individual Taxpayer Identification Number
ITLA	Interactive Tax Law Assistant
LDC	Lead Development Center
LMS	Lead Management System
LUQ	Large, Unusual, or Questionable
MeF	Modernized e-file
MFJ	Married Filing Jointly
MFT	Master File Tax Account Code
MMIA	Manually Monitored Installment Agreement
MOC	Mode of Contact
MS	Mail Stop
NACHA	National Automated Clearing House Association
NTINDV	Not Individual
OAR	Operations Assistance Request
OCSE	Office of Child Support Enforcement
OIC	Offer in Compromise
OTCnet	Over the Counter Network
PA	Policy and Analysis
P&A	Planning and Analysis

Acronym	Definition
PII	Personally Identifiable Information
PIR	Prior Actions by IRS
POC	Point of Contact
PPIA	Partial Pay Installment Agreement
PRN	Penalty Reference Number
PS	Process Status
PTC	Premium Tax Credit
PUB	Publication
PY	Prior Year
QRP	Questionable Refund Program
RAC	Refund Anticipation Check
RACS	Revenue Accounting Control System
RAL	Refund Anticipation Loan
RC	Reason Code
R&C	Receipt and Control
RCD	Reduction Completion Date
RCO	Return Charge Out
REPT	Reparation Tax
RGS	Report Generation Software System
RICS	Return Integrity & Compliance Services
RIVO	Return Integrity Verification Operations
RIVPM	Return Integrity Verification Program Management
RO	Revenue Officer
RPC	Return Processing Code
RRP	Return Review Program
RTN	Routing Transit Number
SBSE	Small Business/Self Employed
SC	Source Code
SD	Source Document

Acronym	Definition
SERP	Servicewide Electronic Research Project
SFR	Substitute for Return
SLA	Service Level Agreement
SNOD	Statutory Notice of Deficiency
SP	Submission Processing
SPC	Special Processing Code
SRFM	State Reverse File Match
SSA	Social Security Administration
SSA_ORS	Social Security Administration Online Reporting System
SSN	Social Security Number
STARS	Scheme Tracking and Referral System
TAC	Taxpayer Assistance Center
TAR	Technical Assistance Request
TAS	Taxpayer Advocate Service
TC	Transaction Code
TCIS	Treasury Check Information System
TE	Tax Examiner
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
TOP	Treasury Offset Program
TP	Taxpayer
TPP	Taxpayer Protection Program
TT	Toll-Free Tax Technicians
UC	Unit Control Clerk
UCC	Uniform Commercial Code
URC	Unpostable Resolution Code
UP	Unpostable
USPS	United States Postal Service
UTV	Unable to Verify

Acronym	Definition
WI	Wage and Investment
WMS	Workload Management System
WOW	Withholding Only Work
XSF	Excess Collection File

25.25.1.1.7
(09-16-2022)

Related Resources

- (1) The related resources listed below may be utilized for account research and issue resolution. These related resources may be accessed through the IRS Intranet-Servicewide Electronic Research Program (SERP) site.
 - IRM 25.25, Revenue Protection
 - IRM 25.23, Identity Protection and Victim Assistance
 - IRM 21, Customer Account Services
 - IRM 2, Information Technology
 - IRM 3, Submission Processing
- (2) Letters associated with the procedures in this IRM are as follows:
 - Letter 5263C, Entity Fabrication
 - Letter 6042C, Entity Verification for Businesses
 - Letter 6217C, Entity Verification Response Letter
- (3) Integrated Data Retrieval System (IDRS) restricted access accounts are accounts where a user must request special permissions to access the account through IDRS. Follow IRM 21.2.1.3.2, Authorized IDRS Access.

25.25.1.2
(12-03-2020)

Business Master File Identity Check (BMFIC) Database

- (1) Business Master File Identity Check (BMFIC) is a web application used to track and monitor cases that have been marked fraudulent, used to track letters, responses, calls, research, and determinations of case legitimacy. BMFIC is a combination of Entity Fabrication (EF) and Business Master File (BMF) Identity Theft (IDT) programs. EF tracks potential fraud on fake businesses created to claim false refunds. BMF IDT tracks fraud on EINs that are tied to an existing legitimate business. BMFIC is utilized to ensure a record is made of all pertinent actions taken on accounts.
- (2) The BMFIC infrastructure includes:
 - Dashboard – Snapshot of inventory (All Cases, My Cases) and Case Status Summary.
 - Cases – View, add, edit cases and record actions taken on cases.
 - Import – Based on user permissions, import initial case inventory, update case actions in bulk.
 - Reports - Based on user permissions, view BMFIC reports consisting of correspondence information, time tracking, and undeliverable casework.
 - Settings - Based on user permissions, manage drop down menu options.
 - Case Search – Search for cases using EIN, Business Name, Document Locator Number (DLN), or Employee SEID.

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25.25.1.3
(09-13-2023)
**Return Integrity and
Verification Operation
(RIVO) BMF IDT
Procedures**

- (1) RIVO BMF IDT program will follow the guidance provided in IRM 25.23.9, Business Master File (BMF) Identity Theft Processing. These procedures are intended to provide supplemental guidance for RICS Tax Examiners (TE's) specific actions.

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- (3) BMFIC and Case Control Activity (CCA) reports must be utilized to monitor and manage inventory, ensuring inventory is being prioritized and worked in accordance with established guidelines.

25.25.1.3.1
(09-13-2023)
Establishing Case

- (1) Once Letter 6042C is sent to the taxpayer, IDRS controls are opened by HQ staff on the specific Master File Tax Account Code (MFT) and tax period to alert other areas of the possible identity theft. The initial control base is only established when initial letter is sent. If a case has been closed previously but additional correspondence is received, a new control base will be opened to reflect the correspondence received as outlined below.

The control base contains the following:

- a. Activity: "POTENTIDT"
- b. Assign-To: "1481055555"
- c. Category: "TPPI"

Note: As of June 2018, Letter 6042C replaced Letter 5263C for BMF IDT cases. Letter 5263C is now used for EF only.

- (2) The remaining procedures in this IRM are generally performed by clerical staff. Any correspondence or undeliverable received in response to Letter 6042C should be treated as follows within 5 business days from correspondence received date:

If	And	Then
fax correspondence is received in response to Letter 6042C.	there is an open control to 1481055555, a BMF IDT IDRS employee number or no control open.	<ul style="list-style-type: none"> Open/Update control to: <ul style="list-style-type: none"> Activity: "FXMMD-DYYYY" <p>Note: Use the correspondence received date for "MMDDYYYY."</p> <ul style="list-style-type: none"> Assign-To: Applicable BMF IDT Unit IDRS Number. Category: "TPPI" <p>Note: Only open a new control if there is no existing open control to update or control was closed previously.</p> <ul style="list-style-type: none"> Update/Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> Date of Correspondence. Correspondence Type: "Fax." Response from: Owner (i.e., Cross Reference XREF or Business). Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. URL (optional field): URL link to scanned image.

If	And	Then
paper correspondence is received in response to Letter 6042C.	there is an open control to 1481055555, a BMF IDT IDRS employee number or no control open.	<ul style="list-style-type: none"> Open/Update control to: <ul style="list-style-type: none"> Activity: "CRMMD-DYYYY" <p>Note: Use the correspondence received date for "MMDDYYYY."</p> <ul style="list-style-type: none"> Assign-To: Applicable BMF IDT Unit IDRS Number. Category: "TPPI" <p>Note: Only open a new control if there is no existing open control to update or control was closed previously.</p> <ul style="list-style-type: none"> Update/Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> Date of Correspondence. Correspondence Type: "Mail Response." Response from: Owner (i.e., XREF) or Business. Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. URL (optional field): URL link to scanned image.

If	And	Then
undeliverable correspondence is received in response to Letter 6042C.		<ul style="list-style-type: none"> Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> Date of Correspondence. Correspondence Type: "Undeliverable." Response from: Owner (i.e., XREF) or Business. Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. URL (optional field): URL link to scanned image.

- (3) Correspondence or referrals received from another area (e.g., Taxpayer Advocate Service (TAS) Operations Assistance Request (OAR), see IRM 25.30.8-1, W&I SLA Addenda (Refund Integrity and Compliance Service Addendum), to view the Service Level Agreement, Form 4442, Inquiry Referral, e-mail, etc.) relating to a return selected by RICS for potential BMF IDT review should be updated/added in the BMFIC database within 5 business days from receipt and worked following normal case processing procedures.

Exception: TAS OARs identified as "Expedite" must be acknowledged within one workday and a decision made within three days on whether the recommended action(s) can be taken. - Per Service Level Agreement (SLA) between TAS and Wage and Investment (W&I).

Note: During periods of high volume, adjustments to inventory control time frames outlined in this IRM section will be coordinated and adjusted by management and HQ as needed.

- (4) Once IDRS controls and BMFIC are updated to reflect the receipt of the correspondence, assign case for processing:

If	Then
IDRS control shows the 1481055555 number or generic BMF IDT Units IDRS number.	<ul style="list-style-type: none"> BMFIC must be updated to assign case prior to the case being closed.

If	Then
IDRS control shows a BMF IDT Technicians IDRS number.	<ul style="list-style-type: none"> • Update the BMFIC database and assign case to the BMF IDT Technicians SEID/Name. • Route correspondence to the technician if case is not scanned into RIVO Repository.
IDRS control shows a Frivolous Return Program (FRP) Technicians IDRS number but not a BMF IDT Technician or Units IDRS number.	<ul style="list-style-type: none"> • Open a new IDRS control to a BMF IDT Units IDRS number. • BMFIC must be updated to assign the case prior to the case being closed.

25.25.1.3.2
(09-13-2023)
Case Processing

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(2) Document the findings on Account Management Services (AMS) and in BMFIC

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IRM 25.23.9, Business Master File (BMF) Identity Theft Processing, for guidance on conducting necessary research and determining if the entity is legitimate.

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- (5) Any forms attached to the correspondence will be processed using established procedures. Refer to IRM 25.25.1.6, Routing/Referrals, for additional information.

Note: Responses requesting changes to the business entity (e.g., address change, business name change, or responsible party information update) must include Form 8822-B, Change of Address or Responsible Party-Business. Route complete responses to Entity for processing. For responses requesting changes and DO NOT contain the completed form OR when a TE identifies the business entity information is outdated in the course of conducting case research, issue Letter 6217C advising the business to file a completed Form 8822-B. DO NOT update the business's entity information.

Exception: If the original return is an IDT return, research account to determine if the address has been changed by the posting of that return. If the address has been updated, change the address back to the correct business address.

- (6) If there are other tax modules on the account with an open BMF IDT control and you made a determination on your case, resolve all other cases as applicable based on your determination.
- Complete case processing for each tax module using the procedures in the following sections.
 - If another tax module is assigned to another BMF IDT technician, contact that technician to coordinate proper case closing actions.

Note: If you determine other tax modules selected for BMF IDT review contain incomplete processing, take necessary actions to resolve the tax modules.

- (7) A return or correspondence received in response to another notice can be used in a case determination if the response and account research provides enough information to validate the suspended returns legitimacy. For example, a return or correspondence received in response to a CP 080, Reminder - We Have Not Received Your Return, Credits May be on Your Account, CP 259, Business Master File (BMF) Generated - First Taxpayer Delinquency Investigation (TDI) Notice, or other similar notice requesting a return to be filed and the original return is being held for BMF IDT review. If you cannot validate the suspended return without additional information from the taxpayer, refer to IRM 25.25.1.3.2.3, Reissue Letter Request, and follow procedures for reissuing a letter to obtain additional information for case processing.

Note: If a return is received containing a live signature, you cannot destroy that return. It must be sent to files.

- (8) For additional information relating to specific BMF forms refer to:
- IRM 21.7.2, Employment and Railroad Tax Returns (e.g., Form 941, Employer's Quarterly Federal Tax Return, Form 943, Employer's Annual Tax Return for Agricultural Employees, Form 944, Employer's ANNUAL Federal Tax Return, and Form 945, Annual Return of Withheld Federal Income Tax).
 - IRM 21.7.3, Unemployment Taxes (e.g., Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return).
 - IRM 21.7.4.4, Income and Information Returns Procedures (e.g., Form 1041, U.S. Individual Income Tax Return, Form 1065, U.S. Return of Partnership Income, and Form 1120, U.S. Corporation Income Tax Return, series returns).
 - IRM 21.7.1.4.4.4, Excise Taxes (e.g., Form 720, Quarterly Federal Excise Tax Return).
- (9) If case you are working was previously worked but reopened or additional response information is received, review case to ensure all applicable actions were taken properly and proceed as follows:
- If case corrections are necessary, follow existing IRM procedures to resolve any issues and close the case.
 - If no corrections or additional updates are needed, close the BMF IDT IDRS control base with activity: "**CLDPRVACT**", and ensure BMFIC case is closed using same Closing Action used previously. Indicate in your closure comments that the case was previously worked.
- (10) Every attempt will be made to work correspondence within 30 days from correspondence received date.
- (11) Each individual selected return must be reviewed to determine if that return is IDT or not, regardless if a TC 150 is posted on the tax module or if another related case shows worked in BMFIC previously. All proper case processing actions, including addressing the IDT selection indicator on the account, must be completed when the case is closed.

- Note:** If a BMF IDT IDRS control base was opened in error, close the control base using "MISC" as category code

(1) These procedures apply to BMF IDT returns selected where the return was

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If	And	Then
1 Response confirms IDT OR entity is confirmed fabricated (unreversed posted or pending TC 971 AC 524 containing EINFAB in the MISC field on ENMOD).	TC 150 DLN matches the DLN of the selected BMF IDT return.	<ul style="list-style-type: none"> Complete the adjustment to back out the return and complete all other applicable account actions. See IRM 25.23.9.9, Account Actions, for additional information. Input TC 971 AC 522. See IRM 25.23.9-4, BMF ID Theft Indicators -TC 971 AC 522 CLSIDT - Closed and Confirmed as BMF ID Theft, for proper input. Ensure Correspondence in BMFIC and IDRS are updated as applicable based on response received and save. Update and close IDRS control with activity: "IDTCONFIRM" Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: "IDT – Confirmed." Add any required and applicable notes relating to your case determination including notation that case is being worked under IDT because entity has been determined to be fabricated if applicable to your case.
2 Response indicates no IDT involvement OR when specifically working no response casework.	Return meets FRP criteria OR there is an open IDRS control to a FRP technician's IDRS number. Note: Do not refer to FRP based on Frivolous Filer filters present on DDBMF alone. The return must also meet FRP criteria. For more information on Frivolous Arguments, see IRM 25.25.10-1, Frivolous Arguments.	<ul style="list-style-type: none"> Send scanned image copy of response correspondence received to FRP. Specify on router why you believe return meets FRP criteria. Exception: When working no response casework there is no correspondence received to route to FRP. Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for reversal procedures. Ensure Correspondence in BMFIC and IDRS are updated as applicable based on response received and save. Update and reassign BMF IDT IDRS control: <ul style="list-style-type: none"> with Activity: "NOTIDT_FRP" Assign-To: 1486900000. Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: "Not IDT – Friv." Include in your closing comments why the return meets FRP criteria.

If	And	Then
<p>3 Response indicates no IDT involvement OR when specifically working no response casework.</p>	<p>Return has no frivolous, potential fraudulent claims meeting referral criteria, questionable items, or research indicates return is not BMF IDT.</p>	<ul style="list-style-type: none"> Input TC 571 using the date of the TC 570 you are reversing in the transaction date field to reverse our indicator/release freeze when applicable. If case contains P freeze as result of NOREF RICS area input, ensure P freeze is released. See exception below: Exception: If the Audit Information Management System (AIMS) status 10 or higher is present on the account (i.e., -L freeze) and there is a credit on the account or if another area has a freeze/case hold on the account that would be erroneously released by your input, DO NOT input any TC that will release the credits from the account. This includes not inputting TC to release credits if the account has any pending TC that will set a freeze when it posts (e.g., pending TC 971 AC 010 or AC 012-015). Note: In most instances a TC 571 will release the P freeze however, some case scenarios will require the input of a TC 290 .00 with a hold code (HC) 3 if the TC 571 doesn't release it. Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for reversal procedures. Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. Update and close IDRS control activity with "NOTIDT" Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: "Not IDT." Add any required and applicable notes relating to your case determination.

If	And	Then
<p>4 Response is received OR when specifically working no response casework.</p>	<p>TC 150 DLN matches the DLN of the selected BMF IDT return AND an account lock freeze code is present on ANY tax module (i.e., Z freeze).</p>	<ul style="list-style-type: none"> • Send your lead an email with your research notes, summary, and case determination. Your lead will contact Criminal Investigation (CI) and provide you with guidance once it is received from CI. If permission is granted: <ul style="list-style-type: none"> • Proceed with processing, closing, and filing your case. Follow existing procedures meeting your case scenario outlined within this table based on the case determination to ensure all necessary actions are taken. • If permission is not granted: <ul style="list-style-type: none"> • Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. • Update and close IDRS control with activity: "TO_CI" • Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> • Closure Date. • Closing Action: "CI Controlled." • Include in your closing comments no adjustment was input and document CI's involvement.
<p>5 The taxpayer did not respond to Letter 6042C.</p>	<p>After researching account, unable to determine return is not BMF IDT OR research indicates IDT.</p>	<ul style="list-style-type: none"> • Complete the adjustment to back out the return, complete all other applicable account actions. See IRM 25.23.9.9, Account Actions, for additional information. • Update and close IDRS control with activity: "IDT-DFLT" • Input the TC 971 AC 522. See IRM 25.23.9-4, Business Master File (BMF) ID Theft Indicators - Transaction Code (TC) 971 Action Code (AC) 522 CLSIDT - Closed and Confirmed as BMF ID Theft, for proper input. • Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> • Closure Date. • Closing Action: "IDT – No Reply." • Add any required and applicable notes relating to your case determination.

If	And	Then
6 Response indicates no IDT involvement OR when specifically working no response casework.	Form 941, 943, or 944 return is not found to be BMF IDT but contains questionable or potential fraudulently claimed refundable credits (credits associated to the Families First Coronavirus Response Act (FFCRA) or Coronavirus Aid, Relief, and Economic Security (CARES). See paragraph 4 below for additional criteria that applies when sending referrals to SBSE. Note: This includes Form 941, Form 943, or Form 944 returns claiming refundable credits that are part of a known fraud scheme. HQ provides specific details to look for those cases. Reminder: Prior to taking actions send the case to the Technical Lead for an accuracy review to ensure the case meets all applicable conditions.	<ul style="list-style-type: none"> Do not release the refund from the account (P freeze or TC 570 that is holding the credit on the account). Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing Business Master File (BMF) Identity Theft Indicators - Transaction Code (TC) 972 Action Code (AC) 522, for reversal procedures. Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. Update and close IDRS control activity with "REF2SBSE" Update Closing Action section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: "Referral - SBSE." Add any required and applicable notes relating to your case determination.

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25.25.1.3.2.2
(09-13-2023)
**Selected Returns - Not
Posted as TC 150**

- (1) These procedures apply to BMF IDT returns selected where the return was not
- (2) Complete all necessary account research prior to taking any account actions. Refer to IRM 25.25.1.3.2, Case Processing, for more information and references to use as a research guide.
- (3) These selected returns are suspended instead of being allowed to post. A TC 971 AC 711 is posted to the account causing the return to post as a TC 973 and it will remain suspended until the taxpayer validates the return.
- (4) The return posting as the TC 973 will be suspended for a period up to three years from the cycle the TC 973 posted in. If the return has not been validated within those three years, it will be deleted from the suspense file.

Note: Three-year suspension period is 156 cycles (weeks) from the cycle the TC 973 posted in. Refer to Document 5657, Enterprise Computing Center - MTB Posting Cycle Calendar, for posted cycle information.

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If	And	Then
1 Response confirms IDT OR entity is confirmed fabricated (unreversed posted or pending TC 971 AC 524 containing EINFAB in the MISC field on ENMOD).	A posted TC 971 AC 711.	<ul style="list-style-type: none"> • Input TC 971 AC 522. See IRM 25.23.9-4, BMF ID Theft Indicators - TC 971 AC 522 CLSIDT - Closed and Confirmed as BMF ID Theft, for proper input. • Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. • Update and close IDRS control with activity: "IDTCONFIRMED" • Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> • Closure Date • Closing Action: "IDT – Confirmed." • Add any required and applicable notes relating to your case determination including notation that case is being worked under IDT because entity has been determined to be fabricated if applicable to your case.

If	And	Then
<p>2 Response indicates no IDT involvement OR when specifically working no response casework.</p>	<p>Return meets FRP criteria OR there is an open IDRS control to a FRP technician's IDRS number AND there is: A posted TC 971 AC 711.</p> <p>Note: Do not refer to FRP based on Frivolous Filer filters present on DDBMF alone. The return must also meet FRP criteria. For more information on Frivolous Arguments, see IRM 25.25.10-1, Frivolous Arguments.</p>	<ul style="list-style-type: none"> Only one posted TC 973 and TC 971 AC 711: <ul style="list-style-type: none"> Input a TC 810 containing RESP-UNIT/JURISDICTION-CD of 4 using IDRS command code (CC) FRM77 to post -Q freeze on the account. Input TC 971 AC 713 using the DLN of the posted TC 973. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 570 to hold any credits if freeze not already present and input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Exception: If tax module contains an unreversed TC 570 that posted in a cycle prior to the TC 971 AC 711 posted cycle for the return you deem good that is to post as the TC 150, you must input a TC 571 to reverse that TC 570 and monitor the case, pending posting of TC 571. Once TC 571 posts, input TC 971 AC 713 using the DLN of the posted TC 973.</p> <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. These returns must be sent through special processing to ensure they are "X" coded to hold the refund. Follow procedures in IRM 25.25.1.3.3.2, Reprocessing Returns.</p>

If	And	Then
		<ul style="list-style-type: none"> Multiple posted TC 973s and TC 971 AC 711s: <ul style="list-style-type: none"> Review CC TRDBV to determine which return you need to post (DLN of return deemed "good"). Input a TC 810 containing RESP-UNIT/JURISDICTION-CD of 4 using IDRS CC FRM77 to post a -Q freeze on the account. Input the TC 971 AC 713 using the DLN of the TC 973 you selected for posting. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 570 to hold any credits if freeze not already present and input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Exception: If tax module contains an unreversed TC 570 that posted in a cycle prior to the TC 971 AC 711 posted cycle for the return you deem good that is to post as the TC 150, you must input a TC 571 to reverse that TC 570 and monitor the case, pending posting of TC 571. Once TC 571 posts, input TC 971 AC 713 using the DLN of the posted TC 973.</p> <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. These returns must be sent through special processing to ensure they are "X" coded to hold the refund. Follow procedures in IRM 25.25.1.3.3.2, Reprocessing Returns.</p> No TC 973 posted but TC 971 AC 711 posted: <ul style="list-style-type: none"> If return is secured (TC 599 posted in same cycle as TC 971 AC 711) or return is unpostable, monitor account pending posting of TC 973 for 12 weeks. If no posted TC 973 after 12 weeks, input TC 972 AC 711. Refer to, IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. Send scanned image copy of response correspondence received to FRP. Specify on router why the return meets FRP criteria. <p>Exception: When working no response casework there is no correspondence received to route to FRP.</p>

If	And	Then
		<ul style="list-style-type: none">• Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for reversal procedures.• Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save.• Update and reassign BMF IDT IDRS control:<ul style="list-style-type: none">• with Activity: "NOTIDT_FRP"• Assign-To: 1486900000.• Update Closing Actions section in BMFIC and save:<ul style="list-style-type: none">• Closure Date.• Closing Action: "Not IDT- Friv."• Include in your closing comments why you believe return meets FRP criteria.

If	And	Then
<p>3 Response indicates no IDT involvement OR when specifically working no response casework.</p>	<p>Return has no frivolous, potential fraudulent claims meeting referral criteria, questionable items, or research indicates return is not BMF IDT AND there is a posted TC 971 AC 711.</p>	<ul style="list-style-type: none"> • Only one posted TC 973 and TC 971 AC 711: <ul style="list-style-type: none"> • Input TC 971 AC 712 using the DLN of the posted TC 973. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. Follow procedures in IRM 25.25.1.3.3.2, <i>Reprocessing Returns</i>.</p> • Multiple posted TC 973s and TC 971 AC 711s: <ul style="list-style-type: none"> • Review CC TRDBV to determine which return you need to post (DLN of return deemed “good”). • Input the TC 971 AC 712 using the DLN of the TC 973 you selected for posting. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. Follow procedures in IRM 25.25.1.3.3.2, <i>Reprocessing Returns</i>.</p> • No TC 973 posted but TC 971 AC 711 posted: <ul style="list-style-type: none"> • If return is secured (TC 599 posted in same cycle as TC 971 AC 711) or return is unpostable, monitor account pending posting of TC 973 for 12 weeks. • If no posted TC 973 after 12 weeks, input TC 972 AC 711. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. • Update and close IDRS control with “NOTIDT”. • Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for reversal procedures. • Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. • Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> • Closure Date. • Closing Action: “Not IDT.” • Add any required and applicable notes relating to your case determination.

If	And	Then
4 Response is received OR when specifically working no response casework.	Account lock freeze code present on ANY tax module (i.e., Z freeze) and there is: A posted TC 971 AC 711.	<ul style="list-style-type: none"> Send your lead an email with your research notes, summary, and case determination. Your lead will contact Criminal Investigation (CI) and provide you with guidance once it is received from CI. If permission is granted: <ul style="list-style-type: none"> Proceed with processing, closing, and filing your case. Follow existing procedures meeting your scenario outlined within this table based on the case determination to ensure all necessary actions are taken. If permission is not granted: <ul style="list-style-type: none"> Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save. Update and close IDRS control with activity: "TO_CI" Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: CI Controlled. Include in your closing comments CI's involvement.
5 The taxpayer did not respond to Letter 6042C.	After researching account, unable to determine return is not BMF IDT OR research indicates IDT.	<ul style="list-style-type: none"> Update and close IDRS control with "IDT-DFLT" Input TC 971 AC 522. See IRM 25.23.9-4, BMF ID Theft Indicators -TC 971 AC 522 CLSIDT, for proper input. Update Closing Actions section in BMFIC and save: <ul style="list-style-type: none"> Closure Date. Closing Action: "IDT - No Reply." Add any required and applicable notes relating to your case determination.

If	And	Then
<p>6 Response indicates no IDT involvement OR when specifically working no response casework.</p>	<p>Form 941, Form 943, or Form 944 return is not found to be BMF IDT but contains questionable or potential fraudulently claimed refundable credits (credits associated to the Families First Coronavirus Response Act (FFCRA) or Coronavirus Aid, Relief, and Economic Security (CARES) AND a posted TC 971 AC 711. See paragraph 6 below for additional criteria that applies when sending referrals to SBSE.</p>	<ul style="list-style-type: none"> • Only one posted TC 973 and TC 971 AC 711: • Input a TC 810 containing RESP-UNIT/JURISDICTION-CD of 5 using IDRS CC FRM77 to post a -Q freeze on the account. • Input TC 971 AC 713 using DLN of the posted TC 973. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 570 to hold any credits if freeze not already present and input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Exception: If tax module contains an unreversed TC 570 that posted in a cycle prior to the TC 971 AC 711 posted cycle for the return you deem good that is to post as TC 150, you must input a TC 571 to reverse that TC 570 and monitor the case, pending posting of TC 571. Once TC 571 posts, input TC 971 AC 713 using the DLN of the posted TC 973.</p>

If	And	Then
	<p>Note: This includes Form 941, Form 943, or Form 944 returns claiming refundable credits that are part of a known fraud scheme. HQ provides specific details to look for those cases.</p> <p>Reminder: Prior to taking actions send the case to the Technical Lead for an accuracy review to ensure the case meets all applicable conditions.</p>	<p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. These returns must be sent through special processing to ensure they are "X" coded to hold the refund. Follow IRM 25.25.1.3.3.2, Reprocessing Return.</p> <ul style="list-style-type: none"> Multiple posted TC 973s and TC 971 AC 711s: <ul style="list-style-type: none"> Review CC TRDBV to determine which return you need to post (DLN of return deemed "good"). Input a TC 810 containing RESP-UNIT/JURISDICTION-CD of 5 using IDRS CC FRM77 to post a -Q freeze on the account. Input the TC 971 AC 713 using the DLN of the TC 973 you selected for posting. Refer to IRM 25.25.1.3.3.3, Input of TC 971 AC 712 or 971 AC 713, for proper input. If there is already a posted TC 150 on the tax module, input TC 570 to hold any credits if freeze not already present and input TC 972 AC 711 instead. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. <p>Exception: If tax module contains an unreversed TC 570 that posted in a cycle prior to the TC 971 AC 711 posted cycle for the return you deem good that is to post as TC 150, you must input a TC 571 to reverse that TC 570 and monitor the case, pending posting of TC 571. Once TC 571 posts, input TC 971 AC 713 using the DLN of the posted TC 973.</p> <p>Note: If the return you need to post has a TC 973 posting cycle greater than three years old you need to secure the return and send it back through processing. These returns must be sent through special processing to ensure they are "X" coded to hold the refund. Follow IRM 25.25.1.3.3.2, Reprocessing Return.</p>

If	And	Then
		<ul style="list-style-type: none">• No TC 973 posted but TC 971 AC 711 posted:<ul style="list-style-type: none">• If return is secured (TC 599 posted in same cycle as TC 971 AC 711) or return is unpostable, monitor account pending posting of TC 973 for 12 weeks.• If no posted TC 973 after 12 weeks, input TC 972 AC 711. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input.
		<ul style="list-style-type: none">• Reverse the TC 971 AC 522 when applicable. See IRM 25.23.9-5, Reversing BMF Identity Theft Indicators - TC 972 AC 522, for reversal procedures.• Ensure Correspondence in BMFIC and IDRS is updated as applicable based on response received and save.• Update and close IDRS control activity with "REF2SBSE".• Update Closing Action section in BMFIC and save:<ul style="list-style-type: none">• Closure Date.• Closing Action: "Referral - SBSE."• Add any required and applicable notes relating to your case determination.

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25.25.1.3.2.3
(09-13-2023)

Reissue Letter Request

- (1) RICS reissues Letter 6042C when the taxpayer states they did not receive a letter or to obtain information. Requests can be received over the phone or in writing. Other areas will send a Form 4442 referral to RICS to fulfill these requests. These requests should be handled as follows:

If	Then
You can validate the selected return without additional information from the taxpayer.	<ul style="list-style-type: none"> Do not reissue letter. Work case using procedures outlined in IRM 25.25.1.3.2, Case Processing .
You cannot validate the selected return without additional information from the taxpayer.	<ul style="list-style-type: none"> Reissue letter. Update IDRS control activity: "LTRREISSU" Update BMFIC to input the date you reissued the letter.

25.25.1.3.2.4
(09-13-2023)

No Response Received to Letter 6042C

Note: BMFIC data will be used to assist in identifying cases requiring letter reissuance.

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- (2) If the taxpayer does not respond to either the initial or reissued Letter 6042C requests for additional information, research may be conducted on certain cases to determine validity of the return.
- (3) If unable to determine validity of return without a response from the taxpayer, the case will be closed as a no reply case, which includes:
 - a. Closing open IDRS BMF IDT control bases.
 - b. Taking applicable account actions.
 - c. Updating/closing case in the BMFIC database.
- (4) Returns selected for RICS review that have posted as TC 150 will be backed out. Refer to IRM 25.25.1.3.2.1, Selected Returns - Posted as TC 150, for procedures to follow.
- (5) Returns selected for RICS review that have posted with a TC 971 AC 711 will not be processed without proper validation. Refer to IRM 25.25.1.3.2.2, Selected Returns - Not Posted as TC 150, for procedures to follow.

25.25.1.3.2.5
(02-26-2020)

Cases Requiring Special Handling

- (1) There are instances where cases require special or expedited handling. Guidance is provided by HQ for handling those cases.

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- (3) BMFIC reports may be utilized to assist in properly identifying those cases requiring expeditious handling.

25.25.1.3.2.6
(09-13-2023)

**Business Master File
(BMF) Identity Theft
(IDT) Undeliverable
Responses**

- (1) Letters 6042C received as undeliverable should be handled as follows:

If ...	Then ...
Envelope does not contain an affixed United States Postal Service (USPS) forwarding address label OR envelope does contain an affixed USPS forwarding address label but does not meet criteria outlined in next If scenario listed below.	<ul style="list-style-type: none"> • Ensure undeliverable was recorded received in Correspondence section of BMFIC. • Destroy letter as classified waste, per IRM 21.5.1.4.10, Classified Waste.

If ...	Then ...
Envelope does contain an affixed USPS forward-ing address label with new address that differs from address on letter AND entity's name printed on the USPS label matches exactly to entity's name printed on the letter.	<ul style="list-style-type: none"> • Ensure undeliverable was recorded received in Correspondence section of BMFIC. • Update the entity's address to the address on the USPS label in both IDRS and BMFIC as applicable. <p>Note: If the undeliverable is the letter sent to the XREF associated with the business entity and the taxpayer's first name is like the one on the USPS label but the last name is an exact match, confirm whether IRS records show any other taxpayers with similar first names and exact same last name at the same address. If not, update the taxpayer's address. Otherwise, do not update the taxpayer address.</p> <ul style="list-style-type: none"> • Reissue letter to the new updated address. • Record a letter was reissued in BMFIC by adding a letter record that includes the letter reissued, date you reissued the letter, and to whom it was reissued to. • Add note in both AMS and BMFIC indicating address was updated to address on the USPS label affixed to undeliverable Letter 6042C. • Destroy letter as classified waste, per IRM 21.5.1.4.10, Classified Waste. <p>Caution: Only update the address if case meets criteria outlined above. If case does not meet the criteria outlined, DO NOT update the address or reissue the letter.</p>

25.25.1.3.2.7
(09-13-2023)
**Statute Procedures for
RICS BMF IDT**

- (1) The determination of the Statute expiration differs for Assessment, Refund, and Collection. Refer to IRM 25.6.1, Statute of Limitations Processes and Procedures for more information.

- a. Assessment Statute Expiration Date (ASED) - Three years from the original return due date or received date, whichever is later.

Note: Forms 941, Employer's Quarterly Federal Tax Return, 943, Employer's Annual Tax Return for Agricultural Employees, 944, Employer's ANNUAL Federal Tax Return, and 945, Annual Return of Withheld Federal Income Tax is three years from April 15 of the following year or received date, whichever is later.

Caution: If the ASED will expire within 90 days (except for reprocessing, which is 180 days), route using procedures below to Statutes for clearance prior to routing to any other area. The area that first routes a case to another

area other than the Statutes function when the expiration period is less than 90 days will be held accountable for the barred assessment.

- b. Refund Statute Expiration Date (RSED) - Three years from the date the original return was filed or two years from the date the tax was paid, whichever is later.
 - c. Collection Statute Expiration Date (CSED) - 10 years from the legal assessment date.
- (2) Tax Examiner (TE) must determine the following proper statute procedures necessary:
 - a. Whether or not a TC 150 is posted.
 - b. Whether or not a tax liability is claimed on the return.
 - c. If return needs to be reprocessed as the original return or if an adjustment to tax is necessary.
 - d. The original due date of the tax return, refer to *Document 6209 Section 2, Tax Returns and Forms, 3 - Due Date of Returns*.
 - e. The received date of the tax return. For electronically filed returns, you will use the "IRS received date" listed on Modernized E-File (MeF) return record in Employee User Portal (EUP). For paper returns, you will use the Julian Date minus 10 days in the return DLN. Refer to IRM 3.11.3.8.2, Determining the Received Dates, for more information.
- (3) If the return posted is determined to be an ID theft return, **DO NOT** leave the return on the account. The account must be corrected. Refer to IRM 25.23.9.9, Account Actions and IRM 25.23.9.9.5, Statute Implications, for more information.
- (4) Tax Examiners must reprocess returns deemed belonging to the EIN that were archived/deleted. Follow the chart below to determine appropriate actions for statute imminent or statute barred needing to be processed as original returns:

If...	Then...
1 - ASED The ASED is more than 180 days to 90 days from expiring OR The return has a tax liability of zero on the total tax line of the return. Caution: Returns meeting these conditions must be sent to the RIVO BMF Statute Coordinator to be cleared.	<ul style="list-style-type: none"> Follow procedures in IRM 25.25.1.3.3.2, Reprocessing Returns, to secure, edit, and send return to SP for reprocessing. Close case using existing procedures outlined in IRM 25.25.1, Return Integrity and Verification Operation Business Master File Procedures.

<p>2 - ASED Statute Imminent The ASED is 90 days or less from expiring and no TC 150 on the module with a tax liability greater than zero claimed on the return.</p>	<ul style="list-style-type: none"> Complete all TE steps outlined in IRM 25.25.1.3.2.7.1, BMF Statute Referral Procedures, to route case to RIVO BMF Statute Coordinator for statute clearance or Quick/Prompt Assessment procedures to be followed due to imminent ASED.
<p>3 - ASED Statute Barred The ASED is expired and the return has a tax liability greater than zero claimed on the return.</p>	<ul style="list-style-type: none"> Do not send the return to processing. Complete all TE steps outlined in IRM 25.25.1.3.2.7.1, BMF Statute Referral Procedures, to route case to RIVO BMF Statute Coordinator for Barred Assessment procedures to be followed due to the expired ASED.

25.25.1.3.2.7.1
(09-13-2023)
BMF Statute Referral Procedures

- (1) This subsection provides guidance to ensure all steps are completed when a referral to the RIVO BMF Statute Coordinator is necessary for RICS BMF IDT case resolution. Review case to determine if return meets statute criteria.
- (2) For reprocessing returns, TE must determine if the TC 973 has posted but no TC 150 has posted to the tax module.

Note: Refer to IRM 25.23.9.4.1, BMF Returns Selected for Return Integrity and Compliance Services (RICS) Review, for more detailed information on returns selected with a TC 971 AC 711 and TC 973.

- (3) TE will finish closing the case using procedures in IRM 25.25.1.3.2, Case Processing.
- (4) TE sends e-mail to their Team Lead and includes the following:
 - a. E-mail must contain "Statute, Barred or Imminent, Team, ASED Date" information in the subject line.
 - b. Completed statute referral spreadsheet containing all applicable case information.
 - c. Attach case documentation such as the edited return for reprocessing. If unable to secure paper return, send complete TRDBV prints.
- (5) Team Lead reviews case information TE sent and forwards case information to the Statute Coordinator. Team Lead opens a new IDRS control base to the RIVO BMF Statute Coordinator with "1481044444", activity code "SNT2STAT", status code "M", category code "MISC"

- (6) RIVO BMF Statute Coordinator reviews case information from Team Lead and takes all appropriate actions required.
- (7) RIVO BMF Statute Coordinator updates internal tracking sheet with additional tracking information.

25.25.1.3.2.7.2
(07-12-2021)

**Prompt Assessments
and Barred
Assessments**

- (1) A Prompt Assessment is required when the tax return with a tax greater than zero was removed (zeroed out) or was not assessed **and** the Assessment Statute Expiration Date (ASED) is within 90 days of expiring (180 days for re-processing returns). Based on a Statute Referral received, the RIVO BMF Statute Coordinator will complete Form 2859, Request for Quick or Prompt Assessment and complete a prompt assessment as required.
- (2) A Barred Assessment occurs when the tax return with a tax greater than zero was removed (zeroed out) or was not assessed **and** the Assessment Statute Expiration Date (ASED) has expired. Based on the Statute Referral received, the RIVO BMF Statute Coordinator will complete all required actions and prepare Form 9355, The Barred Statute Report. Refer to IRM 25.6.1.13, Barred Assessment/Barred Statute Cases, for more information and actions required.

25.25.1.3.3
(09-13-2023)

Closing Actions

- (1) Purpose of this subsection is to provide additional guidance for filing, reprocessing, and specific closing actions relating to RICS RIVO BMF IDT casework.

25.25.1.3.3.1
(09-13-2023)

Filing Responses

- (1) Received responses to Letter 6042C are scanned in and stored in RIVO Share Point repository. The documentation is destroyed as classified waste when the repository requirements have been met. Refer to IRM 25.25.1.3.2, Scanning and Loading Letter Response Correspondence, for additional details. IRM 21.5.1.4.10, Classified Waste, provides additional information on treating documentation as classified waste.

Note: Original documents (e.g., original death certificate) received must be returned to the Business/Taxpayer using Form 14219, Return of Documentation to the Taxpayer.

25.25.1.3.3.2
(09-13-2023)

Reprocessing Returns

- (1) If no TC 150 posted, the TC 971 AC 711 and TC 973 posted but the TC 973 has been deleted from the suspense file because it has been more than three years since the cycle the TC 973 posted in and you need return posted, the return must be secured and sent to be reprocessed.

Note: Three-year suspension period is 156 cycles (weeks) from the cycle the TC 973 posted in. Refer to Document 5657, Enterprise Computing Center - MTB Posting Cycle Calendar, for cycle information.

- (2) Prior to sending return to Submission Processing (SP) to be reprocessed, you must reverse the TC 971 AC 711 as applicable, allowing the return to post. See IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper reversal.

Note: If a return sent to be reprocessed is selected again by a BMF IDT filter, then a TC 971 AC 712/713 can be input to post the reprocessed return. Use the TC 973 DLN of the reprocessed return only if you can clearly determine that

return is the reprocessed return and are certain the original received date was indicated on the reprocessed return.

- (3) Review the return for statute conditions, refer to IRM 25.25.1.3.2.7, Statute Procedures for RICS BMF IDT, and take any necessary actions.
- (4) Secure return that requires reprocessing:
 - a. If return was electronically submitted, print Employee User Portal (EUP) return and have it processed as paper using the original received date. Use "IRS received date" listed on Modernized E-File (MeF) return as original received date.
 - b. If return was filed by paper, ESTAB the TC 973 and have it reprocessed using the original received date. Use earliest received date as original received date. See IRM 3.11.3.8.2, Determining the Received Dates, for more information. Refer to *OCSC 0839 ESTAB job aid* for more information on document requests.

Note: You may use a copy of the return if available and the return is a true duplicate of the return you need reprocessed. Ensure to edit the return properly for reprocessing. If you are unable to obtain a copy of paper return by ESTAB, Letter 6217C request response, or from another IRS system such as AMS CII image then a "dummy" return will need to be prepared and sent to processing. See IRM 21.5.2.4.23.11, Reprocessing "Dummy" Returns, for more information. A "dummy" return should only be prepared as a last resort.
- (5) Edit all BMF tax returns in green:
 - a. Line through the original DLN so a new DLN will be assigned during processing.

Note: On e-file prints secured through EUP, you must line through the DLN and "e-file GRAPHIC print-DO NOT PROCESS."

 - b. Write "Process as Original" or "Dummy Return," whichever is appropriate to your case scenario, on the top of return.

Note: "Dummy Return" is used for Barred Statute case situations, refer to supplemental guidance for those cases.

 - c. Ensure the original received date is stamped or written on return.
 - d. Write **Do Not Correspond for a Signature** below the signature line when reprocessing a return copy.
 - e. Circle out "Copy" or "Duplicate" if present when reprocessing a return copy.
 - f. If the return was "E" coded, circle out the "E" code on the return.
- (6) Returns being sent to Receipt and Control (R&C) for reprocessing that meet FRP criteria or are a fraudulent Form 941, Form 943, or Form 944 return being referred to SBSE require the following additional procedures to ensure the return is reprocessed and the refund is held pending FRP or SBSE review:
 - a. Make a copy of the edited return to route to FRP. This step is not applicable to cases being referred to SBSE.

- b. Attach Form 4227, Intra-SC Reject or Routing Slip, containing the following information:
Enter "RICS BMF IDT M/S 9002" in the Name-Unit box
Check "Reject Correction" box
Check "Other Activity (explain)" box and enter "Attention Lead"
Check "Other (explain)" box and enter: "CCC "X," 331." Do not allow refund. When completed, return to FRP M/S 4450.

Note: For returns being referred to SBSE only, check "Other (explain)" box and enter: "CCC "X," 331." Do not allow refund.

- c. Route copy of the edited return along with the original response correspondence received to FRP. Specify on router you are attaching copy of edited return already sent to be reprocessed and indicate why you believe return meets FRP criteria. This step is not applicable to cases being referred to SBSE.
- (7) Refer to IRM 21.5.2.4.23.7, Coding and Editing Procedures, for additional required actions when sending a return to be reprocessed. Also refer to IRM 21.5.2.4.23.1, Reprocessing Electronic Returns, for additional information.
- (8) When sending a return to be reprocessed, follow additional procedures below:
- a. Add an IDRS history item activity of H, "RTN2PROC" to the tax module.
 - b. Open new IDRS control based using "MISC" as category code and activity of "PENDTC150."
 - c. Monitor tax module to ensure reprocessed return posts correctly to the account. If return doesn't post within 16 weeks from when it was sent to be reprocessed, elevate to the Technical Lead to determine the actions necessary to post the return. Once return is posted correctly to the account, close the MISC control base.

Note: If reprocessed return (generally contains DLN beginning with 85) gets caught in BMF IDT filter selection process, post the reprocessed return as the original using applicable TC / AC combo as outlined in existing IRM procedures.

- (9) When sending a statute imminent return, refer to IRM 25.25.1.3.2.7, to be processed or reprocessed as original, include "Statute Imminent, Please Expedite" on router.

25.25.1.3.3.3
(09-13-2023)
**Input of TC 971 AC 712
or 971 AC 713**

- (1) TC 971 AC 712 with DLN of the TC 973 that is deemed the good return is applied to allow only the return with that matching DLN to post as the TC 150. If multiple true duplicate returns are received later, ensure you select the earliest received and processable TC 973 DLN that is deemed the good return. This preserves the original return received date from the taxpayer.
- (2) TC 971 AC 713 with DLN of the TC 973 that is deemed the good return is applied to allow only the return with that matching DLN to post as the TC 150 but will freeze any refund with a -R freeze. If multiple true duplicate returns are received later, ensure you select the earliest received and processable TC 973 DLN that is deemed the good return. This preserves the original return received date from the taxpayer.

- (3) **Obtain the following information:**

- EIN
- MFT and Tax Period of the identity theft incident
- Navigate to CC TXMOD for the selected MFT and Tax Period

Enter CC REQ77

CC FRM77 is displayed for the selected MFT and Tax Period

Enter the TC 971 AC 712 or AC 713

- TC> Enter 971
- TC971/151-CD> Enter either 712 or 713 as applicable
- TRANS-DT> Leave blank; will auto populate with current date
- REVERSAL-DLN> Enter DLN of the TC 973 you need posted as TC 150
- REMARKS> Enter "W&I RICS NOT IDT"

Note: If the tax module already contains a posted TC 150, **do not** input a TC 971 AC 712 or AC 713 since only one TC 150 can post to the account. Once the TC 150 posts, input of a second TC 971 AC 712 or 713 will result in an un-postable. In this instance, refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper TC to input.

25.25.1.3.3.4
(09-16-2022)

Input of TC 972 AC 711

- (1) There are instances when TC 971 AC 711 has posted but no TC 973 posted. For example, a return is delayed or determined to be unprocessable by SP, or TC 973 has been deleted from the suspense file. In certain instances, it is necessary to reverse the TC 971 AC 711 manually by inputting a TC 972 AC 711.
- (2) Only use these procedures to reverse the TC 971 AC 711 when you determined the return is not IDT, and one of the following conditions are met:
 - a. TC 973 has been deleted from the suspense file and you need to send return to be reprocessed to post as the TC 150.
 - b. TC 971 AC 711 has posted, you have monitored the account for 12 weeks, but no TC 973 has posted (for example: TC 971 AC 711 and TC 599 posted in same cycle, but no TC 973 has posted. Monitor account for 12 weeks to see if TC 973 posts. If TC 973 posts, you can process your case using normal processing procedures).
 - c. Tax module already contains a posted TC 150 return.
- (3)

Obtain the following information:

- EIN
- MFT and Tax Period of the identity theft incident
- Navigate to CC TXMOD for the selected MFT and Tax Period

Enter CC REQ77

CC FRM77 is displayed for the selected MFT and Tax Period

Enter the TC 972 AC 711

- TC> Enter 972
- TC971/151-CD> Enter 711
- TRANS-DT> Leave blank; will auto populate with current date

- MISC> Enter DLN of the TC 971 AC 711 you are reversing
- REMARKS> Enter "W&I RICS NOT IDT"

25.25.1.3.4
(09-13-2023)

Resolving Unpostables

- (1) Refer to IRM 3.12.279, BMF/CAWR/PMF Unpostable Resolution, for information on unpostable conditions and procedures.
- (2) Unpostable Code (UPC) 368 most often occurs when a TC 971 AC 712/713 attempts to post and no TC 150 ID Theft record is present in the suspense file. Either the TC 150 already posted, no TC 973 is on the account, or TC 973 posting date is past the three-year suspension time frame causing it to be deleted from the suspense file. Refer to IRM 3.12.279.81, UPC 368 RC 1 Auto Closed, for additional information. Use the following table to resolve this condition:

If	Then
1 TC 150 is posted because another TC 971 AC 712/713 has already posted to the tax module.	<ul style="list-style-type: none"> • Do not re-input TC 971 AC 712/713. • Close the unpostable control.
2 No TC 973 on tax module or TC 150 is unpostable. Note: Return was determined to be unprocessable by SP .	<ul style="list-style-type: none"> • Do not re-input TC 971 AC 712/713. • Input TC 972 AC 711 if applicable. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. • Close the unpostable control.
3 TC 973 posted date is over three years old. Note: Three-year suspension period is 156 cycles (weeks) from the cycle the TC 973 posted in .	<ul style="list-style-type: none"> • Do not re-input TC 971 AC 712/713. • Input TC 972 AC 711. Refer to IRM 25.25.1.3.3.4, Input of TC 972 AC 711, for proper input. • Follow procedures in IRM 25.25.1.3.3.2, Re-processing Returns, to secure return and send it back through processing. • Close the unpostable control.
4 TC 150 not posted and an unreversed TC 973 and TC 971 AC 711 is on tax module.	<ul style="list-style-type: none"> • Re-input TC 971 AC 712/713 while ensuring to use correct DLN in REVERSAL-DLN field of FRM77. • Close the unpostable control.

- (3) UPC 327 most often occurs when a TC 290 attempts to post to a tax module which did not contain a posted return. Refer to IRM 3.12.279.50.1, UPC 327 RC 1, for additional information. Use the following table to resolve this condition:

If	Then
1 TC 150 has now posted.	<ul style="list-style-type: none"> • Re-input TC 290 as applicable. • Close unpostable control.
2 TC 150 is pending to post.	<ul style="list-style-type: none"> • Wait for TC 150 to post, then re-input TC 290 as applicable. • Close unpostable control.

If	Then
3 TC 150 has not posted.	<ul style="list-style-type: none"> Do not re-input TC 290. Close unpostable control.

25.25.1.4
(09-13-2023)
**Letter Response
Correspondence
Documentation
Requirements**

(1) The following Letter 6042C response and other information must be included in both BMFIC and AMS:

- Results of verification performed on the response information provided (e.g., response lists number of W-2s submitted. Does that match our records in IDRS?)
- Summary of the research conducted to support the determination made.

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(2) Responses to Letter 5263C must be documented, unsanitized, in both BMFIC and AMS. The following information must be included.

- Name of person who submitted the response. Contact Name (CN) and phone number, when provided.
- Transcribed answers for every question answered on the letter. Start each answer with the question number. For answers relating to the party is not affiliated with entity section, refer to those as question 0("Q0"). The rest of the answers will follow as Q1, Q2, Q3, etc.
- Results of verification performed on the information provided. (e.g., response lists number of W-2s submitted. Does that match our records in IDRS?).
- List of supporting information attached. (e.g., copy of trust, copy of death certificate, etc.).
- Summary of the research conducted to support the determination made.
- Final determination based on the response received and research conducted. With regard to documenting research conducted, detailed information relating to specific research should be recorded in BMFIC but excluded from being recorded in AMS.

Note: Case notes should be clear and concise while still providing enough detail to support the case determination made.

(3) Responses received that are not a written reply to Letter 5263C should be documented thoroughly in both BMFIC and AMS. At minimum, the following information must be included:

- What was received.
- Who submitted the response.
- What information provided in the response was used to validate the return filing.
- Summary of the research conducted to support the determination made.

- Note:** Case notes should be clear and concise while still providing enough detail to support the case determination made.

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- (1) Once Letter 5263C is sent to the taxpayer, IDRS controls are opened on the entity account to alert other areas of the possible fabricated entity. This initial control base is only established when initial letter is sent. If a case has been closed previously but additional correspondence is received, a new control base will be opened to reflect the correspondence received as outlined in

paragraph 3 below.

The control base contains the following:

- a. Activity - "POTENTEF"
- b. Assign-To - "1481400000"
- c. Category - "TPPI"

Note: As of June 2018, Letter 5263C is used for Entity Fabrication only.

- (2) Individual returns filed with an IDOC containing the EIN of a potential fabricated entity will be placed into EFDS Process Status 31 "ACE Collections - Possible Fabricated Entity or Suspicious IRP" with a note "Potential Fabricated Entity" and a TC 971 AC 199 MISC "AMWEX60033 IRP EFDS" will be input on IDRS to hold the refund until a response is received and/or the determination

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- (3) Any correspondence or undeliverable received in response to the Letter 5263C will be stamped received and within 5 business days from correspondence received date should be treated as follows:

If	And	Then
1 fax correspondence is received in response to Letter 5263C.	there is an open control to 1481400000, an EF IDRS employee number or no control open.	<ul style="list-style-type: none"> Open/Update control activity to: "FXMMD-DYYYY" <p>Note: Use the correspondence received date for "MMDDYYYY."</p> <ul style="list-style-type: none"> Assign-To: Applicable EF Unit IDRS Number. Category: "TPPI" <p>Note: Only open a new control if there is no existing open control to update or control was closed previously.</p> <ul style="list-style-type: none"> Update/Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> Date of Correspondence. Correspondence Type: "Fax." Response from: Owner (i.e., XREF) or Business. Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. URL (optional field): URL link to scanned image.

If	And	Then
<p>2 paper correspondence is received in response to Letter 5263C.</p>	<p>there is an open control to 1481400000, an EF IDRS employee number or no control open.</p>	<ul style="list-style-type: none"> • Open/Update control activity to: "CRMMD-DYYYY" <p>Note: Use the correspondence received date for "MMDDYYYY."</p> <ul style="list-style-type: none"> • Assign-To: Applicable EF Unit IDRS Number. • Category: "TPPI" <p>Note: Only open a new control if there is no existing open control to update or control was closed previously.</p> <ul style="list-style-type: none"> • Update/Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> • Date of Correspondence. • Correspondence Type: "Mail Response." • Response from: Owner (i.e., XREF) or Business. • Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. • URL (optional field): URL link to scanned image.

If	And	Then
3 undeliverable correspondence is received in response to Letter 5263C.	there is an open control to 1481400000, an EF IDRS employee number or no control open.	<ul style="list-style-type: none"> Add correspondence in the BMFIC database and save. In the Correspondence section: <ul style="list-style-type: none"> Date of Correspondence. Correspondence Type: "Undeliverable." Response from: Owner (i.e., XREF) or Business. Printed Letter Date (optional field): Date printed on the letter mailed that was received back with response. URL (optional field): URL link to scanned image.

- (4) Correspondence or referrals received from another area (e.g., Taxpayer Advocate Service (TAS) Operations Assistance Request (OAR), Form 4442,

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in the BMFIC database within 5 business days from receipt and worked following normal case processing procedures.

Exception: TAS OARs identified as "Expedite" must be acknowledged within one workday and a decision made within three days on whether the recommended action(s) can be taken, per the Service Level Agreement (SLA) between TAS and Wage and Investment (W&I).

Note: During periods of high volume, adjustments to inventory control time frames outlined in this IRM section will be coordinated and adjusted by management and HQ as needed.

- (5) Once IDRS controls and BMFIC are updated to reflect the receipt of the correspondence, assign the correspondence to a EF Technician for review as follows:

If	Then
1 IDRS control shows the 1481400000 number.	<ul style="list-style-type: none"> Reassign the IDRS control to the EF Technicians number. Update the BMFIC database and assign case to the EF Technicians SEID/Name. Route the correspondence to the technician.
2 IDRS control shows an EF Technicians IDRS number.	<ul style="list-style-type: none"> Update the BMFIC database and assign case to the EF Technicians SEID/Name. Route the correspondence to the technician.

If	Then
3 IDRS control shows a FRP Technicians IDRS number but not an EF Technician.	<ul style="list-style-type: none"> • Open a new IDRS control to an EF Technician's number. • Update the BMFIC database and assign case to the EF Technicians SEID/Name. • Route the correspondence to the technician.

25.25.1.5.2
(09-13-2023)

Case Processing for BMF Entity Fabrication

- (1) It is essential to research multiple platforms and review the research as a whole prior to making a determination, including research of the XREF SSN associated with the case's EIN and verification of any answers provided in a letter correspondence received.

[illegible]

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- (5) Every attempt will be made to work correspondence within 30 days from correspondence received date.

25.25.1.5.2.1
(09-13-2023)

Letter 5263C Response Received

- (1) Document the findings on AMS, EFDS and in the BMFIC database that

BMF Identity Theft Research Requirement, for additional guidance on conducting necessary research and determining if the entity is legitimate.

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- (5) For guidance on input of TC 971 AC 504 or TC 971 AC 506, research should be handled as follows:

If ...	And ...	Then ...
The IMF cross reference taxpayer claims to have no affiliation with the business, self-identifies ID theft and research shows no association with the EIN.	there is no TC 971 AC 504 or TC 971 AC 506 on IMFOLE.	<ol style="list-style-type: none"> 1. Input a TC 971 AC 504 on CC ENMOD using REQ77 or REQ77 IAT tool. 2. Use the date case closed in BMFIC or IRS received date of the documents provided by the taxpayer in support of the identity theft allegation as the SECONDARY-DT. 3. Input the EIN of Fabricated Entity in the XREF-TIN field. 4. Input SPCL2 as the MISC. field. <p>Reminder: MISC>SPCL2 is used when a taxpayer is reporting to be a victim of BMF ID theft. The ID thief used the taxpayer's SSN to secure an EIN without the taxpayer's knowledge or consent.</p>
IMF cross reference taxpayer claims to have no affiliation with the business and does NOT self-identify ID theft.	Research shows a possible association between the XREF and EIN.	Do Not input a TC 971 on the SSN.

If ...	And ...	Then ...
No response received from IMF cross reference taxpayer.	Tax-related identity theft is determined by IRS employee.	<ol style="list-style-type: none"> 1. Input a TC 971 AC 506 on CC ENMOD using CC REQ77 or REQ77 IAT tool. 2. Use the data case closed in BMFIC as the SECONDARY-DT. 3. Input the EIN of the Fabricated Entity in the XREF - TIN field. 4. Input WI RICS with the correct tax administration source code (INCOME, MULTFL, INCMUL, OTHER, NOFR, PRISNR) in the MISC field as shown in IRM 25.23.2-8, IMF Only TC 971 AC 506 - IRS Determined Tax-Related Identity Theft Case Closure. 5. After REMARKS, enter "IDENTITY THEFT."

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- (1) If the taxpayer did not receive Letter 5263C or the taxpayer requests the letter be reissued:
 - Reissue the Letter 5263C
 - Update IDRS control activity: "LTRREISSU"
 - Update BMFIC to input the date you reissued the letter

- (1) Suspicious EIN's and/or Suspicious IRP may be elevated on Form 14566, BMF Identity Theft Referral, for further review through the EF Leads mailbox, “*W&I EF Referrals”, following IRM 25.23.9.8.2, Referrals to Return Integrity and Compliance Services (RICS). The Form 14566 will be reviewed by the RICS Business Performance Lab (BPL) Entity Fabrication liaison for accuracy, an acknowledgment sent to the referring liaison within three business days. Requests for assistance on Form 4442, referrals from the Suspicious IRP Team and referrals from other areas may be received through this mailbox. They will

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- (2) Entities determined to be fabricated under IRM 25.23.9.8.1, Fabricated or Inactive EIN Procedures, and IRM 25.23.11.6.6.1, Fabricated EIN Referrals, will be sent through the EF Leads mailbox, “*W&I EF Referrals”. The Form 14566, BMF Identity Theft Referral, will be reviewed by the RICS BPL Entity Fabrication liaison for accuracy, an acknowledgment sent to the referring

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25.25.1.5.2.5 (1) Letters 5263C received as undeliverable should be handled as follows:
(09-13-2023)
Entity Fabrication (EF)
Undeliverable
Responses

If ...	Then ...
Envelope does not contain an affixed USPS forwarding address label OR envelope does contain an affixed USPS forwarding address label but does not meet criteria outlined in the next If scenario listed below.	<ul style="list-style-type: none">• Ensure undeliverable was recorded received in Correspondence section of BMFIC.• Destroy letter as classified waste, per IRM 21.5.1.4.10, Classified Waste.

If ...	Then ...
Envelope does contain an affixed USPS forwarding address label with new address that differs from the address on letter AND entity's name printed on the USPS label matches exactly to entity's name printed on the letter.	<ul style="list-style-type: none"> • Ensure undeliverable was recorded received in Correspondence section of BMFIC. • Update the entity's address to the address on the USPS label in both IDRS and BMFIC as applicable. <p>Note: If the undeliverable is the letter sent to the XREF associated with the business entity and the taxpayer's first name is like the one on the USPS label but the last name is an exact match, confirm whether IRS records show any other taxpayers with similar first names and exact same last name at the same address. If not, update the taxpayer's address. Otherwise, do not update the taxpayer address.</p> <ul style="list-style-type: none"> • Reissue letter to the new updated address. • Record a letter was reissued in BMFIC by adding a letter record that includes the letter reissued, date you reissued the letter, and to whom it was reissued to. • Add note in both AMS and BMFIC indicating address was updated to address on the USPS label affixed to undeliverable Letter 5263C. • Destroy letter as classified waste, per IRM 21.5.1.4.10 ,Classified Waste. <p>Caution: Only update the address if case meets criteria outlined above. If case does not meet the criteria outlined, DO NOT update the address or reissue the letter.</p>

25.25.1.5.3 (09-13-2023) Closing Case Files for BMF Entity Fabrication

- (1) When a response to Letter 5263C is received, the correspondence and associated documents must be filed using procedures outlined in this IRM.

- If the final case determination is not a fabricated entity or IDT **and** the letter response correspondence and associated documents received are documented fully in both BMFIC and AMS, the letter response correspondence can be destroyed as classified waste. Refer to IRM 21.5.1.4.10, Classified Waste, for additional information.

Exception: Documents received through E-fax do not require any classified waste markings since they are received electronically.

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- If the final case determination is a fabricated entity or IDT, the letter response correspondence and associated documents must be filed using procedures outlined below.

Note: Original documents (e.g., original death certificate) received must be returned to the Business/Taxpayer using Form 14219.

If	Then
1 Letter reply is undeliverable.	Refer to IRM 25.25.1.5.2.5, Entity Fabrication (EF) Undeliverable Responses, for proper handling.
2 Letter reply for business.	Use Form 3210, Document Transmittal, to send letter response to alpha files. Refer to IRM 3.5.61.21.10, Identity Theft Returns - Alpha Files.

25.25.1.6
(09-13-2023)
Routing/Referrals

- (1) Any forms or additional correspondence attached to Letter 5263C or Letter 6042C responses that are outside the scope of BMF IDT or Entity Fabrication processing need to be routed to proper area for processing. For example, an attached Form 8822-B, Change of Address or Responsible Party – Business, would be routed to Entity for processing. Refer to your campus's *Mail Routing Guide* for additional information.

Note: Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, received in the campus or discovered attached to correspondence that have not been previously loaded to the Central Authorization File (CAF) file must be promptly faxed to the taxpayer's campus CAF team. Refer to IRM 21.3.7.1.6, Audience-Processing Site (CAF Function), for fax numbers to use.

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- (3) Accounts with an account lock freeze code present on **ANY** tax module (i.e., Z freeze) or EF technician sees an indication of CI involvement in EFDS, take no actions. Send your lead an email with your research notes, summary, and case determination. Your lead will contact CI and provide you with guidance once it is received from CI. If research indicates the need to send an additional letter, do not issue any correspondence without CI approval. Wait for CI liaison guidance before completing case processing actions. Refer to IRM 25.25.1.3.2, Case Processing, or IRM 25.25.1.5.2, Case Processing for BMF Entity Fabrication, as applicable for appropriate case processing actions.
- (4) If an original amended return is received with Letter 6042C response and a BMF IDT technician determines there is no IDT involvement, the original return should be posted using existing procedures, refer to IRM 25.25.1.3.2, Case Processing, and then send amended return to AM for processing. If it is a copy of an amended return **do not** send to AM, file the copy with your response correspondence received.

- (5) If during your research the account indicates potential abuse to either the BMF return(s) or associated IMF returns by a preparer:
 - Refer to IRM 25.25.2.22, Abusive Preparer Procedures for RIVO, for additional guidance.
 - Perform additional research using IDRS Command Code (CC) RPVUE, refer to IRM 2.3.63, Command Codes RPVUE, RPVCU, and RPPRT, for more information on CC RPVUE.
 - Fill out the Abusive Preparer Template. Send the completed template to your Lead/Manager for review and approval. If agreed the Lead/Manager will forward the referral to the appropriate POC's for consideration.
- (6) If during your research you identify a pattern of fraud that involves large amounts of lost refunds or refunds that could potentially be lost. Review the account with your lead, and use the following to determine if a Fraud Referral is needed:
 1. Review the Fraud Knowledge Base for additional information and resources to assist with your Fraud Referral.
 2. If a fraud referral is needed, fill out the Campus Fraud Lead Sheet, Form 13549.
 3. The Lead/Manager will review the form and submit it to the local Campus Fraud Coordinator for additional review and acceptance/rejection.

25.25.1.7 (09-13-2023) **Letter 6217C**

- (1) Letter 6217C is used by BMF IDT and EF programs to acknowledge receipt of letter responses, advise entity to submit Form 8822-B to update their entity information, or when additional information is needed to resolve a case.
- (2) EF technicians sending the 6217C requesting Entity updates should send the letter to the business after researching and confirming the business is legitimate.
- (3) Technicians are to utilize Letter 6217C in lieu of contacting taxpayers by phone. Use the standardized paragraph language provided by HQ when requesting additional information from the taxpayer.
- (4) Update case in BMFIC to record Letter 6217C sent by adding letter record, date you issued the letter, and add a note to case explaining why Letter 6217C was issued.

25.25.1.8 (09-13-2023) **Scanning and Loading Letter Response Correspondence**

- (1) All Letter 6042C responses and associated documents received must be uploaded and stored on the BMF IDT SharePoint Collection site. To meet processing timeframes, all cases must be prepped, scanned, and validated within 10 calendar days of receipt.
- (2) Prepare the response documents for scanning using the following steps:
 - a. The recommended batch size is up to 50 pages for each case.
 - b. Remove all staples, paper clips, rubber bands or any device holding the document together. Fan the documents to ensure all pages are separated and free of any staples.
 - c. Keep all documents (paper, routing slips, etc.) comprising a case together and intact.

Note: Torn documents may be repaired with tape if no adhesive is exposed. If the removal of staples caused damage to the paper, place tape over area to prevent small pieces from causing an obstruction in the production scanner.

(3) Assemble the response documents for scanning using the following steps:

BMF Documents	Assemble each document in the following order:
1	<p>The correspondence, including documents with the IRS received date stamps.</p> <p>Note: When possible, the first page of the case must contain the taxpayer's name, EIN and tax period. This will allow the taxpayer data to appear on the first image for manual entry during validation.</p>
2	Any small pieces of paper.
3	<p>Place a full-sized paper between small documents or envelopes to prevent multi feeds as needed. Example: If you have only a letter return address label and an envelope a full-sized sheet of white paper needs to be inserted to prevent multi feed at scanner.</p> <p>Note: If the taxpayer has enclosed original documents such as a death certificate, cancelled or voided checks, etc., follow procedures in paragraph 4 to send those original documents back to the taxpayer. Certified copies are not original documents and do not need to be returned to the taxpayer (e.g., certified copies of trusts or estates).</p> <p>Caution: Take extreme care to ensure that only the material relative to the taxpayer(s) to which the correspondence is addressed to is enclosed in the envelope.</p>

(4) Treatment of original documents, including returning any original documents to the taxpayer, should be completed using the following steps:

- a. The documents must be photocopied prior to scanning.
- b. After copying the document, place the photocopy of the document with the case for scanning. Annotate photocopy on the document.
- c. Complete and attach Form 14219, Return of Documentation to the Taxpayer, place the "original" documents in the designated receptacle for return to the taxpayer.
- d. Be sure to include the taxpayer's name and address with the document. If no address is indicated, check the envelope for a return address. If no

return address is on the envelope, research for the address on IDRS. These documents will be mailed to the taxpayer later as assigned by RIVO Management.

- (5) Scanned response documents will be sent to Microsoft Outlook as e-mail attachments and require forwarding to the BMF IDT SharePoint Collection site,

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Note: Ensure the body of the e-mail is free from any signatures, graphics, or other nonessential documentation not pertaining to the case.

- (6) After sending the response correspondence successfully to the BMF IDT SharePoint Collection site, the e-mail must be moved to the "Sent to Share-

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- (7) A weekly reconciliation of letter response correspondence sent to the BMF IDT SharePoint Collection site and the BMFIC application must be performed to ensure all correspondence received is recorded properly in BMFIC.

- (8) A reconciliation of electronic letter response correspondence sent to the BMF IDT SharePoint Collection site must be performed within 30 days after importing to ensure all correspondence received is recorded properly in

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- (9) Paper letter response correspondence must be retained for 30 days before being destroyed as classified waste. Refer to IRM 21.5.1.4.10, Classified Waste, for additional information on marking and disposing of classified waste.

25.25.1.9
(09-13-2023)
**Business Master File
(BMF) External Lead
Referrals**

- (1) An external lead involves a questionable tax refund reported by financial institutions or various other sources. IRM 25.25.8.1.7, External Lead Program Overview, provides information pertaining to the External Lead program.
- (2) All External Leads involving BMF accounts will be submitted to the *W&I EF Referrals mailbox for Entity Fabrication review. After Entity Fabrication has conducted a review a response email containing the Entity Fabrication results will be forwarded to the BMF IDT workgroup POC for review along with the External Leads POC. When all review has been conducted a final email will be sent to the External Lead POC containing research results and details to whether or not funds are to be returned to the IRS.

Note: The BMF referral subject line must appear as: "External Lead BMF Referral_####," (#### = last four digits of the EIN) and the body of the email must include the TIN, tax period, MFT, the spreadsheet provided by the financial institution (password removed), and any other attachments or pertinent information.

- (3) The Entity Fabrication team will follow the below steps when working a BMF External Lead referral:
- a. Add a new EF case in BMFIC using the most current IDRS entity information to complete the Business and Owner Details section.

1. Enter "BankLead" in the 'Business Phone Type' field and save the case in BMFIC.

- b. Add a correspondence 'Referral' record using the original received date of the referral email as the 'Date of Correspondence' and select 'Business' as the 'Response From'.
- c. Assign the BMFIC case to a TE for review and processing.
- d. The TE must research and review the case within five business days for an EF case determination, close the case using existing procedures found in IRM 25.25.1, Return Integrity and Verification Operation Business Master File Procedures.

1. If the case is determined to be fabricated, send the referral response back to the External Lead POC advising the entity was deemed fabricated and the tax refund should be returned to the IRS. The email response must include the BMF IDT POC so a BMF IDT case can be created in BMFIC to monitor and take additional actions to back out an invalid return filing if necessary. Ensure to include the EF case determination made along with research conducted that supports the determination.

2. . If the case determination is not fabricated, send the referral to the BMF IDT POC for potential IDT review. Ensure to include the EF case determination made along with research conducted that supports that determination.

Note: Per IRM 25.25.8.1.7 , External Lead Program Overview, the Lead source will be notified within 10 days to return or keep the funds, unless the lead contains a large volume of accounts.

(4) When a BMF External Lead referral is received from Entity Fabrication either confirming the entity was deemed fabricated or requesting review for potential IDT, the BMF IDT workgroup will:

- a. Add a new BMF case in BMFIC using the most current IDRS entity information to complete the Business and Owner Details section.

1. The EIN, MFT, and tax period should be provided in the referral received; use the posted TC 150 DLN as the DLN in BMFIC case creation.

2. Enter the current BMF cycle from the referral in the 'Cycle' field of the Business Master File section of the case in BMFIC.

3. Enter the refund check amount from the External Leads bank inquiry into the 'Claimed Amount' field in the Business Master File section of the case in BMFIC.

4. Enter "BankLead" in the 'Business Phone Type' field and save the case in BMFIC.

- b. Add a correspondence 'Referral' record using the original received date of the referral email as the 'Date of Correspondence' and select 'Business' as the 'Response From'.
- c. Assign the BMFIC case to a TE for review and processing.
- d. The TE must research and review the case within five days for the BMF IDT case determination, close the case using the existing procedures found in IRM 25.25.1, Return Integrity and Verification Operation Business Master File Procedures.

- a. If the case was determined to be a fabricated entity by the EF team, monitor the case for a TC 720 posting of returned funds before completing the remaining required case closing actions.
- b. If the case was determined to not be fabricated by the EF team but the return is IDT, send the referral response back to the External Lead POC advising that the return was deemed IDT and request the financial institution return the tax refund to the IRS. Ensure to include both the EF team's EF case determination and summary notes along with the BMF IDT case determination made with the research conducted that supports that determination. Monitor the case for the TC 720 posting of the returned funds before completing the remaining required case closing actions.
- c. If the case is determined to not be fabricated and the return is not IDT, send the referral response back to the External Bank Lead POC and ensure to include both the EF team's EF case determination and the summary notes along with the BMF IDT case determination made including the research conducted that supports that determination.

Note: When funds have posted to the account External Leads will send an email to the BMF POC with the subject line "External Lead BMF Referral Lead Closed_####," (#### = last four digits of the EIN). The TE assigned to the BMF case in BMFIC will need to take the case out of monitor status and take the appropriate closing actions on the account in IDRS and in BMFIC.

Note: Per IRM 25.25.8.1.7, External Lead Program Overview, the Lead source will be notified within 10 days to return or keep the funds, unless the lead contains a large volume of accounts.

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